

Directors:

Mike Duran, *President*

William Teague, *Vice President*

Dennis Coleman, *Secretary*

Debra Canero, *Director*

Scott Sear, *Director*

Interim General Manager:

Ron Buchwald, *PE*

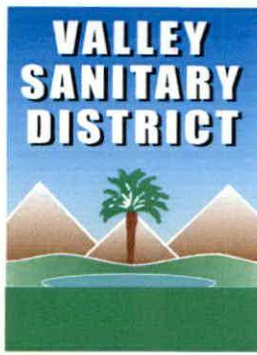
Regular Meeting of the Board of Directors

Tuesday

May 14, 2019

at

1:00 P.M.



Directors:

Mike Duran, *President*

William Teague, *Vice President*

Dennis Coleman, *Secretary*

Debra Canero, *Director*

Scott Sear, *Director*

Interim General Manager:

Ron Buchwald, *PE*

**REGULAR MEETING OF THE
BOARD OF DIRECTORS
Tuesday, May 14, 2019, 1:00 p.m.
AGENDA**

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

RESOLUTION NO. 2019-1112
ORDINANCE NO. 2019-120
MINUTE ORDER NO. 2019-2895

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 April 19, 2019 Special Board Meeting, April 23, 2019 Regular Board Meeting, and April 29, 2019 Special Board Meeting Minutes
- b. Approval of Expenditures for April 18, 2019 to May 8, 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.

ADJOURN TO CLOSED SESSION

2. CLOSED SESSION

The Board shall adjourn to Closed Session pursuant to Government Code 54956.9 (b) – Potential Litigation

PUBLIC HEARING

3. Public Hearing to Adopt the 2019/2020 – 2024/2025 Sewer Use Fees
 - A. General Notice and Call

- B. President Announces Public Hearing Procedures
- C. General Manager's Report
- D. President Declares Public Hearing Open
- E. Public Comments
- F. President Declares Public Hearing closed
- G. Board Discussion
- H. Consideration of Resolution

RESOLUTION NO. 2019-1113

NON-HEARING ITEMS

- 4. Sewer Capacity Charges Study

MINUTE ORDER NO.

- 5. Consideration of Employment Agreement Between Valley Sanitary District and Beverli Marshall for the Position of General Manager

MINUTE ORDER NO.

- 6. Review and Adoption of Resolution 2019-1114 – Maximum Concentration Limits for Wastewater Discharges

RESOLUTION NO. 2019-1114

- 7. Consideration of Proposal from Total Compensation System, Inc. to Provide Actuarial Services Associated with Other Post-Employment Benefits (OPEB) in Compliance with Governmental Accounting Standards Board (GASB) Statement Nos. 74/75

MINUTE ORDER NO.

- 8. Secondary Security Fence Panels Project Pay Application Number 2

MINUTE ORDER NO.

- 9. Pollution Liability Coverage – Desert Cornerstone Insurance Service, Inc

MINUTE ORDER NO.

- 10. Staff Notes

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: May 9, 2019

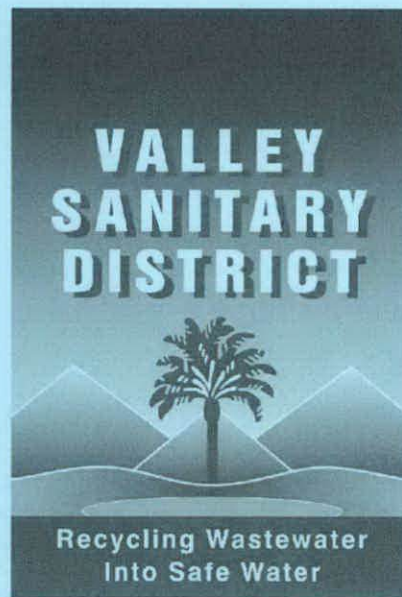
Holly Gould

Holly Gould, Clerk of the Board
Valley Sanitary District

PUBLIC NOTICE

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

Consent Items



- a. Consideration of Board Meeting Minutes
- b. Approval of Expenditures

UNOFFICIAL UNTIL APPROVED
VALLEY SANITARY DISTRICT
MINUTES OF SPECIAL BOARD MEETING
April 19, 2019

A Special Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at Valley Sanitary District, 45-500 Van Buren Street, Indio, California, on Friday, April 19, 2019.

CALL TO ORDER, ROLL CALL

1. PRESIDENT MIKE DURAN called the meeting to order at 2:00 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Mike Duran, William Teague, Dennis Coleman, Debra Canero and Scott Sear

DIRECTORS ABSENT: None

STAFF PRESENT: Joanne Padgham

GUESTS: None

ADJOURN TO CLOSED SESSION

2. The Board shall adjourn to Closed Session for Labor Negotiations pursuant to Government Code Section 54957 – General Manager

The Board adjourned to closed session at 2:01 p.m. DIRECTOR CANERO joined the meeting at 2:25 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 2:56 p.m. PRESIDENT DURAN stated that there was nothing to report.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:56 p.m., and the next Regular Board Meeting will be held April 23, 2019.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

UNOFFICIAL UNTIL APPROVED

VALLEY SANITARY DISTRICT MINUTES OF REGULAR BOARD MEETING April 23, 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, April 23, 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, Dennis Coleman, Debra Canero and Scott Sear

DIRECTORS ABSENT: None

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

GUESTS: None

CONSENT ITEMS

- a. Consideration of the April 8, 2019 Special Meeting, April 9, 2019 Regular Meeting, and April 15, 2019 Special Meeting Minutes
- b. Approval of Cash and Investments for March 2019
- c. Approval of Expenditures for April 4, 2019 to April 17, 2019

Check numbers 37113 to 37151 totaling \$124,824.61 and transfers of \$152,552.34 were issued.

ACTION TAKEN:

MOTION: SECRETARY COLEMAN made a motion to approve the minutes for the Special Meeting held April 8, 2019, Regular Meeting held April 9, 2019, and Special Meeting held April 15, 2019, approve the Summary of Cash & Investments for March 2019, and pay the disbursement items as presented. DIRECTOR CANERO seconded the motion. Motion carried by the following vote: 5 yes

MINUTE ORDER NO. 2019-2890

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. Award Contract - Sewer Siphon Replacement Crossing Coachella Stormwater Channel to Carollo Engineers, Inc.

On February 14, 2019, the Coachella Valley and the watershed north of Palm Springs experienced a high rain event that resulted in flood waters within the Coachella Stormwater Channel. This flood event was the direct cause of the high erosion within the storm channel that exposed the District's sewer siphon underneath the channel at Westward Ho and Avenue 46. The repaired sewer siphon needs to be replaced with a permanent and protected sewer siphon. A new design is required to place the main below the new erosion zone. This replacement project has many design alternatives (open cut, directional bore, bore and jack, etc.) and considerations (soil types, utilities within the channel, siphon length and depth, etc.) that requires research, investigations and cost estimations. The District has an Indefinite Delivery / Indefinite Quantity (IDIQ) As-Needed contract with Carollo dated July 16, 2018. This project will be Task Authorization No. 2 of the IDIQ master services contract for Carollo. Carollo has put together a proposal to perform this initial design for a not to exceed fee of \$125,534. It is estimated that this project will take two (2) years to complete.

ACTION TAKEN:

MOTION:

SECRETARY COLEMAN made a motion to authorize the General Manager to execute a contract to Carollo Engineers for the preliminary design of the sewer siphon replacement crossing the Coachella Stormwater Channel at Westward Ho not to exceed \$125,534. DIRECTOR SEAR seconded the motion. Motion carried by the following roll call vote:

MINUTE ORDER NO. 2019-2891

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

3. Resolution to Adopt the 2018 Coachella Valley Integrated Regional Water Management Plan

“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ADOPTING THE 2018 COACHELLA VALLEY INTERGRATED REGIONAL WATER MANAGEMENT PLAN”

ACTION TAKEN:

MOTION:

DIRECTOR SEAR made a motion to adopt Resolution No. 2019-1112 adopting the 2018 Coachella Valley Integrated Regional Water Management Plan. VICE PRESIDENT TEAGUE seconded the motion. Motion carried by the following roll call vote:

MINUTE ORDER NO. 2019-2892

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague
NOES: None

ABSENT: None

ABSTAIN: None

4. General Manager's Report

The District has signed the contract with Caselle and is moving forward with implementing the new Finance and Permitting Program. The new website continues to move forward. The District has received the CAFR Award for the seventh consecutive year. Mr. Buchwald distributed the endorsement for the Environmental Pollution Coverage that the Board requested to be added to the insurance package. This addition will be included in the final budget numbers.

ADJOURN TO CLOSED SESSION

5. The Board shall adjourn to closed session to discuss labor negotiations pursuant to Government Code 54957 – General Manager

The Board adjourned to closed session at 1:17 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 2:24 p.m. PRESIDENT DURAN stated that there was nothing to 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.

- Combined Monthly Account Summary for Expenses for March 2019
- Monthly Income Summary for March 2019

SECRETARY COLEMAN thanked staff for their work in providing the Board with the Monthly Income Summary Report.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:31 p.m., and the next Regular Board Meeting will be held May 14, 2019.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

UNOFFICIAL UNTIL APPROVED
VALLEY SANITARY DISTRICT
MINUTES OF SPECIAL BOARD MEETING
April 29, 2019

A Special Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at Valley Sanitary District, 45-500 Van Buren Street, Indio, California, on Monday, April 29, 2019.

CALL TO ORDER, ROLL CALL

1. PRESIDENT MIKE DURAN called the meeting to order at 10:00 a.m. Those in attendance were as follows:

DIRECTORS PRESENT: Mike Duran, William Teague, Dennis Coleman, Debra Canero and Scott Sear

DIRECTORS ABSENT: None

STAFF PRESENT: Joanne Padgham

GUESTS: None

ADJOURN TO CLOSED SESSION

2. The Board shall adjourn to Closed Session for Labor Negotiations pursuant to Government Code Section 54957 – General Manager

The Board adjourned to closed session at 10:01 a.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 11:10 a.m. PRESIDENT DURAN stated that there was nothing to report.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 11:11 a.m., and the next Regular Board Meeting will be held May 14, 2019.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

DISBURSEMENTS
Approved at the Board Meeting of
May 14, 2109

37152 Dennis Coleman	Recruitment Lunch	\$64.00
37153 United Way of the Desert	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$50.00
37154 Vantage Point Transfer Agents - ICMA	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$1,345.00
37155 Healthy Futures, Inc.	Wellness Program for April 2019	\$1,250.00
37156 CSI Ceja Security International	Plant Security 4/16/19-4/30/19	\$2,700.00
37156 CSI Ceja Security International	Plant Security 4/1/19-4/15/19	\$2,700.00
37156 CSI Ceja Security International	Plant Security 3/16/19-3/31/19	\$2,880.00
37157 Analytical Technology, Inc.	Reagent Tubing Kit	\$217.34
37158 Around The Clock Call Center	Call Center Service for April 2019	\$136.30
37159 Best, Best & Krieger	Legal Service for April 2019	\$4,643.41
37160 Bureau of Reclamation	Contract 06-07-34-L1478 5/18/19-5/17/20	\$300.00
37161 C & M Electric, Inc	Belt Press Motor Repair	\$352.04
37162 Carquest Auto Parts	New Charges for April 2019	\$381.82
37163 Cintas Corp	Uniforms, mats, towels, etc for week of 04/22/2019	\$820.08
37163 Cintas Corp	Uniforms, mats, towels, etc for week of 04/29/2019	\$753.47
37163 Cintas Corp	Uniforms, mats, towels, etc for week of 05/06/2019	\$973.42
37164 City of Indio	*Reimburse Lateral Repair 82307 Luce Ct.	\$1,857.72
37165 CTE Systems, Inc	Attendance on Demand for April 2019	\$281.67
37166 CWSRF	SRF Payment	\$553,360.71
37167 Daniels Tire Service, Inc.	Mount Tire for John Deere	\$17.08
37167 Daniels Tire Service, Inc.	Tire Repair Truck 05	\$26.09
37168 Desert Electric Supply	Step Light Replacement	\$128.85
37169 Desert Hose & Supply	Leader Hose for Vector Truck	\$397.54
37170 E.K. Wood Lumber Company	Cooler Parts	\$95.81
37171 E.S. Babcock & Sons, Inc.	Quarterly NPDES Testing	\$486.00
37172 Eisenhower Occupational Health	DOT Testing	\$50.00
37173 Eurofins Eaton Analytical	Total Dissolved Solids Testing for April 2019	\$90.00
37174 FedEx Freight West, Inc., Dept. LA	Freight Charges	\$898.09
37175 Foster-Gardner, Inc.	Weed Killer	\$701.10
37175 Foster-Gardner, Inc.	Landscaping Supplies	\$2,162.56
37176 Grainger	Gantry Crane Parts	\$1,320.54
37176 Grainger	Gantry Crane Parts	\$219.68
37176 Grainger	Emergency Light Fixtures	\$190.98
37176 Grainger	Grease	\$22.89
37176 Grainger	Gantry Crane Parts	\$181.47
37176 Grainger	Gantry Crane Parts	\$45.49
37176 Grainger	Overload Heaters	\$91.24
37176 Grainger	Lamps	\$153.56
37176 Grainger	Lab A/C Filters	\$720.85
37177 Haaker Equipment Company	Replacement Parts for Kenworth Vector	\$523.99
37178 Hach Company	Ammonia Analysis Reagent	\$108.22
37178 Hach Company	Reagents	\$135.21
37178 Hach Company	Nitrogen Testing Standards	\$492.30
37178 Hach Company	Nitrogen Testing Standards	\$225.25
37179 House Manufacturing Company, Inc.	Aerator Parts	\$344.22
37180 Industrial Filter Manufacturers, Inc.	Filters for Blower	\$901.24
37181 Innovative Document Solutions	Copy Machine Maintenance Fee	\$457.21
37182 Johnstone Supply	A/C Condenser Fan Motor	\$236.90
37183 Karen C Hopper	Hotel Reimbursement for GM Candidate	\$563.30
37184 LCS Constructors	Fume Hood Calibration	\$700.00
37185 Lock Shop	Rekey Lock	\$603.99
37186 McMaster-Carr Supply Co.	Moisture Resistant HDPE	\$30.19
37186 McMaster-Carr Supply Co.	Retock Supplies	\$185.71
37186 McMaster-Carr Supply Co.	Glass Lens Replacement	\$58.84
37186 McMaster-Carr Supply Co.	Polyurethane	\$203.27
37186 McMaster-Carr Supply Co.	Biofilter Repairs	\$973.13
37186 McMaster-Carr Supply Co.	Fasteners	\$67.90
37187 MCR Technologies, Inc.	Flow Meter Repair	\$805.88
37188 Municipal Financial Services	Evaluation of Sewer Capacity Charges	\$1,260.00
37188 Municipal Financial Services	Evaluation of Sewer Use Fees	\$1,960.00
37189 National Coating & Lining Company	*Clarifier Coating #3 Retention Payment	\$6,237.50
37190 Northwest Scientific, Inc.	Sulfuric Acid	\$368.91
37191 Paloma Air Conditioning	Motor for Lab A/C	\$510.00
37192 Parkhouse Tire Services, Inc.	Recap Tires for Vector Truck	\$661.58
37192 Parkhouse Tire Services, Inc.	New Tires for Vector Truck	\$1,452.42
37193 Paul's Total Fleet Maintenance	Radiator Replacement	\$1,968.97
37194 Polydyne, Inc.	Polymer for Belt Press	\$3,624.31
37195 Praxair Distribution, Inc.	Welding Gas	\$73.24
37195 Praxair Distribution, Inc.	Welding Supplies	\$1,296.53

37196	Price's Nursery & Garden Supply	Crane Service for Bar Screens	\$652.50
37197	Pyro-Comm Systems	Fire Alarm Monitoring 5/1/19-7/31/19	\$135.00
37198	Quinn Company	Man Lift Rental	\$1,351.37
37199	RDO Equipment Company	Lawn Mower Parts	\$416.10
37200	ReadyRefresh by Nestle	Bottled Water for April 2019	\$733.42
37201	Rudy's Pest Control	Pest Control for May 2019	\$175.00
37202	S & N Airflow, Inc.	Aerator Replacement Parts	\$2,388.72
37203	South Coast A.Q.M.D	Hot Spots Fee July 2018 to June 2019	\$132.98
37204	Southwest Networks, Inc.	Bullet Camera	\$538.32
37204	Southwest Networks, Inc.	Plotter Issue	\$14.00
37204	Southwest Networks, Inc.	Technical Support for April 2019	\$3,135.00
37204	Southwest Networks, Inc.	BDR Storage for June 2019	\$699.00
37204	Southwest Networks, Inc.	Quarterly Contract Billing June - August	\$6,777.00
37205	Stantec Consulting Services, Inc.	*Document Prep for Coating of Discharge Piping	\$3,447.50
37205	Stantec Consulting Services, Inc.	*Inspection of Aeration Basin	\$12,994.96
37206	Sulzer	Electric Motor	\$2,573.07
37207	Tops 'N Barricades Inc.	Sewer Main Markers	\$325.71
37208	Tremblay Iron Works	*Secondary Fence Panels Pymt 2	\$81,874.80
37209	Underground Service Alert	Dig Alerts for April 2019	\$189.85
37209	Underground Service Alert	Dig Safe Board Fee	\$82.93
37210	United Way of the Desert	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$50.00
37211	Univar USA Inc.	Sodium Hypochlorite	\$7,146.57
37211	Univar USA Inc.	Ferric Chloride	\$5,684.58
37211	Univar USA Inc.	Sodium Bisulfite	\$5,336.09
37212	Vantage Point Transfer Agents - ICMA	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$1,345.00
37213	VER Sales, Inc.	Winch for Confined Space Entry	\$2,594.52
37214	Walters Wholesale Electric	PVC Coated Material	\$454.60
201904243	TASC	FSA - Plan Documents	\$179.16
201904261	Paychex - Direct Deposit	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$62,107.17
201904262	Paychex - Garnishment	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$75.00
201904263	Paychex - Tax	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$29,106.97
201904264	MassMutual	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$10.00
201904265	Nationwide Retirement Solution	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$2,530.76
201904266	TASC	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$362.54
201904267	Paychex - Fee	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$146.41
201904241	CalPERS 457	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$2,680.00
201904242	CalPERS Retirement	PR 04/05/2019 - 04/18/2019 PD 04/26/2019	\$16,012.31
201904291	Indio Water Authority	VSD Hydrant Agreement for March 2019	\$479.14
201904301	Imperial Irrigation District	Electricity for March 2019	\$30,443.71
201904302	Imperial Irrigation District	Electricity for March 2019	\$273.42
201904303	Domino Solar LTD	Electricity for March 2019	\$10,708.40
201904304	Sun Life Financial	Vision Insurance for May 2019	\$696.92
201904305	Paychex - Direct Deposit	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$3,213.62
201904306	Verizon Wireless	Cell service for April 2019	\$441.45
201904307	Standard Insurance Company	Life and Disability Insurance for May 2019	\$1,691.23
201904308	Paychex - Fee	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$90.31
201904309	Paychex - Live Check	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$18,791.12
2019043010	Paychex - Tax	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$26,381.53
201905031	Time Warner Cable	Telephone service for May 2019	\$1,137.33
201905061	Indio Water Authority	Water for March 2019	\$743.21
201905091	Home Depot Credit Services	New Charges for April 2019	\$1,602.79
201905094	CalPERS Retirement	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$15,811.05
201905095	CalPERS 457	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$680.00
201905095	CalPERS 457	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$2,500.00
201905101	Humana Dental Insurance	Dental Insurance for May 2019	\$2,011.35
201905102	Burrtec Waste & Recycling Svcs	Trash Service for May 2019	\$222.38
201905103	SoCal Gas	Natural Gas for April 2019	\$195.80
201905104	Paychex - Direct Deposit	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$58,128.92
201905105	Paychex - Tax	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$26,068.08
201905106	MassMutual	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$10.00
201905107	Nationwide Retirement Solution	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$2,530.76
201905108	Paychex - Fee	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$151.55
201905109	Burrtec Waste & Recycling Svcs	Grit Removal for April 2019	\$2,299.07
201905111	SPOK, Inc.	Pagers for May 2019	\$23.75
201905121	Frontier Communications	Telephone Service for April 2019	\$205.11
201905131	TASC	PR 04/19/2019 - 05/01/2019 PD 05/01/2019	\$38.46
201905131	TASC	PR 04/19/2019 - 05/02/2019 PD 05/10/2019	\$324.08
201905132	Bank of New York Mellon	WW Rev Refunding Bond payment	\$755,093.75

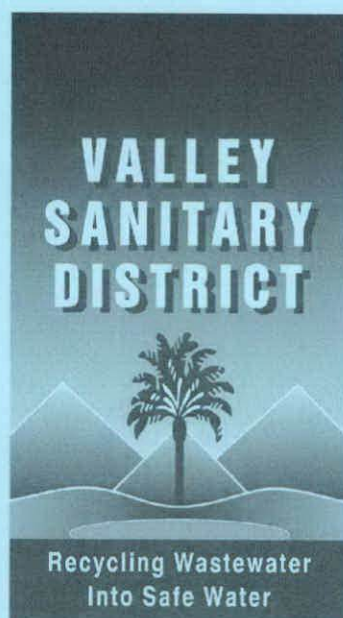
*Capital Expenditures

\$1,827,544.21

Approved:

Agenda Item

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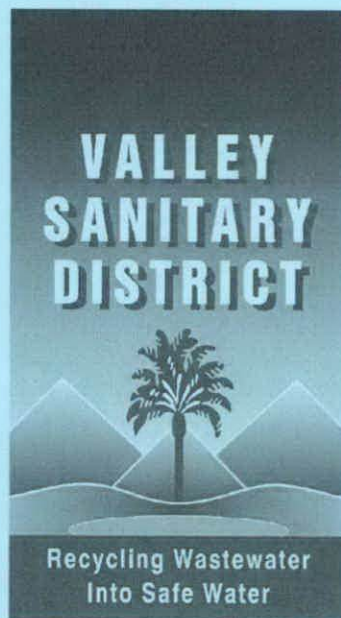


CLOSED SESSION

The Board shall adjourn to Closed Session pursuant to Government Code 54956.9(b) – Potential Litigation

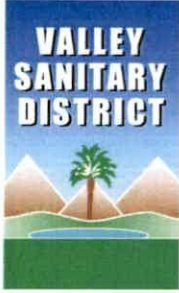
Agenda Item

3



PUBLIC HEARING

**Public Hearing to Adopt the
2019/2020-2024/2025 Sewer Use Fees**



Valley Sanitary District
Board of Directors Meeting
May 14, 2019
PUBLIC HEARING

TO: Board of Directors
FROM: Ron Buchwald
SUBJECT: Sewer Use Fee – Public Hearing

<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 conduct a Public Hearing, in accordance with Proposition 218, regarding the five-year rate plan and approve Resolution 2019-1113, Adoption of the Sewer Use Fee for Fiscal Years 2019/2020 – 2024/2025.

Background:

In September 2018 the Valley Sanitary District contracted with Municipal Financial Services to evaluate sewer service charges and recommend a revised schedule of sewer service charges. Sewer service charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital program expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves.

The District held a study session for the proposed rates on February 12, 2019. The Board provided direction to Staff to set a public hearing date for May 14, 2019. It is recommended that the District adopt sewer services charges for FY19-FY24 (five years).

In accordance with California Proposition 218, the Valley Sanitary District duly advised all customers via U.S. Mail of a Public Hearing in order to consider an increase to the Sewer Use Rate.

Additionally, notice of the Public Hearing was advertised in the Desert Sun, a newspaper of general circulation on March 24, 2019 and March 31, 2019.

Fiscal Impact:

The adoption of the proposed five-year rate plan will increase yearly revenue beginning in Fiscal Year 2020/2021 in order to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital program expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves.

Submitted By: Rld Buchwald
Ron Buchwald,
Interim General Manager

Approved By: Rld Buchwald
Ron Buchwald,
Interim General Manager

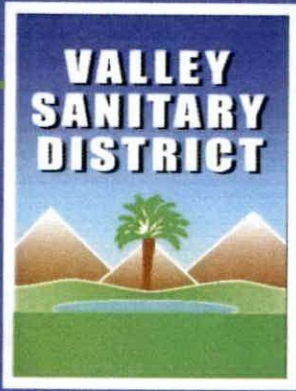
Attachments:

Copy of Proposition 218 Notice

Copy of Public Hearing Notice

Resolution 2019-1113

Evaluation of Sewer Service Charges by Municipal Financial Services



NOTICE OF PUBLIC HEARING

PROPOSED CHANGES TO SEWER USE RATES

Date: May 14, 2019

Time: 1:00 PM

Location: Valley Sanitary District Board Room

45-500 Van Buren Street Indio, CA 92201

The Valley Sanitary District (VSD) Board of Directors will hold a public hearing to discuss a proposed schedule of increase to the sewer use rates. If approved by the VSD Board of Directors, the rate increase will take effect starting July 1st, 2019, with annual increases proposed over the next four years.

All members of the public are welcomed to attend the public hearing.
For further information, please call 760.238.5400.

Why the Rate Increase?

VSD prides itself in offering competitively low rates while maintaining a high level of service for its customers. The District utilizes a five-year financial plan that depicts costs, how to maximize cost efficiency, and ensure there is sufficient revenue to provide high level wastewater treatment. Our goal is to have competitive, fair and equitable rates for our customers that promote stability for the District and to reflect the cost of service.

How is the Money Invested?

The rate revenue collected deemed by state law must cover the operation costs of the District. Repairs, maintenance, projects, and operation of the facility is funded by the revenue collected from our customers. The District strives to keep costs as low as possible while providing the most efficient service possible. Costs include operations, maintenance and capital investment in the system.

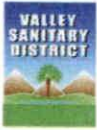
www.valley-sanitary.org

Para obtener esta
información en español,
llame al 760.984.0535



Date	Rate
July 2020	\$ 330 per EDU (\$ 27.50 / month)
July 2021	\$ 330 per EDU (\$ 27.50 / month)
July 2022	\$ 350 per EDU (\$ 29.17 / month)
July 2023	\$ 350 per EDU (\$ 29.17 / month)
July 2024	\$ 350 per EDU (\$ 29.17 / month)

*EDU is Equivalent Dwelling Unit



VALLEY SANITARY DISTRICT
45-500 VAN BUREN STREET
INDIO, CA 92201
WWW.VALLEY-SANITARY.ORG

PRESORTED STD
US POSTAGE
PAID
PALM DESERT, CA
PERMIT NO. 149

How to Voice Your Opinion:

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 assessor's 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 (1) 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 to the proposed increase. If written protests towards the proposed increase are presented by most 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.**



PROOF OF PUBLICATION

STATE OF CALIFORNIA SS.
COUNTY OF RIVERSIDE

VALLEY SANITARY DISTRICT
45500 VAN BUREN ST
INDIO CA 92201

I am over the age of 18 years old, a citizen of the United States and not a party to, or have interest in this matter. I hereby certify that the attached advertisement appeared in said newspaper (set in type not smaller than non pariel) in each and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

03/24/19, 03/31/19

I acknowledge that I am a principal clerk of the printer of The Desert Sun, printed and published weekly in the City of Palm Springs, County of Riverside, State of California. The Desert Sun was adjudicated a Newspaper of general circulation on March 24, 1988 by the Superior Court of the County of Riverside, State of California Case No. 191236.

