



Tuesday, May 7, 2024 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/83571978596>

Meeting ID: 835 7197 8596

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 MARCH 27, 2024, BUDGET & FINANCE COMMITTEE MEETING](#)

Recommendation: Approve

5.2 DISCUSSION AND REVIEW OF THE VALLEY SANITARY 10-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) AND THE PROPOSED FISCAL YEAR 2024/25 CAPITAL BUDGET

Recommendation: Discussion

5.3 DISCUSSION AND REVIEW OF THE VALLEY SANITARY DISTRICT PROPOSED FY2024/25 BUDGET AND PROJECTED RESERVE BALANCES

Recommendation: Discussion

6. ADJOURNMENT

POSTED May 2, 2024

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.



Valley Sanitary District

DATE: May 7, 2024
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administration Officer
SUBJECT: APPROVE MINUTES FOR THE MARCH 27, 2024, BUDGET & FINANCE COMMITTEE MEETING

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

This item does not qualify as a project defined by the California Environmental Quality Act (CEQA).

Background

The minutes from the March 27, 2024, Budget & Finance Committee meeting are presented for review and approval.

Recommendation

Approve the minutes from the March 27, 2024, Budget & Finance Committee meeting.

Attachments

[27 Mar 2024 Meeting Minutes.edited.doc](#)

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES
March 27, 2024**

A special meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held at 45-500 Van Buren Street in Indio, California, on Wednesday, March 27, 2024.

1. CALL TO ORDER

Committee Member Debra Canero called the meeting to order at 1:00 p.m.

2. ROLL CALL

Directors Present:

Committee Member Debra Canero

Committee Member Scott Sear

Staff Present:

Jason Dafforn, General Manager; Jeanette Juarez, Chief Administrative Officer; and Holly Gould, Clerk of the Board

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT – None.

5. DISCUSSION / ACTION ITEMS

5.1 Approve Minutes for the January 2, 2024, Budget & Finance Committee

Committee Member Sear motioned to approve the minutes of the January 2, 2024, Budget & Finance Committee meeting. Committee Member Canero seconded the motion. Motion carried.

5.2 Select Committee Chairperson

Director Scott Sear was selected as the Budget & Finance Committee Chairperson for 2024.

5.3 Review and Discussion of the Valley Sanitary District Draft Fiscal Year 2024/25 Operating and Capital Budget

The action for approval and adoption of the annual budget is completed in June each calendar year. In preparation for the fiscal year 2024/25 budget, Jeanette Juarez, Chief Administrative Officer, presented a technical memo for the Budget and Finance Committee to review. The proposed operating and capital budget for the fiscal year 2024/25 is \$18,797,619 and \$38,935,000, respectively. The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead costs to run day-to-day operations. The capital budget incorporates key projects to advance further the District's Capital Improvement

Program (CIP). Twenty-three capital projects were requested in the fiscal year 2024/25. The CIP for the fiscal year 2024/25 includes the Recycled Water Project Phase I, the Recycled Water Project Phase II Design, Laboratory and Operations building designs, and the design of a biosolids conversion project. The Committee also reviewed the budget timeline and discussed important dates.

6. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 1:42 p.m. The next regular committee meeting will be on May 7, 2024.

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



Valley Sanitary District

DATE: May 7, 2024
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: DISCUSSION AND REVIEW OF THE VALLEY SANITARY 10-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) AND THE PROPOSED FISCAL YEAR 2024/25 CAPITAL BUDGET

Suggested Action

Discussion

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

The proposed capital budget for the fiscal year 2024/25 is \$40,068,000.

Environmental Review

This item does not qualify as a project as defined by the California Environmental Quality Act (CEQA).

Background

The District's greatest challenge is addressing its aging infrastructure and preparing to meet the changing regulatory requirements while maintaining its affordability for ratepayers. Staff has provided an updated 10-year Capital Improvement Program (CIP) and the proposed capital budget for fiscal year 2024/25.

