



Tuesday, September 12, 2023 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren Street, Indio, CA 92201

**BOARD OF DIRECTORS
REGULAR SESSION
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/85985547482>

Meeting ID: 859 8554 7482

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. SEPTEMBER EMPLOYEE ANNIVERSARIES
 - *Carlos Acevedo, Collection System Tech I - 2 years*
5. PUBLIC COMMENT

6. CONSENT CALENDAR

Consent calendar items are expected to be routine and noncontroversial, to be acted upon by the Board of Directors at one time, without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.

6.1 APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD AUGUST 22, 2023

Recommendation: Approve

6.2 APPROVE WARRANTS FOR SEPTEMBER 12, 2023

Recommendation: Approve

7. NON-HEARING ITEMS

7.1 AUTHORIZE THE PURCHASE OF A NEW CATERPILLAR COMPACT TRACK LOADER (SKID STEER) AND TRADE IN OF THE DISTRICT'S CURRENT COMPACT TRACK LOADER

Recommendation: Approve

7.2 APPROVE A THREE (3) YEAR CONTRACT BETWEEN VALLEY SANITARY DISTRICT AND BLACKBAUD INC. FOR FE NXT ACCOUNTING SOFTWARE LICENSING

Recommendation: Approve

7.3 ADOPT RESOLUTION NO. 2023-1187 APPROVING THE VALLEY SANITARY DISTRICT INVESTMENT POLICY

Recommendation: Approve

7.4 APPROVE THE FIVE-YEAR FRESH START PAYOFF OPTION FOR THE CALPERS UNFUNDED ACCRUED LIABILITY (UAL)

Recommendation: Approve

8. GENERAL MANAGER'S REPORT

8.1 RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR AUGUST 2023

Recommendation: Review

9. COMMITTEE REPORTS

9.1 DRAFT MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING - SEPTEMBER 5, 2023

Recommendation: Discuss

10. DIRECTOR'S ITEMS

11. INFORMATIONAL ITEMS

11.1 UPDATE ON THE AUDIT FOR THE YEAR ENDING JUNE 30, 2023

Recommendation: Review

12. PUBLIC COMMENT

This is the time set aside for public comment on any item to be discussed in Closed Session. Please notify the Secretary at the beginning of the meeting if you wish to speak on a Closed Session item.

13. CONVENE IN CLOSED SESSION

13.1 CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

*Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:
(1) Existing facts and circumstances might result in litigation against VSD pursuant to paragraph
(1) of subdivision (e) of Section 54956.9.*

14. CONVENE IN OPEN SESSION

15. ADJOURNMENT

POSTED September 7, 2023
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: September 12, 2023
TO: Board of Directors
FROM: Holly Gould, Clerk of the Board
SUBJECT: APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD AUGUST 22, 2023

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

None

Environmental Review

This does not qualify as a project for the purposes of CEQA.

Background

The meeting minutes for the Board of Directors Regular Meeting held August 22, 2023.

Recommendation

Approve

Attachments

[22 Aug 2023 Meeting Minutes.edited.docx](#)

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING**

August 22, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, August 22, 2023, at 45-500 Van Buren St., Indio, CA 92201.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Jacky Barnum, Debra Canero, Mike Duran, Scott Sear, William Teague

Staff Present:

Jason Dafforn, General Manager; Jeanette Juarez, Chief Administrative Officer; Dave Commons, Chief Operating Officer; Ron Buchwald, District Engineer; Holly Gould, Clerk of the Board; Tino Tijerina Facilities Maintenance Supervisor; Ed Luna, Maintenance Technician III; Branden Rodriguez, Administrative Assistant; and Craig Hayes, Best Best & Krieger

Guests Present:

Eric O'Donnell, Townsend Public Affairs

3. PLEDGE OF ALLEGIANCE

4. AUGUST EMPLOYEE ANNIVERSARIES

- Branden Rodriguez, Administrative Assistant – 5 years

The Board of Directors thanked Branden for his hard work and years of service to the District.

5. PUBLIC COMMENT - None

6. CONSENT CALENDAR

6.1 Approve the Minutes for the Board of Directors Regular Meeting held July 25, 2023

6.2 Approve Warrants for August 22, 2023

6.3 Monthly Financial Report for Period Ending July 31, 2023

- 6.4 Receive and File Credit Card Report for July 31, 2023
- 6.5 Quarterly Investment Report for the Period Ending June 30, 2023
- 6.5 Acceptance of the Grant of Easement for Sewer Main Purposes

Jeanette Juarez, Chief Administrative Officer, reported on the monthly financial report for July 31, 2023, and the quarterly investment report for June 30, 2023.

ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the consent calendar as presented. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3323

7. NON-HEARING ITEMS

- 7.1 State Legislative Update by Eric O'Donnell with Townsend Public Affairs, Inc.

Eric O'Donnell with Townsend Public Affairs, Inc. presented the latest information about the State Legislature. He discussed the major state legislative issues, the state's final budget, the 2024 Climate Bond, the Taxpayer Protection and Government Accountability Act, and Local Government Financing: Voter Approval.

- 7.2 Authorize the Purchase of Floway Pump Assembly in an Amount Not to Exceed \$129,278

After inspection, it was found that one of the secondary water pumps requires replacement as soon as possible due to corrosion and the condition of the current pump. It is recommended that the Board approve the purchase of a Floway pump assembly from G3 Engineering for \$129,278.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to authorize the purchase of a Floway pump assembly not exceeding \$129,278. Vice President Duran seconded the motion. Motion carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3324

- 7.3 Authorize the General Manager to Execute a Professional Service Agreement for SCADA and PLC Maintenance in an Amount not to Exceed \$44,358

The District had a SCADA and PLC Maintenance contract with TriMax/Tesco. United Flow Technologies bought Trimax/Tesco in April 2023. Due to the turnover, a service shortfall was created, causing staff to use Soffa on an emergency basis. Joe Mariano, the Integration Technician formally with Trimax, has been the District's SCADA expert for years and is now with Soffa. Executing a professional service agreement with Soffa for SCADA and PLC Maintenance is recommended for \$44,358.

ACTION TAKEN:

MOTION:

Vice President Duran motioned to authorize the General Manager to execute a professional service agreement with Soffa Electric, Inc. for SCADA and PLC maintenance in an amount not to exceed \$44,358. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3325

- 7.4 Authorize the General Manager to Negotiate and Execute a 6-Year Contract with Willdan Financial Services to Provide Administration Services for Assessment District No. 2004-VSD in an Amount not to Exceed \$58,650

The annual administration for the Assessment District (AD) 2004-VSD AD requires determining the assessment of each parcel annually, preparing the annual levy to be submitted to the Auditor Controller's office, providing contact with the public to answer questions regarding the assessment, tracking and managing delinquency of property tax related to the AD, disclosure reporting according to the Continuing Disclosure Agreement, and reapportionments for parcels that are subdivided. Reapportionment fees have already been paid to the District by developers associated with the formation of the AD. Most of the properties within the AD have already been reapportioned. The existing Willdan Financial Services contract has concluded the five-year AD administration services period previously authorized by the Board. The firm has extensive information dating back to 2006 that is imperative to the continued reporting and compliance for the AD.

ACTION TAKEN:

MOTION:

Director Teague motioned to authorize the General Manager to execute a 6-year contract with Willdan Financial Services to provide administration services for Assessment District No. 2004-VSD in an amount not to exceed \$58,650. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3326

- 7.5 Receive and File CalPERS Health Plan Rates Effective January 1, 2024

Staff presented the Board with the CalPERS Medical Insurance premiums for 2024. The new medical plan premiums have no fiscal impact on the District. On July 25, 2023, the Board of Directors adopted Resolution No. 2023-1186. This resolution established the District's monthly contributions toward employees' health premiums (medical, dental, vision). For the calendar year 2024, the total District contribution will be up to \$2,444 monthly. If an employee chooses a plan that exceeds the District's total contributions, the additional amount will be deducted from the employee's paycheck each month. The Board of Directors received this information.

7.6 Review and Provide Direction Regarding the Valley Sanitary District Investment

California Government Code Section 53646 requires that all public agencies adopt an investment policy and be reviewed and approved annually. On August 10, 2021, the District adopted Resolution No. 2021-1151, adopting the VSD Investment Policy, and no amendments have been executed. Local Agency Investment Guidelines highly recommend that the internal treasury staff conduct a review annually. According to the California Debt and Investment Advisory Commission (2020), "an update in the investment policy is warranted if treasury staff's review results in a material change in policy due to either a change in statute or a change in the agency's goals and objectives for safety, Valley Sanitary District Recommendation liquidity and yield." Reviewing the policy now allows sufficient time for full Board examination, analysis, and recommendations before the policy is presented for approval in September.

7.7 Recycled Water Project Update

Jason Dafforn, General Manager, provided an update on the Recycled Water Project. He discussed the current project, Recycled Water Project Phase 1, the Recycled Water Master Plan, Phases 2 – 4, Phase 2 specifics, and funding needs.

8. **GENERAL MANAGER'S ITEMS**

8.1 Receive Monthly General Managers Report for July 2023

9. **COMMITTEE REPORTS**

9.1 Draft Minutes of the East Valley Reclamation Authority Meeting – August 15, 2023

Jason Dafforn, General Manager, gave an overview of the East Valley Reclamation Authority (EVRA) meeting held on August 15, 2023. The Authority passed the Fiscal Year 2023/24 EVRA budget, adopted resolutions naming the EVRA Administrator and Alternate Administrator, and set the dates and times of future EVRA meetings. Mr. Dafforn gave an update on the Recycled Water Master Plan. Reymundo Trejo, Indio Water Authority (IWA) General Manager, gave an update on the effect Chromium-6 is having on IWA and the potential impact it may have on the District.

10. DIRECTOR'S ITEMS

With COVID-19 cases rising, Vice President Duran asked if we see a spike in our testing results. Jeanette Juarez, Chief Administrative Officer, stated there has been and will be included in next month's testing results. President Canero gave an update on the CASA Conference held in San Diego. She stated it was a good conference, and she learned of all the technology involved with wastewater.

Secretary/Treasurer Sear left the meeting at 3:05 p.m.

11. INFORMATIONAL ITEMS

11.1 Letter of Intent for EPA-G2023-ORD-F1, National Priorities: Evaluations of Antimicrobial Resistance in Wastewater and Sewage Sludge Treatment and its Impact on the Environment

The United States Environmental Protection Agency (EPA) released a notice of funding opportunity for evaluating antimicrobial resistance in wastewater and sewage sludge treatment and its environmental impact. The District provided a Letter of Intent for the Water Research Foundation, Virginia Tech, Arizona State University, West Virginia University, and University of S. Florida submission for the above-referenced EPA grant addressing Research Objective #2 - Understanding the environmental burden and public health impact of antimicrobial resistant genes and bacteria from different municipal wastewater sources on downstream applications and from biosolids use on the environment. If awarded, the District would provide system information relevant to wastewater and biosolids treatment, including relevant operational and water/solids quality data. The District would also collect and ship samples of these systems as needed, using sampling kits and protocols and prepaid postage envelopes/boxes provided by the partnering universities. The data collected would be part of a national study that would benefit the community.

Jason Dafforn, General Manager, presented a PowerPoint on the closure of the Wild Bird Center. The Wild Bird Center has leased 29 acres from the District since 1995. The current lease is a term of 55 years until 2055. The District received a letter from the Wild Bird Center requesting to terminate their lease and inform them of their 90-day notice to vacate by November 1, 2023. The Board discussed accepting certain structures and items for the bird center, such as the office building, enclosures, shipping containers, etc. The Board also discussed the possibility of another organization utilizing the space.