I certify under penalty of perjury, under the laws of the State of California. that the foregoing is true and correct.. Executed on this 1st of April 2019 in Green Bay, WI, County of Brown.

[Signature]
DECLARANT

Ad#: 0003450231
P O : PH New Rates
of Affidavits :1

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. Pub: 3/24, 3/31/19

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. Pub: 3/24, 3/31/19

RECEIVED

APR 08 2019

Valley Sanitary District

RESOLUTION NO. 2019-1113

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT
ADOPTING SEWER RATES FOR FISCAL YEARS 2020/2021 TO 2023/2024**

WHEREAS, the Valley Sanitary District (the “District”) is authorized to provide sewer service to properties within its service area, and pursuant to Ordinance 94-115 the Board of Directors established the authority under State law to collect fees and charges for costs reasonably borne and charges levied by the District; and,

WHEREAS, costs for providing sewer service and operating the sewer system have gone up, and the District previously retained Municipal Financial Services, an independent rate consultant, to perform a cost of service analysis and rate study, entitled the Evaluation of Sewer Service Charges; and

WHEREAS, on February 12, 2019, the District held a study session at a regular board meeting, reviewing the Evaluation of Sewer Service Charges, prepared and presented by Municipal Financial Services; and

WHEREAS, the Evaluation of Sewer Service Charges found that increases and adjustments to the District’s sewer service charges are necessary to meet increased costs of providing service and operating the system; and

WHEREAS, based on this analysis, the District is proposing to increase its sewer service charges to the amounts and on the dates set forth in Exhibit A hereto; and

WHEREAS, the proposed structure for the sewer service charges include an annual flat charge per equivalent dwelling unit (“EDU”), with each EDU equaling 230 Gallons Per Day (GPD); and

WHEREAS, the revenues derived from the sewer service charges will not exceed the funds required to provide the services for which the sewer service charges are imposed, and will be used exclusively for the operation and maintenance of the District’s sewer systems; and

WHEREAS, the sewer service charges are equitable to all customer classes; and

WHEREAS, the amount of the sewer service charges will not exceed the proportional cost of the service attributable to each parcel upon which they are proposed for imposition; and

WHEREAS, the sewer service charges will not be imposed on a parcel unless the service for which such charge is imposed, is actually used by, or immediately available to, the owner of the parcel; and

WHEREAS, article XIII D, section 6 of the California Constitution (“Article XIII D”) requires that prior to imposing any increase to the Charges, the City shall provide written notice (the “Notice”) by mail of the new or increased sewer service charges to the record owner of each parcel upon which the Charges are proposed for imposition and any tenant directly liable for payment of the sewer service charges, the amount of the sewer service charges proposed to be imposed on each parcel, the basis upon which the sewer service charges were calculated, the reason for the sewer service charges, and the date time and location of a public hearing (the “Hearing”) on the proposed sewer service charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the sewer service charges not less than forty-five days prior to the Hearing on the proposed sewer service charges; and

WHEREAS, on May 14, 2019, the Board of Directors held a duly noticed Hearing on the proposed sewer service charges contained in this resolution, and at that time invited oral and written comments from the public; and

WHEREAS, at the time of this writing the District did receive nine (9) written protests to the proposed annual increase to the various annual sewer service charges, and during the Hearing additional protest numbering _____ were received; and

WHEREAS, the Board of Directors now desires to establish sewer rates for Fiscal Years 2020/2021 to 2024/2025, effective July 1 and adjusted as provided herein each July 1 thereafter through and including July 1, 2023, all as set forth in Exhibit A hereto.

NOW, THEREFORE, the Board of Directors of Valley Sanitary District **HEREBY RESOLVES**:

1. The matters set forth in the recitals to this Resolution are true and correct statements.
2. Written protests against the proposed rates and charges were not presented by a majority of owners.
3. The wastewater rates set forth in the attached Exhibit A are hereby approved and adopted in the amounts and on the dates set forth in Exhibit A.
4. The attached sewer rates shall take effect on July 1, 2020.

PASSED, APPROVED, and ADOPTED this 14^h day of May 2019, by the following roll call vote. A summary notice thereof has been published twice in a newspaper of general circulation in the Valley Sanitary District prior to said hearing as required by law. Resolution 2018-1100 is hereby repealed at the effective date of this resolution.

AYES:
NAYES:
ABSENT:
ABSTAIN:

Mike Duran, President

ATTEST:

Dennis Coleman, Secretary

Exhibit A

Date	Rate
July 2019	\$ 313 per EDU (\$ 26.08 / month)
July 2020	\$ 330 per EDU (\$ 27.50 / month)
July 2021	\$ 330 per EDU (\$ 27.50 / month)
July 2022	\$ 350 per EDU (\$ 29.17 / month)
July 2023	\$ 350 per EDU (\$ 29.17 / month)



FINAL
Evaluation of Sewer Service Charges

Prepared for
Valley Sanitary District, California
May 2019

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List of Abbreviations

Ccf	Hundred Cubic Feet
CCI	Construction Cost Index
CIP	Capital Improvement Program
District	Valley Sanitary District
EDU	Equivalent Dwelling Unit
FY	Fiscal year (July 1 to June 30)
FY20	July 1, 2019 to June 30, 2020
gpd	Gallons per Day
HCF	Hundred Cubic Feet
VSD	Valley Sanitary District
O&M	Operation and maintenance
R&R	Renewal and Replacement
SSC	Sewer Service Charge

Executive Summary

In September 2018 the Valley Sanitary District (VSD or District) contracted with Municipal Financial Services to evaluate sewer service charges and recommend a revised schedule of sewer service charges.

Purpose of the Study

The purpose of the study was to evaluate sewer service charges for the Valley Sanitary District. Sewer service charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital program expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves.

Evaluation of Capital Improvement Program (CIP) projects extends through Fiscal Year 2028 – 2029 (FY29). This 10-year time-period was selected to include the impact of \$163.4 million in CIP expenditures which include the Phase 3 wastewater treatment plant projects. It is recommended that the District adopt sewer service charges for FY20 – FY24 (five years).

The evaluation includes estimates of future operating and non-operating revenues, operating and maintenance expenses, debt service obligations, and capital program expenditures. Like all projections, the evaluation is based on several assumptions including interest and inflation rates as well as future operating and program costs. The evaluation reflects current policies as well as potential changes to sewer service charges and sewer capacity charges, and other sources of revenues. To the extent that actual conditions differ from those incorporated in the evaluation, actual results may differ from the findings developed in this study.

Projected Cash Flow

Operating and capital funds cash flow for the five-year period of FY20 – FY24 is shown in Figure ES-1. The revenues from sewer service charges and sewer capacity charges include additional revenues from

Beginning Balance, July 1, 2019	\$46,672
Revenues	
Sewer Service Charges	\$61,431
Other Operating	\$120
Nonoperating	\$3,959
Interest Earnings	\$3,375
Capacity Charges	\$5,780
Loan Disbursements	\$59,356
Total Revenues	\$134,021
Expenditures	
Fund 11 Operating & Maintenance	\$38,710
Fund 11 Capital	\$2,187
Fund 12 Capital	\$69,908
Fund 13 Capital	\$23,742
Debt Service	\$14,440
Total Expenditures	\$148,988
Revenues less Expenditures	(\$14,967)
Ending Balance, June 30, 2024	\$31,705

annual increases in charges. Note that during this five-year period, total expenditures exceed total revenues by approximately \$15 million. Expenditures not funded by revenues are funded by use of cash from the fund balance.

Revenues from sewer service charges and sewer capacity charges are required to fund the projected \$95.8 million in CIP expenditures during the five-year period. Approximately 63 percent of the CIP expenditures (\$59.4 million) are projected to be funded from issuance of new debt with the remainder from cash. After issuance of new debt, the annual debt service principal and interest payments are projected to total approximately \$4.1 million per year.

Figure ES-1. Cash Flow Summary, FY20 – FY24

Recommended Sewer Service Charges

During the past nine years, sewer service charges have been adjusted twice. In 2014, sewer service charges were increased from \$259 per unit of service to \$270 (an increase of approximately 4 percent). The most recent adjustment was in 2016 when sewer service charges were increased by 16 percent to \$313 per unit of service.

The District’s historical and recommended sewer service charges are shown in the table below. The recommended sewer service charges for FY20 and FY21 are \$330 per unit (an initial increase of about 5.4 percent). The recommended sewer service charges for FY22 – FY24 are \$350 per unit (an increase of about 6.1 percent).

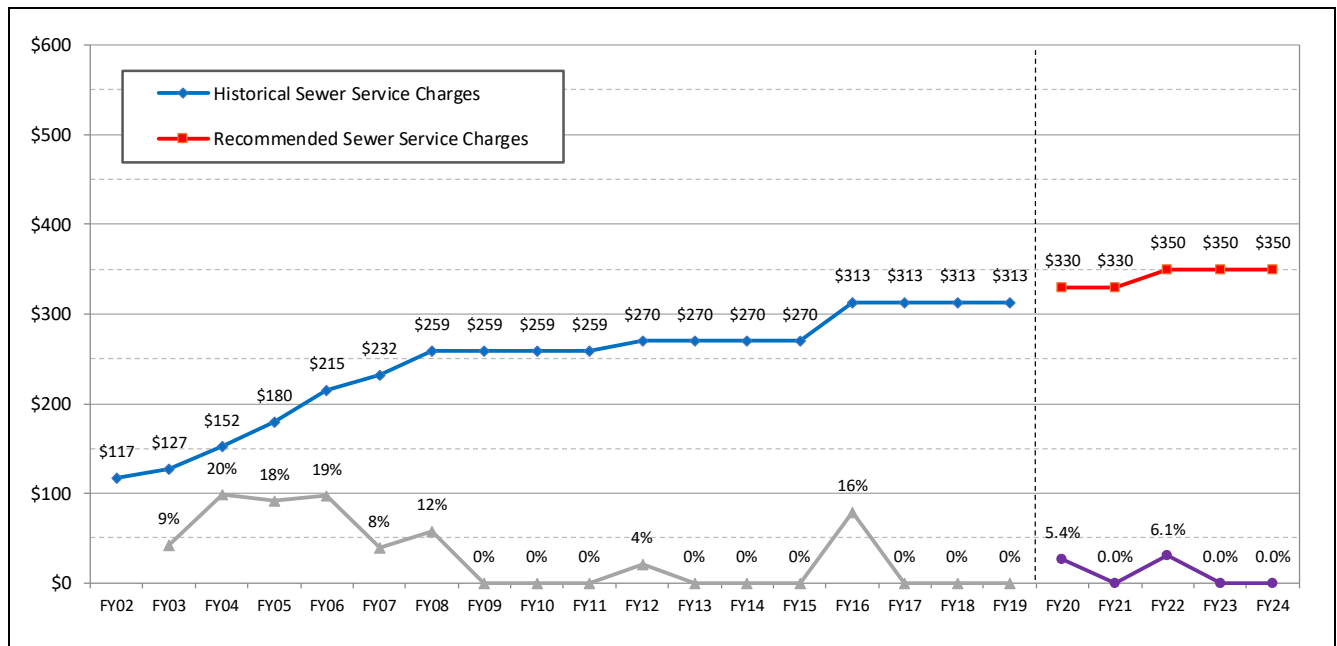


Figure ES-2. Historical and Projected Residential Annual Sewer Service Charges

It is recommended that in FY22, the District evaluate whether revenue from sewer service charges developed in this five-year rate plan will be sufficient to fund capital expenditure increases projected for FY25 – FY29.

Section 1

Introduction

Sewer Service Charges are intended to recover revenues sufficient to adequately fund sewer utility operations, maintenance, and capital replacement expenditures, and meet debt service obligations, while keeping rates as competitive as possible and maintaining a prudent level of reserves.

1.1 District Structure and Leadership

The Valley Sanitary District is an independent special district, which operates under the authority of the Health and Safety Code, Sanitary District act of 1923, section 6400 *Et. Sequentia*. The District was formed June 1, 1925 and is governed by a five-member Board of Directors, elected at large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs approximately 27 regular employees organized in three departments.

1.2 Wastewater Management System Description

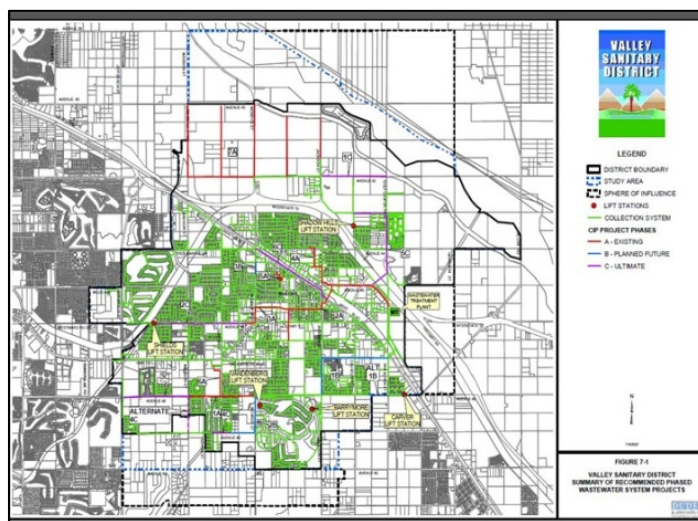
The District provides sewer services to approximately 27,850 connections within its 19.5 square mile service area, located in the eastern desert area of Riverside County. The VSD service area primarily consists of residential areas with moderate commercial, industrial, and public land use encompassing much of the City of Indio, portions of the City of La Quinta and City of Coachella, and unincorporated areas of the County of Riverside.

A vast wastewater management system has been built to collect, transport, treat and dispose wastewater. The wastewater treatment, collection and disposal system comprise approximately:

- 254 miles of sanitary sewer pipe;
- 4,910 sewer manholes;
- 4 sewage pump stations;
- 12.5 mgd capacity secondary treatment plant; and
- Administrative Headquarters Building.

Wastewater is collected from the thousands of customers, transported to the Wastewater Treatment Facility for treatment and subsequently discharged into the Whitewater Channel via an outfall.

The Valley Sanitary District is exploring the possibility with the Indio Water Authority of a recycled / reclaimed water project. This project will reuse tertiary treated water as a new water source for sustainable and beneficial use. The City of Indio and the Valley Sanitary District have created a Joint Powers Authority for this purpose, the East Valley Reclamation Authority. This project is in the preliminary exploration stage.



1.3 Regulatory Requirements

The updated Sewer Service Charges recommended in this study should fulfill the requirements found in the *Revenue Program Guidelines* published by the California Environmental Protection Agency's State Water Resource Control Board from its Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities.

1.4 Overview of Utility Rate Setting Process

Sewer rate studies classically have three categories of technical analysis – the development of revenue required from rates, the allocation of costs among functional cost categories (cost-of-service analysis) and the design of a rate structure. An overview of the rate-setting analytical steps is shown in Figure 1-1.

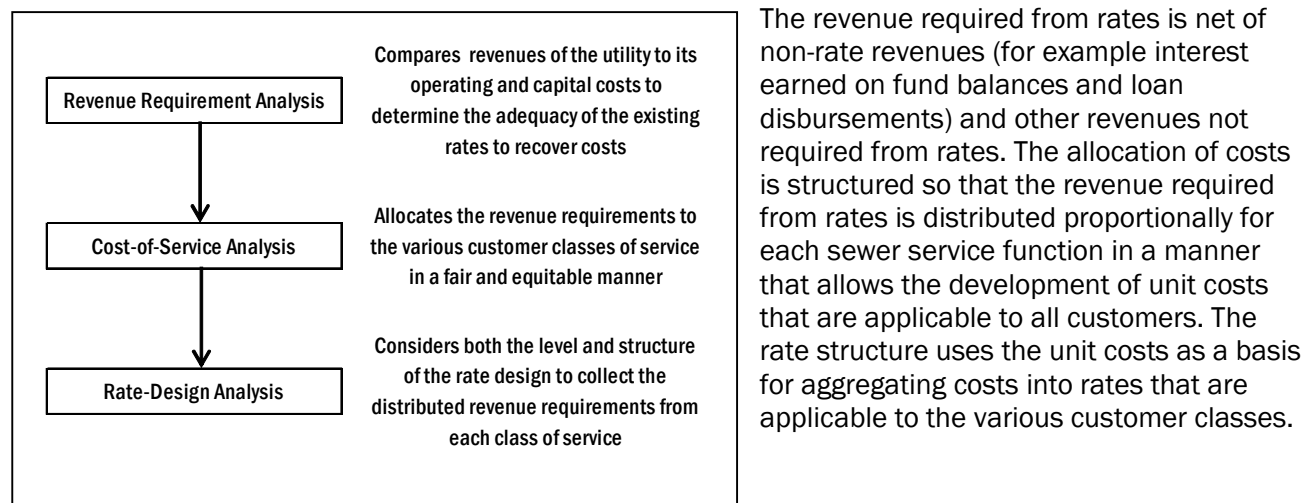


Figure 1-1. Overview of Rate Setting Analytical Steps

1.5 Reserve Policy and Sewer Account Funds

The District adopted a Financial Reserve Policy on April 9, 2013 (Reserve Fund Policy).¹ The Reserve Fund Policy established reserve funds for its long term organizational operational stability and the reserve funds enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements. The Reserve Fund Policy is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes. The District manages the following reserves:

- Capital Replacement Reserve Fund;
- Capital Improvement Reserve Fund;
- Debt Service Reserve Fund;
- Emergency Reserve Fund;
- Operating Reserve Fund; and
- Vehicle & Equipment Replacement Reserve Fund.

¹ See Resolution No. 2013-1040.

The projected sewer service charges are sufficient to maintain reserves at levels that meet Reserve Fund Policy objectives.

1.6 Methodology for Determination of Sewer Service Charges

Calculation of a Sewer Service Charge is a simple mathematical operation. Defining the wastewater characteristics and revenue requirements data required for that operation are more complex and represent a major emphasis of the Sewer Service Charges study. Basic steps in defining the basis for and computing the Sewer Service Charge are as follows:

Define revenue required from Sewer Service Charges. The District's most recent operating budget, multi-year Capital Improvement Project budget, and target levels of reserve funds are used to project annual expenditures and revenues required from Sewer Service Charges.

Define user wastewater system characteristics. Prior estimates of user characteristics are updated and used to estimate average annual Equivalent Dwelling Units.

Develop Sewer Service Charges. Revenue required from Sewer Service Charges is divided by the estimated number of Equivalent Dwelling Units to yield the Equivalent Dwelling Unit fee. The fee is applied to the estimated number of Equivalent Dwelling Units for each account.

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Section 2

Summary of Users and Wastewater Discharge Characteristics

The purpose of this section is to summarize the identification of residential and commercial users and their corresponding wastewater discharge characteristics.

2.1 Equivalent Dwelling Units

The District's current sewer use fees are shown in Resolution No. 2018-1100. Section 1 of the Resolution defines the "Equivalent Dwelling Unit" (EDU) for single family household accounts. The EDU for single family household accounts is based on estimates of the average daily wastewater flow per household (300 gallons per day).

The District charges sewer use fees using the County of Riverside assessment rolls and, for users that are not billed by the County Tax Collector, the District issues a bill directly to the user.

The number of estimated EDUs on tax rolls and accounts receivable is the sum of the number of single family dwelling units (single family dwellings, condominiums, townhouses, apartments, permanent mobile homes and duplex units) plus the equivalent number of EDUs for non-household accounts.

Section 2 of the Resolution No. 2018-1100 lists the equivalent number of EDUs for the various categories of non-household accounts. Categories include those for different businesses (restaurants, car washes, retail stores, etc.), schools, institutions, industries/manufacturing, Cabazon Band of Mission Indian facilities, movie theaters and RV dump stations. A list of non-household account categories from Section 2 of the Resolution are shown in the table on the next page.

The number of estimated EDUs on tax rolls and accounts receivable used to develop the current (FY 2018-2019) Equivalent Dwelling Unit fee is approximately 35,160.

Table 2-1. Equivalent Dwelling Unit Assignments

User Classification	EDU	per	Unit
1 Single Family Dwellings *	1		each
2 Recreation Vehicle/Motel Rooms	0.5		each
3 Recreation Vehicle w/sewer service connection	1		each
4 Library/Church	1		each
5 Church with Kitchen	2		each
6 Professional Building (Tenant)	1		each
7 Administrative Offices-city, county, state	1	5	employees
8 Hospital	1	2	beds
9 Rest Homes	1	3	beds
10 Laundry/Laundromat	1	3	washers
11 Restaurant/Tavern	3		blank
12 Restaurant and Tavern or Drive-Thru	4		blank
13 Gas Station	2		blank
14 Gas Station with Wash Rack	3		blank
15 Car Wash	3		blank
16 Animal Hospital/Clinic/Kennel	3		blank
17 Barber Shop/Beauty Shop	1	2	sinks
18 Retail Stores	1	2000	square feet
19 Warehousing	1		restroom
20 Food Markets	1	2000	square feet
Plus	12		food grinder
SCHOOLS			
21 Pre-School, K-5	1	23	students
22 Junior High/High/Continuation/Adult	1	14	students
MOVIE THEATERS			
23 Theaters	1	100	seats
24 Other theaters	1	100	seats
INSTITUTIONAL			
25 County Sheriff substation/County Jail	1	3.5	employees
26 County Juvenile Hall	1	5	employees
27 County administration, courts, clinics, mental health	1	20	gallons/fixture
28 Restrooms in parks	1		restroom
INDUSTRIES/MANUFACTURING			
29 For domestic wastewater	1	20	gallons/fixture
For non-domestic wastewater			non-domestic wastewater formula
CABAZON BAND OF MISSION INDIANS FACILITIES			
All uses specifically on this schedule shall be charged the same UOS as others			
30 Casino Facilities	1	20	gallons/fixture
RV DUMP STATIONS			
31 Recreational vehicle park w/hook-up; w/o dump stations	1	6	spaces
32 Recreational "rally field" with dump stations	0.5		acre
33 Dump stations for RV's and buses	15		station

2.2 Current Equivalent Dwelling Unit Fee

The formula for the EDU User Fee of domestic wastewater from Resolution No. 2018-1100 is shown in the table below.

Table 2-2. Calculation Summary of 2018/2019 Equivalent Dwelling Unit Fee				
Balance of Revenue to be Collected	<i>divided by</i>	Estimated EDUs on Tax Rolls and Accounts Receivable	<i>equals</i>	Equivalent Dwelling Unit Fee
\$11,011,086	/	35,160	=	\$313

Estimates of projected revenue requirements are developed in Section 3. Estimates of projected EDUs are developed in the next subsection.

2.3 Projected Equivalent Dwelling Units

Current and projected EDUs are shown in the table below. Projected EDUs are based on annual increases of 245 EDUs for accounts billed on the tax rolls and 5 EDUs for accounts that are direct bills.

Table 2-3. Current and Projected Equivalent Dwelling Units									
Item	Current	Five-Year Rate Plan					Projected		
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Equivalent Dwelling Units									
Tax Rolls	32,842	32,842	33,087	33,332	33,577	33,822	34,067	34,312	34,557
<i>annual growth ></i>		245	245	245	245	245	245	245	245
Direct Billing	2,318	2,318	2,323	2,328	2,333	2,338	2,343	2,348	2,353
<i>annual growth ></i>		5	5	5	5	5	5	5	5
Total EDUs	35,160	35,410	35,660	35,910	36,160	36,410	36,660	36,910	37,160
Unit increase		250	250	250	250	250	250	250	250
Percent increase		1%	1%	1%	1%	1%	1%	1%	1%

2.4 Equivalent Dwelling Unit Definition

The District's Board annually adopts resolutions related to rates for sewer use. The District's current sewer use fees are shown in Resolution No. 2018-1100 (Resolution).

Section 1 of the Resolution defines an "Equivalent Dwelling Unit" (EDU). One (1) EDU represents an average daily wastewater flow of 300 gallons from one single family household. For non-household uses, the value of equivalency to a household is used for purposes of computing uniform financial obligations.

Section 2 of the Resolution lists assignments of EDUs for classifications of types of property and use (see Table 2-1, above).

Section 3 of the Resolution describes calculation of a Non-domestic Sewer User Fee. A formula for calculating the industrial wastewater treatment surcharge (Non-domestic Sewer User Fee) from Section 3 is shown in the table below. Note that the formula requires detailed information of the wastewater flow and concentration of the discharge and general information of the District's annual expenditures.

Table 2-3. Industrial Wastewater Treatment Surcharge Formula

$$\text{EDU} = \frac{Q}{300} \left[0.42 \begin{matrix} \text{(A)} \\ \end{matrix} + 0.36 \begin{matrix} \text{(B)} \\ \frac{(\text{COD})}{500} \end{matrix} + 0.22 \begin{matrix} \text{(C)} \\ \frac{(\text{SS})}{240} \end{matrix} \right]$$

Where:

Q = daily sewage flow in gallons

COD = quarterly 92-day average COD concentration in mg/L for COD in excess of 500 mg/L
concentrations of 500 mg/L or less will be calculated at 500 mg/L

SS = quarterly 92-day average SS concentration in mg/L for SS in excess of 240 mg/L
concentrations of 240 mg/L or less will be calculated at 240 mg/L

(A) = the portion of annual expenditures related to sewage flow

(B) = the portion of annual expenditures related to sewage COD loadings

(C) = the portion of annual expenditures related to sewage SS loadings

It is recommended that the District update the: 1) definition of an EDU and the wastewater discharge characteristics for a single family household (Section 1 of the annual rate resolution); 2) list of EDU assignments (Section 2 of the annual rate resolution); and 3) formula for calculating the industrial wastewater treatment surcharge (Section 3 of the annual rate resolution).

2.5 Equivalent Dwelling Unit Assignments

The District received water use data from Indio Water Authority for its water meters within the District's sewer service area.

It is recommended that the District evaluate and update Equivalent Dwelling Unit assignments for establishments that have food service functions. The evaluation should include determination of wastewater discharge characteristics of those type of establishments and equating those characteristics to those for a single family dwelling.

Section 3

Revenue Required from Sewer Service Charges

Sewer Service Charges must adequately fund sewer utility operations, capital costs, reserves, and bonded debt related to the provision of sewer service. The revenue required from Sewer Service Charges is developed in this section.

3.1 10-Year Capital Improvement Program

The District's current Capital Improvement Program for FY20 – FY29 is summarized in the table below. CIP projects are to be funded by cash except for the projects related to the Plant Expansion 2B/2C. Projects related to the Plant Expansion 2B/2C totaling approximately \$59,356,000 are anticipated to be funded through a low interest loan from the State of California State Water Resources Control Board.

