



Tuesday, November 1, 2022 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren St., Indio, CA 92201

**BUDGET & FINANCE
COMMITTEE MEETING
AGENDA**

Valley Sanitary District is open to the public and board meetings will be conducted in person. In addition to attending in person, members of the public may view and participate in meeting via the following:

Zoom link: <https://us06web.zoom.us/j/84405023976>

Meeting ID: 844 0502 3976

To address the Board of Directors during the virtual live session via zoom, please email the Clerk of the Board at hgould@valley-sanitary.org or, alternatively, during the specific agenda item or general comment period (i.e. non-agenda items), please use the "raise your hand" function in zoom in order to be recognized by the Clerk of the Board in order to provide comments in real time.

The Clerk of the Board will facilitate to the extent possible any email requests to provide oral testimony that are sent during the live meeting. Members of the public may provide Oral testimony in person or during the virtual live session and are limited to three minutes each. To address the Board in person please complete speaker request card located at in the Board Room and give it to the Clerk of the Board.

If you are unable to provide comments during the meeting, written public comments on agenda or non-agenda items may be submitted by email to the Clerk of the Board at hgould@valley-sanitary.org. Written comments must be received by the Clerk of the Board no later than 11:00 a.m. on the day of the meeting.

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT
5. DISCUSSION / ACTION ITEMS
 - 5.1 [Approve Minutes for the September 6, 2022, Budget & Finance Committee](#)

Recommendation: Approve

5.2 [Request Guidance and Direction Regarding the Valley Sanitary District Employee Retirement Plan Options](#)

Recommendation: Discussion

5.3 [Information Regarding Progress of the Fiscal Year 2021/22 Annual Audit](#)

Recommendation: Review

6. ADJOURNMENT

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.



Valley Sanitary District

DATE: November 1, 2022
TO: Budget & Finance Committee
FROM: Beverli A. Marshall, General Manager
SUBJECT: Approve Minutes for the September 6, 2022, Budget & Finance Committee

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact.

Background

The minutes from the September 6, 2022, Budget & Finance Committee meeting are presented for review and approval.

Recommendation

Approve the minutes from the September 6, 2022, Budget & Finance Committee meeting.

Attachments

[6 Sep 2022 Meeting Minutes.edited.doc](#)

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES**
September 6, 2022

A regular meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, September 6, 2022.

1. CALL TO ORDER

Chairman Dennis Coleman called the meeting to order at 1:01 p.m.

1.1 Roll Call

Directors Present:

Chairperson Dennis Coleman

Committee Member Debra Canero

Staff Present:

Beverli Marshall, General Manager; Jeanette Juarez, Business Services Manager;

Anna Bell, Laboratory & Compliance Supervisor; and Holly Gould, Clerk of the Board

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

The public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.

None.

3. DISCUSSION / ACTION ITEMS

3.1 Approve Minutes for July 5, 2022, Regular Committee Meeting

Committee member Canero motioned to approve the minutes of the July 5, 2022, Budget & Finance Committee Meeting. Chairperson Coleman seconded the motion. Motion carried unanimously.

3.2 Request Feedback for the Funding of Additional Laboratory Staff

With the upcoming implementation of the Laboratory Information Management System (LIMS), the compliance requirements of the ELAP-TNI certification renewal, the additional sampling that is now taking place, and the need for redundancy for the Environmental Compliance Technician, it has become clear that the Laboratory and Compliance Department needs additional staff. Another staff member in the department will allow schedule flexibility for additional programs and events like wastewater surveillance, outreach programs, and attending conferences. The added position will reduce the need for assistance from the Operations Department during times of conferences and leave requests (i.e., sick, vacation, FMLA, jury duty, etc.) – which requires prior preparations in ensuring Operations staff are fully trained and documented to assist in the Laboratory functions. The additional member will also create more flexibility for trained staff that can function in the capability of the laboratory or the

pretreatment program. The District can help offset the cost of hiring an additional laboratory worker by \$31,200 by utilizing the stipend provided by the Verily WastewaterSCAN program. The committee recommended that staff present this item to the Operations Committee before bringing it before the entire Board. They also suggested listing all of the tasks that need assistance so the Board can clearly understand the need for an additional staff member.