Mr. Dafforn also updated the Board on the storm damage from Tropical Storm Hilary on August 20, 2023. The plant handled the storm exceptionally well, peaking at 19.5 MGD. The plant did lose power, but the generators worked as they should and kept the power to the plant. The lift stations also performed as they should switch over to the emergency bypass when needed. The storm did expose the Westward Ho Sewer Siphon. The line is encased in cement and did not fail, but all the dirt underneath the encasement was washed away. The Collections crew stabilized the line using sandbags. Special recognition goes out to the employees who kept the plant and collections system

going during the storm: Andy Boyd, Austin Lopanec, Andrew Sorensen, Tino Tijerina, Jimmy Garcia, Ed Luna, Tito Moreno, and Carlos Acevedo. The Board stated their sincere appreciation for these individuals.

12. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:23 p.m. The next regular Board meeting will be on September 12, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District



Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE WARRANTS FOR SEPTEMBER 12, 2023

Suggested Action

Approve

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

The total charges incurred for the warrants from August 15, 2023, through September 1, 2023, are \$1,032,283.68.

Environmental Review

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

Background

The attached warrants list shows all disbursements from August 15, 2023, through September 1, 2023.

Recommendation

Staff recommends that the Board of Directors approve the warrants for September 12, 2023.

Attachments

[Warrants for September 12, 2023.pdf](#)

DISBURSEMENTS
Approve at the Board Meeting of
September 12, 2023

41836 Austin Lopanec	Tristate reimbursement 2023	\$618.78
41837 Badger Meter, Inc	Gas phase sulfite sensor	\$369.35
41838 Bank of New York Mellon Corporate Trust Dept.	Fiscal Agent Fee - 8/1/2023-7/31/2024	\$2,182.20
41839 Carlos Acevedo	Tristate reimbursement 2023	\$617.47
41840 Chris Rahman	Tristate reimbursement 2023	\$618.78
41841 Diego Rivera	Tristate reimbursement 2023	\$644.98
41842 Eduardo Luna	Tristate reimbursement 2023	\$618.78
41843 Hector Guzman	Tristate reimbursement 2023	\$558.52
41844 James Mills	Tristate reimbursement 2023	\$618.78
41845 Kenneth Kepley	Tristate reimbursement 2023	\$618.78
41846 Mobile Modular Management Corp	Office trailer rental - 08/05/2023-09/03/2023	\$655.15
41847 Octavio Briones	Tristate reimbursement 2023	\$618.78
41848 Quinn Company	Oil coolant sample	\$105.00
41849 Smith Pipe & Supply Inc.	2 inch wide pipe wrap tape	\$63.12
41850 Victoria Nelson	Tristate reimbursement 2023	\$241.50
41851 Automation Pride	Furnish loop detector	\$456.44
41851 Automation Pride	Furnish #60 masterlink and install	\$195.44
41851 Automation Pride	Furnish 10 remotes	\$478.50
41851 Automation Pride	Gate 2 callout due to damage	\$95.00
41852 Badger Meter, Inc	Pump drive, autochem, tcl2 a10	\$1,735.87
41853 Caltest Analytical Laboratory	Monthly samples	\$1,113.40
41854 Chemco Products Co.	HD degreaser	\$1,050.46
41855 Consolidated Electrical Distributors, Inc.	Handle for bar screen panel	\$378.36
41856 Dave Commons	Tristate reimbursement	\$679.04
41857 Debra Canero	CASA 2023 reimbursement	\$323.91
41858 Desert Hose & Supply	Ball valve	\$815.10
41858 Desert Hose & Supply	Liquid filled gauge	\$161.57
41858 Desert Hose & Supply	Clearbraid tube	\$31.16
41858 Desert Hose & Supply	Lincoln plug	\$44.74
41859 Desert Steel Supply	Square tube front gate repair	\$314.29
41860 E.S. Babcock & Sons, Inc.	Monthly samples - August 2023	\$169.86
41861 Ferguson Enterprises #1350	Rep kit	\$13.57
41862 GRBCON, Inc	Indio downtown improvement project - July-mid august 2023	\$601,236.38
41863 Hach Company	Breaker kit, tnt+	\$886.26
41864 Harris & Associates	PADM coll sys - July 2023	\$75,587.78
41865 Industrial Filter Manufacturers, Inc.	12164 panel filters	\$2,703.39
41865 Industrial Filter Manufacturers, Inc.	Primary panel element	\$673.85
41866 Innovative Document Solutions	Canon copier maintenance - July 2023	\$81.05
41867 Jacky Barnum	CASA conference reimbursement	\$314.54
41868 Linde Gas & Equipment Inc.	Tank rental - August 2023	\$157.09
41869 Lock Shop	keys, locks	\$949.86
41870 Mario Luna	Tristate reimbursement	\$607.65
41870 Mario Luna	ECI cert training event 2023	\$397.70
41871 McMaster-Carr Supply Co.	Air chuck	\$16.52
41872 Mike Duran	CASA conference reimbursement	\$310.61
41873 Promium, LLC	Watertrax	\$899.00
41874 Quinn Company	Cat extreme parts	\$159.20
41875 SC Fuels	Dyed carb diesel fuel delivery - 08/23/2023	\$3,727.44
41875 SC Fuels	Regular unleaded and diesel delivery - 8/10/2023	\$4,570.72
41876 Siemens Industry, Inc.	XPS-10	\$991.80
41877 Southwest Networks, Inc.	Contract services fixed fee - scada and tito laptop aug 2023	\$1,100.00
41878 United Way of the Desert	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$20.00
41879 USA Blue Book	Spinbar magnetic stirring bar	\$52.20
41880 Valley Office Equipment, Inc	Sharp copier maintenance - 7/13/2023-8/12/2023	\$152.92
41881 Walters Wholesale Electric	Cord connector kit	\$9.31
202308231 CalPERS Health	Health insurance - September 2023	\$54,450.50
202308232 Standard Insurance Company	Vision and dental insurance - September 2023	\$4,800.12
202308251 Paychex - Direct Deposit	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$98,101.86
202308252 Paychex - Fee	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$203.17
202308253 Paychex - Garnishment	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$360.46
202308254 Paychex - Tax	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$46,861.69
202308255 Empower (formerly Mass Mutual)	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$10.00
202308256 Mission Square (formerly ICMARC / Vantage Point)	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$1,470.00
202308258 FedEx	Shipping charges - 08/08/2023	\$518.86
202308259 Colonial Life	PR 07/21/2023 - 08/03/2023 PD 08/11/2023	\$1,057.73
202308259 Colonial Life	PR 08/04/2023 - 08/17/2023 PD 08/25/2023	\$1,057.73
202308281 FedEx	Shipping charges - 08/01/2023	\$142.23
202308282 CalPERS Retirement	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$27,135.07
202308283 CalPERS 457	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$870.00

202308291	Nationwide Retirement Solution	PR 08/0/2023 - 08/17/2023 PD 08/25/2023	\$2,025.00
202308311	Basic	Funds withdrawn - 08/23/2023	\$318.00
202308311	Domino Solar LTD	Electricity - July 2023	\$9,284.18
202308312	Imperial Irrigation District	Electricity - July 2023	\$61,357.03
202308313	Carquest Auto Parts	July 2023 expenses	\$183.35
202308316	De Lage Landen Financial Services, Inc	Lease agreement - sharp copier August 2023	\$212.07
202309011	Standard Insurance Company	Life and disability insurance - September 2023	\$1,969.46
202309041	Verizon Wireless	Cell phones - August 2023	\$1,135.51
202309051	Indio Water Authority	Water - July 2023	\$1,745.61
202309052	Imperial Irrigation District	Electricity - July 2023	\$410.85
202309053	Imperial Irrigation District	Electricity - July 2023 (9015)	\$43.41
202309061	Cintas Corp	Uniforms, mats, towels etc - 08/03/2023	\$538.79
202309061	Cintas Corp	Uniforms, mats, towels, etc	\$558.03
202309102	Pitney Bowes, Inc.	Postage refill - 07/26/2023	\$208.99
202309103	City of Coachella	Water - August 2023	\$48.02
202309104	Burrtec Waste & Recycling Svcs	Trash service - September 2023	\$272.78
202309105	Burrtec Waste & Recycling Svcs	Grit removal - August 2023	\$1,703.98
202309121	Frontier Communications	Telephone service - September 2023	\$417.25
		Total	\$1,032,283.68



Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Octavio Briones, Maintenance Technician I
SUBJECT: AUTHORIZE THE PURCHASE OF A NEW CATERPILLAR COMPACT TRACK LOADER (SKID STEER) AND TRADE IN OF THE DISTRICT'S CURRENT COMPACT TRACK LOADER

Suggested Action

Approve

Strategic Plan Compliance

GOAL 3: Excellent Facilities

Fiscal Impact

The compact track loader has been slated for replacement for the Fiscal Year 2023/24 Capital Improvement Project #21-001. The District would receive a Sourcewell discount of \$29,488.20 through the proposal. The total purchase price of a new the new compact track loader, including trade in and Sourcewell discount is \$105,229.58.

Environmental Review

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

Background

The District's current compact track loader was purchased in 2009 and is long past it's warranty. It has been inspected and reviewed by the appraiser of Quinn Equipment and is considered to be on good working condition. The appraiser issued a trade in value of \$24,000.

Recommendation

Staff recommends that the Board of Directors authorize the purchase of a Caterpillar Compact Track Loader for a price of \$105,230 and authorize the trade in of the District's current Caterpillar Compact Track Loader.

Attachments

[Quinn Skid Steer.pdf](#)

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168442-01

Jul 18, 2023

VALLEY SANITARY DISTRICT
Attention Account Payable
45500 VAN BUREN STREET
INDIO, California 92201-3435
SOURCEWELL MEMBER ID# 133200



Attention: TINO TIJERINA

Dear Sir,

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New Caterpillar Inc. Model: 289D3 Compact Track Loader including standard and optional equipment as listed below.