Table 3-1. Ten-Year Capital Improvement Program

Year Number >	<i>(all values in \$thousands)</i>										Total
	1	2	3	4	5	6	7	8	9	10	
Funds 12 & 13	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	
Sewer Main Repair & Replace	1,090	3,073	5,754	8,113	8,409	8,691	8,983	9,284	6,443	3,401	63,241
Plant Expansion 2B/2C	5,057	27,149	27,149	0	0	0	0	0	0	0	59,356
Plant Expansion Phase 3	60	0	0	0	0	0	0	3,817	14,418	14,851	33,146
Vehicle & Major Equipment	610	610	610	610	610	610	610	610	610	610	6,100
Sewer Siphon Replacement	0	4,000	0	0	0	0	0	0	0	0	4,000
Lateral Grant Program	53	54	55	56	57	59	60	61	62	63	580
Contingency	90	92	94	96	97	99	101	103	105	108	985
Total	6,960	34,979	33,662	8,875	9,174	9,459	9,754	13,875	21,639	19,032	167,409
Cumulative	6,960	41,939	75,602	84,476	93,650	103,109	112,862	126,738	148,377	167,409	

3.2 Current and Projected Debt Service

Wastewater Revenue Refunding Bonds, Series 2015

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

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000. The purpose of the bond issuance was to provide funds to defease and refund on current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on net revenue of the wastewater system of the District. The aggregate difference in debt service as result of the refinancing was in the amount of \$1,596,780. The economic gain on the refinancing was \$500,181. Interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on each December 1 and June 1 beginning December 1, 2015. The bonds are not subject to redemption prior to maturity. The outstanding balance as of June 30, 2018 was \$5,835,000. The term of the certificates which run through 2026. Repayment of the debt is funded through sewer use fees of the District.²

Clean Water State Revolving Fund Low Interest Loan

The District executed an installment sale agreement with the State Water Resources Control Board (the "SWRCB") for the construction of the Requa Avenue Sewer Interceptor Project. As part of the Requa Avenue Sewer Interceptor Project, the District constructed 4.2 miles of new gravity flow sewer pipeline and related utility improvements designed to collect and convey sanitary sewer flow within an existing public right-of-way through central Indio, California to the existing District's Water Reclamation Plant. The SWRCB provided financial assistance through a Clean Water State Revolving Fund loan - Project No. C-06-8116-110, Agreement No. D1601003-550-0. The total amount of the loan funded was \$12,746,147. Beginning June 2019, the District will repay the principal of the project funds, together with all interest accruing thereon, annually to the SWRCB. As of June 30, 2018, the outstanding balance of the SWRCB revolving fund loan was in the amount of \$12,920,155.³

A reserve account is required to be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payments from unrestricted net revenues. As of June 30, 2018, the reserve requirement was \$553,360. The balance held in the reserve at June 30, 2018 was \$1,059,648. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues that are at least 125% of the total debt service payments (including 2015 Wastewater Revenue Refunding Bonds). Net revenue and total debt service paid during the year ended June 30, 2018 were in the amounts of \$5,690,579 and \$889,687, respectively, which resulted in ratio of 640%.

Projected Low Interest Loan and Debt Service

Projects related to the Plant Expansion 2B/2C totaling \$59,356,000 are anticipated to be funded through a low interest loan from the State Water Resources Control Board. The loan terms are projected to be a 30-year payback period and a 2.0 percent interest rate with the first years' \$2,650,000 principal and interest payments due in FY23.

Detailed debt service schedules are included in Appendix A, Table A-1 (current debt service) and Table A-2 (projected debt service).

² See the Valley Sanitary District Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2018, page 13.

³ Ibid, page 13.

3.3 Operating and Capital Funds Cash Flow

Cash flow for Fund 11, Fund 12 and Fund 13 is summarized in the following sections.

3.3.1 Fund 11 Cash Flow

Cash flow for the Operating Fund (Fund 11), is summarized in the table below. Detailed expenditure and revenue projections are included in Appendix A, Table A-3 (expenditures) and Table A-4 (revenues). Note that expenditures include \$9,000,000 in transfers from Fund 11 to Fund 12 from FY25-FY27 for funding capital projects.

All Values in \$thousands Item	Budget FY19	Five-Year Rate Plan					Projected			Total FY20-FY24
		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Beginning Balance, July 1	\$20,445	\$20,462	\$20,462	\$20,182	\$20,332	\$20,162	\$19,672	\$14,332	\$10,232	
Expenditures										
O & M (net of depreciation)	7,024	7,253	7,489	7,734	7,986	8,248	8,518	8,797	9,086	\$38,710
Capital	400	412	424	437	450	464	478	492	507	2,187
Debt Service 2015 Refunding Bond	499	464	465	463	463	462	463	463	0	2,317
Debt Service 2019 SRF Loan		553	553	553	553	553	553	553	553	2,767
Capital Reserve Transfer to Fund 12	3,973	4,099	4,230	4,364	4,503	4,647	4,795	4,949	5,107	21,843
Add'l Reserve Transfer to Fund 12							3,000	3,000	3,000	0
Total Expenditures	11,896	12,781	13,162	13,551	13,955	14,374	17,807	18,254	18,253	67,824
Revenues										
Sewer Service Charges	11,005	11,691	11,776	12,583	12,648	12,733	14,306	16,056	18,028	61,431
Other Operating	23	23	24	24	24	25	25	26	26	120
Nonoperating	745	760	776	792	808	824	841	858	875	3,959
Interest	140	307	307	303	305	302	295	215	153	1,524
Total Revenues	11,913	12,781	12,882	13,701	13,785	13,884	15,467	17,154	19,083	67,034
Net Revenue	17	0	(280)	150	(170)	(490)	(2,340)	(1,100)	830	(790)
Ending Balance, June 30	20,462	20,462	20,182	20,332	20,162	19,672	14,332	10,232	8,062	

3.3.2 Fund 12 Cash Flow

Cash flow for the Capital Fund (Fund 12), is summarized in the table below. Note that during FY25-FY27 the fund balance becomes negative. It is recommended that the District monitor its projected capital expenditure plan so that additional funds can be made available from rates, loans or some other source.

All Values in \$thousands Item	Budget FY19	Five-Year Rate Plan					Projected			Total FY20-FY24
		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Beginning Balance, July 1	\$19,867	\$21,155	\$23,182	\$19,118	\$16,119	\$9,975	\$3,584	-\$41	-\$3,860	
Expenditures										
Capital Projects	2,557	4,938	24,119	22,803	8,875	9,174	9,459	9,754	11,585	\$69,908
SRF Loan Disbursement	0	-3,034	-16,290	-16,290	0	0	0	0	0	-35,613
SRF New Debt Service	0	61	386	712	1,590	1,590	1,590	1,590	1,590	4,340
Current Debt Service	426	425	426	424	424	424	424	424	0	2,124
Total Expenditures	2,983	2,389	8,642	7,650	10,889	11,187	11,474	11,768	13,175	40,758
Revenues										
Annual Transfer from Fund 11	3,973	4,099	4,230	4,364	4,503	4,647	4,795	4,949	5,107	21,843
Variable Transfer from Fund 11	0	0	0	0	0	0	3,000	3,000	3,000	0
Interest	298	317	348	287	242	150	54	-1	-58	1,343
Total Revenues	4,271	4,416	4,578	4,651	4,745	4,797	7,849	7,948	8,049	23,186
Net Revenue	1,288	2,027	(4,065)	(2,999)	(6,144)	(6,391)	(3,625)	(3,820)	(5,126)	
Ending Balance, June 30	21,155	23,182	19,118	16,119	9,975	3,584	-41	-3,860	-8,987	

3.3.3 Fund 13 Cash Flow

Cash flow for the Capital Fund (Fund 13), is summarized in the table below.

Table 3-4. Fund 13 Cash Flow FY 2019 – FY 2027										
All Values in \$thousands Item	Budget FY19	Five-Year Rate Plan					Projected			Total FY20-FY24
		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Beginning Balance, July 1	\$4,305	\$5,054	\$5,970	\$6,951	\$7,781	\$8,088	\$8,449	\$8,855	\$9,308	
Expenditures										
Capital Projects	211	2,023	10,860	10,860	0	0	0	0	2,290	\$23,742
SRF Loan Disbursement	0	-2,023	-10,860	-10,860	0	0	0	0	0	-23,742
SRF New Debt Service	0	40	258	475	1,060	1,060	1,060	1,060	1,060	2,893
Current Debt Service	0	0	0	0	0	0	0	0	0	0
Total Expenditures	211	40	258	475	1,060	1,060	1,060	1,060	3,350	2,893
Revenues										
Interest	65	76	90	104	117	121	127	133	140	508
Capacity Charges	896	880	1,150	1,200	1,250	1,300	1,340	1,380	1,423	5,780
Total Revenues	960	956	1,240	1,304	1,367	1,421	1,467	1,513	1,562	6,288
Net Revenue	749	915	982	829	307	361	407	453	(1,788)	
Ending Balance, June 30	5,054	5,970	6,951	7,781	8,088	8,449	8,855	9,308	7,520	

3.3.4 Cash Flow and Coverage Ratio – All Funds

Cash flow and coverage ratio for the current fiscal year (2018-19) and the next five fiscal years is summarized in the figure below. Detailed debt service coverage calculations are included in Appendix A, Table A-5. Note that the Fund 12 balance is projected to be depleted during FY25.

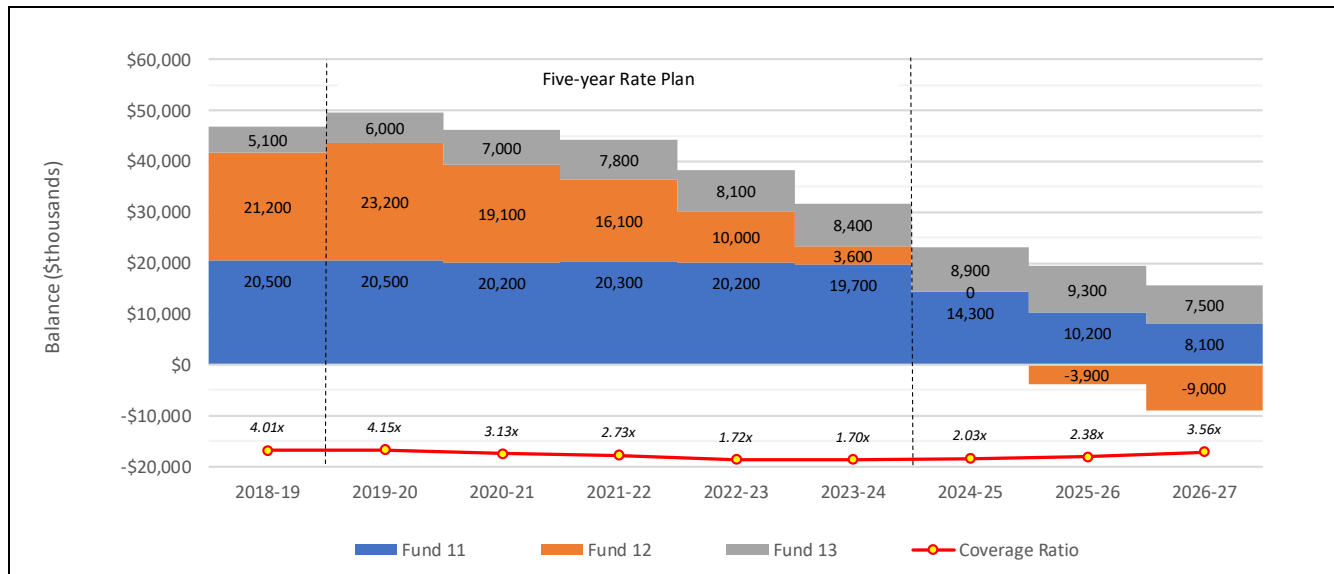


Figure 3-1. Fund Cash Flow and Coverage Ratio, FY 2019 – FY 2027

Section 4

Sewer Service Charges

Sewer Service Charges are developed based on the projected number of Equivalent Residential Dwelling Units and the revenue required from the charges.

4.1 Development of Sewer Service Charges

The annual amount of revenue required from sewer service charges, number of equivalent dwelling units and the calculation of the sewer service charge per Equivalent Dwelling Unit are shown in the table below for FY19 – FY27.

Table 4-1. Current, Recommended and Projected Sewer Service Charges										
All Cash in \$thousands Item	Current FY19	Five-Year Rate Plan					Projected			Total FY20-FY24
		FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	
Revenue Required										
Fund 11 O & M	7,024	7,253	7,489	7,734	7,986	8,248	8,518	8,797	9,086	38,710
Fund 11 Capital	400	412	424	437	450	464	478	492	507	2,187
Debt Service	499	1,017	1,019	1,016	1,016	1,015	1,016	1,016	553	5,084
Capital reserve fund	3,973	4,099	4,230	4,364	4,503	4,647	4,795	4,949	5,107	21,843
<i>Less other taxes, interest & non-operating income</i>	<i>(885)</i>	<i>(1,090)</i>	<i>(1,106)</i>	<i>(1,118)</i>	<i>(1,137)</i>	<i>(1,151)</i>	<i>(1,161)</i>	<i>(1,098)</i>	<i>(1,055)</i>	<i>(5,603)</i>
Add/Use Fund Balance	0	0	-280	150	-170	-490	660	1,900	3,830	-790
Total Revenue Required	11,011	11,691	11,776	12,583	12,648	12,733	14,306	16,056	18,028	61,431
Dollar increase		680	85	808	65	85	1,573	1,750	1,972	
Percent increase		6%	1%	7%	1%	1%	12%	12%	12%	
Equivalent Dwelling Units										
Tax Rolls	32,842	32,842	33,087	33,332	33,577	33,822	34,067	34,312	34,557	
<i>annual growth ></i>		245	245	245	245	245	245	245	245	
Direct Billing	2,318	2,318	2,323	2,328	2,333	2,338	2,343	2,348	2,353	
<i>annual growth ></i>		5	5	5	5	5	5	5	5	
Total EDUs	35,160	35,410	35,660	35,910	36,160	36,410	36,660	36,910	37,160	
Unit increase		250	250	250	250	250	250	250	250	
Percent increase		1%	1%	1%	1%	1%	1%	1%	1%	
EDU Fee										
Revenue Required (\$thousands)	11,011	11,691	11,776	12,583	12,648	12,733	14,306	16,056	18,028	
EDUs	35,160	35,410	35,660	35,910	36,160	36,410	36,660	36,910	37,160	
EDU Fee (round to \$5)	\$313.00	\$330.00	\$330.00	\$350.00	\$350.00	\$350.00	\$390.00	\$435.00	\$485.00	
Fee increase		\$17.00	\$0.00	\$20.00	\$0.00	\$0.00	\$40.00	\$45.00	\$50.00	
Percent increase		5.4%	0.0%	6.1%	0.0%	0.0%	11.4%	11.5%	11.5%	

The figure below shows historical annual Residential Sewer Service Charges from FY02 through FY19 (18 years), recommended annual Sewer Service Charges for FY20 through FY24 (five years) and projected annual Sewer Service Charges for FY25 through FY27 (three years). The annual average percent increase over FY02-FY24 (23 years) is approximately 5.1 percent.

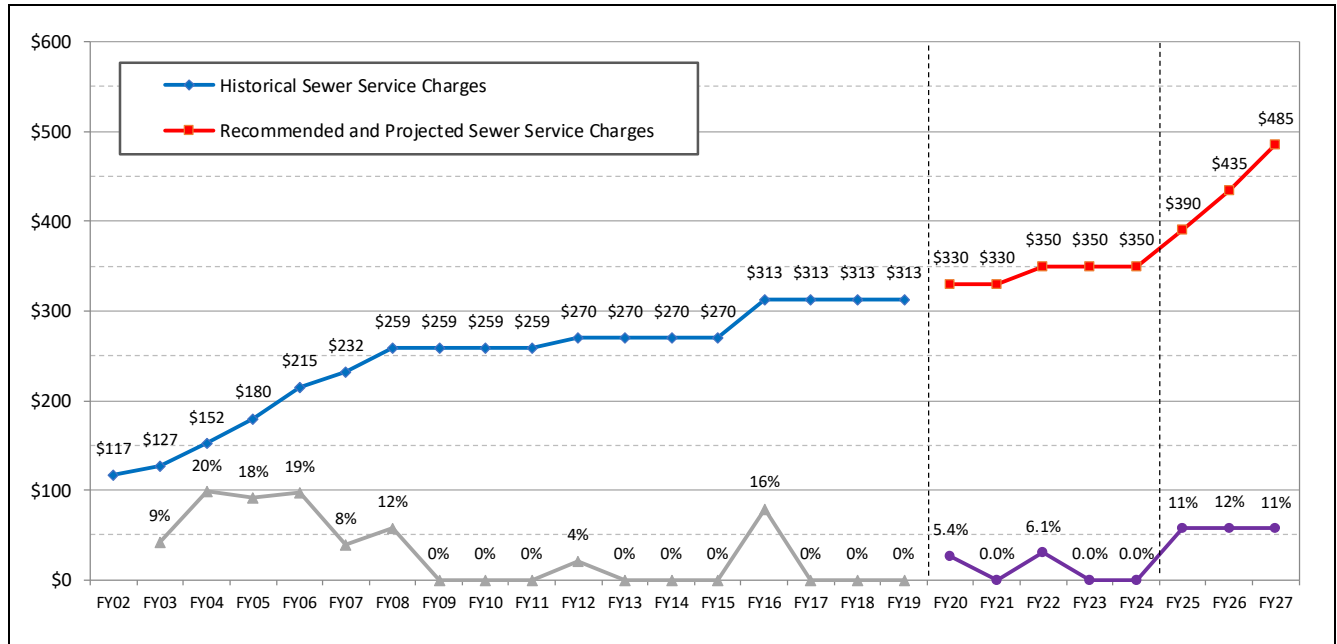


Figure 4-1. Historical, Recommended and Projected Residential Annual Sewer Service Charges

4.2 Residential Sewer Service Charge Survey

The District’s current (FY 2018-19) and recommended (FY 2019-20) Sewer Service Charges were compared to the sewer service charges for other nearby agencies. The comparison is for single family dwelling units. Results of the survey are shown in Table 4-2.

Table 4-2. Residential Sewer Service Charge Survey		
Mission Springs Water District	\$602	
City of Coachella	\$552	
California Statewide Average (FY 2016-17)	\$529	
City of Beaumont	\$489	
Cathedral City (Desert Water Agency)	\$345	
Valley Sanitary District (recommended)	\$330	
Coachella Valley Water District	\$324	
Valley Sanitary District (current)	\$313	
City of Palm Springs	\$288	increases to \$420 by 2031
City of Banning	\$235	



Section 5

Limitations

This document was prepared solely for the Valley Sanitary District in accordance with professional standards at the time the services were performed and in accordance with the contract between Valley Sanitary District and Municipal Financial Services. This document is governed by the specific scope of work authorized by Valley Sanitary District; it is not intended to be relied upon by any other party. We have relied on information or instructions provided by Valley Sanitary District and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.

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Appendix A: Sewer Service Charges Development Tables

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Table A-3
Fund 11 O&M Expenditures

All Expenditures, \$thousands Expenditure Category	Adoptec Prelim		Projected														
	Budget FY19	Budget FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Engineering & Maintenance																	
Salaries & Benefits	1,782	1,836	1,891	1,948	2,006	2,066	2,128	2,192	2,258	3%	3%	3%	3%	3%	3%	3%	3%
Services & Supplies [1]	886	912	939	967	996	1,026	1,057	1,089	1,122	3%	3%	3%	3%	3%	3%	3%	3%
Chemicals & Electricity	4	4	4	4	4	4	4	4	4	3%	3%	3%	3%	3%	3%	3%	3%
Depreciation	605	623	642	661	681	701	722	744	766	3%	3%	3%	3%	3%	3%	3%	3%
Total Collection	3,277	3,375	3,476	3,580	3,687	3,797	3,911	4,029	4,150								
Operations																	
Salaries & Benefits	1,085	1,117	1,151	1,186	1,222	1,259	1,297	1,336	1,376	3%	3%	3%	3%	3%	3%	3%	3%
Services & Supplies [1]	587	605	623	642	661	681	701	722	744	3%	3%	3%	3%	3%	3%	3%	3%
Chemicals & Electricity	871	915	961	1,009	1,059	1,112	1,168	1,226	1,287	5%	5%	5%	5%	5%	5%	5%	5%
Depreciation	1,900	1,957	2,016	2,076	2,138	2,202	2,268	2,336	2,406	3%	3%	3%	3%	3%	3%	3%	3%
Total Operations	4,443	4,594	4,751	4,913	5,080	5,254	5,434	5,620	5,813								
Administration/Board																	
Salaries & Benefits	755	778	801	825	850	876	902	929	957	3%	3%	3%	3%	3%	3%	3%	3%
Services & Supplies [1]	1,054	1,086	1,119	1,153	1,188	1,224	1,261	1,299	1,338	3%	3%	3%	3%	3%	3%	3%	3%
Chemicals & Electricity	0	0	0	0	0	0	0	0	0	3%	3%	3%	3%	3%	3%	3%	3%
Depreciation	3	3	3	3	3	3	3	3	3	3%	3%	3%	3%	3%	3%	3%	3%
Total Administration	1,812	1,867	1,923	1,981	2,041	2,103	2,166	2,231	2,298								
Combined																	
Salaries & Benefits	3,622	3,731	3,843	3,959	4,078	4,201	4,327	4,457	4,591	3%	3%	3%	3%	3%	9%	3%	3%
Services & Supplies [1]	2,527	2,603	2,681	2,762	2,845	2,931	3,019	3,110	3,204	3%	3%	3%	3%	3%	9%	3%	3%
Chemicals & Electricity	875	919	965	1,013	1,063	1,116	1,172	1,230	1,291	5%	5%	5%	5%	5%	16%	5%	5%
Depreciation	2,508	2,583	2,661	2,740	2,822	2,906	2,993	3,083	3,175	3%	3%	3%	3%	3%	9%	3%	3%
Total Combined	9,532	9,836	10,150	10,474	10,808	11,154	11,511	11,880	12,261								
Reserve [2]	3,973	4,099	4,230	4,364	4,503	4,647	4,795	4,949	5,107								
Totals	13,505	13,935	14,380	14,838	15,311	15,801	16,306	16,829	17,368								
Annual Dollar Change		430	445	458	473	490	505	523	539								
Annual Percent Change		3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%								

Notes:

- The District's budget includes Chemicals and Electricity in the Services & Supplies category
Expenditure projections in this model list Chemicals and Electricity in a separate category
Depreciation is excluded
- The reserve amount is calculated as shown below:

<u>Expense Category</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>								
O&M	9,532	9,836	10,150	10,474	10,808	11,154	11,511	11,880	12,261								
Fund 11 Capital																	
E&M - Facilities	340	350	361	372	383	394	406	418	431	3%	3%	3%	3%	3%	3%	3%	3%
Operations	0	0	0	0	0	0	0	0	0	3%	3%	3%	3%	3%	3%	3%	3%
General Facilities	0	0	0	0	0	0	0	0	0	3%	3%	3%	3%	3%	3%	3%	3%
Admin	<u>60</u>	<u>62</u>	<u>64</u>	<u>66</u>	<u>68</u>	<u>70</u>	<u>72</u>	<u>74</u>	<u>76</u>	3%	3%	3%	3%	3%	3%	3%	3%
Total Fund 11 Capital	400	412	424	437	450	464	478	492	507								
Total Expense Base	9,932	10,248	10,574	10,911	11,258	11,618	11,989	12,372	12,768								
% of Base to Reserve	40%	40%	40%	40%	40%	40%	40%	40%	40%								
Reserve Contribution	3,973	4,099	4,230	4,364	4,503	4,647	4,795	4,949	5,107								

Sources:

Adopted Budget: Operation and Maintenance Budget and Capital Improvement Program, Fiscal Year 2018/2019
Preliminary Budget: Draft Operation and Maintenance Budget and Capital Improvement Program, Fiscal Year 2019/2020

Table A-4
Fund 11 Revenue Projections

All Revenues, \$thousands Expenditure Category	Adoptec Prelim		Projected														
	Budget FY19	Budget FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Operating Revenues																	
Sewer Service	11,005	11,691	11,776	12,583	12,648	12,733	14,306	16,056	18,028			varies					
Penalties	1	1	1	1	1	1	1	1	1	2%	2%	2%	2%	2%	2%	2%	2%
Permit/Inspection Fees	10	10	10	11	11	11	11	11	12	2%	2%	2%	2%	2%	2%	2%	2%
Plan Check Fees	10	10	10	11	11	11	11	11	12	2%	2%	2%	2%	2%	2%	2%	2%
Other Services	2	2	2	2	2	2	2	2	2	2%	2%	2%	2%	2%	2%	2%	2%
Total Operating	11,028	11,714	11,799	12,607	12,673	12,758	14,331	16,081	18,054								
Nonoperating Revenues																	
Interest revenue	140	143	146	149	152	155	158	161	164	2%	2%	2%	2%	2%	2%	2%	2%
Taxes-current secured	700	714	728	743	758	773	789	804	820	2%	2%	2%	2%	2%	2%	2%	2%
Taxes-current unsecured	21	22	22	23	24	24	25	26	27	3%	3%	3%	3%	3%	3%	3%	3%
Taxes-prior secured	6.0	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8	2%	2%	2%	2%	2%	2%	2%	2%
Taxes-prior unsecured	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0								
Taxes-penalties	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5								
Taxes-supplemental current	7.0	7.2	7.4	7.6	7.8	8.0	8.2	8.4	8.7	3%	3%	3%	3%	3%	3%	3%	3%
Taxes-supplemental prior	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	2%	2%	2%	2%	2%	2%	2%	2%
Homeowner's Tax Relief	6.0	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8	2%	2%	2%	2%	2%	2%	2%	2%
Non-operating income	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	2%	2%	2%	2%	2%	2%	2%	2%
Total Nonoperating	885	903	921	940	959	979	998	1,019	1,039								
Totals	11,913	12,617	12,721	13,547	13,632	13,736	15,330	17,100	19,094	6%	1%	6%	1%	1%	12%	12%	12%
Annual Dollar Change		704	104	827	84	105	1,593	1,770	1,994								
Annual Percent Change		5.9%	0.8%	6.5%	0.6%	0.8%	11.6%	11.5%	11.7%								

Sources:

Adopted Budget: Operation and Maintenance Budget and Capital Improvement Program, Fiscal Year 2018/2019

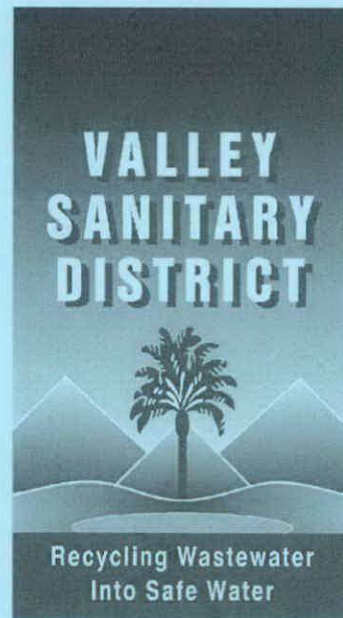
Preliminary Budget: Draft Operation and Maintenance Budget and Capital Improvement Program, Fiscal Year 2019/2020

Table A-5
Debt Service Coverage

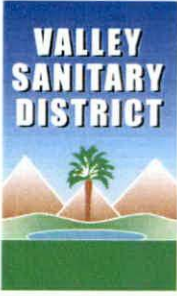
All Dollars in \$thousands Item	Budget	Projected							
	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Income									
Sewer Service	11,005	11,691	11,776	12,583	12,648	12,733	14,306	16,056	18,028
Other Operating	23	23	24	24	24	25	25	26	26
Nonoperating	745	760	776	792	808	824	841	858	875
Interest	140	307	307	303	305	302	295	215	153
Connection Fees	896	880	1,150	1,200	1,250	1,300	1,340	1,380	1,423
Total Income	12,809	13,661	14,032	14,901	15,035	15,184	16,807	18,534	20,506
<i>Operating Expenses</i>	<i>7,024</i>	<i>7,253</i>	<i>7,489</i>	<i>7,734</i>	<i>7,986</i>	<i>8,248</i>	<i>8,518</i>	<i>8,797</i>	<i>9,086</i>
Net Income	5,784	6,408	6,543	7,167	7,049	6,936	8,289	9,737	11,420
Debt Service Principal & Interest									
Wastewater Revenue Refunding Bonds, Series 2015	890	889	892	887	887	886	888	887	0
Clean Water State Revolving Fund Project No. C-06-8116-110	553	553	553	553	553	553	553	553	553
2023 SRF Low Interest Loan	0	101	644	1,187	2,650	2,650	2,650	2,650	2,650
Total	1,444	1,544	2,089	2,628	4,090	4,089	4,091	4,091	3,204
Coverage Ratio	4.01x	4.15x	3.13x	2.73x	1.72x	1.70x	2.03x	2.38x	3.56x
Amount Over / (Under) 1.5x Coverage									

Agenda Item

4



Sewer Capacity Charges Study



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Ron Buchwald
SUBJECT: Sewer Capacity Charges Study

<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 approve increasing the sewer capacity charge for fiscal year 2019/2020 to \$4,400, an increase of \$135 from its current value of \$4,265 per equivalent dwelling unit, and to continue to annually adjust the sewer capacity charge by utilizing the *Engineering News Record* (ENR) 20-City Construction Cost Index.