The capital budget incorporates key projects to further advance the District's Capital Improvement Program (CIP). There are 23 capital projects requested in the fiscal year 2024/25. The CIP for the fiscal year 2024/25 includes the Recycled Water Project Phase I, the Recycled Water Project Phase II Design, Laboratory and Operations building designs, and the design of a biosolids conversion project.

Recommendation

Receive and file this report as information.

Attachments

10 Year Capital Improvement Program


Project Description	2024/25	2025/26	2026/27	2027/28	2028/29
PLANT FACILITY					
Recycled Water Project Phase 1 Design Build	\$ 26,400,000	\$ -	\$ -	\$ -	\$ -
Biosolids Conversion Project	1,000,000	4,500,000	4,500,000	-	-
1 MGD Tertiary Water Treatment Project	1,500,000	1,500,000	3,000,000	3,000,000	-
WRF Master Plan Phase 2C Pond Decommissioning DB	-	-	-	4,952,347	20,403,670
WRF Master Plan Phase 3 Design	-	-	-	-	-
WRF Master Plan Phase 3 Construction	-	-	-	-	-
WRF Master Plan Future Expansion 2040 & beyond	-	-	-	-	-
Laboratory Building - Final Design	1,000,000	-	-	-	-
Laboratory Building - Construction	-	4,000,000	4,000,000	-	-
Training & Office Building - Design	1,000,000	-	-	-	-
Training & Office Building - Construction	-	5,000,000	5,000,000	-	-
Water Reclamation Facility Master Plan	400,000	300,000	-	-	-
Vehicle & Major Equipment Replacement Fund	1,563,000	800,000	800,000	800,000	800,000
Concrete Repairs to ASP Plant	150,000	-	-	-	-
Upgrade District Security Cameras	150,000	-	-	-	-
Repairs to Primary Clarifiers	100,000	-	-	-	-
Ammonia / Nitrification Process Upgrade	200,000	-	-	-	-
Lighting and Camera Installation at Gate Entrances	30,000	-	-	-	-
Polymer Pump Replacement at Belt Filter Press	15,000	-	-	-	-
Boiler Gas Compressor Rebuild	25,000	-	-	-	-
Ferric Chloride Skid and Concrete Pad Installation	150,000	-	-	-	-
Spare / Not Used	-	-	-	-	-
Additional Parking & Landscaping	-	500,000	-	-	-
Recycled Water Use Plan	500,000	-	-	-	-
Future Operation Projects	-	600,000	600,000	600,000	600,000
SUBTOTAL - PLANT	\$ 34,183,000	\$ 17,200,000	\$ 17,900,000	\$ 9,352,347	\$ 21,803,670
SEWAGE COLLECTION					
Lateral Grant Program	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,000	\$ 56,307
Sewer Main Rehabilitation or Replacement Design	-	-	-	782,280	537,130
Sewer Main Rehabilitation or Replacement Const.	-	-	-	4,005,080	3,020,670
Manhole Rehabilitation	-	-	-	-	-
Sewer Repairs and/or Rehabilitation	225,000	125,000	130,000	133,317	137,317
Emergency Sewer Siphon Replacement Design	800,000	-	-	-	-
Emergency Sewer Siphon Replacement Const.	4,450,000	-	-	-	-
Emergency Response Trailer	75,000	-	-	-	-
Software Upgrades for Lucity and GIS systems	85,000	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	-	100,000	150,000	150,000	200,000
SUBTOTAL - COLLECTIONS	\$ 5,685,000	\$ 275,000	\$ 330,000	\$ 5,125,677	\$ 3,951,424
CONTINGENCY	\$ 200,000	\$ 200,000	\$ 205,000	\$ 205,000	\$ 210,000
TOTAL	\$ 40,068,000	\$ 17,675,000	\$ 18,435,000	\$ 14,683,024	\$ 25,965,094