STOCK NUMBER: NS0020856

SERIAL NUMBER: OJX916730

YEAR:

SMU:

We wish to thank you for the opportunity of quoting on your equipment needs. This quotation is valid for 30 days, after which time we reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Jose Farias

Jose Farias
Machine Sales Representative
Phone 760.399.6404
Email jose.farias@quinncompany.com

Control interlock dystem, when operator

FRAMES

Lift linkage, vertical path
Chassis, one piece welded
Machine tie down points (6)

Belly pan cleanout
Support, lift arm
Rear bumper, welded

OTHER STANDARD EQUIPMENT

Engine enclosure - lockable
Extended life antifreeze (-37C, -34F)
Work tool coupler
Hydraulic oil level sight gauge
Radiator coolant level sight gauge
Radiator expansion bottle
Cat ToughGuard TM hose

Heavy duty flat faced quick disconnects
with integrated pressure release
Split D-ring to route work tool hoses
Along side of left lift arm
Hydraulic demand cooling fan
Per SAE J818-2007 and EN 474-3:2006 and
ISO 14397-1:2007

WARRANTY & COVERAGE

Standard Warranty: 24 MONTHS / 2,000 HOURS FULL MACHINE
 Extended Coverage: 289-36 MO/1500 HR POWERTRAIN + HYDRAULICS + TECH
 CSA 36 MO / 1,500 HOURS PARTS ONLY (INCLUDES SOS) (QUINN CVA)

SELL PRICE	\$140,420.00
SOURCEWELL DISCOUNT (21%)	(\$29,488.20)
PRICE	\$110,931.80
INSTALL KITS	\$4,300.00
EXTENDED WARRANTY	\$1,500.00
FREIGHT PREP, DELIVERY	\$2,100.00
NET BALANCE DUE	\$118,831.80
SALES TAX (8.75%)	\$10,397.78
AFTER TAX BALANCE	\$129,229.58
TRADE-IN 2009 289C JMP00654 WITH 2,146HRS, must include bucket	(\$24,000.00)
GRAND TOTAL	\$105,229.58

SOURCEWELL CONTRACT 011723-CAT

F.O.B/TERMS:

Accepted by _____ on _____

Signature



Cat® 289D3

COMPACT TRACK LOADER

FEATURES:

The Cat® 289D3 Compact Track Loader, with its vertical lift design, delivers extended reach and lift height for quick and easy truck loading. Its standard, suspended undercarriage system provides superior traction, flotation, stability and speed to work in a wide range of applications and underfoot conditions. The 289D3 features the following:

- **Industry leading sealed and pressurized cab option** provides a cleaner and quieter operating environment with excellent work tool visibility.
- **Available high-back, heated, air ride seat with seat mounted adjustable joystick controls** makes the D3 Series the industry leader in operator comfort.
- **High performance power train** provides maximum performance and production capability through the Electronic Torque Management system, standard two speed travel and an industry exclusive electronic hand/foot throttle with decel pedal capability.
- **High Flow XPS hydraulic system** is available for applications that demand maximum hydraulic work tool performance.
- **Cat C3.3B engine and high performance power train** provide high engine horsepower and torque, allowing partial-throttle operation for lower sound levels and fuel consumption.
- **Cat "Intelligent Leveling" system** provides industry leading technology, integration, and available features such as dual direction self level, work tool return to dig, and work tool positioner.
- **Standard fully independent torsion axle suspension** combined with the optional Speed Sensitive Ride Control system improves operation on rough terrain, enabling better load retention, increased productivity and greater operator comfort.
- **Maximize machine capability and control** with optional Advanced Display providing on-screen adjustments for implement response, hystat response and creep control. Also features multi-language functionality with customizable layouts, security system and rearview camera.
- **Ground level access** to all daily service and routine maintenance points helps reduce machine downtime for greater productivity.
- **Broad range of performance matched Cat Work Tools** make the Cat Compact Track Loader the most versatile machine on the job site.

Specifications

Engine

Engine Model	Cat C3.3B DIT (turbo)	
Gross Power SAE J1995	55.4 kW	74.3 hp
Net Power SAE 1349	53.6 kW	72.1 hp
	54.0 kW†	72.7 hp†
Net Power ISO 9249	54.1 kW	72.8 hp
	54.6 kW†	73.5 hp†
Peak Torque at 1,600 rpm SAE J1995	265 N·m	195 lbf·ft
Displacement	3.3 L	203 in³
Stroke	120 mm	4.7 in
Bore	94 mm	3.7 in

†Engine meeting Brazil MAR-1 and China Nonroad Stage III emission standards emits equivalent to U.S. EPA Tier 4 Interim and is offered only for Australia/New Zealand, Brazil, China, French Polynesia, Hong Kong, Macedonia and New Caledonia.

Weights*

Operating Weight	4848 kg	10,688 lb
------------------	---------	-----------

*Operating Weight, Operating Specifications and Dimensions all based on 75 kg (165 lb) operator, all fluids, two speed, OROPS, 2036 mm (80 in) low profile bucket, 400 mm (15.7 in) tracks, dual flange front idler/single flange rear idler, standard flow hydraulics, mechanical suspension seat, no optional counterweights and manual quick coupler (unless otherwise noted).

Power Train

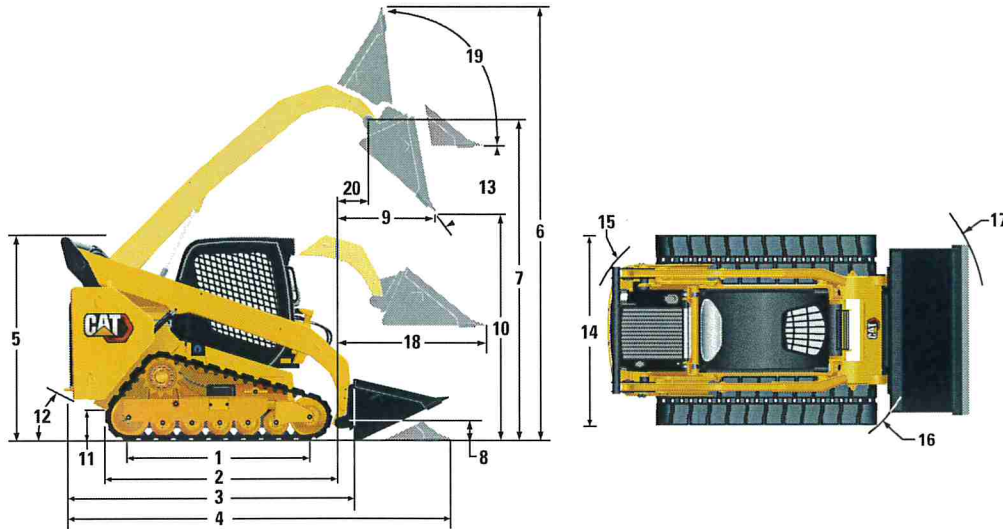
Travel Speed (Forward or Reverse):			
One Speed	7.2 km/h	4.5 mph	
Two Speed	13.3 km/h	8.3 mph	

Hydraulic System

Hydraulic Flow – Standard:			
Loader Hydraulic Pressure	23 000 kPa	3,335 psi	
Loader Hydraulic Flow	86 L/min	23 gal/min	
Hydraulic Power (calculated)	33 kW	44 hp	
Hydraulic Flow – High Flow XPS:			
Maximum Loader Hydraulic Pressure	28 000 kPa	4,061 psi	
Maximum Loader Hydraulic Flow	121 L/min	32 gal/min	
Hydraulic Power (calculated)	57 kW	76 hp	



289D3 Compact Track Loader



Dimensions*

1 Length of Track on Ground	1630 mm	64.2 in	11 Ground Clearance	226 mm	8.9 in
2 Overall Length of Track	2129 mm	83.8 in	12 Departure Angle		33°
3 Length without Bucket	2995 mm	117.9 in	13 Maximum Dump Angle		51°
4 Length with Bucket on Ground	3714 mm	146.2 in	14 Vehicle Width (450 mm/17.7 in tracks)	1981 mm	78.0 in
5 Height to Top of Cab	2113 mm	83.2 in	15 Turning Radius from Center – Machine Rear	1796 mm	70.7 in
6 Maximum Overall Height	4015 mm	158.1 in	16 Turning Radius from Center – Coupler	1410 mm	55.5 in
7 Bucket Pin Height at Maximum Lift	3178 mm	125.1 in	17 Turning Radius from Center – Bucket	2256 mm	88.8 in
8 Bucket Pin Height at Carry Position	190 mm	7.5 in	18 Maximum Reach with Arms Parallel to Ground	1270 mm	50.0 in
9 Reach at Maximum Lift and Dump	761 mm	30.0 in	19 Rack Back Angle at Maximum Height		84°
10 Clearance at Maximum Lift and Dump	2387 mm	94.0 in	20 Bucket Pin Reach at Maximum Lift	369 mm	14.5 in

Operating Specifications*

Rated Operating Capacity:		
35% Tipping Load	1315 kg	2,890 lb
50% Tipping Load	1880 kg	4,130 lb
Rated Operating Capacity with Optional Counterweight		
Tipping Load	1985 kg	4,370 lb
Breakout Force, Tilt Cylinder	3750 kg	8,255 lb
Ground Contact Area (450 mm/17.7 in track)	3307 kg	7,291 lb
Ground Pressure (450 mm/17.7 in track)	1.47 m ²	2,272 in ²
	32.2 kPa	4.7 psi

Cab

ROPS	ISO 3471:2008
FOPS	ISO 3449:2005 Level I

Service Refill Capacities

Cooling System	14 L	3.7 gal
Engine Crankcase	11 L	3.0 gal
Fuel Tank	105 L	27.7 gal
Hydraulic System	52 L	13.7 gal
Hydraulic Tank	39 L	10.3 gal

Noise Level

Inside Cab**	83 dB(A)
Outside Cab***	103 dB(A)

**The declared dynamic operator sound pressure levels per ISO 6396:2008. The measurements were conducted with the cab doors and windows closed and at 70% of the maximum engine cooling fan speed. The sound level may vary at different engine cooling fan speeds.

***The labeled sound power level for the CE marked configurations when measured according to the test procedure and conditions specified in 2000/14/EC.

Air Conditioning System (if equipped)

The air conditioning system on this machine contains the fluorinated greenhouse gas refrigerant R134a (Global Warming Potential = 1430). The system contains 1.0 kg of refrigerant which has a CO₂ equivalent of 1.430 metric tonnes.

MANDATORY EQUIPMENT

- Hydraulics, Standard or High Flow XPS
- Quick Coupler, Mechanical or Powered
- High Visibility Seat Belt, 50 mm (2 in) or 75 mm (3 in)
- Steel Imbed Rubber Track – 400 mm (15.7 in) or 450 mm (17.7 in)
- Dual Flange Front Idler/Single Flange Rear Idler or Triple Flange Front/Rear Idlers

PERFORMANCE PACKAGES

- Performance Package H1: *Standard Flow Hydraulics (No Self Level)*
- Performance Package H2: *Standard Flow, Dual Direction Electronic Self Level (Raise and Lower), Work Tool Return to Dig, Work Tool Positioner, and Electronic Snubbing (Raise and Lower)*
- Performance Package H3: *High Flow XPS, Dual Direction Electronic Self Level (Raise and Lower), Work Tool Return to Dig, Work Tool Positioner, and Electronic Snubbing (Raise and Lower)*

COMFORT PACKAGES

- Open ROPS (C0): *Static Seat (No Foot Throttle, Headliner, Heater or Door)*
- Open ROPS (C1): *Foot Throttle, Headliner, Cup Holder, and choice of Seat (Mechanical Suspension or High Back, Heated, Air Ride Seat) (No Heater or Door)*
- Enclosed ROPS with Heater (C2): *Foot Throttle, Headliner, Heater and Defroster, Side Windows, Cup Holder, Radio Ready, choice of Seat (Mechanical Suspension or High Back, Heated, Air Ride Seat) and Door (Glass or Polycarbonate)*
- Enclosed ROPS with A/C (C3): *C2 + Air Conditioner*

STANDARD EQUIPMENT

ELECTRICAL

- 12 volt Electrical System
- 80 ampere Alternator
- Ignition Key Start/Stop Switch
- Lights: *Gauge Backlighting, Two Rear Tail Lights, Two Rear Halogen Working Lights, Two Adjustable Front Halogen Lights, Dome Light*
- Backup Alarm
- Heavy Duty Battery, 850 CCA

OPERATOR ENVIRONMENT

- Advanced Display with Rearview Camera: *Full Color, 127 mm (5 in) LCD screen; Advanced Multi-operator Security System; On-screen Adjustments for Implement Response, Hystat Response and Creep Control*
- Gauges: *Fuel Level, Hour Meter*
- Operator Warning System Indicators: *Air Filter Restriction, Alternator Output, Armrest Raised/Operator Out of Seat, Engine Coolant Temperature, Engine Oil Pressure, Glow Plug Activation, Hydraulic Filter Restriction, Hydraulic Oil Temperature, Park Brake Engaged, Engine Emission System*
- Adjustable Vinyl Seat
- Fold In Ergonomic Contoured Armrest
- Control Interlock System, when operator leaves seat or armrest raised: *Hydraulic System Disables, Hydrostatic Transmission Disables, Parking Brake Engages*
- ROPS Cab, Open, Tilt Up
- FOPS, Level I
- Top and Rear Windows
- Floor Mat
- Interior Rearview Mirror
- 12 volt Electric Socket
- Horn
- Hand (Dial) Throttle, Electronic
- Adjustable Joystick Controls
- Anti-theft Security System with 6-button Keypad
- Storage Compartment with Netting