3.3 Audit Update

Jeanette Juarez, Chief Administrative Officer, gave an update on the Fiscal Year 2022 audit. Jeanette stated that the auditors completed their onsite audit on August 26 and are now preparing financials. So far, the audit is going very smoothly, with some minor OPEB clarifications. Jeanette also informed the committee that the District is relaunching the upgraded Blackbaud financial software on September 19 with a soft transition.

4. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:12 p.m. The next regular committee meeting will be on November 1, 2022.

Respectfully submitted,
Holly Gould, Clerk of the Board
Valley Sanitary District



Valley Sanitary District

DATE: November 1, 2022
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Request Guidance and Direction Regarding the Valley Sanitary District Employee Retirement Plan Options

Suggested Action Discussion

Strategic Plan Compliance
GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact
None.

Background

During the review of employee benefits, the District inquired about auditing the current retirement plans offered to employees so as to ensure optimum services are offered. The District worked with Morgan Stanley Smith Barney LLC (MSBB) to conduct an internal audit of plans and make recommendations that align with the District's investment policy and retiree objectives. MSBB reviewed the four (4) plans offered by the District and compared them in cost, service, and performance, to mutual funds, exchange-traded funds, group annuity separate accounts, or collective investments funds from the universe of Funds that have been profiled, reviewed and approved by MSSB Global Investment Manager Analysis. Today they will present their findings to the Budget and Finance committee for discussion and review. The purpose of this audit is to ensure that employees are provided with the best administration, governance, and support for their retirement investments.

Recommendation

Staff recommends that the Budget and Finance Committee receive and file this report as information.

Attachments

[Current_Funds_at_RKs.pdf](#)
[Final Side by Side Provider Comparison.xlsx](#)

Requested Fund Illustration - Proposed Empower

The investment option information included with the Proposal was provided upon request for illustrative and platform pricing purposes only. Empower is not providing investment advice or making recommendations to the Plan with respect to such information. The plan sponsor is not required to utilize any specific investment options on Empower's platform. The plan sponsor or its investment advisor is solely responsible for the selection and monitoring of the Plan's investment options and for determining the reasonableness of all Plan fees and expenses. The plan sponsor may request additional information regarding other investments available on Empower's platform.