10 Year Capital Improvement Program (cont.)

Project Description	2029/30	2030/31	2031/32	2032/33	2033/34
PLANT FACILITY					
Recycled Water Project Phase 1 Design Build	\$ -	\$ -	\$ -	\$ -	\$ -
Biosolids Conversion Project	-	-	-	-	-
1 MGD Tertiary Water Treatment Project	-	-	-	-	-
WRF Master Plan Phase 2C Pond Decommissioning DB	-	-	-	-	-
WRF Master Plan Phase 3 Design	11,293,090	-	-	-	-
WRF Master Plan Phase 3 Construction	-	35,005,414	36,055,577	10,995,823	-
WRF Master Plan Future Expansion 2040 & beyond	-	-	-	-	-
Laboratory Building - Final Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	800,000	800,000	800,000	800,000	800,000
Concrete Repairs to ASP Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Repairs to Primary Clarifiers	-	-	-	-	-
Ammonia / Nitrification Process Upgrade	-	-	-	-	-
Lighting and Camera Installation at Gate Entrances	-	-	-	-	-
Polymer Pump Replacement at Belt Filter Press	-	-	-	-	-
Boiler Gas Compressor Rebuild	-	-	-	-	-
Ferric Chloride Skid and Concrete Pad Installation	-	-	-	-	-
Spare / Not Used	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Recycled Water Use Plan	-	-	-	-	-
Future Operation Projects	600,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	\$ 12,693,090	\$ 37,805,414	\$ 38,855,577	\$ 13,795,823	\$ 2,800,000
SEWAGE COLLECTION					
Lateral Grant Program	\$ 57,433	\$ 58,582	\$ 59,754	\$ 60,949	\$ 62,168
Sewer Main Rehabilitation or Replacement Design	537,130	291,990	-	-	-
Sewer Main Rehabilitation or Replacement Const.	2,036,260	1,051,850	-	-	-
Manhole Rehabilitation	-	-	150,000	154,500	159,135
Sewer Repairs and/or Rehabilitation	141,437	145,680	150,050	154,552	159,189
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Const.	-	-	-	-	-
Emergency Response Trailer	-	-	-	-	-
Software Upgrades for Lucity and GIS systems	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	248,455	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	2,387,715	-
Interim Collection System CIP Design	-	-	-	-	302,856
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	200,000	250,000	250,000	300,000	300,000
SUBTOTAL - COLLECTIONS	\$ 2,972,260	\$ 1,798,102	\$ 858,259	\$ 3,057,716	\$ 983,348
CONTINGENCY	\$ 210,000	\$ 215,000	\$ 215,000	\$ 220,000	\$ 220,000
TOTAL	\$ 15,875,350	\$ 39,818,516	\$ 39,928,836	\$ 17,073,539	\$ 4,003,348