POWER TRAIN

- Cat C3.3B, Turbo Diesel Engine
- Air Cleaner, Dual Element, Radial Seal
- S-O-SSM Sampling Valve, Hydraulic Oil
- Filters, Cartridge-type, Hydraulic
- Filters, Canister-type, Fuel and Water Separator
- Radiator/Hydraulic Oil Cooler (side-by-side)
- Spring Applied, Hydraulically Released, Wet Multi Disc Parking Brakes
- Hydrostatic Transmission, Two Speed Travel
- Suspension – Independent Torsion Axles (4)

OTHER

- Engine Enclosure, Lockable
- Extended Life Antifreeze, –37° C (–34° F)
- Machine Tie Down Points (6)
- Support, Lift Arm
- Hydraulic Oil Level Sight Gauge
- Radiator Coolant Level Sight Gauge
- Radiator, Expansion Bottle
- Cat ToughGuard™ Hose
- Auxiliary, Hydraulics, Continuous Flow
- Heavy Duty, Flat Faced Quick Disconnects with Integrated Pressure Release
- Split D-Ring to Route Work Tool Hoses Along Side of Left Lift Arm
- Electrical Outlet, Beacon
- Belly Pan Cleanout
- Variable Speed Demand Fan
- Product Link™ PL240, Cellular

289D3 Compact Track Loader

OPTIONAL EQUIPMENT

- Hand-Foot Style Controls
- External Counterweights
- Beacon, Rotating
- Engine Block Heater – 120V
- Oil, Hydraulic, Cold Operation
- Paint, Custom
- Heavy Duty Battery, 1,000 CCA
- Product Link PL641, Cellular
- Ride Control
- Bluetooth® Radio with Microphone (AM/FM/Weather Band Receiver with USB and Auxiliary Input Jack)



For more complete information on Cat products, dealer services, and industry solutions, visit us on the web at www.cat.com

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Materials and specifications are subject to change without notice. Featured machines in photos may include additional equipment. See your Cat dealer for available options.

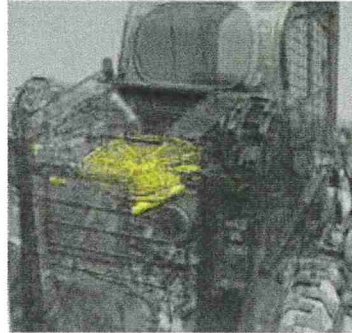
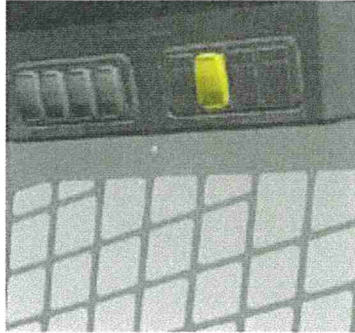
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AEHQ8221 (07-2019)
(S Am, AME, CIS,
APD-LRC Regions)



Reversing Fan

Reversing Fan provides automatic and manual purge modes to assist in removing material from the rear door intake screen. Provides both Demand Fan and Reversing Fan functionality.



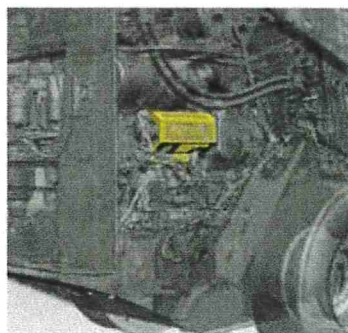
Engine Air Pre-Cleaner

Turbine type pre-cleaner for the engine air filter to extend filter life. For use in high dust/debris applications.



Turbocharger Guard

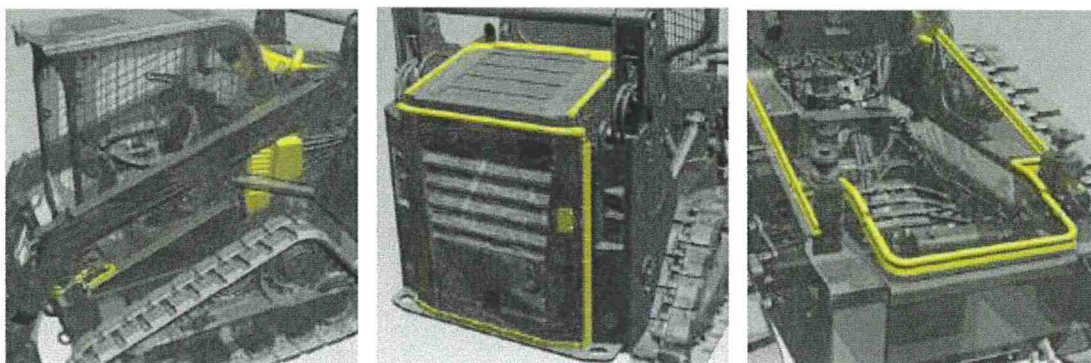
This kit contains perforated steel guards that are designed to cover the exhaust manifold and turbocharger to assist in deterring the collection of material on these components. The Turbo Guard kit is required in applications where airborne debris is present and should be used in conjunction with the Debris Barrier Kit.



Debris Kit (Machine Enclosure)

This kit provides additional components for customers in debris intensive applications that restrict debris and other material from entering the engine compartment and the lower machine frame. Provided are various seals and covers that are designed to cover the openings that exist between the frame/body/cab of the machine as well as a fuel strainer and an exhaust stack cover. Also recommended: Turbo Debris Guard Kit.

Note: If additional component guarding is required, please refer to the Guarding Kits.



KIT, A/C BREATHER

This kit provides increased cab air filter life for machines used in dusty or high airborne debris applications. Kit contains duct work and hardware required to relocate the cab fresh air intake to a higher location near the roof of the cab.













Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE A THREE (3) YEAR CONTRACT BETWEEN VALLEY SANITARY DISTRICT AND BLACKBAUD INC. FOR FE NXT ACCOUNTING SOFTWARE LICENSING

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

The fiscal impact of this report is \$73,956.49 for a three (3) year contract.

Environmental Review

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

Background

FE NXT is the accounting software, through Blackbaud Inc., that the District utilizes to record the day-to-day financial transactions including fixed asset management, expense management, revenue management, accounts receivable, accounts payable, sub-ledger accounting, and reporting and analytics. The three (3) year contract (Attachment A) will allow the District to continue using the FE NXT software and respective modules.

Recommendation

Authorize the General Manager to review and approve the written three (3) year contract with

Blackbaud Inc. in an amount not to exceed \$73,956.49.

Attachments

[7.2 Attachment A Valley Sanitary District - FE NXT Renewal Draft 2023.pdf](#)



Renewal Form

Site ID: 17176
Order Number: Q-407487
PO Number:

65 Fairchild Street, Charleston, SC 29492

Bill To:	Purchased By:	Quoted Fees Valid Until:	07/31/2023
Valley Sanitary District	Jeanette Juarez	Effective Date:	12/20/2023
45500 Van Buren St	Valley Sanitary District	Currency:	USD
Indio,CA 92201-3435 USA	45500 Van Buren St	Payment Terms:	Net 30
	Indio,CA 92201-3435 USA		

Subscriptions Net Selling Price

FE NXT Customer PM and Compliance	Year 1:	\$18,820.48
4 Users	Year 2:	\$20,326.11
Included: Allocation, Fixed Assets, Accounts Receivable, Accounting Forms, Cash Receipts, Purchase Orders, Budget Management, Advanced Security, Cash Management, General Ledger, Project Grant Endowment, Accounts Payable, FE NXT Expense Management, FE NXT View Only Add User 10 Pack	Year 3:	\$21,952.20
<i>Billed: Annual</i>		
<i>Contract term: 36 months Start Date: 12/20/2023 End Date: 12/19/2026</i>		

FE NXT Learn More	Year 1:	\$2,706.00
	Year 2:	\$2,922.48
	Year 3:	\$3,156.28
<i>Billed: Annual</i>		
<i>Contract term: 36 months Start Date: 12/20/2023 End Date: 12/19/2026</i>		

FE NXT Web Purchasing	Year 1:	\$1,254.60
	Year 2:	\$1,354.97
	Year 3:	\$1,463.37
<i>Billed: Annual</i>		
<i>Contract term: 36 months Start Date: 12/20/2023 End Date: 12/19/2026</i>		

Renewal Order Totals: \$73,956.49

General Terms

Enter text here to overwrite the above PO Number or add a note to the invoice:
{{add_es_.signer1:string(maxlen=35)}}

The fees and terms on this Order Form are valid if executed by You on or before 07/31/2023. This Order Form is governed by the [Blackbaud Solutions Agreement](#) and by all other applicable terms and conditions in the [Online Terms and Conditions Center](#). By signing this Order Form, you agree to these terms.

Renewals:

Unless You notify Blackbaud in writing of Your desire to cancel on or before the deadline of forty-five (45) days prior to the start of the upcoming renewal term, (i) Your Subscription shall renew for consecutive terms of at least thirty-six (36) months; or (ii) if You are on a term greater than thirty-six (36) months, Your Subscription shall renew for a term equal to your current term. Recurring fees are subject to an annual adjustment. A Renewal Notice, including any changes to recurring fees, will be sent to You at least ninety (90) days prior to the start of the upcoming renewal term.

Expenses, Invoicing and Payment:

- a. Expenses. If Blackbaud incurs reasonable travel and living expenses to perform Your Services, You are required to reimburse Blackbaud for such expenses pursuant to Blackbaud's then-current travel policy, available to You upon request.
- b. Invoices. Blackbaud has the right to invoice You for Your initial Subscription term immediately following Order Form signature. Blackbaud's process is to issue all annual invoices for Subscription fees according to the payment terms on this Order Form. For example, if Your net payment terms are the standard 30 days, Your invoice is issued 30 days before it is due. All invoices for Services will be issued in accordance with the applicable SOW.
- c. Payments and Late Payments. Payment is due as stated in this Order Form. All payments are non-refundable except in the event of Our uncured material default under this agreement. If You believe an invoice is inaccurate, You must notify Blackbaud in writing within thirty (30) days from the date of such invoice. Except for amounts subject to a good faith dispute, We may invoice You an interest rate allowable under applicable laws for any outstanding invoice not paid when due.

Our records indicate that you are taxable. Blackbaud may charge sales tax on all or a portion of this purchase, depending on state law. If you provide a valid exemption certificate at a later date, you will not receive a credit for sales tax billed prior to receipt of the exemption certificate.

You acknowledge that certain aspects of Our Solutions interface with and share client content with partner applications purchased by You from third parties ("Partner Applications"). We make no warranty with respect to any Partner Applications, and We shall have no liability should client content become unavailable from such Partner Applications for any reason. Your use and remedies with respect to such Partner Applications shall be pursuant to the applicable third-party agreements in place between You and the third-party provider of the Partner Application.

This Order Form is effective as of 12/20/2023 (the "Effective Date") and continues for the term set forth herein. Subscriptions are billed according to the schedule set forth above.

Scopes of Work

The Professional and Consulting services charges listed on this Order Form are for this purchase only and are subject to the [Professional and Consulting Services General Terms](#). Information specific to the Professional and Consulting services project, or work, can be found in the applicable Statement(s) of Work (SOW).