Fund Name	Ticker/CUSIP	Morningstar Category	Overall Morningstar Rating™	YTD Ret	1 Year Ret	5 Year Ret	10 Year Ret	Inception date	Total Return Since Inception	Net Exp Ratio	Assets	Investment Cost
PIMCO Total Return Instl	PTRRX	Intermediate Core-Plus Bond	3	-11.31%	-11.11%	0.99%	1.87%	5/11/1987	6.46%	0.47%	\$97,140	\$457
Fidelity® US Bond Index	FXNAX	Intermediate Core Bond	3	-10.26%	-10.35%	0.86%	1.50%	5/4/2011	2.07%	0.03%	\$74,018	\$19
American Funds American High-Inc R6	RITGX	High Yield Bond	5	-12.22%	-10.50%	3.02%	4.36%	5/1/2009	7.36%	0.30%	\$16,021	\$48
Fidelity® 500 Index	FXAIX	Large Blend	4	-19.97%	-10.63%	11.29%	12.95%	5/4/2011	11.90%	0.02%	\$104,972	\$16
Fidelity® Blue Chip Growth K6	FBCGX	Large Growth	4	-36.40%	-31.69%	14.21%	-	5/25/2017	13.83%	0.45%	\$420,041	\$1,890
MFS Value R6	MEIKX	Large Value	4	-13.13%	-5.03%	7.55%	11.23%	5/1/2006	7.91%	0.45%	\$150,985	\$679
JPMorgan Mid Cap Growth R6	JMGMX	Mid-Growth	5	-29.94%	-28.46%	11.48%	13.38%	11/1/2011	13.29%	0.70%	\$20,335	\$142
Victory Sycamore Established Value R6	VEVRX	Mid-Value	5	-10.78%	-4.16%	10.21%	12.88%	3/4/2014	10.53%	0.54%	\$219,541	\$1,186
DFA US Small Cap Value I	DFSVX	Small Value	4	-12.70%	-7.21%	6.46%	10.15%	3/2/1993	10.86%	0.30%	\$22,015	\$66
Fidelity® Mid Cap Index	FSMDX	Mid-Blend	4	-21.58%	-17.31%	7.95%	11.28%	9/8/2011	11.62%	0.03%	\$0	\$0
Harbor Small Cap Growth Retirement	HNSGX	Small Growth	4	-27.98%	-25.12%	9.20%	11.93%	3/1/2016	12.25%	0.79%	\$3,721	\$29
Fidelity® Small Cap Index	FSSNX	Small Blend	3	-23.37%	-25.20%	5.25%	9.51%	9/8/2011	10.28%	0.03%	\$57,312	\$14
IndexSelect Conservative 2025 Fund CL I	97183H396	Target-Date 2025	3	-9.36%	-7.18%	3.72%	-	5/16/2017	3.79%	0.14%	\$0	\$0
IndexSelect Moderate 2025 Fund CL I	97183H511	Target-Date 2025	4	-11.64%	-8.93%	4.74%	-	4/17/2017	5.03%	0.15%	\$27,336	\$41
IndexSelect Aggressive 2025 Fund CL I	97183H628	Target-Date 2025	5	-13.90%	-10.66%	5.56%	-	10/26/2017	5.06%	0.15%	\$0	\$0
IndexSelect Conservative 2035 Fund CL I	97183H370	Target-Date 2035	3	-12.11%	-9.31%	4.77%	-	5/17/2017	4.97%	0.15%	\$0	\$0
IndexSelect Moderate 2035 Fund CL I	97183H487	Target-Date 2035	4	-15.54%	-11.99%	6.03%	-	4/17/2017	6.36%	0.16%	\$205,621	\$321
IndexSelect Aggressive 2035 Fund CL I	97183H594	Target-Date 2035	4	-17.86%	-13.89%	6.63%	-	4/21/2017	7.07%	0.16%	\$0	\$0
IndexSelect Conservative 2045 Fund CL I	97183H354	Target-Date 2045	4	-15.72%	-12.15%	6.13%	-	4/21/2017	6.54%	0.16%	\$0	\$0
IndexSelect Moderate 2045 Fund CL I	97183H461	Target-Date 2045	4	-18.80%	-14.69%	6.89%	-	4/17/2017	7.27%	0.16%	\$64,135	\$103
IndexSelect Aggressive 2045 Fund CL I	97183H578	Target-Date 2045	3	-19.70%	-15.48%	7.00%	-	4/21/2017	7.43%	0.16%	\$0	\$0
IndexSelect Moderate 2055 Fund CL I	97183H446	Target-Date 2055	3	-19.93%	-15.69%	7.04%	-	4/17/2017	7.37%	0.16%	\$18,262	\$29
IndexSelect Aggressive 2055 Fund CL I	97183H552	Target-Date 2055	3	-19.93%	-15.69%	7.01%	-	4/21/2017	7.47%	0.16%	\$0	\$0
IndexSelect Conservative 2055 Fund CL I	97183H339	Target-Date 2055	4	-19.53%	-15.33%	7.03%	-	5/16/2017	7.06%	0.16%	\$0	\$0
IndexSelect Conservative Ret Fund CL I	97183H420	Target-Date Retirement	4	-8.69%	-6.70%	3.09%	-	5/16/2017	3.17%	0.14%	\$0	\$0
IndexSelect Moderate Retire Fund CL I	97183H537	Target-Date Retirement	5	-10.35%	-8.00%	3.77%	-	4/18/2017	3.96%	0.15%	\$4,143	\$6
IndexSelect Aggressive Retire Fund CL I	97183H644	Target-Date Retirement	5	-12.06%	-9.28%	4.38%	-	5/18/2017	4.53%	0.15%	\$0	\$0
IndexSelect Aggressive 2065 Fund I	97184C107	Target-Date 2065	-	-	-	-	-	-	-	0.16%	\$0	\$0
IndexSelect Conservative 2065 Fund I	97184C867	Target-Date 2065	-	-	-	-	-	-	-	0.16%	\$0	\$0
IndexSelect Moderate 2065 Fund I	97184C802	Target-Date 2065	-	-	-	-	-	-	-	0.16%	\$5,027	\$8
Fidelity® Total International Index	FTIHX	Foreign Large Blend	3	-18.55%	-19.43%	2.60%	-	6/7/2016	4.54%	0.06%	\$301,411	\$181
American Funds Europacific Growth R6	RERGX	Foreign Large Growth	3	-25.10%	-27.68%	3.10%	6.30%	5/1/2009	7.28%	0.46%	\$23,917	\$110
American Funds Emerging Markets Bd R6	REGGX	Emerging Markets Bond	4	-17.58%	-18.95%	-17.58%	-18.95%	7/29/2016	0.76%	0.55%	\$24,496	\$135
DFA Real Estate Securities I	DFREX	Real Estate	4	-19.19%	-5.86%	6.89%	8.10%	1/5/1993	9.60%	0.18%	\$22,495	\$40