Background:

In September 2018 the Valley Sanitary District contracted with Municipal Financial Services to evaluate sewer capacity charges and recommend a revised schedule of sewer capacity charges. Sewer capacity charges are intended to recover both a portion of the District's proposed Capital Improvement Program (CIP) cost, and utility rate payers' prior investment in capital facilities that support land development by providing capacity for new connections. The sewer capacity charges that are developed in this report meet the regulatory requirements found in California Government Code Section 66000 et sequentia regarding the establishment of capacity charges.


The District held a study session for the proposed sewer capacity charges on February 12, 2019. The Board provided direction to staff to move forward with the proposed rate increase. It is recommended that the District adopt sewer capacity charges for fiscal year 2019/2020 of \$4,400, and onward may be escalated by using the *Engineering News Record* 20-City Construction Cost Index.


The District provided the Desert Valleys Buildings Association (DVBA) and Building Industry Association (BIA) notice of the proposed increase to \$4,400 for the capacity connection fee on May 1, 2019, requesting any comments prior to the May 14, 2019 meeting.

Fiscal Impact:

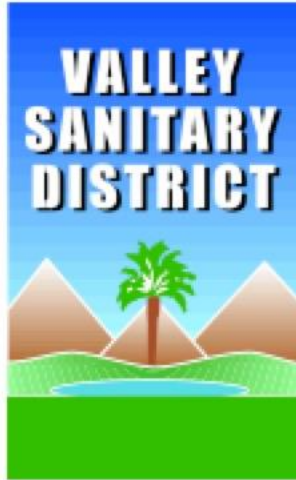
The adoption of the proposed sewer capacity charge for fiscal year 2019/2020 will increase annual

revenue in order to recover both a portion of the District's proposed Capital Improvement Program (CIP) cost, and utility rate payers' prior investment in capital facilities that support land development by providing capacity for new connections.

Submitted By: 
Ron Buchwald,
Interim General Manager

Approved By: 
Ron Buchwald,
Interim General Manager

Attachments:
Evaluation of Sewer Capacity Charges by Municipal Financial Services
Letters to the Desert Valleys Builders Association and Building Industry Association



FINAL
Evaluation of Sewer Capacity Charges

Prepared for
Valley Sanitary District, California
May 2019

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List of Abbreviations

Ccf	Hundred Cubic Feet (equal to ~ 748.1 gallons)
CCI	Construction Cost Index
CIP	Capital Improvement Program
District	Valley Sanitary District
EDU	Equivalent Dwelling Unit
FY	Fiscal year (July 1 to June 30)
FY20	July 1, 2019 to June 30, 2020
gpd	Gallons per Day
HCF	Hundred Cubic Feet (equal to ~ 748.1 gallons)
VSD	Valley Sanitary District
O&M	Operation and maintenance
R&R	Renewal and Replacement
SCC	Sewer Capacity Charge

Executive Summary

In September 2018 the Valley Sanitary District (VSD or District) contracted with Municipal Financial Services to evaluate sewer capacity charges and recommend a revised schedule of capacity charges.¹

Purpose of the Study

The purpose of the study was to evaluate sewer capacity charges for the Valley Sanitary District. Sewer capacity charges are intended to recover both a portion of the District’s proposed Capital Improvement Program (CIP) cost, and utility rate payers’ prior investment in capital facilities that support land development by providing capacity for new connections. The sewer capacity charges developed in this report meet the regulatory requirements found in California Government Code Section 66000 *et sequentia* regarding the establishment of capacity charges.

Current Sewer Capacity Charges

The last sewer capacity charge study was for the Fiscal year 2004/2005. Since that time, the charge has been adjusted by the *Engineering News Record* 20-City Construction Cost Index to its current value of \$4,265 per equivalent dwelling unit.

Recommended Unit Costs for Flow, COD and TSS

Projected capacity charge unit costs for flow, COD and TSS are shown below in Table ES-1. The unit costs for each capacity charge component are based on the value of the system allocated to each component divided by the capacity in the system for each component. The capacity charge for any new connection may be calculated using the unit costs for flow, COD and TSS.

Table ES-1. Recommended FY20 and Projected Capacity Charge Unit Costs						
		Recommended	Projected			
		FY 20	FY 21	FY 22	FY 23	FY 24
Unit Costs of Capacity						
Flow	<i>\$/gpd</i>	\$16.15	\$16.88	\$17.55	\$18.35	\$18.99
COD	<i>\$/lbs/day</i>	\$267.18	\$279.34	\$290.50	\$303.65	\$314.31
TSS	<i>\$/lbs/day</i>	\$645.68	\$675.06	\$702.04	\$733.81	\$759.59

It is recommended that the District adopt capacity charge unit costs for FY20. Capacity charge unit costs for FY21 and onward may be escalated using an appropriate index such as the *Engineering News Record* 20-City Construction Cost Index.

¹ The term “Connection Capacity Charge”, as currently used by the District, and “Capacity Charge”, as defined in Section 66013 of the California Government Code and used in this study, are synonymous.

Recommended Single Family Sewer Capacity Charges

During the past ten years, sewer capacity charges have been adjusted once. In 2013, sewer capacity charges for Single Family connections were increased from \$3,957 per EDU to \$4,265 (an increase of approximately 8 percent). The District’s historical, FY20 recommended, and projected sewer capacity charges for Single Family connections are shown in the figure below. The annual percent increase in sewer capacity charges for FY20 through FY24 average approximately 4.0 percent per year.

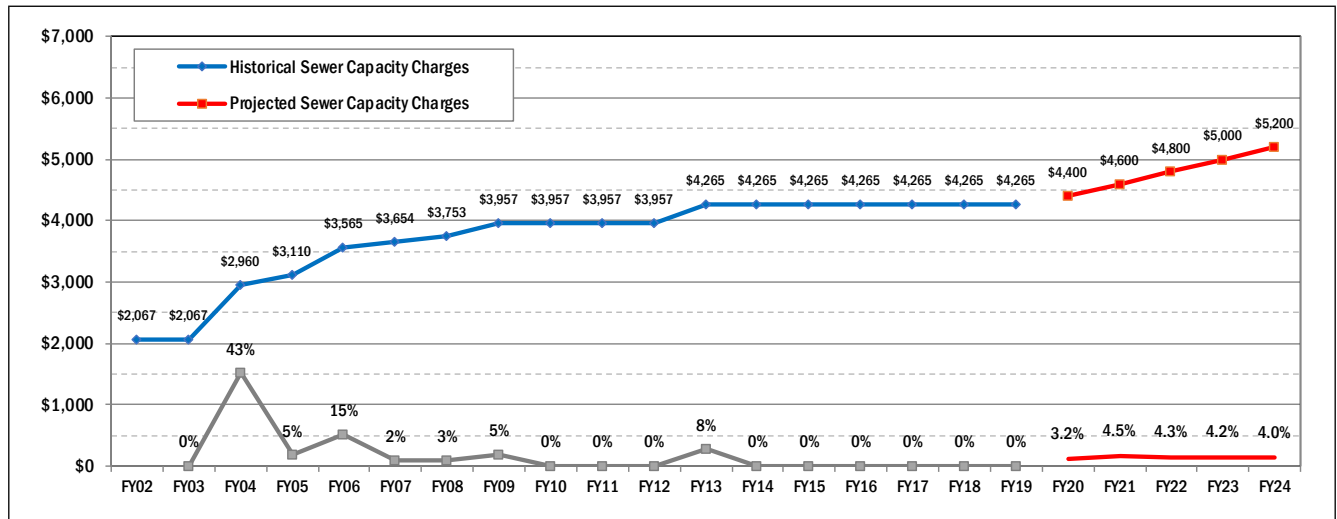


Figure ES-1. Historical, FY20 Recommended and Projected Residential Sewer Capacity Charges

Section 1

Introduction

Sewer capacity charges are intended to recover both a portion of the District's proposed Capital Improvement Program cost, and utility rate payers' prior investment in capital facilities that support land development by providing capacity for new connections. The sewer capacity charges developed in this report meet the regulatory requirements found in California Government Code Section 66000 *et sequentia* regarding the establishment of capacity charges.

1.1 District Structure and Leadership

The Valley Sanitary District is an independent special district, which operates under the authority of the Health and Safety Code, Sanitary District act of 1923, section 6400 *et sequentia*. The District was formed June 1, 1925 and is governed by a five-member Board of Directors, elected at large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs approximately 27 regular employees organized in three departments.

1.2 Wastewater Management System Description

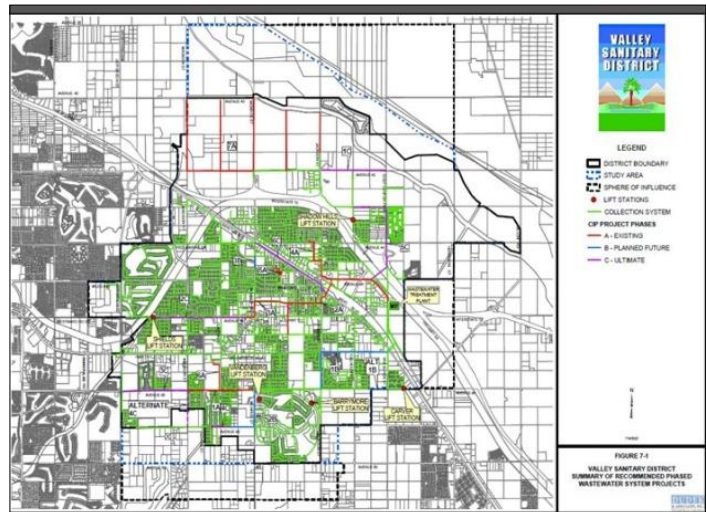
The District provides sewer services to approximately 27,850 connections within its 19.5 square mile service area, located in the eastern desert area of Riverside County. The VSD service area primarily consists of residential areas with moderate commercial, industrial, and public land use encompassing much of the City of Indio, portions of the City of La Quinta and City of Coachella, and unincorporated areas of the County of Riverside.

A vast wastewater management system has been built to collect, transport, treat and dispose wastewater. The wastewater treatment, collection and disposal system comprise approximately:

- 254 miles of sanitary sewer pipe;
- 4,910 sewer manholes;
- 4 sewage pump stations;
- 12.5 mgd capacity secondary treatment plant; and
- Administrative Headquarters Building.

Wastewater is collected from the thousands of customers, transported to the Wastewater Treatment Facility for treatment and subsequently discharged into the Whitewater Channel via an outfall.

The Valley Sanitary District is exploring the possibility with the Indio Water Authority of a recycled / reclaimed water project. This project will reuse tertiary treated water as a new water source for sustainable and beneficial use. The City of Indio and the Valley Sanitary District have created a Joint Powers Authority for this purpose, the East Valley Reclamation Authority. This project is in the preliminary exploration stage.



1.3 State of California Regulatory Requirements

California Government Code Section 66013 describes requirements for fees and charges for water connections or sewer connections. Section 66013 defines a capacity charge as “a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A ‘capacity charge’ does not include a commodity charge.”

Section 66013 also describes requirements related to use of revenue from capacity charges and providing information to the public. This study does not examine the District’s practices regarding those requirements.

1.4 Conceptual Approach for Calculation of Capacity Charges

In calculating sewer capacity charges, we have endeavored to satisfy the rational nexus criteria generally applied to these types of fees. A rational nexus-based capacity charge must:

- Be rationally based on public policy that demonstrates a nexus between new development (connections) and the need to expand or build facilities to accommodate it.
- Not exceed the new development’s proportional share of the cost of facilities needed to serve that development, after crediting it for other contributions that it has already made or will make toward that cost.
- Not be arbitrary or discriminatory in its application to individuals or customer classes.

Development impact fees help ensure that the “growth pays for growth” by allocating the cost of new facilities and the cost of unused capacity in existing facilities to new development while allocating the cost of repairing and refurbishing facilities used by current customers to rates.

1.5 Current Equivalent Dwelling Unit Fee

The last sewer capacity charge study was for the Fiscal year 2004-2005. Since that time, the charge has been adjusted by the *Engineering News Record* 20-City Construction Cost Index to its current value of \$4,265 per equivalent dwelling unit.

1.6 Capacity Charge Ordinance

Valley Sanitary District Sewer Construction and Use Ordinance, Ordinance No. 2010-118, was adopted November 9, 2010. Ordinance No. 2010-118 stated multiple objectives; among them is the objective “To equitably allocate treatment costs.” Elements of the ordinance relevant to the development of Sewer Capacity Charges are listed below.

Article 1, Section 103.A.17. Connection Permit shall mean a permit issued by the District, upon payment of a capital facilities connection charge, authorizing the Permittee to connect directly to a District sewerage facility or to a sewer that ultimately discharges into a District sewerage facility.

Article 1, Section 103.A.25. Dwelling Unit shall mean a single unit providing complete, independent living facilities for one or more persons, which may include permanent provisions for living, sleeping, eating, cooking and sanitation. For the purpose of this Ordinance, a mobile home shall be considered as a Dwelling Unit. More than one Dwelling Unit per structure and/or lot shall be deemed Multiple Dwelling Units.

Article 1, Section 103.A.48. Multiple Dwelling shall mean a building for residential purposes having facilities for the occupancy of more than one person or family, including, but not limited to, the following: Hotels, motels, auto courts, trailer courts, apartment houses, duplex, rooming house, boarding house and dormitories.

Article 1, Section 103.A.84. Single Family Dwelling shall mean a single house that provides complete, independent living facilities for one single family, which may include permanent provisions for living, sleeping, eating, cooking and sanitation. For the purpose of this Ordinance, recreational vehicle or park model shall not be considered as a single family dwelling.

Article 3, Section 302.A. No person shall construct a building or lateral sewer connecting with any public sewer without first obtaining a written permit from the District and paying all fees and connection charges.

Other terms not herein defined are defined as being the same as set forth in the current editions of the California Building Code and California Plumbing Code.

The District has written policies related to developer agreements.

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Section 2

Development of Wastewater Capacity Charges

The purpose of this section is to summarize the development of sewer capacity charges. Sewer capacity charges are intended to recover both a portion of the District's proposed Capital Improvement Program (CIP) cost, and utility rate payers' prior investment in capital facilities that support land development by providing capacity for new connections.

2.1 Sewer System Valuation

The system buy-in method of the capacity charge recovers the cost of capacity in those portions of the existing system in which there is capacity available. The value of the existing system was developed using data for the following items:

- Existing Fixed Assets
- Contributed Assets
- Contributed Capital
- Debt Principal Outstanding
- Working Capital

Existing Fixed Assets. The replacement value of subsurface collection pipes (including manholes and force mains) was calculated by segregating the pipes into size categories and multiplying the amount of pipe in each size category (in miles) by a unit replacement cost. A similar approach was used for the valuation of lift stations and siphons. Calculation of the replacement value of subsurface collection pipes, lift stations and siphons is shown in Appendix A, Table A-1.

Contributed Assets. The District requires owners to construct and contribute assets needed to serve their development. The value of contributed assets is deducted from the value of existing fixed assets. The value of contributed assets is estimated to be 20 percent of the replacement value of subsurface collection pipes.

Contributed Capital. The amount of revenue collected from developers is deducted from the valuation of the sewer system. Annual revenues and fees from contributed capital for 2002 - 2018 are from the Statistical Section of District Comprehensive Annual Financial Reports. Revenue from contributed capital for 2001 and earlier is estimated based on fees adjusted downward from the 2018 value by the ENR 20 City CCI and the number of new connections estimated by the District. Calculation of the estimated amount of revenue collected from developers is summarized in Appendix A, Table A-2.

Debt Principal Outstanding. The amount of current debt service principal remaining to be paid is deducted from the value of current assets since the principal portion was used to purchase existing assets.

Working Capital. The cash balance in the Sewer Fund 13 is added to the valuation of existing assets. The projected fund balance for July 2019 is approximately \$7,000,000.

The valuation of the Sewer System, net of adjustments, for FY19 – FY24 is summarized in Table 2-1.

Table 2-1. Sewer System Asset Valuation							
All values in \$thousands							
Item		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Fixed Assets/Rolling Stock [1, 2]	<i>annual escalation ></i>		3.0%	3.0%	3.0%	3.0%	3.0%
Subsurface Collection Pipes & Manholes	<i>see Table A-1</i>	\$227,250	\$234,070	\$241,090	\$248,320	\$255,770	\$263,440
Force Mains	<i>see Table A-1</i>	\$72	\$74	\$76	\$78	\$80	\$82
Lift Stations	<i>see Table A-1</i>	\$1,820	\$1,870	\$1,930	\$1,990	\$2,050	\$2,110
Siphon	<i>see Table A-1</i>	\$630	\$650	\$670	\$690	\$710	\$730
Treatment Plant		\$70,757	\$72,880	\$75,070	\$77,320	\$79,640	\$82,030
Vehicles/Equipment		\$250	\$260	\$270	\$280	\$290	\$300
Total Fixed Asset Valuation		\$300,779	\$309,804	\$319,106	\$328,678	\$338,540	\$348,692
Adjustments							
1. Contributed Assets [3]							
<i>Less: Value of Contributed Assets</i>		(\$45,000)	(\$47,000)	(\$48,000)	(\$50,000)	(\$51,000)	(\$53,000)
2. Contributed Capital [4]							
<i>Less: Revenue from Capacity Charges</i>		(\$69,000)	(\$70,000)	(\$71,000)	(\$72,000)	(\$73,000)	(\$75,000)
3. Debt Principal Outstanding	<i>see Table A-3</i>						
<i>Less: 2015 Revenue Refunding Bonds</i>		(\$5,215)	(\$4,565)	(\$3,880)	(\$3,165)	(\$2,415)	(\$1,650)
<i>Less: 2016 CWSRF Loan</i>		(\$12,586)	(\$12,247)	(\$11,902)	(\$11,551)	(\$11,194)	(\$10,831)
4. Working Capital (Fund 13)							
<i>Plus: Average Ending Balance</i>		\$5,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Net Valuation		\$173,977	\$182,992	\$191,324	\$198,962	\$207,931	\$215,211
Notes:							
1 Valuation of assets was provided by the District.							
2 Annual escalation for fixed assets and contributions are based on half the average percent increase for 2016-2018 (three years) in the Engineering News Record 20 City Construction Cost Index.							
3 Subsurface collection pipe value is net of contributions estimated at 20% of gross value.							
4 Revenue from capacity charges for 2018-19 and onward is estimated as shown below.							
		<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>
current capacity charge, \$/EDU >		4,265					
<i>projected annual escalation percent ></i>			3.2%	4.5%	4.3%	4.2%	4.0%
projected capacity charge, \$/EDU >			4,400	4,600	4,800	5,000	5,200
projected EDU connections >			200	250	250	250	250
projected capacity charge revenue, \$thousands >		\$896	\$880	\$1,150	\$1,200	\$1,250	\$1,300
contributed capital thru 2018 (see Table A-2) >	\$68,000						
cumulative capacity charge revenue, \$thousands >		\$68,896	\$69,776	\$70,926	\$72,126	\$73,376	\$74,676

2.2 Sewer System Capacity

The sewer system capacity is based on effluent limitations for Discharge Point 001 found in the District's NPDES Permit Number CA0104477. Values for flow, COD and TSS are shown below in Table 2-2.

Table 2-2. Sewer System Capacity							
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Cost Component [1]							
Flow	<i>gpd x 1000</i>	10,000	10,000	10,000	10,000	10,000	10,000
COD	<i>thousand lbs/day</i>	40.3	40.3	40.3	40.3	40.3	40.3
TSS	<i>thousand lbs/day</i>	16.7	16.7	16.7	16.7	16.7	16.7
Notes:							
1 Capacity is based on information from the <i>Water Reclamation Facility Final Master Plan</i> dated September 2015 and operating parameters. Estimated influent loads for Flow, COD and TSS are based on the calculations shown below.							
		<u>Final Effluent Limitations</u>		<u>Estimated Influent Loads</u>		<u>Estimated Removal Rates</u>	
Flow	10.0	million gallons per day (mgd)		10,000 thousand gallons per day			
COD	72.5	milligrams per liter (mg/l)		40.3 thousand pounds per day		85%	
TSS	30	milligrams per liter (mg/l)		16.7 thousand pounds per day		85%	

2.3 Allocation of Valuation to Flow, COD and TSS

The unit costs for each capacity charge component are based on the value of the system allocated to each component divided by the capacity in the system for each component. Allocation of sewer system valuation to each component is shown below in Table 2-3.

Table 2-3. Sewer System Cost Allocation							
Fixed Assets/Rolling Stock	Allocation Percentages [1]			System Value	Allocation of Dollars		
	Flow	COD	TSS		Flow	COD	TSS
Subsurface Collection Pipes & Manholes	100%			\$227,250	\$227,250	\$0	\$0
Force Mains	100%			\$72	\$72	\$0	\$0
Lift Stations	100%			\$1,820	\$1,820	\$0	\$0
Siphon	100%			\$630	\$630	\$0	\$0
Treatment Plant	50.0%	25.0%	25.0%	\$70,757	\$35,378	\$17,689	\$17,689
Vehicles/Equipment	88.2%	5.9%	5.9%	\$250	\$220	\$15	\$15
Totals	88.2%	5.9%	5.9%	\$300,779	\$265,371	\$17,704	\$17,704
Notes:							
1 Allocation percentages for fixed assets were provided by the Consultant.							
Allocation percentages for Vehicles and Maintenance Equipment are a composite of those for Fixed Assets.							

2.4 Development of Unit Costs for Flow, COD and TSS

The development of unit costs for flow, COD and TSS are shown below in Table 2-4. The unit costs for each capacity charge component are based on the value of the system allocated to each component divided by the capacity in the system for each component. The capacity charge for any new connection may be calculated using the unit costs for flow, COD and TSS.

		FY 20	FY 21	FY 22	FY 23	FY 24
Net System Valuation		<i>allocation</i>				
Flow	88%	\$161,450	\$168,800	\$175,540	\$183,450	\$189,880
COD	5.9%	\$10,770	\$11,260	\$11,710	\$12,240	\$12,670
TSS	5.9%	\$10,770	\$11,260	\$11,710	\$12,240	\$12,670
Total		\$182,992	\$191,324	\$198,962	\$207,931	\$215,211
System Capacity						
Flow	<i>gpd x 1000</i>	10,000	10,000	10,000	10,000	10,000
COD	<i>thousand lbs/day</i>	40.3	40.3	40.3	40.3	40.3
TSS	<i>thousand lbs/day</i>	16.7	16.7	16.7	16.7	16.7
Unit Costs of Capacity						
Flow	<i>\$/gpd</i>	\$16.15	\$16.88	\$17.55	\$18.35	\$18.99
COD	<i>\$/lbs/day</i>	\$267.18	\$279.34	\$290.50	\$303.65	\$314.31
TSS	<i>\$/lbs/day</i>	\$645.68	\$675.06	\$702.04	\$733.81	\$759.59

It is recommended that the District adopt capacity charge unit costs for FY20. Capacity charge unit costs for FY21 and onward may be escalated using an appropriate index such as the *Engineering News Record* 20-City Construction Cost Index.

2.5 Single Family Equivalent Dwelling Units

Section 1 of the Resolution No. 2018-1100 defines the "Equivalent Dwelling Unit" (EDU) for single family household accounts. The EDU for single family household accounts is based on estimated average daily wastewater flow per household (300 gallons per day).

For the purpose of calculating sewer capacity charges, it is recommended that the estimate of the average daily wastewater flow per household be lowered from 300 gallons per day to 230 gallons per day. The change reflects the decrease in indoor water use because of water conservation.

2.6 Recommended Single Family Capacity Charges

Recommended Single Family capacity charges are shown below in Table 2-5. The capacity charge is developed by multiplying the unit costs of capacity (which are the same for any new connection) times the average unit loadings for the Single Family customer class.