Project Contact Name:

Enter text here to overwrite the above Project Contact Name: {{projConName_es_:_signer1:string}}

Project Contact Email:

Enter text here to overwrite the above Project Contact Email: {{projConEmail_es_:signer1:isemail}}

Signatures:

IN WITNESS WHEREOF, the parties have caused this Order Form to be executed by their duly authorized representatives.

AGREED:

Client: Valley Sanitary District

Blackbaud Inc.

By: {{_es_:signer:signature}}



Name: {{_es_:signer:fullname}}

Name: David Benjamin

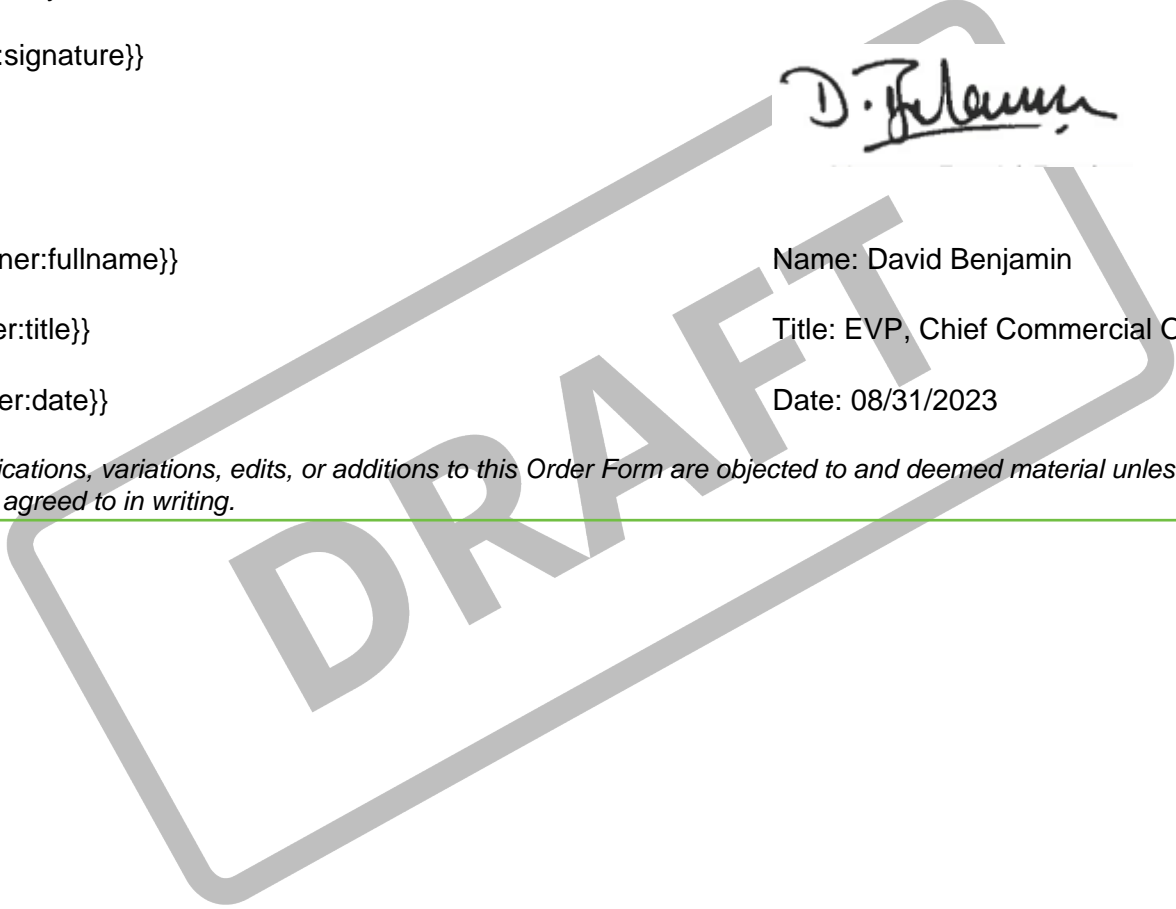
Title: {{_es_:signer:title}}

Title: EVP, Chief Commercial Officer

Date: {{_es_:signer:date}}

Date: 08/31/2023

All proposed modifications, variations, edits, or additions to this Order Form are objected to and deemed material unless otherwise mutually agreed to in writing.





Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: **ADOPT RESOLUTION NO. 2023-1187 APPROVING THE VALLEY
SANITARY DISTRICT INVESTMENT POLICY**

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from the recommended action.

Environmental Review

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

Background

California Government Code Section 53646 requires that all public agencies adopt an investment policy and that the policy be reviewed and approved annually.

Local Agency Investment Guidelines highly recommend that the internal treasury staff conduct a review annually. According to the California Debt and Investment Advisory Commission (2020), “an update in the investment policy is warranted if treasury staff’s review results in a material change in policy due to either a change in statute or a change in the agency’s goals and objectives for safety,

liquidity and yield” (P.14).

The edited Draft Investment Policy was reviewed by the Board of Directors at the August 22, 2023, Regular Board of Directors meeting. The changes made include assigning the Chief Administrative Officer as the Fiscal Officer, in consultation with the General Manager. And, updating the investment reports from a quarterly to a monthly basis.

Recommendation

Approve Resolution No. 2023-1187 amending the Valley Sanitary District Investment Policy and rescind Resolution No. 2022-1169.

Attachments

[7.3 Attachment A Investment Policy.docx](#)

[7.3 Attachemnt B Resolution Approving Statement of Investment Policy - 2023.doc](#)



Investment Policy

I. Purpose

The purpose of this investment policy (the “Policy”) is to provide guidelines for the prudent investment of the Valley Sanitary District's (the “District”) surplus monies not required for the immediate necessities of the District in accordance with federal, state, and other legal requirements, including applicable portions of California Government Code sections 53600 through 53686 and the an approving resolution as adopted by the Board of Directors for the District (the “Board”).

The Chief Administrative Officer (as chief fiscal officer), in consultation with the General Manager of the District, shall annually prepare and submit a statement of the Policy and such policy changes deemed necessary to said Policy for Board review and approval at a public meeting (California Government Code section 53646(a)(1).)

II. Scope

This Policy applies to the investment of all District funds, excluding CalPERS, OPEB Trusts, the investment of employees' deferred compensation funds invested pursuant to California Government Code section 53609, and bond proceeds invested pursuant to their bond documents. Except for cash in certain restricted and special funds, the District will consolidate cash balances for all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping of assets, and administration. Investment income will be allocated to the various funds based on their respective cash balances and in accordance with generally accepted accounting principles.

Proceeds of any debt/bond issuance shall be invested in accordance with permitted investment provisions of their specific bond documents.

III. General Objectives

Pursuant to California Government Code section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing District funds, the primary objectives, in priority order, of investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the District's investment program. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio, including avoiding capital losses from

financial institution default, broker-dealer default, or the erosion of market value. The objective is to mitigate credit risk and interest rate risk.

- a) **Credit Risk.** The District will minimize credit risk, which is the risk of loss due to issuer default by doing the following:
 - i. Limiting investments to the types of securities listed in Section VII of this Policy.
 - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the District will do business in accordance with Section V of this Policy.
 - iii. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
 - b) **Interest Rate Risk.** The District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
2. **Liquidity:** Liquidity is the second most important objective of the District's investment program. The investment portfolio shall remain sufficiently liquid to enable the District to meet all operating and capital requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands.
 3. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

IV. Standard of Care

The District's investment program is a fiduciary responsibility, and shall be conducted using the following standards of care:

1. Prudence

The standard of prudence to be used by District investment officials and all persons authorized to make investment decisions on behalf of the District shall be the "prudent investor standard" as required by California Government Code section 53600.3. The "prudent investor standard" requires investment officials investing, reinvesting, purchasing, acquiring, exchanging, selling or managing District funds, to act with care, skills, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity

would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

2. Ethics and Conflicts of Interest

Investment officials and employees involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

3. Delegation of Authority

Authority to manage the investment program is derived from California Government Code section 53600, *et seq.* Management responsibility for the investment program is vested solely in the Board. California Government Code section 53607 allows the Board to delegate such responsibility to the Treasurer of the District. The Board and the Treasurer of the District hereby delegate the management responsibility of the District's investment program to the Chief Administrative Officer of the District who oversees the financial affairs of the District (in consultation with the General Manager of the District), to invest, reinvest, purchase, acquire, exchange and sell investments in accordance with the Policy herein. Such delegation of authority is for a one-year period and may be renewed annually by the Board. Pursuant to Government Code Section 53607, as long as the aforementioned delegation authority is renewed, the Chief Administrative Officer shall submit a monthly investment report of transactions to the Board as provided in Article IX.

The Board may also delegate day-to-day investment decision making and execution authority to an investment advisor. The advisor shall follow the Policy herein and such other written instructions as are provided.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

1. For District Directed Investments

The District shall select only financial institutions and depositories authorized to provide investment services to the District who are licensed and are in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations. In addition, the District will select security broker/dealers based on their creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least 5 years of operation), and may select Primary Dealers, as designated by the Federal Reserve, or regional dealers that

qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- a) Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- b) Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties).
- c) Proof of state registration.
- d) Completed broker/dealer questionnaire provided by the District (not applicable to Certificate of Deposit issues).
- e) A signed certification form attesting that the individual has read and understood and agrees to comply with this Policy.

All Time Certificates of Deposit will be purchased directly from the institution receiving the deposit. An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the General Manager or Chief Administrative Officer. A list of qualified financial institutions and broker/dealers will be reported annually to the Board concurrently with the Board's review of the Policy.

2. For Investments Executed by an Investment Advisor

Upon approval of the Board, an investment advisor ("Advisor") engaged by the District may use the District's approved issuers and broker/dealers for transactions on behalf of the District. For investments not purchased directly from the issuer, the Advisor will ensure that it has confirmed each broker/dealer's:

- a) Securities Exchange Commission (SEC) registration as a broker-dealer.
- b) Membership in Financial Industry Regulatory Authority (FINRA).
- c) FINRA State registration or licensure.

VI. Safekeeping and Custody

1. Safekeeping

All security transactions entered into by the District shall be conducted on a delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by California Government Code section 53601. Securities held by an independent third-party custodian shall be evidenced by safekeeping receipts in the District's name and the third-party custodian shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70).

2. Internal Controls

The Administration and Finance Department of the District is responsible for ensuring compliance with the Policy as well as establishing systems of internal control to prevent losses due to fraud, employee error, misrepresentations by third parties, imprudent actions by staff, etc. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

Compliance with these internal control procedures will be assured through the District's annual independent audit and reported to the District's General Manager, Chief Administrative Officer, and Board. District internal controls include the following:

- a) An employee who initiates the investment transaction cannot approve the disbursement of funds.
- b) The record keeping of investment transactions should be performed by an employee not involved in the investment process.
- c) All marketable securities purchased shall be held by a third-party custodian to ensure that no funds are released until the securities are delivered. Additionally, by having a third party serve as the custodian, the District will be notified if the security purchased is not delivered on time. The District shall take from the third-party custodian institution a receipt for securities so deposited.
- d) Pursuant to Government Code section 53608, the District may deposit for safekeeping with a federal or state association, a trust company or a state or national bank located within California or with the Federal Reserve Bank of San Francisco or any branch thereof within California, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the District is invested.

The Administration and Finance Department shall establish and update, as needed, written procedures for the operation of the investment program consistent with this Policy. Procedures will include steps to be taken in preparation for investing, authorized financial institutions, authorized investments, selecting investment maturities and cash flow forecasting, investment safekeeping, wire transfer procedures, investing in the Riverside County Treasurer's Pooled Investment Fund ("TPIF"), minimum dollar amounts to be kept in TPIF or other Local Government Investment Pool Shares ("LGIPs") for liquidity purposes, banking service contracts, and other business functions associated with maintaining the investment program.