Proposed FY 2024/25 Capital Budget

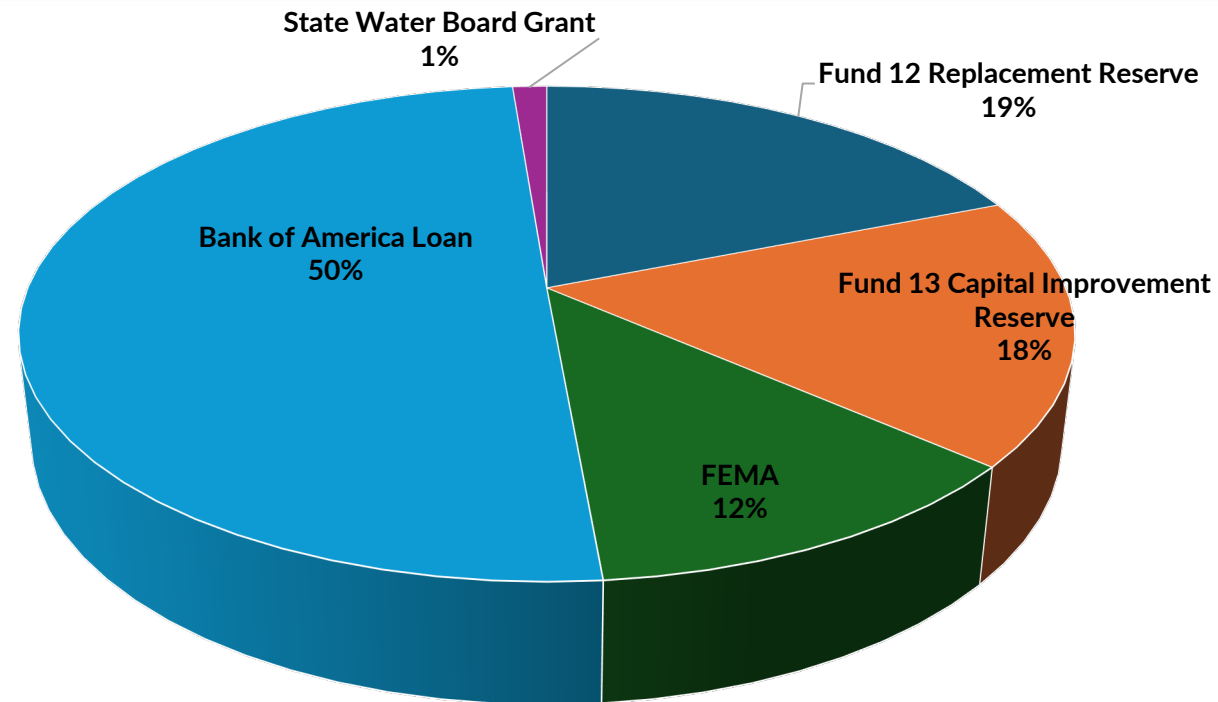
System	Recurring Project	Project Number	Project	Total
Plant Facility	✓	21-0001	Vehicle & Major Equipment Replacement Fund	\$ 1,563,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000
Sewage Collection	✓	21-0003	Sewer Repairs and/or Rehabilitation	225,000
Sewage Collection	✓	21-0004	Contingency	200,000
Plant Facility		21-0007	Recycled Water Project Phase 1 (Amend #1 & #2)	26,400,000
Sewage Collection		21-0008	Emergency Sewer Siphon Replacement Design	800,000
Sewage Collection		21-0009	Emergency Sewer Siphon Replacement Const.	4,450,000
Plant Facility		21-0011	Training & Office Building - Design	1,000,000
Plant Facility		21-0012	Laboratory Building - Final Design	1,000,000
Plant Facility		23-0002	Concrete Repairs to ASP Plant	150,000
Plant Facility		23-0006	Water Reclamation Facility Master Plan	400,000
Plant Facility		24-0001	Repairs to Primary Clarifiers (2)	100,000
Plant Facility		24-0003	Amonia / Nitrification Process Upgrade	200,000
Plant Facility		24-0005	Upgrade District Security Cameras	150,000
Plant Facility		24-0006	Biosolids Conversion Project	1,000,000
Plant Facility		24-0008	1 MGD Tertiary Water Treatment Project	1,500,000
Plant Facility		24-0008	Recycled Water Use Plan	500,000
Plant Facility		25-0001	Lighting and Camera Installation at Gate Entrances	30,000
Plant Facility		25-0002	Polymer Pump Replacement at Belt Filter Press	15,000
Plant Facility		25-0003	Boiler Gas Compressor Rebuild	25,000
Plant Facility		25-0004	Ferric Chloride Skid and Concrete Pad Installation	150,000
Plant Facility		25-0005	Emergency Response Trailer	75,000
Sewage Collection		25-0006	Software Upgrades for Lucity and GIS systems	85,000
			Total	\$ 40,068,000