Average Expense Ratio:	0.24%	Total Assets:	\$ 3,894,350
Asset Charge	0.15%	Investment Cost	\$ 5,521
		Asset Charge	\$ 5,842
		Total Charge	\$ 11,362

Fund Name	Ticker/CUSIP	Morningstar Category	Overall Morningstar Rating™	YTD Ret	1 Year Ret	5 Year Ret	10 Year Ret	Inception date	Total Return Since Inception	Net Exp Ratio	Assets	Investment Cost
PRU GIF	N/A	Fixed Account	-	-	-	-	-	-	-	\$ -	\$2,011,406	\$0

Plan asset data as of 6/30/2022
Investment data as of 6/30/2022

FOR ADVISOR USE ONLY.

The above information has been delivered in response to your request. The information is shown for illustrative purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. We believe the information provided here is reliable, but it should not be assumed to be accurate or complete.

Securities, when presented, are offered and/or distributed by Empower Financial Services, Inc., Member FINRA/SIPC.

EFSl is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser, Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or

The above information has been delivered in response to your request. The information is shown for illustrative purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. We believe the information provided here is reliable, but it should not be assumed to be accurate or complete.

Morningstar and/or its content providers; (2) may not be copied or distributed and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. ©2022 Morningstar, Inc. All rights reserved.

Past performance is no guarantee of future results.

Current performance may be lower or higher than performance data shown. Performance data quoted represents past performance and is not a guarantee or prediction of future results. For performance data current to the most recent month end, please visit empower-retirement.com or reach out to your Empower representative. The investment return and principal value of an investment will fluctuate so that, when redeemed, shares/units may be worth more or less than their original cost.

Carefully consider the investment option's objectives, risks, fees and expenses. Contact us for a prospectus, summary prospectus or disclosure document containing this information. Read each carefully before investing.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars and the bottom 10% receive one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Please note, for any funds with a newer share class, the rating information is based on extended performance, which is derived from the historical performance of the older class shares, not adjusted for fees.

©2022 Empower Retirement, LLC. All rights reserved. RO1718525-0721

- PLAN QUOTED
- PROPOSAL DETAILS
 - Estimated Plan Assets - 457 Plan
 - Estimated Plan Assets - 401(a) Plan
 - Estimated Combined Annual Deferral
 - Current Participants Estimate
 - Current Fixed Account Interest Rate

- ADMINISTRATION EXPENSE
 - Plan Start Up Costs:
 - Set-Up/Installation - Flat
 - Existing Plan Conversion
 - Total Start Up Costs (One time)

- ASSET BASED FEES/WRAP FEE
 - Basis of Asset Charge - Annual
 - Estimated Balance
 - Estimated Asset/Wrap Costs (Annually):