VII. Suitable and Authorized Investments

1. Investment Types

The District may, and is empowered by the California Government Code section 53601 and 53630 *et seq.* to, invest in the following:

- a) United States Treasury notes, bonds, bills, or certificates of indebtedness, with a final maturity not exceeding five years from the date of purchase.
- b) Federal agency or United States government-sponsored enterprise obligations or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- c) Registered state warrants or treasury notes or bonds of the State of California (the "State"), including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State. Obligations eligible for investment under this subdivision must be rated in a rating category of "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization ("NRSRO").
- d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Obligations eligible for investment under this subdivision must be rated in a rating category of "A" or its equivalent or better by a NRSRO.
- e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Obligations eligible for investment under this subdivision must be rated in a rating category of "A" or its equivalent or better by a NRSRO.
- f) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by section 5102 of the California Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of "A" (long-term) or "A-1" (short-term) or their equivalents or better by a NRSRO. No more than 30% of the District's investment portfolio may be invested in negotiable certificates of deposit.
- g) Eligible Bankers Acceptances that are drawn on and accepted by a commercial bank. Eligible bankers' acceptances shall have the highest ranking or the highest letter and number rating as provided for by a NRSRO and a maximum maturity of 180 days. No more than 10% of the District's total portfolio may be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 15% of the District's total portfolio.
- h) Prime Commercial Paper with a maturity not exceeding 270 days. Maximum portfolio exposure is limited to 25% in the aggregate and 10% of the outstanding paper and medium-term notes of a single issuer. Investment is limited to commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the

commercial paper shall either be organized and operating in the United States as a general corporation with total assets in excess of five hundred million dollars (\$500,000,000), and has debt other than commercial paper, if any, that is rated in a rating category of "A" or higher, or the equivalent, by a NRSRO, OR the entity shall be organized within the United States as a special purpose corporation, trust, or limited liability company, with program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

- i) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. No more than 20% of the District's investment portfolio may be invested in medium-term notes, and no more than 10% in outstanding paper and medium-term notes of a single issuer.
- j) Riverside County TPIF.
- k) Funds may be invested in the District's own bonds.
- l) Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) strive to maintain a net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in the applicable California statutes; (4) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; and (5) retain an investment advisor registered or exempt from registration with the SEC with no less than five years' experience managing money market funds with assets under management in excess of \$500,000,000. No more than 10% of the District's total portfolio may be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the total portfolio.
- m) LGIPs. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in the California Government Code Section 53601(a) to (r), inclusive. The District will limit investments to LGIPs that seek to maintain a stable net asset value and have a rating of AAA or the equivalent by an NRSRO. To be eligible, the joint powers authority issuing the shares shall have retained an investment advisor that meets all of the following: (1) is registered or exempt from registration with the SEC, (2) has not less than five years of experience investing in the securities and obligations authorized in Government Code Section 53601 (a) to (q), inclusive, and (3) has assets under management in excess of \$500,000,000.
- n) Supranationals which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the

International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA", or its equivalent, or better by at least one NRSRO. Purchases of such supranationals shall not exceed 30% of the investment portfolio of the District.

- o) Asset-Backed Securities ("ABS") which are mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds, all of which have a maximum remaining maturity of five years. Securities eligible for investment under this subdivision shall be issued by an issuer having a rating in a rating category of "A" its equivalent, or higher rating for the issuer's debt as provided and rated in a rating category of "AA" or its equivalent or better by at least one NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the District's total portfolio.
- p) Non-government investments other than Riverside County TPIF or other LGIPs may only be purchased by the District's Investment Advisor.

It is the intent of the District that the foregoing list of authorized securities is strictly interpreted. Any deviation from this list must be preapproved in writing by the Board. In the event of conflict between investments authorized in this Policy and investments authorized by California Government Code sections 53601 and 53630 *et seq.*, the Government Code shall control.

Credit criteria and maximum percentages apply at the time a security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the District's investment advisor will take appropriate action regarding the disposition of the investment and will notify the Chief Administrative Officer and General Manager of the District.

2. Unauthorized Investments

Unauthorized investments are defined in California Government Code section 53601.6, which disallows the following investments: inverse floaters, range notes, or mortgage derived interest-only strips. In addition, and more generally, investments are further restricted as follows:

- a) No investment will be made that has either (1) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (2) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods.
- b) No investment will be made that could cause the portfolio to be leveraged.

Such unauthorized investments, however, shall not be construed to eliminate Income Funds, Electronic Traded Funds or Real Estate Investment Trusts.

3. Collateralization

Collateralization of District investments will be directed pursuant to California Government Code section 53652. Full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit (including FDIC insurance). The District will regularly verify that all active deposits (checking accounts) and inactive deposits (certificates of deposit) are properly collateralized.

VIII. Investment Parameters

1. Diversification

The District's investment program shall be diversified by:

- a) Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury and Federal Agency securities).
- b) Limiting investment in securities that have higher credit risks.
- c) Investing in securities with varying maturities.
- d) Investing a portion of the portfolio in readily available funds such as Riverside County TPIF, LGIPs, AAA rated money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following diversification limitations shall be imposed on the portfolio:

- i. Non-government investments, other than TPIF or LGIPs, will be restricted to no more than 5% of the District's portfolio in any one institution at any one time regardless of security type.
- ii. Maturity: The maximum maturity of any single investment in the portfolio shall be limited to 5 years unless the Board determines that there is a specific purpose to make an investment with a maturity longer than 5 years and provides approval no less than three months prior to the investment. Investment maturities shall take into consideration the anticipated cash flow needs of the District.
- iii. Liquidity risk: A portion of the portfolio will be continuously invested in readily available funds such as TPIF, LGIPs, or money market funds to ensure that appropriate liquidity is maintained to meet the District's ongoing obligations.
- iv. Whenever practical, investments with a minimum par value of \$1 million will be made, in order to efficiently and effectively manage the District's portfolio.

To the extent possible, the District shall attempt to match its investments with anticipated cash flow requirements.

2. Competitive Bids

At least three (3) competitive bids/offers shall be obtained and recorded on all investment transactions conducted for securities in the secondary market. The bids/offers shall be retained with other related investment documentation.

IX. Reporting

In compliance with Government Code Section 53607, the Chief Administrative Officer shall prepare a monthly investment report within thirty (30) days following the end of each month. This report will include a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month. The report will be provided to the Board in the General Manager's monthly report. The report will include all transactions for that month related to the investment or reinvestment of District funds and all sales and exchanges of securities.

X. Policy Considerations

The Policy shall be reviewed and adopted by the Board annually. The General Manager may approve necessary revisions that may arise during the year, which will be later reported to the Board of Directors. Any change in the Policy shall be considered by the Board at a public meeting.

RESOLUTION NO. 2023-1187

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY SANITARY DISTRICT
ADOPTING A STATEMENT OF INVESTMENT POLICY**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of the Valley Sanitary District (the “District”) may invest surplus monies not required for the immediate necessities of the District in accordance with the provisions of California Government Code Section 53600 *et seq.*; and

WHEREAS, pursuant to California Government Code Section 53607, the Board may delegate the authority to invest or reinvest District funds, or to sell or exchange securities so purchased, to the District Treasurer for a one-year period; and

WHEREAS, the District has previously developed and adopted its Investment Policy (the “Policy”); and

WHEREAS, Section 53646 of the California Government Code allows local agencies to annually approve at a public meeting a Statement of Investment Policy prepared by the treasurer or chief fiscal officer of such local agency; and

WHEREAS, pursuant to California Government Code Section 53646(a)(2), any changes to the District’s Policy shall be considered by the Board at a public meeting; and

WHEREAS, the Board has been presented with a Statement of Investment Policy, attached hereto as Exhibit A and incorporated by reference, which includes updates to the Policy; and

WHEREAS, the Board, with the aid of its staff, has reviewed the Statement of Investment Policy and now wishes to approve the same and renew the delegation of authority.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Valley Sanitary District as follows:

1. The above recitals are true and correct, and the Board so finds and determines.
2. The Statement of Investment Policy, as provided in Exhibit A hereto, is hereby approved and adopted, including the updates to the Policy therein.
3. The Board hereby renews its delegation of authority to invest or reinvest funds of the District, or to sell or exchange securities so purchased, to the Treasurer of the District, and further the Treasurer of the District and the Board now further delegate such authority to the Chief Administrative Officer of the District for a one-year period.
4. This Resolution shall take effect immediately after its adoption on the date hereof.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Valley Sanitary District this ____ day of _____ 2023, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

By: _____
Debra A. Canero, Board President

ATTEST:

By: _____
Scott Sear, Secretary to the Board

EXHIBIT A
VALLEY SANITARY DISTRICT
INVESTMENT POLICY
[ATTACHED]

Exhibit A



Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE THE FIVE-YEAR FRESH START PAYOFF OPTION FOR THE CALPERS UNFUNDED ACCRUED LIABILITY (UAL)

Suggested Action

Approve

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

The fiscal impact of this request is estimated at \$2,346,505.

Environmental Review

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

Background

The Unfunded Accrued Liability (UAL) is the difference between the accrued pension liability (the amount of money that an agency needs to have in its pension plan at a certain date to be able to meet its future pension obligations) and the market value of assets (the amount of money the agency actually has in its pension plan as of that date) within a pension plan. In other words, it is the shortfall between what an agency should have and what it actually has in its pension plan.

In 2018 the projected UAL for the District was \$2,820,718. The CalPERS actuary, Kurt Schneider, provided the following table showing the estimated 30-year, 15-year, 5-year, and 1-year UAL payoffs.

Year	Amount	Interest Paid	Savings
30 year	5,703,454	3,097,463	0
20 year	5,234,465	2,628,474	468,989
15 year	4,408,502	1,802,511	1,294,952
5 year	2,929,580	108,862	2,988,601
1 year – payoff	2,820,718	0	3,097,463

The Board approved a 5-year fresh start making the 2018/2019 contribution \$585,916, or more, if a lump sum was paid starting in July 2018, and continuing for each of the next 5 years. The goal was to pay off the UAL.

The District was successful and completed the 2018 5-year fresh start plan. However, there was a large investment loss in 2021/2022. As of June 30, 2023, the District’s UAL projected balance is \$2,126,554. The interest rate is estimated at 7.389%. Mr. Schnieder provided some potential repayment options for the Board of Directors to review.

Year	Amount	Interest Paid	Savings
20 year	3,832,832	1,706,278	0
10 year	2,728,985	602,431	1,103,847
5 year	2,346,505	219,951	1,486,327
9 year fixed	2,410,917	284,363	1,421,915
1 year – payoff	2,126,554	0	1,706,278

The payment schedule options are attached to this report (Attachment A). Also, there is a CalPERS Unfunded Pension Liabilities: Frequently Asked Questions (Attachment B), and an article from Ridgeline Municipal Strategies that provides an overview of the CalPERS FY2023 Investment Return Impacts Summary.