FY2024/25 Capital Funding Summary By Source

Funding Source	FY25 Budget
Fund 12 Replacement Reserve	\$ 7,599,250
Fund 13 Capital Improvement Reserve	7,000,000
FEMA	4,868,750
Bank of America Loan	20,100,000
State Water Board Grant	500,000
Total Funds Requested	\$ 40,068,000

FY2024/25 Capital Funding Summary By Source





Valley Sanitary District

DATE: May 7, 2024
TO: Budget & Finance Committee
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: DISCUSSION AND REVIEW OF THE VALLEY SANITARY DISTRICT
PROPOSED FY2024/25 BUDGET AND PROJECTED RESERVE
BALANCES

Suggested Action

Discussion

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

This item does not qualify as a project as defined by the California Environmental Quality Act (CEQA).

Background

In preparation for the approval of the fiscal year 2024/25 operating and capital budget staff has prepared an analysis of the funding summary. This report includes the proposed balanced budget as well as projections for ending reserve balances for the fiscal year 2024/25.

Recommendation

Receive and file this report as information.

Attachments

[Projected Reserve Balances.pdf](#)

Revenue and Expense Summary	FY23 Actual	FY24 Budget	FY24 Projected	FY25 Budget	Budget Change	Percent Change
Revenues						
Sewer Service Chgs-Current	\$ 17,466,637	\$ 17,066,857	\$ 18,806,139	\$ 20,362,242	\$ 3,295,385	19.3%
Sewer Service Penalties	-	-	1,103	-	-	0.0%
Permit & Inspection Fees	26,975	20,817	24,920	16,161	(4,656)	-22.4%
Saddles/Disconnect Fees	320	243	320	-	(243)	-100.0%
Plan Check Fees	10,200	8,800	9,400	6,935	(1,865)	-21.2%
Other Services	6,370	1,568	2,867	4,455	2,887	184.1%
Sale of Surplus Property	21,032	21,274	15	11,357	(9,917)	-46.6%
Property Taxes General	1,406,142	688,194	1,066,524	1,405,934	717,740	104.3%
Non-Operating Revenues	40,558	28,876	43,363	7,530	(21,346)	-73.9%
Rebate Income	2,252	2,278	2,985	3,751	1,473	64.7%
Rental Income	-	-	2,000	12,000	12,000	0.0%
Connection Fees	1,047,104	767,790	1,190,129	900,000	132,210	17.2%
Investment Income	1,423,768	1,290,988	2,080,413	1,239,475	(51,513)	-4.0%
Use of Unrestricted Reserves	(2,166,978)	11,644,359	(1,899,284)	10,217,264	(1,427,095)	-12.3%
Loan Proceeds	13,364,334	35,700,000	22,606,223	20,100,000	(15,600,000)	-43.7%
Grant Revenue	-	9,612,850	-	5,368,750	(4,244,100)	-44.2%
Total Revenues	\$ 32,648,714	\$ 76,854,894	\$ 43,937,116	\$ 59,655,854	\$ (17,199,040)	-22.4%
Expenses						
Wages	\$ 3,574,886	\$ 4,192,639	\$ 4,005,754	\$ 4,524,528	\$ 331,889	7.9%
Fringe Benefits	2,042,732	2,434,125	1,510,399	2,320,657	(113,468)	-4.7%
Services	1,083,587	2,242,542	1,147,877	3,019,054	776,512	34.6%
Supplies and Materials	1,430,979	1,828,990	1,296,289	1,914,863	85,873	4.7%
Fuels and Lubricants	55,479	70,000	47,842	70,000	-	0.0%
Comprehensive Insurance	419,814	525,926	523,464	587,310	61,384	11.7%
Projects	32,400	464,000	52,857	398,000	(66,000)	-14.2%
Utilities	867,892	1,051,000	1,087,598	1,532,000	481,000	45.8%
Debt Service	4,412,971	5,270,359	5,270,359	4,590,650	(679,709)	-12.9%
Permits and Fees	73,633	148,870	86,099	151,810	2,940	2.0%
Other	194,924	394,443	256,618	478,982	84,539	21.4%
Capital Improvement Budget	18,459,416	58,232,000	28,651,960	40,068,000	(18,164,000)	-31.2%
Total Expenses	\$ 32,648,714	\$ 76,854,894	\$ 43,937,116	\$ 59,655,854	\$ (17,199,040)	-22.4%