Table 2-5. Recommended Single Family Capacity Charges							
		Adopted	Recommended				
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Unit Costs of Capacity							
Flow	<i>\$/gpd</i>		\$16.15	\$16.88	\$17.55	\$18.35	\$18.99
COD	<i>\$/lbs/day</i>		\$267.18	\$279.34	\$290.50	\$303.65	\$314.31
TSS	<i>\$/lbs/day</i>		\$645.68	\$675.06	\$702.04	\$733.81	\$759.59
EDU	<i>\$/EDU</i>	\$4,265					
Unit Loadings							
Flow and Concentration							
Flow		300 gpd	230 gpd	230 gpd	230 gpd	230 gpd	230 gpd
COD		500 mg/L	650 mg/L	650 mg/L	650 mg/L	650 mg/L	650 mg/L
TSS		240 mg/L	300 mg/L	300 mg/L	300 mg/L	300 mg/L	300 mg/L
Flow and Mass							
Flow		300 gpd	230 gpd	230 gpd	230 gpd	230 gpd	230 gpd
COD		1.25 lbs/day	1.25 lbs/day	1.25 lbs/day	1.25 lbs/day	1.25 lbs/day	1.25 lbs/day
TSS		0.60 lbs/day	0.58 lbs/day	0.58 lbs/day	0.58 lbs/day	0.58 lbs/day	0.58 lbs/day
Capacity Charge							
Flow			\$3,713	\$3,882	\$4,037	\$4,219	\$4,367
COD			\$333	\$348	\$362	\$379	\$392
TSS			\$372	\$388	\$404	\$422	\$437
Total			\$4,418	\$4,619	\$4,804	\$5,020	\$5,196
Total (round to nearest \$100)			\$4,400	\$4,600	\$4,800	\$5,000	\$5,200
Dollar Change			\$135	\$200	\$200	\$200	\$200
Percent Change			3.2%	4.5%	4.3%	4.2%	4.0%

2.7 Recommended Restaurant Capacity Charges

Capacity charges for a restaurant which plans wastewater discharge of 2,000 gpd are shown below in Table 2-6. The recommended capacity charges are developed by multiplying the unit costs of capacity (which are the same for any new connection) times the unit loadings for the individual restaurant.

Note that capacity charges for a restaurant in this example are based on estimated flow and strength values and are useful only to demonstrate calculation of the charges. They are not representative of flows or strength for every individual new nonresidential connection. Flows and strength for every individual new nonresidential connection are determined by the District at the time of application for a new connection.

Table 2-6. Restaurant Capacity Charge for 2000 gpd Discharge

		Adopted	Recommended				
		FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Unit Costs of Capacity							
Flow	<i>\$/gpd</i>		\$16.15	\$16.88	\$17.55	\$18.35	\$18.99
COD	<i>\$/lbs/day</i>		\$267.18	\$279.34	\$290.50	\$303.65	\$314.31
TSS	<i>\$/lbs/day</i>		\$645.68	\$675.06	\$702.04	\$733.81	\$759.59
EDU	<i>\$/EDU</i>	\$4,265					
Unit Loadings							
Flow and Concentration							
EDU		6.7	9.88	9.88	9.88	9.88	9.88
Flow		2000 gpd	2000 gpd	2000 gpd	2000 gpd	2000 gpd	2000 gpd
COD		1500 mg/L	1500 mg/L	1500 mg/L	1500 mg/L	1500 mg/L	1500 mg/L
TSS		600 mg/L	600 mg/L	600 mg/L	600 mg/L	600 mg/L	600 mg/L
Flow and Mass							
Flow		2000 gpd	2000 gpd	2000 gpd	2000 gpd	2000 gpd	2000 gpd
COD		25.0 lbs/day	25.0 lbs/day	25.0 lbs/day	25.0 lbs/day	25.0 lbs/day	25.0 lbs/day
TSS		10.0 lbs/day	10.0 lbs/day	10.0 lbs/day	10.0 lbs/day	10.0 lbs/day	10.0 lbs/day
Capacity Charge							
Flow			\$32,290	\$33,760	\$35,108	\$36,690	\$37,976
COD			\$6,685	\$6,989	\$7,268	\$7,597	\$7,864
TSS			\$6,462	\$6,756	\$7,026	\$7,344	\$7,602
Total		\$28,433	\$45,437	\$47,505	\$49,402	\$51,631	\$53,442
Total (round to nearest \$100)			\$45,400	\$47,500	\$49,400	\$51,600	\$53,400
Dollar Change			\$16,967	\$2,100	\$1,900	\$2,200	\$1,800
Percent Change			59.7%	4.6%	4.0%	4.5%	3.5%

Section 3

Historical and Projected Sewer Capacity Charges and Survey

The District's historical and projected sewer capacity charges are shown in this section. A survey of the District's current and recommended FY20 sewer capacity charges are compared to the sewer capacity charges for other nearby agencies.

3.1 Historical and Projected Sewer Capacity Charges

The figure below shows historical annual Residential sewer capacity charges from FY02 through FY19 (18 years) and projected annual sewer capacity charges for FY20 through FY24 (five years). The annual average percent increase over the total 23 years is approximately 4.3 percent.

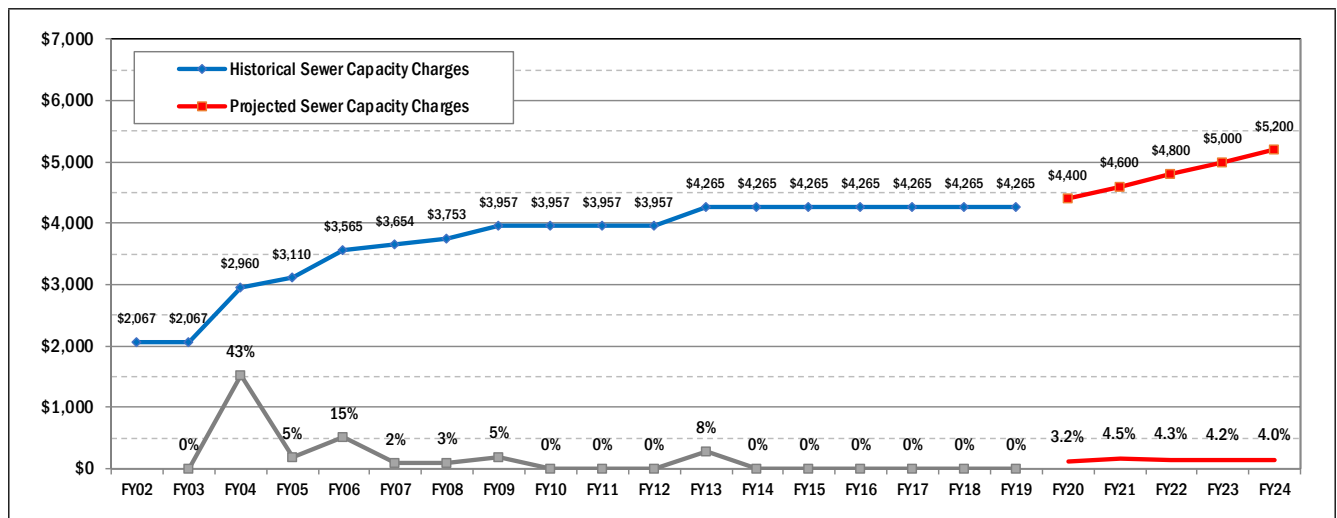


Figure 3-1. Historical and Projected Residential Annual Sewer Capacity Charges

3.2 Residential Sewer Capacity Charge Survey

The District's current (FY 2018-19) and recommended (FY 2019-20) Sewer Service Charges were compared to the sewer capacity charges for other nearby agencies. The comparison is for single family dwelling units. Results of the survey are shown in Figure 3-2.

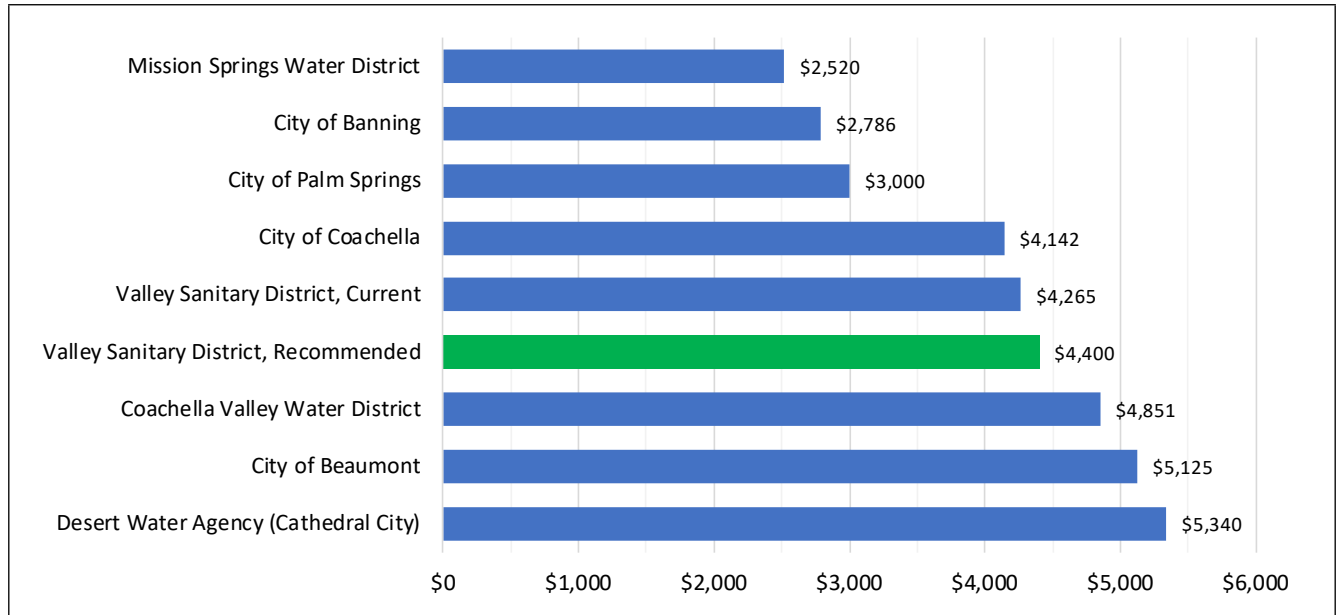


Figure 3-2. Residential Sewer Capacity Charge Survey



Section 4

Limitations

This document was prepared solely for the Valley Sanitary District in accordance with professional standards at the time the services were performed and in accordance with the contract between Valley Sanitary District and Municipal Financial Services. This document is governed by the specific scope of work authorized by Valley Sanitary District; it is not intended to be relied upon by any other party. We have relied on information or instructions provided by Valley Sanitary District and, unless otherwise expressly indicated, have made no independent investigation as to the validity, completeness, or accuracy of such information.

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Appendix A: Sewer System Valuation Tables

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Table A-1
Valley Sanitary District
Sewer Collection Pipe/Siphon/Lift Station Data

YEARS	PIPE SIZE												TOTAL LENGTH (feet)				
	4	6	8	10	12	15	16	18	20	21	24	27		30	36	42	48
1930's	332	2,728	14,509	2,850													20,419
1940's																	0
1950's		712	104,699	15,893	6,236	7,261	4,489	495									139,785
1960's		1,359	75,421	3,654	2,698	11,019	16	6,593				3,760					104,520
1970's	140	765	104,625	22,043	12,399	7,950	385										148,307
1980's		645	90,942	3,552	13,291	23,090	1,536					937	65	2,730	708		140,731
1990's	77	1,831	82,168	18,028	2,789	12,711	3,054	1,910	3,811	10,856		3,868	4,240				137,236
2000's		1,102	483,016	48,188	19,813	11,724	1,255	19,579	1,255	42				5,479			598,561
2010's		500	26,905	4,275	133		1,475					7,718	11,682				52,688
TOTAL	549	9,642	982,286	118,483	57,359	73,755	1,271	36,110	1,255	2,447	20,094	15,161	14,412	5,479	708	3,236	1,342,247
% TOTAL	0.04%	0.75%	74.09%	8.84%	4.43%	5.71%	0.10%	2.68%	0.10%	0.19%	0.96%	1.17%	0.21%	0.42%	0.05%	0.25%	100.00%

Cost/LF	PIPE COST PER LF BY DIAMETER (based on average depth of 8 feet for 21" dia and below and 12 feet for larger diameter pipe) INCLUDES MANHOLES																
	4	6	8	10	12	15	16	18	20	21	24	27	30	36	42	48	
MH	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10	\$ 13	\$ 13	\$ 13	\$ 13	\$ 15	
Pipe	\$ 85	\$ 100	\$ 115	\$ 125	\$ 160	\$ 180	\$ 190	\$ 200	\$ 200	\$ 225	\$ 270	\$ 325	\$ 375	\$ 460	\$ 550	\$ 640	
Total 2013	\$ 95	\$ 110	\$ 125	\$ 135	\$ 170	\$ 190	\$ 200	\$ 210	\$ 235	\$ 235	\$ 283	\$ 338	\$ 388	\$ 473	\$ 565	\$ 655	
Total 2018	\$ 111	\$ 129	\$ 147	\$ 158	\$ 223	\$ 234	\$ 246	\$ 275	\$ 275	\$ 331	\$ 396	\$ 454	\$ 554	\$ 662	\$ 768	\$ 868	
Total \$	\$ 61,141	\$ 1,243,317	#####	\$ 18,751,034	\$ 11,431,024	\$ 16,427,929	\$ 297,996	\$ 8,889,673	\$ 345,738	\$ 674,120	\$ 6,654,574	\$ 5,998,422	\$ 6,546,835	\$ 3,034,859	\$ 468,940	\$ 2,484,764	\$ 227,250,913

ENR 20 City Avg.	
ENR 12/1/2018	11186
ENR 6/1/2013	9542

Lift Stations	2005	2018
ENR 20 City Avg	9806	11062
Vandenberg	\$ 400,000	\$ 451,000
Carver	\$ 400,000	\$ 451,000
Calhoun	\$ 400,000	\$ 451,000
Barrymore	\$ 400,000	\$ 451,000
Total	\$ 1,815,062	

VSD's Lift Stations are similar and so the cost is assumed to be about the same

Force Mains	Size (in.)	Length (ft)	Unit Cost	Price
Vandenberg	4	140	\$ 85	\$ 11,900
Carver	6	66	\$ 100	\$ 6,600
Calhoun	6	100	\$ 100	\$ 10,000
Barrymore	8	380	\$ 115	\$ 43,700
Included in pipe lengths above			Total	\$ 72,200

Manholes	4" diameter	5' diameter	6' diameter
Cost MH/foot	\$ 10.00	\$ 12.50	\$ 15.00

Siphons	Size (in.)	Length (ft)	Unit Cost	Price
Indio Blvd.	12	554	\$ 170	\$ 94,180
Shields	12	780	\$ 170	\$ 132,600
Fred Waring	15	650	\$ 190	\$ 123,500
Jefferson	15	220	\$ 190	\$ 41,800
Shadow Hills	16	1255	\$ 500	\$ 627,500
	20	1255	\$ 588	\$ 737,313
	24	1255	\$ 706	\$ 886,344
Total			Total	\$ 2,416,456

These costs are included above except the Shadow Hills portion

Table A-2
Contribution of Sewer Capacity Charges

Fiscal Year	Connection Fees and Revenues [1,2]			ENR 20 City CCI at Year End	Escalation Factor Based on 11062	Escalated Contribution Revenues
	Capacity Charge/EDU	Number of New EDUs	Revenues			
2018	\$4,265	298	\$1,272,580	11062	1.00	\$1,272,580
2017	\$4,265	186	\$791,280	10676	1.04	\$819,874
2016	\$4,265	339	\$1,446,315	10331	1.07	\$1,548,567
2015	\$4,265	211	\$897,863	10036	1.10	\$989,680
2014	\$4,265	469	\$1,998,788	9806	1.13	\$2,254,654
2013	\$4,265	129	\$548,500	9543	1.16	\$635,775
2012	\$3,957	49	\$192,800	9338	1.18	\$228,388
2011	\$3,957	183	\$724,000	9070	1.22	\$883,012
2010	\$3,957	77	\$304,400	8804	1.26	\$382,459
2009	\$3,957	164	\$648,900	8570	1.29	\$837,564
2008	\$3,753	454	\$1,702,500	8310	1.33	\$2,266,282
2007	\$3,654	395	\$1,441,600	7967	1.39	\$2,001,621
2006	\$3,565	2,335	\$8,325,600	7751	1.43	\$11,881,476
2005	\$3,110	2,519	\$7,833,100	7446	1.49	\$11,636,782
2004	\$2,960	1,518	\$4,493,000	7115	1.55	\$6,985,275
2003	\$2,067	1,348	\$2,787,000	6694	1.65	\$4,605,517
2002	\$2,067	692	\$1,431,100	6538	1.69	\$2,421,320
2001	\$2,005	200	\$401,000	6342	1.74	\$699,432
2000	\$1,967	200	\$393,400	6221	1.78	\$699,522
1999	\$1,916	200	\$383,200	6060	1.83	\$699,488
1998	\$1,872	200	\$374,300	5920	1.87	\$699,399
1997	\$1,842	200	\$368,300	5825	1.90	\$699,412
1996	\$1,777	200	\$355,400	5620	1.97	\$699,533
1995	\$1,730	200	\$345,900	5471	2.02	\$699,376
1994	\$1,710	200	\$341,900	5408	2.05	\$699,342
1993	\$1,647	200	\$329,400	5210	2.12	\$699,380
1992	\$1,576	200	\$315,200	4985	2.22	\$699,436
1991	\$1,529	200	\$305,700	4835	2.29	\$699,401
1990	\$1,496	200	\$299,200	4732	2.34	\$699,430
1989	\$1,459	200	\$291,800	4615	2.40	\$699,424
1988	\$1,429	200	\$285,700	4519	2.45	\$699,351
1987	\$1,393	200	\$278,600	4406	2.51	\$699,461
1986	\$1,358	200	\$271,600	4295	2.58	\$699,510
1985	\$1,326	200	\$265,300	4195	2.64	\$699,572
1984	\$1,311	200	\$262,200	4146	2.67	\$699,569
1983	\$1,285	200	\$257,100	4066	2.72	\$699,458
1982	\$1,209	200	\$241,900	3825	2.89	\$699,571
1981	\$1,118	200	\$223,500	3535	3.13	\$699,383
1980	\$1,023	200	\$204,700	3237	3.42	\$699,523
1979	\$949	200	\$189,900	3003	3.68	\$699,515
1978	\$878	200	\$175,500	2776	3.98	\$699,334
Totals		16,164				\$68,437,645

Notes:

- Annual revenues and fees for 2002 - 2018 are from the Statistical Section of District Comprehensive Annual Financial Reports. The reports refer to the revenues as coming from "Connection Fees."
The number of new EDU connections for each year is calculated using the amounts of revenue and actual fees.
- Fees for 2001 and earlier are adjusted downward from the 2018 value by the ENR 20 City CCI.
The number of new connections for 2001 and earlier are estimated by the District.

Table A-3
Debt Service Schedules

Wastewater Revenue Refunding Bonds, Series 2015

Period Ending	12/1/2015	6/1/2016	12/1/2016	6/1/2017	12/1/2017	6/1/2018	12/1/2018	6/1/2019	12/1/2019	6/1/2020	12/1/2020	6/1/2021	12/1/2021	6/1/2022	12/1/2022	6/1/2023	12/1/2023	6/1/2024	12/1/2024	6/1/2025	12/1/2025	6/1/2026	
Principal	550,000	550,000	565,000	565,000	590,000	590,000	620,000	620,000	620,000	650,000	650,000	685,000	685,000	715,000	715,000	750,000	750,000	765,000	765,000	805,000	805,000	845,000	845,000
Interest	160,934	177,719	163,969	163,969	149,844	149,844	135,094	135,094	119,594	119,594	103,344	103,344	103,344	86,219	86,219	68,344	68,344	60,375	60,375	41,250	41,250	21,125	21,125
Debt Service	160,934	727,719	163,969	728,969	149,844	739,844	135,094	755,094	119,594	769,594	103,344	788,344	86,219	801,219	68,344	818,344	60,375	825,375	41,250	846,250	21,125	866,125	866,125

Fiscal Year	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	
Principal	550,000	565,000	590,000	620,000	650,000	685,000	715,000	750,000	765,000	805,000	845,000	
Interest	338,653	327,938	299,688	270,188	239,188	206,688	172,438	136,688	120,750	82,500	42,250	
Total	888,653	892,938	889,688	890,188	889,188	891,688	887,438	886,688	885,750	887,500	887,250	
Principal Remaining (in \$thousands)	7,540	6,990	6,425	5,835	5,215	4,565	3,880	3,165	2,415	1,650	845	0

Percent Alloc	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Fund 11-52.174%	463,646	465,881	464,186	464,446	463,925	465,229	463,012	462,620	462,131	463,044	462,914
Fund 12-47.826%	425,007	427,056	425,502	425,741	425,263	426,458	424,426	424,067	423,619	424,456	424,336
Total	888,653	892,938	889,688	890,188	889,188	891,688	887,438	886,688	885,750	887,500	887,250

Clean Water State Revolving Fund - Project No. C-06-8116-110, Agreement No. D1601003-550-4

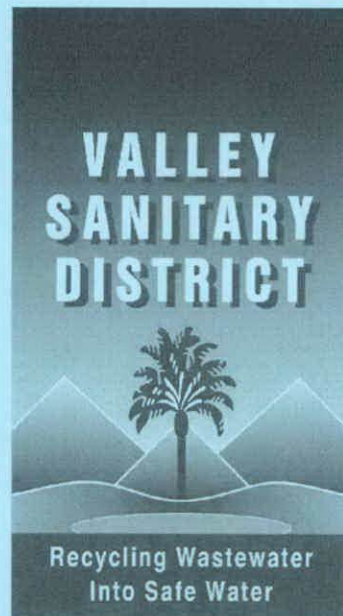
12,746,147 < Disbursement
174,008 < Construction Period Interest
 12,920,155 < Construction Period Interest
 1.7% < Interest Rate
 30 < Term

payment period >	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
Principal	333,718	339,391	345,161	351,029	356,996	363,065	369,237	375,514	381,898	388,390	394,993	401,708	408,537	415,482	422,545	429,728	437,034	444,463	452,019	459,704	467,518	467,518
Interest	219,643	213,969	208,200	202,332	196,365	190,296	184,124	177,846	171,463	164,970	158,368	151,653	144,824	137,879	130,816	123,632	116,327	108,897	101,342	93,657	85,842	85,842
Total	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361	553,361
Principal Remaining (in \$thousands)	12,920	12,586	12,247	11,902	11,551	11,194	10,831	10,462	10,086	9,704	9,316	8,921	8,519	8,111	7,695	7,272	6,843	6,406	5,961	5,509	5,050	4,582

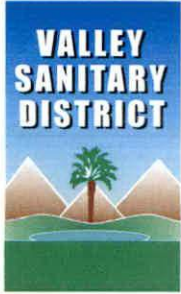
% alloc	Fund 11-52.174%	Fund 12-47.826%
Total	288,710	288,710
Principal	288,710	288,710
Interest	264,650	264,650
Total	553,361	553,361

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Agenda Item 5



Consideration of Employment Agreement Between
Valley Sanitary District and Beverli Marshall for the
Position of General Manager



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Joanne Padgham
SUBJECT: Consideration of Employment Agreement Between Valley Sanitary District and Beverli Marshall for the Position of General Manager

<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 consider the adoption of an Employment Agreement between Valley Sanitary District and Beverli Marshall for the position of General Manager and authorize the Board President to execute the agreement.

Background:

The Board will consider the draft General Manager Employment Agreement between Valley Sanitary District and Beverli Marshall along with any suggested revisions from the Board of Directors and take action as the Board deems appropriate.

The General Manager’s Employment Agreement is for a term of three (3) years from the date the contract is signed.

Fiscal Impact:

None.

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

Approved by: Ron Buchwald
Ron Buchwald
Interim General Manager

Attachment: General Manager’s Employment Agreement – Beverli Marshall

**EMPLOYMENT AGREEMENT FOR GENERAL MANAGER OF
VALLEY SANITARY DISTRICT**

This AGREEMENT (hereinafter referred to as "Agreement") is made and entered into between BEVERLI A. MARSHALL (hereinafter referred to as "Employee") and the VALLEY SANITARY DISTRICT (hereinafter referred to as the "District" or "Employer") as of May ___ 2019.

RECITALS

WHEREAS, District wishes to engage the services of Employee as the General Manager of the District;

WHEREAS, Employee is familiar with the position's legal requirements, industry standards, and duties set forth in Exhibit "A" [job description] attached hereto and incorporated herein; and

WHEREAS, Employee represents and warrants that she has the skill and ability to serve in such position.

NOW, THEREFORE, in consideration of the above recitals and the mutual covenants herein contained, the parties hereto agree as follows:

1. Employment and Term. The District hereby agrees to employ Employee, and Employee agrees and does accept at will employment upon the terms and conditions set forth herein. The effective date of employment shall be _____ [date of employ]. The term of this Agreement shall be for three (3) years, unless sooner terminated or extended by the parties as set forth in this Agreement. In the event that the Board determines that the Employee is not to be reemployed upon expiration of this Agreement, she shall be given written notice thereof by the District at least two (2) months in advance of the expiration of the term of this Agreement. Should the District fail to give notice at least two (2) months prior to the end date of this Agreement, the Agreement shall be extended on the same terms for additional one-year periods.

2. Duties and Obligations of Employee.

A. *Functions of Position.* Employee hereby agrees to perform the functions and duties of the Position as set forth in the applicable job description, the District's Resolutions, Rules, Regulations and Policies, and to perform such other duties and functions as the District and specifically the District's Board of Directors may assign. It is expressly understood that the terms of this Agreement, including but not limited to those governing termination of employment, supersede any rights conferred by District Resolution, Rules, Regulations or Policies where in contradiction.

B. *Allocation of Time/ Outside Commitments.* Employee will focus her professional time, ability, and attention to District business during the term of this Agreement. Employee shall not engage in any other business duties or pursuits whatsoever or, directly or indirectly, render any services of a business, commercial, or professional nature to any other person or organization, whether for compensation or otherwise, without the prior consent of the District, except that:

(1) The expenditure of reasonable amounts of time not in conflict with the District's needs and interests, for educational, charitable, community, and professional activities, shall not be deemed a breach of this Agreement and shall not require prior consent.

(2) This Agreement shall not be interpreted to prohibit Employee from making passive personal investments or conducting private business affairs off-duty if those activities do not materially interfere with the services required under this Agreement.

C. *Intellectual Property.* All data, studies, reports and other documents prepared by Employee while performing her duties pursuant to this Agreement shall be furnished to and become the property of the District, without restriction or limitation on their use. All ideas, memoranda, specifications, plans,

procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Employee in connection with the performance of this Agreement shall be held confidential by Employee unless disclosed within the scope of her duties. Such materials shall not, without the prior written consent of the District, be used by Employee for any purposes other than the performance of her duties. Nor shall such materials be disclosed to any person or entity not connected with the performance of services under this Agreement, except as required by law.

D. Annual Performance Evaluations. The Board shall review and evaluate the performance of Employee in writing on an annual basis at the second Board meeting of every January. The evaluation will also set forth mutually defined goals to be achieved by the Employee in the subsequent year. The Employee will be provided an adequate opportunity to discuss her evaluation with the Board at the Board meeting. Failure of the Board to conduct a performance evaluation shall not prohibit the Board from terminating this Agreement in accordance with Section 5 of this Agreement

3. Salary and Benefits.

A. Salary. Employee shall be compensated at the rate of Two Hundred and Twenty Thousand Dollars and No Cents (\$220,000.00) which shall be payable in installments at the same time as other employees of the District are paid, pursuant to the procedures regularly established, and as they may be amended by the District. Additionally, each year during the first term of this Agreement, Employee will be eligible for a three percent (3%) salary increase, contingent on a satisfactory annual review by the Board of Directors. Finally, Employee will receive any Cost of Living Adjustment (COLA) otherwise provided to all employees of the District. Such salary increases must be memorialized by written Amendment to this Agreement. All compensation and comparable payments to be paid to Employee shall be less withholdings required by law.