Recommendation

Approve the Five-Year Fresh Start Payoff Option for the CalPERS Unfunded Accrued Liability (UAL)

Attachments

[7.4 Attachment A.pdf](#)

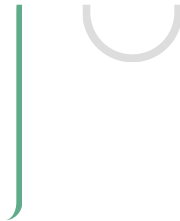
[7.4 Attachment B FAQs.pdf](#)

[7.4 Attachment C What CalPERS' 5.8% Investment Return Means for Your Agency.pdf](#)

	Original Schedule (no fresh starts)	Actual Payments (w/ 2022 valuation results)	Actual Payments - 10-year FS in 2022 valuation	Actual Payments - 5-year FS in 2022 valuation	Actual Payments with Stable Contributions Beg. 2023-24
	Original Amortization Schedule	Actual Payments Through 6/30/2022	Fresh 10-year Start 6/30/2022	Fresh 5-year Start 6/30/2022	Fixed Payments 6/30/2023
2018-19	133,700.00	565,436.00	565,436.00	565,436.00	565,436.00
2019-20	164,862.35	449,646.00	449,646.00	449,646.00	449,646.00
2020-21	192,872.31	467,046.00	467,046.00	467,046.00	467,046.00
2021-22	230,095.15	684,624.00	684,624.00	684,624.00	684,624.00
2022-23	257,688.15	695,275.00	695,275.00	695,275.00	695,275.00
2023-24	255,041.00	-	-	-	300,000.00
2024-25	315,584.00	60,472.00	272,898.52	469,300.07	300,000.00
2025-26	345,981.00	97,949.00	272,898.52	469,300.07	300,000.00
2026-27	370,951.00	135,426.00	272,898.52	469,300.07	300,000.00
2027-28	399,099.00	172,903.00	272,898.52	469,300.07	300,000.00
2028-29	458,249.00	210,380.00	272,898.52	469,300.07	300,000.00
2029-30	467,657.00	210,380.00	272,898.52		300,000.00
2030-31	475,031.00	210,380.00	272,898.52		300,000.00
2031-32	489,916.00	210,380.00	272,898.52		10,917.39
2032-33	485,746.00	210,380.00	272,898.52	5.00	-
2033-34	475,857.00	210,380.00	272,898.52		
2034-35	458,223.62	210,380.00			
2035-36	442,198.64	210,380.00			
2036-37	304,428.80	210,380.00			
2037-38	283,853.76	210,380.00			
2038-39	262,004.63	210,380.00			
2039-40	244,881.53	210,380.00			
2040-41	233,142.10	210,381.00			
2041-42	203,020.51	210,381.00			
2042-43	165,293.32	210,380.00			
2043-44	334,206.81	210,380.00			
2044-45	23,698.48	-			
2045-46	3,574.14	-			
2046-47	8,185.05	-			
Total	8,485,041.32	6,694,859.00	5,591,012.18	5,208,532.34	5,272,944.39
Savings		1,790,182.32	2,894,029.15	3,276,508.98	3,212,096.93

pension liability management plan that will allow you to avoid costly mistakes in the future and build up a cushion to navigate future UAL costs.

Ongoing
Monitoring
of Pension
Liabilities



Ongoing Pension Liability Management



There really is not a one-time fix for pension liability increases as long as you have employees, retirees, and beneficiaries with pension benefits. Ridgeline is available to provide ongoing support in analyzing the annual actuarial valuation reports sent to you by CalPERS and in implementing pension liability management policies.

CalPERS Unfunded Pension Liabilities: Frequently Asked Questions



Where can I learn more about my agency's CalPERS' + pension plans?

The main source of information on the California public agencies' pension plans are the annual actuarial reports published by CalPERS. These reports are available through the agency's MyCalPERS portal. The reports are updated once a year, usually around July / August, and incorporate information through the end of the prior fiscal year. In other words, a report published in July of 2022 includes information and valuation data through June 30, 2021. These reports include information on the agency's past and future pension payments, accrued pension liabilities, market value of assets, and unfunded accrued liabilities and their amortization schedules, etc.

What payments do I have to make to CalPERS? +

Each agency has to pay minimum required contributions to CalPERS. These contributions consist of two components – the Normal Cost and the Unfunded Accrued Liability (UAL) payments:

- **The Normal Cost** is the annual cost of pension benefits earned by active employees during the fiscal year. The Normal Cost is shared by the agency and its employees and calculated as a percentage of salaries. The Normal Cost payments are made monthly and fluctuate with payroll.
- **The UAL Payments** are the repayment of previously accrued unfunded pension liabilities (see below), amortized over two to three decades. Each agency has an

option to make monthly or annual UAL payments. Making the annual payment prior to July 31 is more beneficial, since it comes with a 3.5% discount comparing to the monthly payments. While the actuarial report shows the UAL payments as a percentage of payroll, it is billed as a fixed dollar amount. Even if an agency no longer has any employees, but has pension plan beneficiaries eligible for benefits, it still has to make the UAL payments.

What is UAL?



The Unfunded Accrued Liability (UAL) is the difference between the accrued pension liability (the amount of money that an agency needs to have in its pension plan at a certain date to be able to meet its future pension obligations) and the market value of assets (the amount of money the agency actually has in its pension plan as of that date) within a pension plan. In other words, it is the shortfall between what an agency should have and what it actually has in its pension plan.

How is my UAL calculated?



The UAL changes every year due to CalPERS' investment performance, actual pension plan experiences, and any changes to the pension formula assumptions. The UAL consist of multiple layers (called "bases"), each with its own repayment schedule. The bases can be either positive (increasing the UAL balance) or negative (decreasing the UAL balance). Different types of bases have different amortization rules and can require payments for up to 30 years. When a new base is added, it can have a negative amortization period for the first several years,

when the required payments are not sufficient to cover the interest cost on the base (see below), which leads to the base balance increasing from year to year.

Why is my UAL so high?



Your agency is not alone in facing a large and growing pension liability – many other municipalities are facing the same problem. Here are some of the reasons for the UAL increases.

- **Inadequate investment performance.** Each year that the investment returns fall short of the formula expectations (the discount rate), the UAL grows. However, if investment performance is better than the formula expectations, the UAL is reduced.
- **Assumption changes.** Actuarial assumption changes by CalPERS have a direct impact on the UAL. Such changes include life expectancy, salary increases, retirement age, etc. It is very unusual to see an assumption change that results in a decrease of the UAL.
- **Discount rate reduction.** The discount rate is the minimum average rate of investment return that CalPERS must earn in order for the pension plan to be sufficiently funded to meet the future retirement benefits, holding all other assumptions unchanged. When the discount rate is reduced, which has been the trend for the last two decades, it results in future expected investment earnings to be lower, and that shortfall requires for an increase to pension contributions by the agencies and their employees. CalPERS has been gradually decreasing the discount rate from 8.75% in 1995 down to 6.8% in 2021. There are also further automatic discount rate reduction provisions built into CalPERS' policies. Every time

the discount rate is reduced, the agencies have to make up the future investment income expectation reduction through higher contributions.

Does it cost my agency anything to have an outstanding UAL? +

The UAL resembles any other debt obligation. CalPERS requires its member agencies to pay interest on the outstanding UAL balance at the discount rate, which is currently 6.8%. When new bases are added to the UAL, the interest payments required on the added UAL balance exceed the amount of the UAL increase itself. At 6.8% interest rate, the UAL is usually an agency's most expensive debt.

Will my pension costs go up? +

Most agencies see their pension costs increasing every year, particularly the UAL payments component. A typical CalPERS member agency saw its Classic plan UAL payments increase approximately 1.5x (150%) to 2.0x (200%) from 2017 to 2021 fiscal year. As of the 2019 valuation report date, the UAL payments were typically scheduled to continue to increase through 2032 and are estimated to more than double from the 2021 level. In other words, for every \$100,000 in UAL payments in 2017, a typical agency paid approximately \$150,000 to \$200,000 in 2021, and will be paying approximately \$400,000 in 2032, a four-fold increase. However, each agency's situation is slightly different and needs to be carefully analyzed. These


increasing payments include not just the repayment of the UAL, but also the interest costs, which are often very close to the amount of the UAL itself.

What can I do to manage my agency's future pension costs and how can Ridgeline Municipal Strategies help me? +

While the Normal Cost can only be managed by your agency's labor practices, there are multiple strategies to optimize the UAL costs. In our experience, most public agencies can find strategies that improve their pension payments situation – whether through lowering their overall interest costs or through modifying the annual payment requirements (and sometimes both). We have identified ten (10) such strategies. While not all strategies are the right fit for you, some likely are. As a part of our work, we do a comprehensive pension liability assessment to evaluate what strategies represent the best fit for your agency. In addition to addressing your existing UAL and the associated costs, we believe it is important for you to implement policies and practices that will help you minimize future UAL increases.

The pension topic can be complicated and intimidating to discuss. As common in the world of finance, things that we do not have a good grasp on usually end up costing us more than necessary. The goal of Ridgeline's Pension Cost Optimization program is to make pensions simpler to understand and to find ways to make them less costly.



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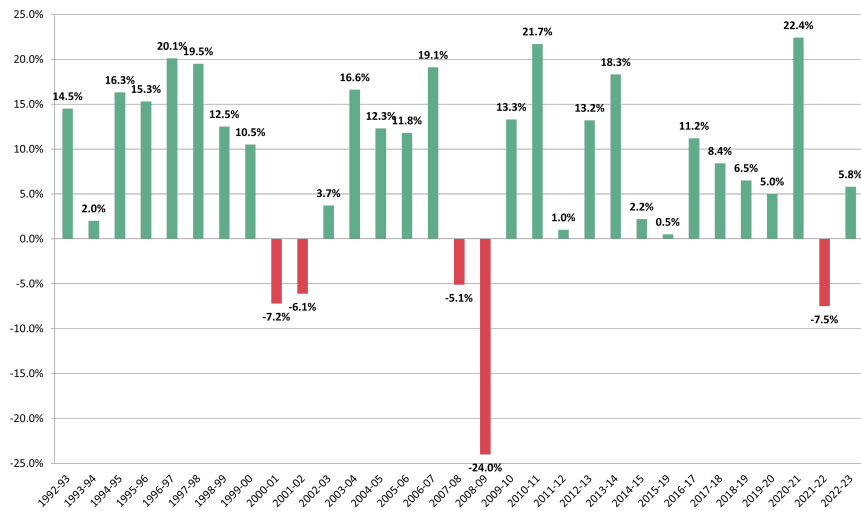
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CalPERS Announces 5.8% Investment Return for FY2023. What does that mean for your agency?

July 19, 2023

On July 19, 2023, the California Public Employees' Retirement System (CalPERS) announced a preliminary 5.8% investment return for FY2023. While the pension fund did not post a loss, as they did in prior year, the return fell short of the 6.8% target (also known as the discount rate) that is required to maintain the funded level and avoid further unfunded accrued liability (UAL) increases. As a result, the agencies that are serviced by CalPERS will see higher UAL balances and UAL payment amounts once the FY2023 actuarial reports are published in summer of 2024.

The 30-year history of the CalPERS investment return is shown in the graph below.



CalPERS' Investment Return History (1993-2023)

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The FY2023 return followed a devastating FY2022, when CalPERS lost a near record 7.5%. While significant market corrections are expected to be followed by recoveries, FY2023 did not bring any meaningful relief.

With the investment return falling slightly short of the 6.8% target, the California's public pension system managed to maintain its 72% funded level.

The investment performance was driven by healthy gains in the public stock portfolio (14.1% gain) and a reasonable return in the private debt asset class (6.5% gain), while private equity and real estate lost money (-2.3% and -3.1%, respectively) and fixed income just sat there (0.0% return). It should be noted that the private equity, real estate, and private debt return calculations usually lag by a quarter and still could be adjusted.

To quantify what the 5.8% investment return means for your agency, it is important to understand the math of pension plan funding within the CalPERS system.

In order for the pension system to stay on track and avoid significant UAL increases, CalPERS needs to average 6.8% in annual investment returns. This target is called the discount rate, or the minimum average rate of return that CalPERS needs to achieve in perpetuity so that its member agencies could meet their retirement obligations to employees, retirees, and other beneficiaries. Every time that CalPERS misses the return target, additional UAL is created.