- FUND BASED FEES
 - Fund Based Fees
 - Approximate Avg. Weighted Fund Expense
 - Estimated Fund Expense (Annually):

- 401(a) / 457 PROGRAM INFORMATION
 - Investment Options
 - Number of Fund Families
 - Universe of Investment Options
 - Proprietary Fund Requirement
 - Participant Flexibility
 - Telephone Transfer/Changes
 - Bi-Lateral enrollment materials
 - Plan Administration
 - Options Shown (Build/Unbuild)
 - Administrator/TPA
 - Trustee Services
 - Participant Statements
 - Electronic Data Transmission

Morgan Stanley 3(21) Fiduciary Advisor

Total Costs
(Admin + Applicable Wrap + Fund Expense)

CURRENT - Empower	CURRENT - Nationwide	CURRENT - CalPers	CURRENT - Missionsquare
Valley Sanitary 457	Valley Sanitary 457	Valley Sanitary 457	Valley Sanitary 457
\$577,074	\$1,736,782	\$190,785	\$1,390,052
\$15,000	\$40,000	\$20,000	\$40,000
5	18	9	13
3%	2%	1.62%	2.39%
Fully Bundled Plan	Fully Bundled Plan	Fully Bundled Plan	Fully Bundled Plan
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0
0.87%	0.78%	0.31%	1.30%
\$577,047	\$1,736,782	\$190,785	\$1,390,052
\$5,629	\$13,549	\$591	\$18,071
0.00%	0.00%	0.00%	0.00%
\$0	\$0	\$0	\$0
Group Annuity Few Hundred	Group Annuity Few Hundred	Group Annuity Few Hundred	Group Annuity 250 / 40 fund families
Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
Bundled	Bundled	Bundled	Bundled
Quarterly Yes	Quarterly Yes	Quarterly Yes	Quarterly Yes
\$5,020	\$13,547	\$591	\$18,071
0.87%	0.78%	0.31%	1.30%
Empower	Nationwide	CalPers	Missionsquare
Combined Plan Costs \$37,229			
Weighted Average Cost 0.96%			

Lincoln	Voya	Empower	Empower Covering MVA
\$3,894,963	\$3,894,963	\$3,894,963	\$3,894,963
\$115,000	\$115,000	\$115,000	\$115,000
45	45	45	45
2.39% Stable Value	2% Stable Value	3.10% Stable Value	3.20% Stable Value
Fully Bundled Plan	Fully Bundled Plan	Fully Bundled Plan	Fully Bundled Plan
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0
0.47%	0.18%	0.15%	0.49%
\$3,894,666	\$3,894,666	\$3,894,666	\$3,894,666
\$18,305	\$7,619	\$5,842	\$19,894
0.10%	0.10%	0.10%	0.10%
\$3,895	\$3,895	\$3,895	\$3,895
Open Arch 10,000+	Open Arch 10,000+	Open Arch 10,000+	Open Arch 10,000+
None	None	None	None
Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes
Bundled	Bundled	Bundled	Bundled
Lincoln	Voya	Empower	Empower
Quarterly Yes	Quarterly Yes	Quarterly Yes	Quarterly Yes
11,684	11,684	11,684	11,684
0.30%	0.30%	0.30%	0.30%
\$33,884	\$22,589	\$21,421	\$34,663
0.87%	0.58%	0.55%	0.89%
Lincoln	Voya	Empower	Empower
Annual Savings \$3,345	Annual Savings \$14,640	Annual Savings \$15,808	Annual Savings \$2,566



Valley Sanitary District

DATE: November 1, 2022
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: Information Regarding Progress of the Fiscal Year 2021/22 Annual Audit

Suggested Action

Review

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

None.

Background

All special districts are required to file annual audits with the County Auditor and the State Controller within nine (9) months of the end of the fiscal year or years under examination. The State Controller's Office provides written information regarding the audit requirements for special districts.

The year-end audit is on schedule and will be ready to be submitted to the Board for review and acceptance by November 22, 2022.

Recommendation

Staff recommends that the Budget and Finance Committee receive and file this report as information.