B. Health, Dental & Vision. Health, dental and vision insurance will be provided at the level available to other employees of the District.

C. Retirement & Deferred Compensation. The District shall pay costs related to the Employee's membership in CalPERS on the same basis as for other employees. The District participates in CalPERS at a formula of 2.5% at fifty five (55) years. If Employee elects to participate in the District's deferred compensation plan, the District will match the Employee's annual contribution up to a maximum of Two Thousand and Four Hundred Dollars (\$2,400.00).

D. Life Insurance. The District shall provide to Employee a group term policy. The value of the policy is one time the annual salary of Employee with a cap of Two Hundred Thousand Dollars (\$200,000.00).

E. Vacation. Employee shall accrue fifteen (15) days (or 120 hours) of vacation for each year of service. The District may, in its discretion, allow Employee a weekly prorated accrual per week in order to total a fifteen (15) day accrual by year end. Such vacation may be carried over, if not used, and may accumulate to a cap of Two Hundred and Forty (240) hours. Once the accrual cap is reached, the Employee will not accrue additional vacation hours until such time as she reduces her accrued hours below the cap. Proposed Employee vacation dates must be approved by the Board of Directors in order to best suit District needs.

F. Sick Leave . Upon execution of this Agreement, Employee will be allotted five (5) days (or 40 hours) of sick leave. Sick leave may be used for any and all purposes outlined in District policy or in compliance with the *Healthy Workplaces, Healthy Families Act*. In addition to the initial five (5) day grant, Employee will accrue sick leave at a rate of eight (8) hours of sick leave per month. Employee may carry over such sick leave from year to year any unused sick leave up to a maximum of nine hundred and

sixty (960) hours. Once Employee's accrual reaches nine hundred and sixty (960) hours, she will be ineligible to accrue further sick leave until such time as she reduces her accrued hours below the cap.

G. Administrative leave. Upon execution of this Agreement, Employee will be allotted ten (10) days (or 80 hours) of administrative leave away from the office, to be scheduled and used throughout the year to complete administrative tasks and duties without undue office interference. In addition to the initial ten (10) day grant, Employee will be allotted ten (10) days (or 80 hours) of administrative leave away from the office annually. These days off do not accrue, are not subject to carry over, are not subject to any cash-out option, and will not be paid out upon termination of employment.

H. Mileage Reimbursement. Employee shall utilize her own vehicle in the furtherance of duties. To the extent she drives in the furtherance of District duties, she shall be reimbursed for the use of her personal vehicle at the applicable IRS rate.

I. Professional development. The District shall budget and pay for approved professional dues and association memberships necessary for continued participation in approved organizations necessary for Employee's continued professional growth and advancement. The District shall also pay for travel and subsistence expenses (as set out by applicable District policy) for approved professional or official travel, meetings, training, seminars or similar functions.

J. Other benefits pursuant to District policy. In addition, Employee shall be provided all those benefits for which Employee is eligible pursuant to policies and procedures of District personnel, as may be amended by the District.

4. Relocation Expenses.

Employee agrees that she will reside no further than thirty miles from the District's treatment facility. Understanding that a permanent move will take time, the District will provide Employee with Two Thousand Dollars (\$2,000.00) per month for up to six months to provide for temporary housing while Employee's permanent move is pending. The District also agrees to reimburse Employee for customary and reasonable expenses associated with moving Employee's personal belongings to a home within a thirty-mile radius of the District's treatment facility. Such expenses include, but are not limited to, the rental of a moving truck or hiring of a moving company. Reimbursement will be contingent on the District's approval of the scope of expenses prior to expenditure and will be based on the lowest of three (3) bids obtained by Employee for rental or services. Relocation expenses may not be submitted for reimbursement later than six (6) months following Employee's start of employment, unless approved by the Board.

5. At-Will Employment Status, Termination of Agreement and Severance Pay.

A. Nature of Employment. The parties hereby expressly agree that the employment relationship created by the Agreement is "at will" and that Employee serves at the will and pleasure of the District's Board of Directors. Nothing in this Agreement, any Resolution, Statute, Ordinance, Rule or Policy shall prevent, limit or otherwise interfere with the right of the District to terminate the services of Employee at any time without cause or right of notice, *Skelly* conference, hearing, appeal or grievance. Accordingly, Employee agrees that this Agreement sets forth the only terms and conditions applicable to the termination of her employment and that she hereby waives any rights she would otherwise have thereunder.

B. By the Employee. The Employee may terminate this Agreement upon written notice to the Board of Directors and shall give thirty (30) days prior notice. The District shall have the option, in its complete discretion, to terminate the Employee any time prior to the end of such notice period, provided the District pays the Employee all compensation due and owing through the last day actually worked, plus an amount equal to the base salary the Employee would have earned through the remainder of the notice period. Thereafter, all the District's obligations under this Agreement shall cease.

C. By the District, Without Cause. At any time, and without prior notice, the District may terminate the Employee's employment for any reason, with or without cause. In the event the District exercises its right under this provision to terminate employment without cause, the District shall pay Employee all compensation due and owing through the last day actually worked, plus six (6) months of the Employee's salary as of the time of the termination *or* pursuant to the requirements of Government Code § 53260, an amount equivalent to the remainder of the term of this Agreement, whichever is less. The payment of such severance benefit shall be conditioned upon Employee executing a general release agreement containing a general release of all claims Employee may have against the District at the time of any such termination, in such form as may be reasonably required by Employer's attorney. Such severance benefit shall not be payable unless and until Employee executes such a general release and until expiration of all waiver and rescission rights as provided by law at the time of such termination. Failure by the Employee to satisfy her termination obligations pursuant to Section 5(E) shall nullify the District's obligation to provide severance payment pursuant to this Section. If Employee is convicted of a crime involving an abuse of her office or position, whether before or after release from employment, Employee shall fully reimburse the City for any severance pay, paid leave salary disbursed pending an investigation, or legal criminal defense funds relevant to the crime paid for by the District.

D. By the District, For Cause. At any time, and without prior notice, the District may terminate Employee for Cause (as defined below). The District shall pay Employee all compensation then due and owing; thereafter, all of the District's obligations under this Agreement shall cease. Termination shall be for "cause" if Employee: (1) acts in bad faith and to the detriment of the District; (2) refuses or fails to act in accordance with any specific direction or order of the District; (3) exhibits in regard to her employment unfitness or unavailability for service, unsatisfactory performance, misconduct, dishonesty, habitual neglect, or incompetence; (4) is convicted of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; or (5) breaches any material term of this Agreement.

Upon any allegation that Employee has engaged in conduct that would result in her termination "for cause" as defined below, Employee is entitled to address and attempt to rebut those allegations before the Board in a closed session prior to the Board making any final determination regarding the veracity of those allegations. In the event the Board, in its discretion, still finds merit to the allegations and terminates, the Employee shall not be entitled to any severance and will be owed no further compensation. However, if this Agreement is terminated "for cause," the Employee shall have the right to appeal the Board's decision upon written notice to the Board of such appeal within ten (10) days of the determination. Failure to provide written notice within the ten (10) day period will result in waiver of the right to appeal. Upon appeal, the parties will select an independent arbitrator, either mutually agreed to or selected from a list of seven (7) arbitrators provided by the State Mediation and Conciliation Service. If the parties are unable to agree upon an arbitrator, they shall alternate striking names from the list until such time as only one arbitrator remains on the list. Any arbitrator selected must be able to hear the matter within thirty (30) days of selection and render a decision within fifteen (15) days of the close of the hearing. The District shall bear the costs of the arbitrator. The issue at the hearing shall be limited solely to whether or not District's "for cause" termination was arbitrary and capricious, entitling Employee to severance pursuant to Section 5(C). Under no circumstances shall the Employee be entitled to reinstatement to the position of General Manager as a result of such hearing.

E. Termination Obligations. Employee agrees that all property, including, without limitation, all equipment, tangible proprietary information, documents, records, notes, contracts, and computer-generated materials furnished to or prepared by Employee incident to her employment belongs to the District and shall be returned promptly to the District upon termination of Employee's employment. Further, any and all debts to the District shall be paid upon termination. Employee's obligations under this subsection shall survive the termination of her employment.

6. Amendments. This Agreement may not be amended or modified except by a writing signed by both parties. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

7. Assignment. Neither this Agreement nor any right, privilege or obligation of Employee hereunder shall be assigned or transferred by him/her without the prior written consent of the District. Any attempt at assignment or transfer in violation of this provision shall, at the option of the District, be null and void and may be considered a material breach of this Agreement.

8. Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

9. Attorneys' Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

10. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California. Venue shall be appropriate in the Superior Court of Riverside County, California.

11. Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. Furthermore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

12. Conflict of Interest. The Employee agrees that she will abide with all applicable local State and Federal rules on conflicts of interest and receipt of gifts, including without limitation those rules found in the California Fair Political Practices Act and related regulations and those found in Government Code Sections 1090, *et seq.*

13. Acknowledgment. Employee acknowledges that she has had the opportunity to consult legal counsel in regard to this Agreement, that she has read and understands this Agreement, that she is fully aware of its legal effect, and that she has entered into it freely and voluntarily and based on her own judgment and not on any representations or promises other than those contained in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the VALLEY SANITARY DISTRICT has caused this Agreement to be signed and duly executed by its Board President, and the Employee has signed and executed this Agreement as of the day and year first above written.

DISTRICT:

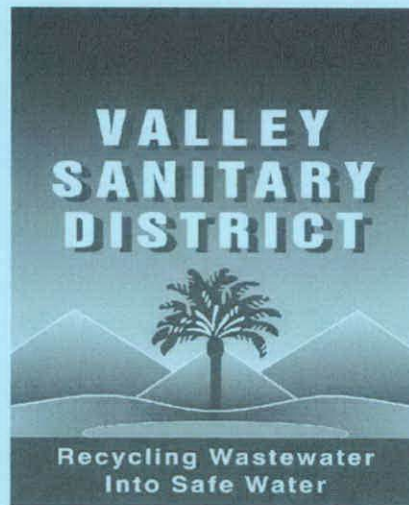
VALLEY SANITARY DISTRICT
DISTRICT

By: _____
Mike Duran,
BOARD PRESIDENT

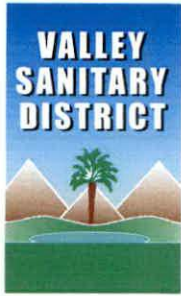
EMPLOYEE:

By: _____
BEVERLI A. MARSHALL

Agenda Item 6



Review and Adoption of
Resolution 2019-1114 – Maximum
Concentration Limits for Wastewater Discharges



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Ron Buchwald
SUBJECT: Review and Adoption of Resolution 2019-1114 – Maximum Concentration Limits for Wastewater Discharges

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

Recommendation:

It is recommended that the Board adopt Resolution 2019-1114 – Maximum Concentration Limits for Wastewater Discharges.

Background:

The District adopted Ordinance No. 2010-118 on November 9, 2010 but did not update Resolution 2008-998 to reference the newly adopted ordinance.

Resolution 2019-1114 updates the reference to Ordinance No. 2010-118 and reflects the updated NPDES Order No. R7-2015-0002.

Fiscal Impact:

None

Submitted by: Ron Buchwald
Ron Buchwald
Interim General Manager

Approved by: Ron Buchwald
Ron Buchwald
Interim General Manager

Attachments: Resolution No. 2019-1114

RESOLUTION NO. 2019-1114
A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY
SANITARY DISTRICT ESTABLISHING MAXIMUM
CONCENTRATION LIMITS FOR WASTEWATER DISCHARGES TO
THE VALLEY SANITARY DISTRICT WASTEWATER
RECLAMATION FACILITY

WHEREAS, Order No. R7-2015-0002, NPDES Permit No. CA010447 issued to Valley Sanitary District (referred to hereinafter as the District) by the State of California contain specific discharge limitations designed to prevent pass through and/or interference in accordance with all provisions of 40CFR403.5 and 403.6; and

WHEREAS, the District is required to establish technically based and legally defensible local discharge limits to prevent pass through and/or interference in accordance with 40CFR403.5 and 403.6; and

WHEREAS, the District intends to establish specific wastewater limitations through Resolution rather than by Ordinance to better facilitate anticipated revisions in the future; and

WHEREAS, the District adopted Ordinance No. 2010-118 which references local wastewater discharge limitations for commercial and industrial users by Resolution; and

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of Valley Sanitary District of Riverside County does hereby adopt the following maximum concentration limits of industrial wastewater pollutants listed in the attached Table I, for the Valley Sanitary Wastewater Treatment Plant in accordance with Section 208 E of District Ordinance No. 2010-118, "Sewer Construction and Use Ordinance".

RESOLUTION NO. 2008-998 is hereby rescinded.

PASSED, APPROVED, and ADOPTED, this 14th day of May 2019, by the following roll call vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

Mike Duran, President

ATTEST:

Dennis Coleman, Secretary

TABLE 1

UNIFORM CONCENTRATION INDUSTRIAL USER EFFLUENT LIMITS¹

POLLUTANT	LOCAL LIMITS (mg/L)
Arsenic	4
Cadmium	0.4
Chromium	14
Copper	12
Lead	3
Mercury	0.1
Nickel	7
Silver	5
Zinc	15
Cyanide (Total) ³	5
Cyanide (Amenable) ³	1
Polychlorinated Biphenyls	0.01
Pesticides	0.01
Sulfide ⁴	5
Oil & Grease ³	400
Total Petroleum Hydrocarbons ³	25

¹User subject to Federal Categorical Pretreatment Standards shall meet the requirements of 40CFR Chapter I Subchapter N Parts 405-471 in addition to the standards set forth above.

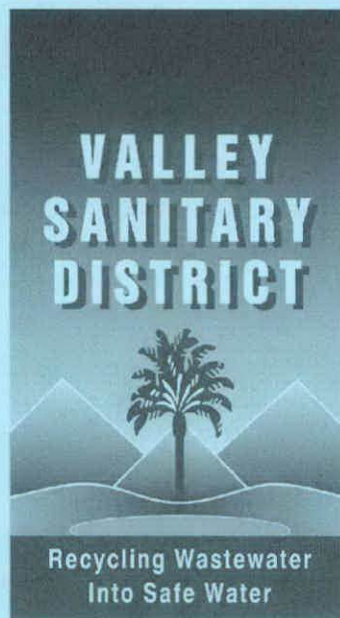
² Average daily maximum concentration shall be applied to a composite sample taken over the hours of industrial discharge. Values are subject to review during the permitting process to determine if high flow volumes from any user at the stated concentrations would cause pass-through of pollutants which is prohibited. In such cases, the General Manager may change the local limits to protect the facilities.

³ A minimum of four grab samples collected at least 15 minutes apart. The average will be used to determine compliance with the concentration limit.

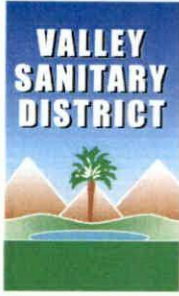
⁴ A single grab sample will be used to determine compliance with the concentration limit.

Agenda Item

7



Consideration of Proposal from Total Compensation System, Inc. to Provide Actuarial Services Associated with Other Post-Employment Benefits (OPEB) in Compliance with Government Accounting Standards Board (GASB) Statement Nos. 74/75



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Joanne Padgham
SUBJECT: Consideration of Proposal from Total Compensation Systems, Inc. to Provide Actuarial Services Associated with Other Post-Employment Benefits (OPEB) in Compliance with Governmental Accounting Standards Board (GASB) Statement Nos. 74/75.

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

Recommendation:

It is recommended that the Board award a contract to and authorize the Interim General Manager to sign the Consulting Services Agreement with Total Compensation Systems, Inc. to provide actuarial services associated with OPEB in compliance with GASB Statements 74/75 at a cost of \$4,590.

Background:

GASB approved two (2) new statements designed to improve accounting and financial reporting for state and local government OPEB plans – GASB 74 and GASB 75. The intent of these changes was to establish a consistent set of standards for all postemployment benefits that provides more transparent reporting of the liability and more useful information about both the liability and the costs of the benefits.

The new standards apply now and require significant additional work that Total Compensation Systems is well suited to perform.

Valuations are required every two (2) years. This expense is included in the FY 2019/2020 Budget.

Fiscal Impact:

11-5500-414-3	Contract Services	\$4,590.00
Total	FY 2019/2020 Budget	\$4,590.00

Submitted by: Joanne Padgham
Joanne Padgham
Administration & Finance Manager

Approved by: Ron Buchwald
Ron Buchwald
Interim General Manager

Attachments: TCS, Inc. Consulting Services Agreement

TCS Total Compensation Systems, Inc.

April 15, 2019

Joanne Padgham
Finance Manager
Valley Sanitary District
45500 Van Buren St
Indio, CA 92201-3435

Dear Joanne,

This letter is our proposal for GASB 74/75 actuarial valuation services. GASB 74/75 dramatically change the way services are provided, resulting in changes to our contracting practices.

As you know, GASB 75 requirements can be met every second year by using a streamlined “roll-forward” valuation (unless circumstances require a full valuation). It is only viable for a roll-forward valuation to be performed by the same actuary that performed the original full valuation. For this reason, we are including in this proposal a second year roll-forward valuation. Valley Sanitary District can elect not to proceed with the second year “roll-forward” or can choose to have a full valuation in the second year at the fee shown below for a full valuation.

To confidently schedule existing clients, we are providing an incentive for clients who make a commitment in advance of the valuation date. To reserve a place in our schedule, please send the signed contract and non-refundable deposit of one-half of the full valuation fee by June 1, 2019. The deposit is non-refundable because of the preliminary work we do to streamline valuations, as well as to compensate for downtime of resources that could result from cancelled contracts. By reserving a spot, Valley Sanitary District not only guarantees a valuation slot, but is given priority over every client that didn't reserve one. As a further incentive to reserve early, we are giving a 10% discount of the full valuation fee (i.e. excluding the meeting fee and ADC funding valuation fee) – as well as of the roll-forward valuation fee – to those who reserve a spot by June 1, 2019. That means that, to reserve a spot, we must receive the signed contract and a check for \$1,530 – i.e. one-half of 90% of \$3,400 – by June 1, 2019. The following table shows the new fees under GASB 74/75:

	<u>Full GASB 74/75</u>	<u>GASB 74/75 w/ 10% Discount</u>
Fee for Full Valuation	\$3,400	\$3,060
Roll-forward Valuation for 2 nd Year	\$1,700	\$1,530
ADC Funding Valuation Fee* (optional)	\$1,100	\$1,100
Meeting Fee* (optional)	\$1,900	\$1,900

*Not subject to 10% discount

If you choose *NOT* to reserve a spot, we still hope to work with you on the GASB 74/75 valuation, though it will be at the full fee quoted above. Should you choose to proceed, attached is a one pager describing our information needs. Depending on your plan, we may need to request additional information.

Please let me know if you have any questions about the above or about retiree health benefits, in general. We would very much appreciate once again having the opportunity to work with Valley Sanitary District.

Sincerely,



Geoffrey L. Kischuk, FSA, FCA, MAAA
Consultant
gkischuk@totcomp.com

encl.

DATA NEEDED TO COMPLETE RETIREE HEALTH VALUATION:

BENEFIT DESCRIPTION DOCUMENTS

To conduct a valuation, we need a full description of retiree health eligibility rules, extent of employer contributions, duration of coverage, etc. These are most commonly included in relevant sections of collective bargaining agreements, Board policies, etc. If you provide us with language from collective bargaining agreements, please also include a description of benefits provided to *non-bargained* employees (e.g. management, confidential, etc.)

DEMOGRAPHIC INFORMATION

In addition, we need demographic information. Following are the data elements we need to perform the retiree health valuation. It is OK to send data for active employees and retirees separately *as long as the data is "as of" the same date*. If possible, the data should be sent via E-mail to gkischuk@totcomp.com, in a standard file format (e.g. ASCII text, Excel, DBF, Access, etc). We can arrange a secured transfer upon request. Please note that we recognize that all data is sensitive and confidential and we take steps to safeguard the privacy of that data.

Active Employees:

NOTE: Please include a record for all benefit eligible employees, whether they receive benefits or not; and whether they are eligible for retiree benefits or not. There is no need to include records for employees who are not eligible for health benefits as an active employee.

- SSN, Identification Number or other unique identifying information
- Date of Birth
- Sex
- Hire Date
- % FTE Indicator
- Employee Classification/Bargaining Unit
- Current rate of regular pay used to generate pension credits
- Frequency of above pay rate (e.g. hourly, monthly, annual, etc.)
- An indication of the medical plan and coverage level (i.e. employee only, employee + one, etc.)

Retired Employees:

NOTE: Please only include records for retirees who receive medical and/or dental benefits or indicate in the record whether and which benefits a retiree has. Retirees should be included even if they are intended to pay the entire cost of their benefits.

- SSN, Identification Number or other unique identifying information
- Date of Birth
- Sex
- Retirement Date (if available)
- Employee Classification/Bargaining Unit
- District Contributions for retiree health benefits or enrolled plan (if available)

MEDICAL COST INFORMATION

If medical benefits are NOT provided through the CalPERS medical plan, please provide medical premium rates (including both employee and employer share) for active employees and also for retirees. If claim information is available, please provide the most recent 12 months of month by month claim data and month by month enrollment (by coverage type) for the most recent available 12 months. If there is an annual rate renewal calculation, please provide the most recent documentation.

MISCELLANEOUS

If OPEB benefits are being funded through a trust, please provide the most recent trust asset statement.

TCS Actuarial Clients

Following is a list of California public employers for which we have performed retiree health valuation services.

Acalanes Union High School District	Carmichael Water District
Acton-Agua Dulce Unified School District	Cascade Union Elementary School District
Adelanto Elementary School District	Casitas Municipal Water District
Alameda County Office of Education	Castro Valley Sanitary District
Alameda County Waste Management Authority	Castroville Community Services District
Alisal Union School District	Central Elementary School District
Allan Hancock Joint Community College District	Central Union School District
Alpine Springs County Water District	Ceres Unified School District
Alta Loma School District	Cerritos Community College District
Alvord Unified School District	Chabot-Las Positas Community College District
Amador County Office of Education	Chaffey Community College District
Anderson Union High School District	Chatom Union School District
Antelope Valley College	Chino Valley Unified School District
Antelope Valley Mosquito & Vector Control District	Chualar Union School District
Antelope Valley Union High School District	Citrus Community College District
Antelope Valley-East Kern Water Agency	City College of San Francisco Bookstore
Apple Valley Unified School District	City of Aliso Viejo
Aptos - La Selva Fire Protection District	City of Arcata
Arcadia Unified School District	City of Auburn
Arcohe Union Elementary School District	City of Bell
Armona Union Elementary School District	City of Bellflower
Arrowbear Park County Water District	City of Buena Park
Associated Students of San Jose State University	City of Calabasas
Atwater Elementary School District	City of Canyon Lake
Auburn Union Elementary School District	City of Capitola
Baldy View Regional Occupation Program	City of Chino
Banning Unified School District	City of Chino Hills
Banta Elementary School District	City of Colton
Barstow Community College District	City of Covina
Bass Lake Joint Union Elementary School District	City of Elk Grove
Bassett Unified School District	City of Emeryville
Bay Area Rapid Transit District	City of Folsom
Bear Valley Unified School District	City of Garden Grove
Beaumont-Cherry Valley Recreation and Park District	City of Imperial Beach
Belmont Redwood Shores School District	City of Industry
Berkeley Unified School District	City of Ione
Big Bear City Airport	City of Irwindale
Big Bear City Community Services District	City of La Cañada Flintridge
Blue Lake Union School District	City of La Palma
Bonny Doon Union Elementary School District	City of La Puente
Butte-Glenn Community College District	City of Lafayette
Cabrillo College Foundation	City of Laguna Woods
Cabrillo Community College District	City of Lake Forest
Cachuma Operations and Maintenance Board	City of Lakeport
Calistoga Joint Unified School District	City of Lawndale
Camarillo Health Care District	City of Loma Linda
Carmel Unified School District	City of Los Alamitos

City of Los Banos
City of Manhattan Beach
City of Menifee
City of Mission Viejo
City of Morro Bay
City of Porterville
City of Rancho Mirage
City of Rancho Santa Margarita
City of Rolling Hills
City of San Clemente
City of Scotts Valley
City of Seal Beach
City of Signal Hill
City of Simi Valley -- General Unit
City of Solvang
City of Stanton
Claremont Unified School District
Cloverdale Unified School District
Coachella Valley Mosquito and Vector Control District
Coachella Valley Unified School District
Coalinga Huron Joint Unified School District
Coast Community College District
Coastline Regional Occupational Program
Coastside County Water District
Coastside Fire Protection District
College and Career Advantage
College of Marin
College of the Desert
College of the Redwoods
College of the Sequoias
College of the Siskiyous
Colusa County Office of Education
Compton Community College District
Compton Creek Mosquito Abatement District
Conrad Hilton Foundation
Contra Costa Community College District
Contra Costa County Office of Education
Copper Mountain Community College District
Corcoran Joint Unified School District
Corona-Norco Unified School District
Cotati-Rohnert Park Unified School District
Cottonwood Fire Protection District
Cottonwood Union School District
Crestline Sanitation District
Cuesta College
Culver City Unified School District
Cutten Elementary School District
Cypress Charter High School
Cypress School District
Davis Joint Unified School District

Del Norte County Schools
Del Paso Manor Water District
Delano Joint Union High School District
Denair Unified School District
Desert Center Unified School District
Desert Health Care District
Desert Sands Unified School District
Diocese of San Bernardino
Dixon Unified School District
Dos Palos Oro Loma Joint Unified School District
Downey Unified School District
Duarte Unified School District
Ducor Union Elementary School District
Durham Unified School District
East Whittier City School District
Eastside Union School District
El Camino Community College District
El Dorado Hills County Water District
El Dorado Irrigation District
El Dorado Union High School District
El Rancho Unified School District
El Segundo Unified School District
El Toro Water District
Elk Grove Benefit Employee Retirement Trust
Elk Grove Unified School District
Emery Unified School District
Escalon Unified School District
Etiwanda School District
Eureka City Schools
Fairfax Elementary School District
Fairfield-Suisun Sewer District
Fall River Joint Unified School District
Feather River Community College District
Ferndale Unified School District
Fieldbrook Elementary School District
Fillmore Unified School District
First 5 San Benito
Folsom-Cordova Unified School District
Fontana Unified School District
Foothill-DeAnza Community College District
Fortuna Union High School District
Fountain Valley Elementary School District
Fowler Unified School District
Franklin Elementary School District
Fremont Union High School District
Freshwater School District
Fresno County Superintendent of Schools
Fruitvale Elementary School District
Fullerton Joint Union High School District
Galt Joint Union Elementary School District