Balanced Budget

Fund 11 General Fund

Fund 11 General Fund		
	Balance as of 03/31/24	\$ 25,137,617
Add:	Wells Fargo Checking Balance	\$ 2,542,588
Less:	Projected FY24 Expense	(3,786,016)
Less:	(Restricted) 6 months O&M Budget	(7,572,031)
	(Unrestricted) Estimated Available Ending Balance 06/30/2024	\$ 16,322,158
Add:	FY25 Projected Revenue	22,829,980
Less:	FY25 O&M Budget	(19,587,854)
Less:	40% of FY24 O&M Budget Transfer Fund 12	(7,835,142)
	(Unrestricted) Estimated Available Ending Balance 06/30/2025	\$ 11,729,142
Add:	(Restricted) 6 months O&M Budget	7,572,031
	Estimated Combined Ending Reserve Balance 06/30/2025	\$ 19,301,173

Fund 12 Replacement Reserve Fund

Fund 12 Capital Replacement Reserve Fund	
Balance as of 03/31/24	\$ 25,760,791
Less: Vehicle Replacement Reserve	(1,799,683)
Less: Projected FY24 Expense	(1,000,000)
Subtotal	\$ 22,961,108
Add: 40% of FY25 O&M Budget	7,835,142
Less: Vehicle & Major Equipment Replacement Fund	(1,563,000)
Less: 1 MGD Tertiary Water Treatment Project	(1,500,000)
Less: Training & Office Building - Design	(1,000,000)
Less: Laboratory Building - Final Design	(1,000,000)
Less: Water Reclamation Facility Master Plan	(400,000)
Less: Emergency Sewer Siphon Replacement Const.	(331,250)
Less: Recycled Water Project Phase 1 (Amend #1 & #2)	(300,000)
Less: Sewer Repairs and/or Rehabilitation	(225,000)
Less: Contingency	(200,000)
Less: Ammonia / Nitrification Process Upgrade	(200,000)
Less: Concrete Repairs to ASP Plant	(150,000)
Less: Upgrade District Security Cameras	(150,000)
Less: Ferric Chloride Skid and Concrete Pad Installation	(150,000)
Less: Repairs to Primary Clarifiers	(100,000)
Less: Software Upgrades for Lucity and GIS systems	(85,000)
Less: Emergency Response Trailer	(75,000)
Less: Lateral Grant Program	(50,000)
Less: Emergency Sewer Siphon Replacement Design	(50,000)
Less: Lighting and Camera Installation at Gate Entrances	(30,000)
Less: Boiler Gas Compressor Rebuild	(25,000)
Less: Polymer Pump Replacement at Belt Filter Press	(15,000)
(Unrestricted) Estimated Available Ending Balance 06/30/2025	\$ 23,197,000
Add: (Restricted) Vehicle Replacement Reserve	\$ 1,799,683
Estimated Combined Ending Reserve Balance 06/30/2025	\$ 24,996,683



Fund 13 Capital Improvement Reserve Fund

Fund 13 Capital Improvement Reserve Fund		
	Balance as of 03/31/24	\$ 11,439,465
Add:	FY25 Projected Revenues (Connection Fees, Interest)	\$ 1,139,860
Less:	Rotary Thickener	(6,000,000)
Less:	Biosolids Conversion Project	(100,000)
	Estimated Available Ending Balance 06/30/2025	\$ 6,479,325