Garfield School District
 Glendale Community College District
 Glenn County Office of Education
 Gold Coast Transit
 Gold Oak Union Elementary School District
 Goleta Water District
 Goleta West Sanitary District
 Greater Anaheim Special Education Local Plan Area
 Greenfield Union Elementary School District
 Grossmont-Cuyamaca Community College District
 Guadalupe Union Elementary School District
 Guerneville Elementary School District
 Gustine Unified School District
 Hacienda La Puente Unified School District
 Happy Valley Union Elementary School District
 Hart Ransom Academic Charter School
 Hart Ransom Union Elementary School District
 Hartnell Community College District
 Hayward Unified School District
 Healdsburg Unified School District
 Hemet Unified School District
 Hi-Desert Water District
 Hillsborough City School District
 Housing Authority of the City of Los Angeles
 Housing Authority of the County of San Joaquin
 Hughson Unified School District
 Humboldt Bay Harbor Recreation and Conservation
 District
 Humboldt County Office of Education
 Humboldt State University Center
 Humboldt Transit Authority
 Huntington Beach City Elementary School District
 Igo-Ono-Platina Union School District
 Imperial Community College District
 Indian Wells Valley Water District
 Ironhouse Sanitary District
 Jacoby Creek School District
 Jefferson School District
 Jefferson Union High School District
 John Swett Unified School District
 Kaweah Delta Water Conservation District
 Kensington Police Protection & Community Services
 District
 Kerman Unified School District
 Kern Community College District
 Kern Council of Governments
 Kern County Law Library
 Kernville Union School District
 Kings County Office of Education
 Kings River Union Elementary School District
 Kings River-Hardwick Union School District
 Kingsburg Elementary Charter School District
 Kit Carson Union Elementary School District
 Knights Ferry Elementary School District
 La Habra City School District
 Lafayette School District
 Laguna Beach Unified School District
 Lake Hemet Municipal Water District
 Lake Tahoe Community College District
 Lakeside Fire Protection District
 Lakeside Union Elementary School District
 Lamont Elementary School District
 Lancaster School District
 Las Lomitas School District
 Las Virgenes Municipal Water District
 Lassen Community College District
 Lassen County Office of Education
 Lassen Municipal Utility District
 Lassen Union High School District
 Laton Unified School District
 Lawndale Elementary School District
 Le Grand Union Elementary School District
 Lemoore Union Elementary School District
 Lemoore Union High School District
 Liberty Union High School District
 Live Oak School District
 Live Oak Unified School District
 Livermore/Amador Valley Transit Authority
 Lodi Unified School District
 Loleta Union Elementary School District
 Long Beach City College
 Loomis Union School District
 Los Alamitos Unified School District
 Los Angeles County Law Library
 Los Angeles County West Vector & Vector-Borne
 Disease Control District
 Los Gatos-Saratoga Joint Union High School District
 Luther Burbank Elementary School District
 Magnolia School District
 Mammoth Unified School District
 March Joint Powers Authority
 Marin County Office of Education
 Mark West Union School District
 Martinez Unified School District
 Marysville Joint Unified School District
 McCabe Union Elementary School District
 McFarland Unified School District
 McKinleyville Community Services District
 McKinleyville Union School District
 Meeks Bay Fire Protection District

Mendocino-Lake Community College
Menlo Park City School District
Merced Community College District
Merced County Office of Education
Merced Union High School District
Mid-Placer Public Schools Transportation Agency
Midway City Sanitary District
Millbrae School District
Mission Union School District
Mission Valley ROP
Mono County Office of Education
Monroe Elementary School District
Montecito Sanitary District
Montecito Water District
Monterey Peninsula Community College District
Monterey Peninsula Regional Park District
Monterey Peninsula Unified School District
Monterey Regional Waste Management District
Moraga School District
Moreland School District
Morongo Unified School District
Mosquito & Vector Management District of Santa
Barbara County
Mount San Antonio Community College District
Mount San Antonio Community College District
Auxiliary
Mount Shasta Union School District
Mountain View Elementary School District
Mountain View Los Altos Union High School District
Mt. San Jacinto Community College District
Municipalities, Colleges and Schools Insurance Group
Murrieta Valley Unified School District
Napa County Office of Education
Napa Sanitation District
Natomas Unified School District
Nevada Joint Union High School District
New Hope Elementary School District
New Jerusalem Elementary School District
Newman Crows Landing Unified School District
North County Fire Protection District of San Diego
County
North Monterey County Unified School District
North of the River Municipal Water District
North Orange County Community College District
North Orange County Regional Occupational Program
North Tahoe Fire Protection District
Northwest Mosquito and Vector Control District
Norwalk La Mirada Unified School District
Novato Unified School District
Oakdale Joint Unified School District

Oakley Union Elementary School District
Ocean View School District
Oceanside Unified School District
Ohlone Community College District
Ojai Valley Sanitary District
Old Adobe Union School District
Ontario Montclair School District Board of Trustees
Orange Center School District
Orange County Superintendent of Schools
Orange Unified School District
Orcutt Academy Charter
Orcutt Union School District
Oroville Union High School District
Oxnard School District
Pacheco Union School District
Pacific Grove Unified School District
Pacific Union School District
Pacifica School District
Pajaro Valley Public Cemetery District
Pajaro Valley Unified School District
Palermo Union Elementary School District
Palm Springs Unified School District
Palo Verde Community College District
Palo Verde Unified School District
Palomar Community College District
Paradise Elementary School District
Paradise Irrigation District
Pasadena Area Community College District
Patterson Joint Unified School District
Peralta Community College District
Perris Elementary School District
Pico Water District
Piedmont Unified School District
Pioneer Union School District
Placer County Office of Education
Placer County Transportation Planning Agency
Placer Hills Union School District
Planada Elementary School District
Pleasant Valley School District
Plumas County Community Development Commission
Port of Hueneme - Oxnard Harbor District
Porterville Unified School District
Processing Tomato Advisory Board
PSA2 Area Agency on Aging
Public Employees Union, Local 1
Rancho Santiago Community College District
Ravenswood City Elementary School District
Reclamation District No. 1000
Reclamation District No. 900
Redlands Unified School District

Reef-Sunset Unified School District
Rescue Fire Protection District
Rim of the World Unified School District
Rincon del Diablo Municipal Water District
Rincon Valley Union School District
Rio Dell Elementary School District
Rio Hondo Community College District
Ripon Unified School District
Riverbank Unified School District
Riverdale Joint Unified School District
Riverside Transit Agency
Roberts Ferry Elementary School District
Robla School District
Rocklin Unified School District
Rodeo-Hercules Fire Protection District
Romoland School District
Rosedale Union School District
Roseland Elementary School District
Roseville City School District
Roseville Public Cemetery District
Ross School District
Ross Valley Elementary School District
Rowland Unified School District
Sacramento Area Council of Governments
Sacramento Suburban Water District
Saddleback Valley Unified School District
Salinas City Elementary School District
Salinas Union High School District
San Bernardino City Unified School District
San Bernardino Community College District
San Bernardino County Superintendent of Schools
San Bruno Park School District
San Carlos School District
San Francisco Community College District
San Francisco Unified School District
San Gabriel Valley Mosquito & Vector Control District
San Gabriel Valley Municipal Water District
San Jacinto Unified School District
San Joaquin County Office of Education
San Joaquin Delta Community College District
San Juan Water District
San Lorenzo Unified School District
San Lorenzo Valley Unified School District
San Marino Unified School District
San Mateo County Community College District
San Mateo County Office of Education
San Mateo County Schools Insurance Group
San Mateo Union High School District
Santa Ana Unified School District
Santa Barbara Community College District

Santa Barbara County Association of Governments
Santa Clarita Community College District
Santa Cruz County Office of Education
Santa Maria Public Airport District
Santa Monica Community College District
Santa Rita Union School District
Savanna Elementary School District
Scotia Union Elementary School District
Scotts Valley Fire Protection District
Selma Kingsburg Fowler County Sanitation District
Sequoia Union High School District
Shasta County Office of Education
Shasta Regional Transportation Agency
Shasta Tehama Trinity Joint Community College District
Shasta Union Elementary School District
Shasta Union High School District
Shasta Union High School District Charter Schools
Sierra Joint Community College District
Sierra Lakes County Water District
Sierra Unified School District
Silicon Valley Clean Water
Silver Valley Unified School District
Simi Valley Unified School District
Siskiyou County Office of Education
Siskiyou Union High School District
Solano County Community College District
Solano County Office of Education
Soledad Unified School District
Sonoma Valley Unified School District
South Bay Union School District
South County Support Services Agency
South Fork Union School District
South Monterey County Joint Union High School District
South Pasadena Unified School District
South San Francisco Unified School District
South San Luis Obispo County Sanitation District
Southern California Library Cooperative
Southern Humboldt Joint Unified School District
Southern Kern Unified School District
Southern Trinity Joint Unified School District
Southwest Transportation Agency
Southwestern Community College District
Squaw Valley Public Service District
Standard Elementary School District
Stanislaus County Office of Education
Stanislaus Union School District
Stege Sanitary District
Stellar Charter School
Stockton Unified School District
Successor Agency to the Redevelopment Agency of the

City and County of San Francisco dba San Francisco
Office of Community Investment and Infrastructure
(OCII)

Sundale Union Elementary School District
Sunnyside Union Elementary School District
Susanville Sanitary District
Susanville School District
Sutter County Office of Education
Sweetwater Authority
Taft City School District
Tahoe-Truckee Sanitation Agency
Tahoe-Truckee Unified School District
TCS Miscellaneous
Temple City Unified School District
Town of Ross
Tracy Joint Unified School District
Trinidad Union School District
Truckee Donner Public Utility District
Truckee Fire Protection District
Truckee Sanitary District
Trust for Retirees of Associated California Schools
Turlock Unified School District
Tustin Unified School District
United Water Conservation District
Upper San Gabriel Valley Municipal Water District
Val Verde Unified School District
Valley County Water District
Valley Home Joint School District
Valley Sanitary District
Ventura County Community College District
Ventura County Office of Education
Victor Elementary School District
Victor Valley Community College District
Victor Valley Union High School District
Victor Valley Wastewater Reclamation Authority
Walnut Creek School District
Wasco Union Elementary School District
Washington Unified School District
Washington Union School District
Weed Union Elementary School District
West Contra Costa Transportation Advisory Committee
West Hills Community College District
West Kern Community College District
West Sonoma County Union High School District
West Valley Mission Community College District
Western Placer Unified School District
Westwood Unified School District
Wheatland School District
Wheatland Union High School District
Williams Unified School District

Willits Unified School District
Winters Joint Unified School District
Winton School District
Woodland Joint Unified School District
Woodside Elementary School District
Yolo County Office of Education
Yorba Linda Water District
Yosemite Community College District
Yreka Union Elementary School District
Yreka Union High School District
Yuba Community College District
Yuba County Office of Education
Yucaipa-Calimesa Unified School District

SCHEDULE 1

For the purposes of this Agreement, "consulting services" shall include the following services provided by Consultant to Customer:

Consulting reports including all actuarial information necessary for Customer to comply with the requirements of current GASB accounting standards 74/75 related to retiree health benefits for two years, including one full valuation and one "roll-forward" valuation. Study results will be separated between one employee classification. Consultant will provide as many copies of the final reports as Customer shall reasonably request.

Services do not include Consultant's attendance at any meetings, unless requested by Customer at the fee shown in Schedule 2. Services also do not include a funding valuation unless requested by Customer at the fee shown in Schedule 2

SCHEDULE 2

Customer shall pay Consultant for the retiree health valuation report based on the full valuation a total of \$3,400. One-half, or \$1,700 shall be due within 30 days of the commencement of work by Consultant. One-half, or \$1,700 shall be due within 30 days of the delivery by Consultant to Customer of the draft consulting report for the full valuation (or within 30 days of contract termination, if earlier). Customer shall also pay Consultant for the retiree valuation report based on the "roll-forward" valuation a total of \$1,700 within 30 days of the delivery by Consultant to Customer of the draft consulting report for the "roll-forward" valuation (or within 30 days of contract termination, if earlier)

If Consultant receives a non-refundable deposit from Customer of \$1,530 by June 1, 2019, all amounts shown above shall be reduced by 10%.

In addition to the above fees, Customer agrees to pay Consultant an all-inclusive fee of \$1,900 per meeting to attend meetings related to the consulting services. Customer shall pay such meeting fees within 30 days of the meeting. Also in addition, to all of the above fees, Customer will pay Consultant \$1,100 for each "funding valuation" requested by Customer. Neither the meeting fee nor the fee for a "funding valuation" shall be subject to the above discount or to any other discounts.

CONSULTING SERVICES AGREEMENT

This Agreement is entered into effective the 1st day of June, 2019 by and between Total Compensation Systems, Inc. ("Consultant"), a California corporation with principal offices located at 5655 Lindero Canyon Road, Suite 223, Westlake Village, California, 91362 and Valley Sanitary District ("Customer").

The following shall govern the provision of consulting services by Consultant to Customer.

1. Consulting Services. Consultant shall provide the consulting services described on Schedule 1 attached hereto.
2. Compensation to Consultant. Customer shall pay Consultant for the consulting services described on Schedule 1 attached hereto the compensation set forth on Schedule 2 attached hereto.
3. Term and Termination. (a) Term. This Agreement shall commence on the date first written above and shall continue in effect until February 29, 2020, or until all consulting services described on Schedule 1 have been performed, whichever occurs first, unless sooner terminated in accordance with the provisions of this Agreement. (b) Termination Without Cause. This agreement may be terminated at any time by either party upon sixty (60) days prior written notice to the other party. (c) Termination With Cause. Either party shall have the right to terminate this Agreement upon the failure of either party to observe any of the covenants and agreements required to be observed by it under this Agreement, and such failure continues for a period of thirty (30) days after written notice thereof. (d) Rights and Obligations after Termination. Termination of this agreement shall not relieve either party of any rights or obligations arising out of the Agreement prior to termination, with the exception that the amount of the final payment that shall be made by Customer shall be based solely upon the percentage of work that was completed by Consultant.
4. Customer Will Provide Information. Customer shall provide Consultant with the information necessary for Consultant to provide the consulting services described on Schedule 1 attached hereto.
5. Authorization to Acquire Information. Customer hereby authorizes Consultant to acquire the necessary information reasonably required by Consultant to provide the consulting services described on Schedule 1 attached hereto from any agency, agencies, source or sources.
6. Customer's Right to Provide Information. Customer represents and warrants to Consultant that it has the right to provide the information that will be given by Customer to Consultant, or which will be acquired by Consultant pursuant to paragraphs 4 and 5 above.
7. Limitation on Services. Customer understands that Customer retains sole authority and responsibility for the operation and design of all Customer's employee benefit plans.
8. Ownership of Systems and Materials. All systems, programs, operating instructions, forms and other documentation prepared by or for Consultant shall be and remain the property of Consultant. All data source documents provided by Customer shall remain the property of Customer.
9. Indemnification. (a) By Customer. Customer hereby agrees to defend and indemnify Consultant and hold Consultant harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Customer's gross negligence or willful misconduct. (b) By Consultant. Consultant hereby agrees to defend and indemnify Customer and hold Customer harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Consultant's gross negligence or willful misconduct.

10. General.


- a. Relationship of the Parties. The relationship between Consultant and Customer established by this Agreement is that of independent contractors. Consultant and Customer shall each conduct its respective business at its own initiative, responsibility, and expense, and shall have no authority to incur any obligations on behalf of the other.
- b. Force Majeure. No party shall have liability for damages or non-performance under this Agreement due to fire, explosion, strikes or labor disputes, water, acts of God, war, civil disturbances, acts of civil or military authorities or the public enemy, transportation, facilities, labor, fuel or energy shortages, or other causes beyond that party's control.
- c. Entire Agreement. This Agreement and the Schedules attached hereto contain the entire agreement between the parties and supersedes all previous agreements and proposals, oral or written, and all negotiations, conversations, or discussions between the parties related to the subject matter of this Agreement. This Agreement shall not be deemed or construed to be modified, amended, rescinded, canceled or waived in whole or in part, except by written amendment signed by both of the parties hereto.

11. Confidentiality. Consultant recognizes that its work will bring it into close contact with confidential information of Customer, including personal information about employees of Customer. Consultant agrees not to disclose anything that is the confidential information of Customer, or that is proprietary to Customer, including its software, its legacy applications, and its databases, to any third party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as set forth below.

"CONSULTANT"
TOTAL COMPENSATION SYSTEMS, INC.

"CUSTOMER"
VALLEY SANITARY DISTRICT

Signed: 

Signed: _____

By: Geoffrey L. Kischuk

By: _____

Title: President

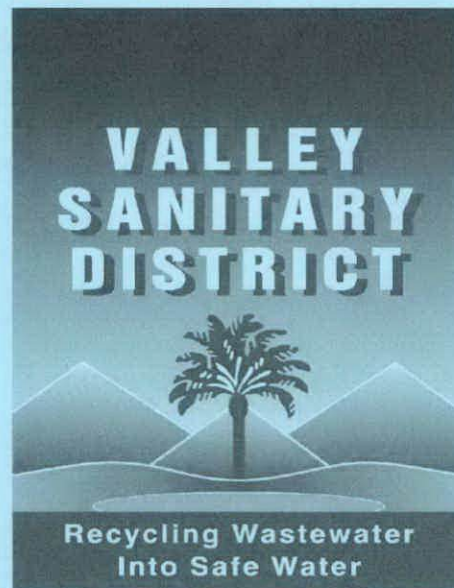
Title: _____

Date: April 15, 2019

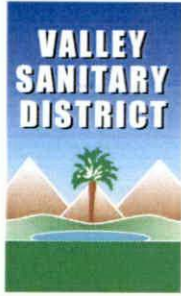
Date: _____

Agenda Item

8



Secondary Security Fence Panels Project
Pay Application Number 2



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Ron Buchwald
SUBJECT: Secondary Security Fence Panels Project Pay Application Number 2

<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. 2 to Tremblay Iron Works.

Background:

Change Order Requests

None

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	\$ 143,640.00
Less Previously Paid	\$ 54,583.20
Less 5% retention	\$ 7,182.00
Tremblay Iron Works	\$ 81,874.80

Project Update

All panels have been constructed and mounted onto the existing security fence. All that remains is final touch-up painting which has been delayed due to excessive wind conditions on site. The estimated project completion date is Thursday May 9th, 2019.

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

None.

Project Contingency Fund (New Expense)

None.

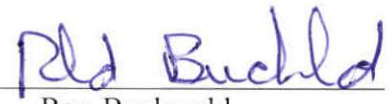
Fiscal Impact (Dollars):

Total Invoice	\$ 86,184.00
Less Retention	\$ 4,309.20
Due Tremblay Iron Works	\$ 81,874.80

Submitted By:


Adrian Contreras
Assistant Engineer

Approved By:


Ron Buchwald
Interim General Manager

Attachments: Tremblay Iron Works Project Invoice, dated April 29, 2019

Tremblay Iron Works

Invoice

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

Date	Invoice #
4/29/2019	17845

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

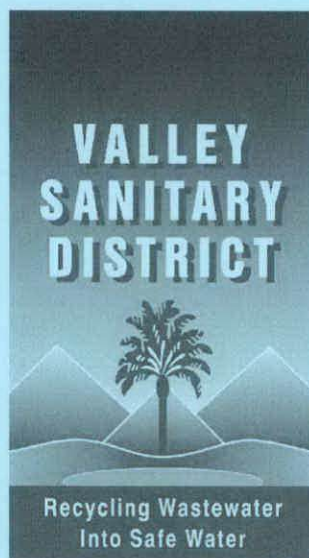
Job Location		
Terms	EST. #	P.O #
BALANCE DUE		

Qty	Description	Rate	Est Amt	Prior Amt	Amount
	BALANCE DUE				
175.5	Custom Fixed Fence Panels - 8' x 8' - Fabricated with 2" x 1" x .065 Rect Tube Top/middle/bot om 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 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. Finish: - Primer: 1 Coat Pro Industrial Pro-Cryl Primer - Finish: 2 Coats Pro Industrial Water Based Alkyd Urethane, Low Sheen - Color: Black 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 a so 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.	491.07692	143,640.00	57,456.00	86,184.00
	5% RETENTION WITH HELD	-4,309.20			-4,309.20

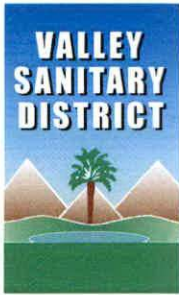
Tremblay Iron Works, the installation company for Aladdin manufacturing, will complete the installation and any service work required. Please see terms & conditions on the Estimate. NOTE: A deposit is required for any custom order parts, fabrication or installation. Remaining balance is due C.O.D. upon 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, ie. 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 A.L.L. checks payable to Tremblay Iron Works. Thank You!

Total	\$81,874.80
Payments/Credits	\$0.00
Balance Due	\$81,874.80

Agenda Item 9



Pollution Liability Coverage – Desert
Cornerstone Insurance Service, Inc.



Valley Sanitary District
Board of Directors Meeting
May 14, 2019

TO: Board of Directors
FROM: Joanne Padgham
SUBJECT: Pollution Liability Coverage – Desert Cornerstone Insurance Service, Inc.

<input checked="" type="checkbox"/> Board Action	<input checked="" type="checkbox"/> New expenditure request	<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 approve the Environmental Pollution Liability coverage for the prorated fee of \$10,848 including fees, for coverage beginning May 1, 2019.

Background:

Hugh K. Curtis from Desert Cornerstone Insurance Service, Inc. introduced the Pollution Liability coverage at the April 9, 2019 meeting and delivered a quote at the April 23, 2019 meeting. The Board expressed interest in adding the Pollution Liability coverage to our current insurance for property, general liability, management liability, inland marine, auto, umbrella and earthquake insurance.

Fiscal Impact (Dollars):

Account 11-5350-414-3	Comprehensive Insurance	\$ 10,848
Total		\$ 10,848

Submitted By: Joanne Padgham
Joanne Padgham
Administration & Finance Manager

Approved By: Rld Buchwald
Ron Buchwald
Interim General Manager

Attachments: Insurance Proposal – Desert Cornerstone Insurance Service, Inc.



Desert Cornerstone

INSURANCE SERVICE^{INC.}

April 23, 2019

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

Dear Joanne and Board Members:

Enclosed is the quote for the separate Pollution Liability coverage. The quote is comprised of a \$1,000,000 limit of liability including Defense, with an additional \$100,000 of Defense "Outside the Limits". Coverage A is for on-site Pollution Liability and Coverage B provides your off-site pollution activities cover. Piping Infrastructure throughout the territory is deemed an Onsite Activity/Insured Location. That gives you first and third party coverage (direct damage coverage and third party liability claim coverage).

This is designed to cover not only on-site pollution related exposures, including all piping infrastructure, but also off site, including all physical locations. There is not only the "sudden and accident" coverage, but also the gradual release, seepage, dispersal or release of any solid, liquid, gaseous or thermal irritant or contaminant. Time release of pollutants is a potential dramatic event and can lead to fines, penalties and unaccounted for costs of cleanup.

Some of the main components of this policy coverage are the extension over your current General Liability coverage to include such issues as:

- Sludge and biosolids (temporary storage onsite and disposal)
- Civil fines & penalties
- Midnight dumping
- Pollution from cargo or hauling incidents
- Emergency offsite and onsite clean-up costs
- Natural resource damage by pollutants
- Coverage for your exposure at authorized waste disposal sites (including hot loads)
- Suits brought for possible CERCLA liability issues

Definitions include coverage for acids, smoke, fumes, toxic chemicals, petroleum hydrocarbons, radio active materials, medical waste. There is a sublimit of \$50,000 for fungus and legionella exposure, as well as \$50,000 for crisis management should a pollution incident necessitate a public relations/media firm. Claims are handled by a 24/7 concierge service of professional environmental consultants, lawyers, and engineers who can assist you with remediation and regulatory action.



Desert Cornerstone
INSURANCE SERVICE^{INC.}

The Environmental Pollution product is written through Allied Public Risk's JPRIMA facility (CalMutuals Joint Powers Risk & Insurance Management Authority). It has its own Managing Director as well as a general counsel, regulatory counsel, CPA, and auditor.

Annual premium is quoted at \$13,025 including fees. Note the Pollution Liability Program has a common expiration date of March 1st. As such, prorated premium of \$10,848 including fees is shown on the proposal as coverage is quoted effective 5/1/19.

The attached proposal is presented at \$1,000,000 limit, \$1,000,000 aggregate and \$10,000 deductible.

Navigators has also quoted \$2,000,000 Limit / \$2,000,000 Aggregate / \$10,000 Deductible - \$17,557 annually including fees.

Thank you for allowing me to present this to you as I feel it is an important wrap around to your existing General Liability policy coverage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hugh K. Curtis', with a long horizontal flourish extending to the right.

Hugh K. Curtis

**ENVIRONMENTAL POLLUTION PROPOSAL
ONSITE & OFFSITE ACTIVITIES
TAILORED FOR WATER-RELATED ENTITIES**



Offered by: CalMutuals JPRIMA
Fully Reinsured by Navigators Specialty Insurance Company
Administrator: Allied Public Risk, LLC
dba Allied Community Insurance Services, LLC
California License: 0L01269
National Producer Number: 17536322
www.alliedpublicrisk.com
www.waterinsuranceauthority.com



**ENVIRONMENTAL POLLUTION PROPOSAL
ON-SITE & OFF-SITE ACTIVITIES
TAILORED FOR WATER-RELATED ENTITIES**

Offered by: CalMutuals JPRIMA
Fully Reinsured by Navigators Specialty Insurance Company

PROPOSAL TERMS	
MEMBER	Valley Sanitary District
COVERAGE	Environmental Pollution Product Onsite & Offsite Activities Tailored for Water-Related Entities
MASTER ANNIVERSARY DATE	March 1, 2019 – March 1, 2020 12 Month Coverage Period Pro-Rated for Members Enrolling Mid-Term
EFFECTIVE DATE	05/01/2019 Pro-Rated to March 1, 2020
ISSUER	CalMutuals Joint Powers Risk & Insurance Management Authority No Joint & Several Liability / No Assessments / No Financial Liability
REINSURER	Navigators Specialty Insurance Company AM Best Financial Rating: Excellent 100% Reinsured
FORM	Claims Made
LIMIT	\$1,000,000
SUBLIMITS	\$50,000 Fungus-Legionella \$50,000 Environmental Crisis Management \$50,000 Green Standards
DEDUCTIBLE	\$10,000
RETROACTIVE DATE	05/01/2019
SCHEDULED OF INSURED SITES	All locations disclosed on application unless otherwise excluded All infrastructure piping
CONTRACTUAL LIABILITY	Blanket scheduling of any written agreement or contract associated with an easement and/or right-of-way or lease agreement regarding an insured site
PREMIUM	\$9,862
ADMINISTRATIVE DUES*	\$986
TOTAL AMOUNT DUE**	\$10,848*
<p>*Administrative Dues comprises the cost to operate JPRIMA. **100% minimum earned and due upon binding. There is no return of premium or dues upon binding.</p>	
SUBJECTIVITIES	<p>Completion of an environmental phone survey will be required within 30 days of binding to fill in data gaps.</p> <p>Verification of the Schedule Property Schedule. District Boundary Map on webpage references a Shadow Hills Lift Station and Carver left Station that do not appear on the supplied SOV. Need clarification of addresses for those two lift stations if still active/owned.</p>



**ENVIRONMENTAL POLLUTION PROPOSAL
ONSITE & OFFSITE ACTIVITIES
TAILORED FOR WATER-RELATED ENTITIES**
Offered by: CalMutuals JPRIMA
Fully Reinsured by Navigators Specialty Insurance Company

NOTES: A specimen Memorandum of Coverage (MOC) is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (CalMutuals). This proposal includes a pro-rated premium and pro-rated administrative dues. The annualized cost of this proposal is as follows:

\$11,841 ANNUAL PREMIUM + \$1,184 ANNUAL ADMINISTRATIVE DUES = \$13,025 TOTAL ANNUALIZED COST



PROPOSAL HIGHLIGHTS

Coverage Summary:

- ▶ Comprehensive solution for insuring the environmental pollution exposures of water-related entities.
- ▶ Policy form provides a combination of a first party *discovery* coverage trigger for cleanup costs along with a third-party *demand* trigger for claims alleging bodily injury, property damage, cleanup costs, and natural resources damage arising from new pollution incidents on a claims-made form that wraps around general liability and property policies.
- ▶ Pollution incident definition encompasses the discharge, dispersal, release, seepage, or escape of *any* solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, low level radioactive materials, medical waste, and waste materials. Definition also includes a sublimit for fungus and legionella.
- ▶ Broad policy form triggers comprising sudden & accidental, gradual, and/or time release of pollution incidents.
- ▶ Coverage extensions includes:
 - non-criminal civil fines & penalties;
 - natural resources damage;
 - third-party bodily injury including medical monitoring costs;
 - midnight dumping;
 - unintended lead-based paint & asbestos containing materials disturbance;
 - pollution incidents from cargo during transportation & hauling;
 - contracting pollution liability;
 - emergency cleanup costs;
 - waste disposal sites;
 - suits brought against an insured arising out of CERCLA liability;
 - underground storage tanks and piping apparatus for your products, byproducts, chemicals, treatment processes, and any other *non-petroleum*-based products;
 - blanket additional insured and waiver of subrogation; and
 - cleanup costs definition includes advice by environmental professionals absent applicable environmental laws.
- ▶ 24/7 emergency spill response support hotline encompassing guidance and advice as well as response oversight.
- ▶ 90-day automatic extended reporting period (ERP) & available 36-month supplemental ERP.
- ▶ No policy scheduling of contracting operations, transportation activities, or waste disposal facilities.
- ▶ Expanded definition of insured site to include all piping infrastructure as well as all physical property locations referenced on the application.
- ▶ Non-auditable premium.

Form:

- ▶ Coverage A: Pollution Liability for Your Insured Site(s)
- ▶ Coverage B: Pollution Liability for Your Off-site Activities
- ▶ Defense Costs Inside the Limit
- ▶ 10% Additional Defense Costs (*should limit be eroded*)

Limits and Deductible:

- ▶ \$1 Million Per Occurrence Limit
- ▶ \$1 Million Policy Aggregate Limit
- ▶ \$50,000 Crisis Management Event Sublimit
- ▶ \$50,000 Green Standards Sublimit
- ▶ \$50,000 Fungus/Legionella Sublimit



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POLICY DETAILS

COVERAGE A: POLLUTION LIABILITY FOR YOUR INSURED SITE(S)

1. Cleanup Costs from the Discovery of a Pollution Incident

We will pay on behalf of the insured cleanup costs resulting from a pollution incident located:

- a. at, on or under an insured site; or
- b. beyond the legal boundaries of an insured site if the pollution incident emanated from an insured site, provided you discover the pollution incident during the policy period, and report the pollution incident to us in writing as soon as practicable following discovery, and, in any event, during the policy period; and
- c. that commences on or after the Coverage A Retroactive Date, provided you discover the pollution incident during the policy period, and report the pollution incident to us in writing as soon as practicable following discovery, and, in any event, during the policy period. The knowledge of a sudden pollution incident by a responsible insured constitutes discovery on your part.

2. Third-Party Claims for Bodily Injury, Property Damage or Cleanup Costs

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as loss resulting from any claim(s) for bodily injury, property damage or cleanup costs caused by a pollution incident located at, on or under an insured site, or located beyond the boundaries of an insured site if the pollution incident migrated from an insured site, provided the pollution incident commences on or after the Coverage A Retroactive Date and provided such claims are first made against the insured and reported to us during the policy period, or, if applicable, during the extended reporting period.

COVERAGE B: POLLUTION LIABILITY FOR YOUR OFF-SITE ACTIVITIES

1. Third Party Claims for Bodily Injury, Property Damage or Cleanup Costs

We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as loss resulting from any claim(s) for bodily injury, property damage or cleanup costs caused by a pollution incident:

- a. resulting from the activities of your business;
- b. emanating from a location other than your property(ies), provided such claims are first made against the insured and reported to us during the policy period, or, if applicable, during the extended reporting period; and
- c. that commences on or after the Coverage B Retroactive Date, provided such claims are first made against the insured and reported to us during the policy period, or, if applicable, during the extended reporting period.

2. Emergency Cleanup Costs

We will pay those sums that you first incur as emergency cleanup costs caused by a sudden pollution incident:

- a. resulting from the activities of your business; and
- b. emanating from a location other than your property(ies), provided the sudden pollution incident is discovered by you no later than seven (7) calendar days after it begins and is reported to us no later than twenty-one (21) calendar days following discovery, and in any event reported during the policy period.



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CLAIM EXAMPLES

The following claim examples are for illustrative purposes only. You must refer to the actual details of a particular claim and review the Memorandum of Coverage (MOC) for specificity of how coverage may or may not apply. All pollution MOCs will have a retroactive date, which limits coverage for historical releases.

RELEASE OF CHLORINE FROM A FAILURE IN PIPING INFRASTRUCTURE OR FROM PROCESS TANKS ON AN INSURED PROPERTY: Residual chlorine may be toxic to freshwater habitat. As such it can qualify as a pollutant. General liability and property policies frequently exclude cleanup of pollution incidents both onsite and offsite as well as natural resources damage and civil fines and penalties. Any ancillary pollution coverage that may be afforded within a general liability or property policy is generally confined to sudden & accidental and limited time releases. The JPRIMA environmental pollution product automatically defines water piping infrastructure as an insured site. Releases from process tanks on an insured site are also contemplated in the program. Moreover, our coverage applies to gradual pollution incidents, sudden & accidental and time-limited releases and includes noncriminal civil fines & penalties and natural resources damage resulting from such claims.

POLLUTION INCIDENTS FROM AGRICULTURAL CANALS OR BRINE LINES: First and third-party cleanup costs and third-party bodily injury and property damage, including natural resources damage, are likely loss scenarios from a leak or overflow of an agricultural canal or brine line. These types of claims are commonly excluded in a general liability policy unless the loss involves third party property damage resulting from a sudden & accidental release. Cleanup costs and natural resources damage are also routinely excluded under a general liability policy; irrespective if the loss resulted from a sudden & accidental release. Moreover, a property policy will invariably exclude cleanup costs that occur offsite. The JPRIMA environmental pollution product underwriter can schedule agricultural canals and brine lines as an insured site by endorsement. The program coverage also applies to gradual pollution incidents as well as sudden & accidental and time-limited pollution releases. Noncriminal civil fines & penalties, natural resources damages, cleanup costs, bodily injury, and property damage resulting from such claims are contemplated within the JPRIMA environmental pollution product.

CERCLA (SUPERFUND) IMPOSED LIABILITY FOR CLEANUP COSTS OF POTENTIALLY RESPONSIBLE PARTIES (PRP) FROM DISPOSAL OR TREATMENT OF HAZARDOUS SUBSTANCES AT A PREVIOUSLY CERTIFIED AND NOW BANKRUPT WASTE DISPOSAL FACILITY OR FROM ACTIVE WASTE DISPOSAL SITES WHICH DO NOT HAVE SUFFICIENT FINANCIAL CAPABILITIES TO ADDRESS THE CLEANUP COSTS: This loss scenario is excluded under most general liability and property policies. The JPRIMA environmental pollution product, however, is structured to protect the insured against such a loss. CERCLA regulations state that an owner, operator, transporter, or generator of hazardous wastes is responsible for such wastes from cradle-to-grave on a joint and several basis (i.e. any one may be held liable for the entire cleanup of the waste disposal site when the harm caused by multiple parties cannot be separated) and strict basis (i.e. a PRP cannot simply say that it was not negligent or that it was operating according to industry standards. If a PRP sent some amount of the hazardous waste found at the site, then it is liable). Even paying a waste disposal facility to treat or dispose of such waste does not exempt the insured from future cleanup costs, noncriminal civil fines and penalties and natural resources damages.



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GRADUAL RELEASE AND SEEPAGE OF POLLUTION INCIDENTS FROM AN INSURED SITE THAT CONTAMINATES AN AQUIFER: General liability and property policies commonly exclude first or third-party cleanup costs for any gradual escape of pollution incidents that occur on an insured site. The JPRIMA environmental pollution product protects insureds against such losses and extends coverage beyond the insured site as long as the pollution incident originated from said location. Noncriminal civil fines & penalties, natural resources damage, cleanup costs, bodily injury, and property damage resulting from such claims are contemplated within the JPRIMA environmental pollution product.

CLEANUP COSTS AND THIRD-PARTY PROPERTY DAMAGE, INCLUDING NATURAL RESOURCES DAMAGE, INCURRED FROM A WASTEWATER RELEASE FROM SEWER MAIN BREAK OR TANK RELEASE ON AN INSURED SITE: Sewer main breaks are contemplated under general liability policies for third party bodily injury and property damage. Most general liability policies, however, exclude cleanup costs, natural resources damage, and noncriminal civil fines & penalties associated with such a release. This scenario gets more complicated if the release goes into a storm water drain or adjacent waterway. Piping infrastructure is automatically defined as an insured site on JPRIMA's environmental pollution product. Releases from process tanks on an insured site are also contemplated in the program. Noncriminal civil fines & penalties, natural resources damage, cleanup costs, third party bodily injury, and third party property damage resulting from such claims are contemplated in the JPRIMA environmental pollution product.

ILLEGAL DUMPING OR ABANDONMENT AT ANY INSURED SITE OF DRUM(S) OR CONTAINER(S) OF SUBSTANCES OR CHEMICALS REGULATED AS HAZARDOUS OR TOXIC UNDER FEDERAL, STATE, OR LOCAL ENVIRONMENTAL LAW, REGULATION, OR STATUTE: Cleanup costs and removal expenses of hazardous materials are commonly excluded under general liability and property policies. Unlike most pollution incident coverage where a release of a pollution incident is required, under this coverage enhancement, the mere presence of a container or drum of abandoned waste dumped on an insured site by a non-insured is covered. The JPRIMA environmental pollution product covers the removal and cleanup costs arising from illegal dumping of hazardous materials at an insured site by a non-insured.

INADVERTENT DISTURBANCE OF LEAD BASED PAINT OR ASBESTOS CONTAINING MATERIAL INCLUDING TRANSITE PIPING AT ANY INSURED SITE: Cleanup costs and third-party liability arising from inadvertent disturbance of lead-based paint or asbestos containing materials, including but not limited to lined piping, gaskets, and insulation, are commonly on an insured site. This exposure is regularly excluded under general liability and property policies. The JPRIMA environmental pollution product helps protect against such inadvertent disturbances on an insured site.

ACCIDENTAL RELEASE OF A SMALL CONTAINER OF LUBE OIL THAT OPENS INTO A WATERWAY: This scenario is frequently excluded by general liability and property policies, as it involves natural resources damage versus third party property damage. Such assessments are levied by trustees from the United States Department of Interior. These trustees comprise representation from the Departments of Agriculture, Conservation, Defense, Energy, and Interior along with a governor-appointed trustee for state resources and a tribal trustee from each tribe impacted by the alleged pollution spill. One such pollution incident involved a seven gallon container of lube oil that was promptly cleaned-up after releasing into a waterway. A year later, an assessment for several million dollars was levied against the entity for the spill's impact on fishing and aquatic resources. California trustees are active in seeking natural resources damage assessments against responsible parties. The JPRIMA environmental pollution product includes protection against defense related costs as well as settlement of noncriminal fines assessed.



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ABOUT US

JPRIMA:

The California Association of Mutual Water Companies (CalMutuals) Joint Powers Risk and Insurance Management Authority (JPRIMA) was established in 2015 via the passage of AB 656 by the California legislature. This legislation was initiated by CalMutuals and supported by Valley (Central) Ag Water Coalition, California Firefighters' Association, and scores of mutual water companies. It allows mutual water companies to participate alongside water-related special districts, municipalities, and other public entities in a joint powers authority for purposes of insurance and supporting services. Technical resources and augmented advisory assistance are a critical component of this legislation and our JPRIMA. As a public entity, we are committed to providing quality insurance products that blend competitive rates with meaningful, value-added services and impeccable financial security. JPRIMA provides proprietary property & liability, workers' compensation, and environmental pollution products to its members. *There is no joint and several liability, financial liability, or assessments for participating members within JPRIMA.*

Reinsurer:

Our reinsurance partner is Navigators Specialty Insurance Company (Navigators). *They bear 100% of the risk and oversee the underwriting and claims operations.* Navigators is a specialist in environmental underwriting and offers experienced professionals, industry-leading policy forms, augmented pollution appetite, and flexibility to meet the needs of water-related entities. With expertise in environmental law, engineering, insurance, compliance, and regulation, Navigators is uniquely positioned to assist JPRIMA members with protecting their balance sheets against environmental liabilities. Navigator's is rated 'A' (Excellent) by A.M. Best and 'A+' (Strong) by Standard & Poor's.

Administrator:

Allied Public Risk (APR) is a full-service Managing General Underwriter (MGU) providing a broad spectrum of products and services to CalMutuals JPRIMA. *Our tenure with public water systems goes back 25 years, the longest of any specialty public entity program manager in California.* APR manages the property & liability, workers' compensation, and environmental pollution products for CalMutuals JPRIMA. All products are backed by 100% reinsurance from risk bearers that have financial security ratings of "A" and "A+" by AM Best and Standard & Poor's. There are over 3,000 water-related entities enrolled with APR throughout the United States.

CONTACT INFORMATION

Scott Bryant

Risk Control Director, JPRIMA
Allied Public Risk
(209) 327 – 0660
sbryant@alliedpublicrisk.com

George Pappas, CPCU, ARM-P

Senior Vice President, Distribution
Allied Public Risk
(512) 409 – 6627
gpappas@alliedpublicrisk.com

Mia Garza, CPCU

Insurance Manager, JPRIMA
Allied Public Risk
(830) 837 – 4369
mgarza@alliedpublicrisk.com

CLAIMS REPORTING & EMERGENCY SPILL HOTLINE

Claims Reporting:

Email: newloss@navg.com with a copy to fuller@alliedpublicrisk.com

Toll free: (855) 444 – 4796

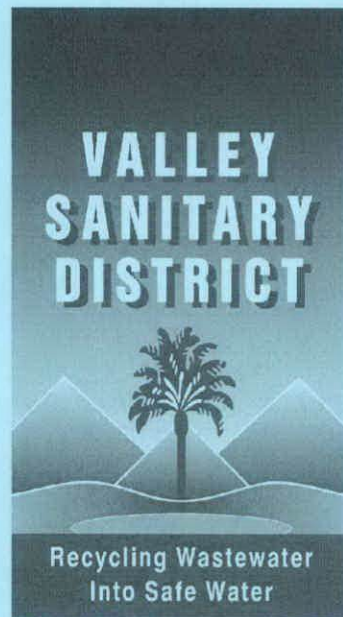
Mail: Navigators · Attn: Claims Department · 83 Wooster Heights Road · Danbury, CT 06810 · USA

Refer to the MOC for claims information details

Emergency Spill Hotline:

(877) NAVG – ENV or (877) 628 – 4368

Agenda Item 10



Staff Notes

STAFF NOTES

May 7, 2019

ADMINISTRATION & FINANCE.

- Staff is working with Caselle, Inc. to upgrade the permitting and accounting software.
- Staff is working with Civic Plus to upgrade the District's website.
- Principal & interest payment of \$755,093.75 for Wastewater Revenue Refunding Bonds, Series 2015 is due May 15, 2019.
- Principal & interest payment of \$553,360.71 to the Clean Water State Revolving Fund is due by June 1, 2019. This is our first payment for the Requa Interceptor Project.

ENGINEERING & MAINTENANCE

- The wrought iron secondary security fence project has been given the Notice to Proceed. The construction and mounting of all panels have been completed and only final touchups and punch list items remain. Expected completion date is May 9, 2019, wind permitting.
- Staff is working on updating the Sewer System Management Plan (SSMP). This plan will need to be re-adopted by the Board by July 2019.
- Staff is preparing for a Pretreatment Compliance Inspection being conducted by the Regional Water Quality Control Board on Monday May 13, 2019.
- Field Vector crew is currently working on trouble spot areas throughout the District's service area.
- CCTV Inspection work is currently being conducted in the area of Jackson and Avenue 48.

OPERATIONS

- Laboratory equipment for monitoring ammonia and nitrate has arrived. Staff has begun to sample and test for these analytes and make process control decisions to reduce the toxicity of ammonia in the plant discharge. This will be an ongoing task until the toxicity is no longer an issue.
- Staff is installing a barrier around the northwest corner of the headworks biofilter to keep blow sand from collecting in the newly refilled filter.
- On May 15, 2019 the operations and maintenance staff will be participating in a crane safety training.
- Staff will be taking the primary sludge pump discharge line apart to clean and inspect the sludge flow meter.



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

7-May-19

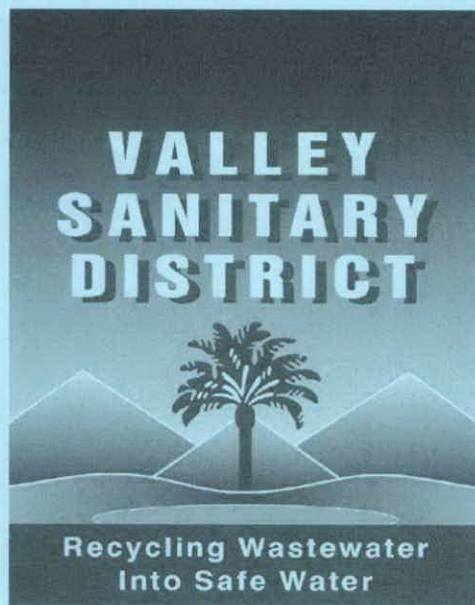
Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Accessory Dwelling Unit - 81069 Carefree Drive	81069 Carefree Drive	Plans submitted for accessory dwelling unit. Plans approved and returned to the City 3/5/19.	Waiting for owner to process permit paperwork.
AM Tax Service TI	45561 Oasis Street/Requa	Plans submitted for TI of existing building. Plans approved and returned to the City 3/28/19.	Waiting for owner to process permit paperwork.
Best Western breakfast room Reno	81909 Indio Blvd	Plans submitted for tenant TI, renovation of breakfast room. Plans approved and returned to the City 3/11/19.	Waiting for owner to process permit paperwork.
Bravo Commercial Building	46331 Commerce Street/Van Buren Street	Plans submitted for new building. Plans approved and returned to the City 5/10/17. Issued permit 3805 on 3/6/19.	Inspect work improvements as scheduled.
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.
Buzzbox	42625 Jackson Street #112	Plans submitted existing building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Chavez Tenant Improvement	45330 Jackson St / Civic Center	Plans submitted for TI of existing building. Demolition of interior walls and facilities. Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on 7/9/18.	Inspect work improvements as scheduled.
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.
Citadel RV Storage-Phase 1	83667 Dr. Carreon Blvd/Calhoun Street	Plans submitted for construction of new RV storage facility. Completed 1st plan check and returned to the City 3/19/19.	Perform 2nd plan check upon plan resubmittal.
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.
DFC Tax Center TI	44100 Jefferson Street #E505	Plans submitted for TI of existing building. Plans approved and returned to the City 3/20/19.	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 completed by August 2019.	Inspect work improvements as scheduled.
El Destino Nightclub - TI	83085 Indio Boulevard/Civic Center 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.
EOS Fitness Gym	SWC of Spectrum Street & Avenue 42	Plans submitted for construction of new gym facility.	In queue.
EOS Fitness Public Sewer Extension	SWC of Spectrum Street & Avenue 42	Civil plans submitted for sewer extension in Spectrum Street. Completed 1st plan check and returned plans to the engineer 5/2/19.	Perform 2nd plan check upon plan resubmittal.
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.
Five Below Retail Store TI	42350 Jackson Street	Plans submitted for TI. Completed 1st plan check and returned to the City 3/28/19.	Perform 2nd plan check upon plan resubmittal.
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.

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. 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	North West Corner of Spectrum St and Atlantic Ave	Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to engineer 8/27/18.	Inspect work improvements as scheduled.
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	South East Corner of Avenue 42 and Monroe St	Plans submitted for the extension of a private sewer main for Indio Palms at Spectrum Street. Plan check fees paid 2/1/18. 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.
Jackson Street Liquor Store	44350 Jackson Street/Ruby Avenue	Plans submitted existng building TI. Plans approved and returned to the City 4/29/19.	Waiting for owner to process permit paperwork.
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.
John Nobles Apartments	TBD	Plans submitted new apartment complex. Completed 1st plan check and returned to the City 2/27/19.	Perform 2nd plan check upon plan resubmittal.
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. Completed 1st plan check and returned to the City 2/13/19.	Perform 2nd plan check upon plan resubmittal.
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 30	Plans submitted for casita addition and storage building. Plans approved and returned to the City 2/28/19.	Waiting for owner to process permit paperwork.
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.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 305	Plans submitted for casita addition and storage building. Plans approved and returned to the City 4/18/19.	Waiting for owner to process permit paperwork.
Motorcoach CC - Casita Addition	80501 Avenue 48, Lot 342	Plans submitted for casita addition and storage building. Plans approved and returned to the City 3/28/19.	Waiting for owner to process permit paperwork.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
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.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 373	Plans submitted for casita addition and shade structure with outdoor kitchen. Plans approved and returned to the City 5/6/18.	Waiting for owner to process permit paperwork.
North Outdoor Resorts - Casita Addition	80394 Avenue 48, Lot 417	Plans submitted for casita addition and shade structure with outdoor kitchen. Plans approved and returned to the City 5/6/18.	Waiting for owner to process permit paperwork.
Octavio Rosales SFD	43645 Saguaro Street/Avenue 44	Plans submitted for new SFD. Plans approved and returned to the City 5/6/18.	Waiting for owner to process permit paperwork.
One Stop Shop Grease Interceptor Install	84051 Indio Blvd/Van Buren Street	Preliminary plan submitted for grease interceptor TI 4/19/19. Completed 1st plan check and returned to owner's representative 4/30/19.	Perform 2nd plan check upon plan resubmittal.
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.
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.
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 released 5/10/18.	Inspect work improvements as scheduled.
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.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
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.	Inspect work improvements as scheduled.
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. Plans Approved 1/23/19.	Waiting for owner to process permit paperwork.
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.
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. Issued permit 3803 on 2/4/19.	Inspect work improvements as scheduled.
Tractor Supply TI	42625 Jackson Street #100	Plans submitted for TI of existing building. Plans approved and returned to the City 2/5/19. Issued permit 3810 on 3/26/19.	Inspect work improvements as scheduled.
Ulta Beauty/Five Below Bldg	42300 Jackson Street/Avenue 42	Plans submitted for new building. Plans approved and returned to the City 4/29/19.	Waiting for owner to process permit paperwork.



Informational Items



10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

John Bosler
Secretary/General Manager/CEO

April 19, 2019

Mr. Joseph Glowitz
Valley Sanitary District
45-500 Van Buren Street
Indio, CA 92201

Dear Mr. Glowitz,

It is with great pleasure that I forward for your consideration a candidate statement for Director Kathleen Tieggs who is seeking your support for the Southern Network (Seat B) of the California Special Districts Association Board of Directors.

Director Tieggs has served admirably on the Cucamonga Valley Water District Board of Directors since 2005. She is actively involved in CSDA, as well as with the Association of California Water Agencies, and has served in numerous leadership positions with both organizations.

Attached you will find a candidate's statement summarizing some of her many accomplishments. You will also get a true sense of her integrity as a leader and her passion as an advocate for special districts throughout California. Also, Director Tieggs will attend Special Districts Legislative Days being held in Sacramento May 21-22, 2019 if you would like to meet her in person and discuss her commitment to serving you and your district.

I encourage you to forward this information to your Board of Directors and consider supporting her candidacy for the 2019 elections which will take place June 17th to August 9th. Please do not hesitate to contact me, if you need additional information or if you would like her to contact your Board of Directors. Thank you for your consideration in this matter.

Sincerely,

John Bosler
General Manager/CEO

RECEIVED
APR 24 2019
Valley Sanitary District

James V. Curatalo Jr.
President

Luis Cetina
Vice President

Oscar Gonzalez
Director

Randall James Reed
Director

Kathleen J. Tieggs
Director

Kathleen J. Tiegs

2020-2022 California Special Districts Association
Board of Directors, Southern Network, Seat B



I am pleased to share with you my interest in serving as the Southern Network, Seat B, representative for the California Special Districts Association (CSDA) Board of Directors. Through my involvement with CSDA since 2011, I have served with great passion and commitment on the Board of Directors, and the Membership, Legislative, and By-laws Committees.

My experience on the Cucamonga Valley Water District (CVWD) Board of Directors has provided me with a solid foundation to lead. Elected to the CVWD in November 2005, I have served as the Board President and currently serve on the Legislative and Outreach, and Human Resources/Risk Management Committees. From 2014 to 2017 I was honored to serve in the capacity of President and Vice President of the Association of California Water Agencies (ACWA). My duties at ACWA provided me the extremely valuable opportunity to effectively dialogue with special districts across the state on the important issues they are facing and how we can solve them.

I also served on the Association of San Bernardino County Special Districts Board of Directors from 2010 – 2015 where I developed a network of colleagues in a variety of agencies with a common goal of serving the needs of our constituents. There are numerous critical issues that confront special districts today; these challenges will require strong, experienced leadership, as well as a commitment to preserving the special district's mission to make communities better by providing core local services and taking action through community collaboration.

Thank you for allowing me to share with you my experience, leadership and knowledge. I look forward to serving you and the entire CSDA organization.

With Best Regards,

Handwritten signature of Kathleen J. Tiegs in black ink.