A funding shortfall happens and new UAL is created every time the investment return for a fiscal year drops below 6.8%. Thus, the FY2023 funding shortfall was 1.0% (6.8% discount rate minus 5.8% investment loss).

To approximate the FY2023 loss impact on your UAL, you need to multiply the market value of assets within your pension plan by 1%. That will be the approximate UAL amount that will be added

to your pension plan for the year. For each \$1 million in pension plan assets, roughly \$10,000 in new UAL will be added to each agency's account.

The new UAL will first be reflected in the 2023 actuarial reports, which CalPERS will publish in July/August of 2024.

If CalPERS continues to follow its current amortization practices, the FY2023 UAL will be amortized over a 20-year period starting with FY2026, with a five-year payment ramp-up. The 2026 UAL payment will be 20% of the full payment amount, the 2027 payment will be 40% of the full payment amount, the 2028 payment will be 60% of the full payment amount, and the 2029 payment will be 80% of the full payment amount. Only in 2030 will the payments be fully phased in and continue at that level for 15 more years.

Even though the cash flow impacts of the FY2023 investment return will not be felt for awhile, the total cost impacts have already begun accruing and are adding to the pain from the FY2022 devastating UAL increase. CalPERS starts charging its member agencies interest on the UAL as soon as it is incurred. The interest rate is the same as the discount rate, 6.8%.

On July 1, 2023, the new UAL started working against you. The situation is made worse by the negative amortization practice of CalPERS. Even though the interest starts accruing immediately, no payments are required until FY2026. Each year the accrued interest gets added to the UAL balance, and the following year you will be charged interest on top of that interest as well. Because of the payment delay and the ramp-up, each agency is put into a negative amortization situation that will end up costing additional money for two decades. This makes getting to the fully funded pension plan level that much harder.

The FY2023 performance will result in lower funded status of pension plans, higher UAL balances, and higher future UAL payments, as the effect of the loss will be spread over the next two

decades. There should be no change to the Normal Cost contribution rates due to the investment performance.

The impacts of the FY2023 investment performance are illustrated below:

FY2023 Event	Plan Funded Status	UAL Balance	UAL Payments	Normal Cost Rates
5.8% Investment Return	↓	↑	↑	No Change

CalPERS FY2023 Investment Return Impacts Summary

Each agency's response to the UAL increase should be developed and evaluated in the overall context of your specific situation, taking into consideration your reserves, revenues, cash flows, capital improvements program, outstanding debt obligations, etc. The higher future UAL payments need to be reflected in the fees and rates that you are charging.

At the very least, you may want to take the following steps:

- Make additional discretionary contributions in the amount of 1% of the new UAL in FYs 2023 and 2024 and instruct CalPERS to apply them against the 2023 UAL actuarial base.
- Ask your CalPERS actuary to put the 2023 UAL actuarial base on a flat – rather than ramp-up – repayment schedule.

Ridgeline Municipal Strategies, LLC can help you evaluate the impacts of the FY2023 investment performance on your pension costs and implement appropriate pension cost optimization and mitigation strategies. You can contact us at 916-250-1590 or info@ridgelinemuni.com.

Featured Posts



City of San Juan Bautista: \$14,600,000 Interim Financing for USDA Wastewater Loan

Ridgeline served as a municipal advisor on the issuance of a \$14,600,000 USDA interim financing for the City of San Juan Bautista.



Financing Fire Station Projects in California

As California fire stations age and become functionally obsolete, fire agencies have multiple options to finance new fire station construction and renovation projects.



Alpine FPD: \$5,278,000 Pension Obligation Bonds

Ridgeline served as a municipal advisor on the issuance of \$5,278,000 pension obligation bonds for the Alpine Fire Protection District.



Lakeside FPD: \$27,855,000 Pension Obligation Bonds

Ridgeline served as a municipal advisor on the issuance of \$27,855,000 pension obligation bonds for the Lakeside Fire Protection District.

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Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR AUGUST 2023

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

Administrative Services

- Held one (1) Operations Committee Meeting
- Held one (1) EVRA Meeting
- Held one (1) Regular Board Meeting
- Released Five (5) Request for Proposals (RFP)
- Visit by Senator Padilla's Office
- Tax roll preparation and submission
- Completed and submitted the tax roll delinquency report
- Continued with audit for the year ending June 30, 2023

Environmental Compliance Services

- Lab Technician II attended Tri-State Seminar in Vegas and Environmental Compliance Inspector

(ECI) training at Orange County Sanitation District (OCSD).

- Quarter 3 Bioassay sampled July 31st thru August 3rd for identified sensitive species, Minnow.
- ELAP approved renewal application for renewal of certification, now valid until 11/2025. ELAP also approved the request for Method Update Rule (MUR) methods in the amendment application.

Operations & Maintenance

- Switched to North A.S.P Chlorine Contact Chamber.
- Assisted with fixing Grading in between Aeration and Extended Aeration Basins.
- Dealt with Rain Event on 8/20/2023 Flow got up to 19.5 M.G.D.
- Jetted Grit valve for Pump #2 at Grit Chamber.
- Influent Pump # 3 SCADA Programming complete and pump tested. Back in rotation.
- Influent Pump #6 sent in for repairs, VFD shorted out.
- Fire alarm Hypo Bldg. repairs.
- RAS Pump #1 Sent in for repairs.
- Influent and RAS pumps all checked for cooling fluid leaks.
- A/C Units at Hypo and Power Bldg. A repaired.
- Front gate repaired.
- The water line at Bird Center was repaired.
- Rebuilt ASP hypo-chlorite pump.
- Door FOBs repaired.

Back Flow devices Inspected by IWA, one repaired and reinspected.

- LED lighting installed at Bar screen structure.
- The administration roof cleaned and checked for leaks.
- Primary Pump P-351 unclogged.
- Aerator circuit #4 & 19 checked and reset 30 hp Aerator in Pond #3 replaced.
- Flare Flow meter 822 repaired after Tropical Storm.
- Influent Flow meter 053 20" bypass meter now in service.
- FCI calibrations Biogas and Boiler meter checked and sent in for service.
- Telehandler diesel tank leak repaired.
- Foot valves at the ASP discharge replaced.
- All Maintenance and Preventative Maintenance work orders complete.

Development Services

- Construction had begun on the new building for the Community Valley Bank on Hwy 111 and Granada Drive
- Construction has begun on Gabino's Creperie near the corner of Miles Avenue and Towne Street.
- Construction has begun on the Tower Market convenience store and gas station on the northwest corner of Dr. Carreon and Monroe Street.
- Construction has begun on the Indio Taphouse on the southwest corner of Miles Avenue and Towne Street.
- Construction has begun on a tentative improvement for Encore Coffee on the southeast corner of Miles Avenue and Oasis Street.

- Gallery Homes is starting the development of 82 homes in the Indian Palms Country Club on the corner of Odlum Drive and Barrymore Street.
- Construction has begun on the Texas Roadhouse Steak House East of Jackson Street and South of Avenue 43 in the Indio Town Center Shopping Center.
- Construction has begun on the new EOS Gym on the corner of Highway 111 and Jefferson Street

Collection Services

- No-Spill report for the month of August will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program. Due by the end of the month.
- Monthly preventative maintenance service of lift stations is scheduled for the month.
- Recent storm events have caused the exposure of the Westward Ho siphon, 12" sewer main, within the basin of the Whitewater Storm Channel. There was no damage to the pipe, other than the removal and exposure of the infrastructure. Indio Water Authority and Valley Sanitary District will split the costs on a project to hire a contractor to import soil and bury both water and sewer lines.
- CCTV inspections are currently being conducted in the area of Miles and Requa.
- Field Vector crew is currently working in the area of Miles and Madison.

Capital Improvement Program

- The Reclaimed Water Project - Phase 1 was awarded to Schneider Electric / Stantec in June 2020. Construction costs will be determined during the design phase and will be awarded to Schneider Electric / Stantec upon approval of the Board. This project will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include replacement of the Main Switch Control Panel and the addition of a sludge thickener unit. Schneider has completed the 60% design submittal and has prepared the guaranteed maximum price based on the latest design plans. The Guaranteed Maximum Price (GMP) has been approved by the Board. 100% design plans have been approved by staff. *Update: After review from VSD staff, ECM #3 (the Rotary Screw Thickeners) is at the 100% design level. Walsh is currently working on building the new grit chamber and digester.*
- Westward Ho Drive Sewer Siphon Replacement project. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. Staff reviewed the 50% design plans and the updated project cost schedule. Staff reviewed 90% design plans and specifications and submitted comments for correction. Staff are finishing their review of the submitted 100% set of plans and specifications. Staff has met with both the City of Indio and La Quinta, and both have no revisions or concerns. Staff has sent plans to CVWD and IWA for review and VSD received comments back from both agencies for incorporation. Carollo will be performing additional potholing to verify IWA and other utilities. Potholing has revealed that an IWA water line is closer to the project alignment than indicated on record drawings and must be rerouted around the proposed siphon manhole. Permitted Plans have been signed by CVWD. Staff is currently filing an encroachment permit license application as required by CVWD for the permanent pipeline crossing of the channel. Once the contractor is selected, they will file for a construction permit and the encroachment permit will be processed. *Update: This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with*

bidding and construction which was expected by February 2023. The CEQA documentation for this project has been completed. The recent storm Hillary has exposed the sewer siphon once again. VSD is working with IWA on emergency repairs to the sewer siphon and IWA's 10-inch watermain directly adjacent.

- Collections System Rehabilitation and Replacement project. The first rehabilitation project on Indio Blvd. is complete. This was a good first project and lessons were learned on how to better the process for the next project. The CCTV inspection project is complete. Harris is currently developing plans for the downtown Indio rehabilitation and repair project. This is being done to rehabilitate and replace deficient sewer mains in the streets and allies of the downtown area. The 50% plans for the Downtown Indio Rehabilitation project have been reviewed and comments have been returned to Harris for revision. The 100% design plans have been reviewed by IWA and the City of Indio and both agencies returned comments for revision. The Board awarded the Downtown Indio Rehabilitation Project to GRBCON. *Update: All the cured in place pipe rehabilitation has been completed. The contractor is currently working on the open cut and point repair work in the downtown area in the alley between Salton and Sage Street. Harris has submitted the 65% plans and specifications for the rehabilitation of Calhoun lift station. VSD staff is currently reviewing the plans to make comments and corrections.*
- Influent Pump Station Rehabilitation Project. The Request for Proposal (RFP) was released on August 28 and was closed on September 28, 2020. The Board awarded the project to the DCI / Dudek team, and a pre-construction meeting was held on December 4th, 2020. The DCI / Dudek has developed a preliminary bypass plan for the initial inspection and shutdown of the influent pump station structure. The preliminary bypass and inspection were completed from February 22nd to February 26th. VSD has chosen the valves and gates that will be used for this project based on Dudek / DCI and Stantec's recommendations. Dudek and VSD are coordinating the ordering and purchasing of long, lead items. Dudek has submitted the Basis of Design Report which Stantec and VSD staff have reviewed. The Board has approved the guaranteed maximum price. The Notice of Award has been issued and Change Order No.2 signed. *Update: The new VFD has been installed for Pump #3 and the pump has been installed tested in the pump station. The guide rails for Pump #3 have been repaired. This project has been completed and a Notice of Completion has been recorded with the County.*
- The above ground, steel waterline adjacent to the aeration basins is old and prone to leaks, especially at the grooved joints, and has exceeded its useful life. The new steel waterline will have traditional joints that will provide a longer life. This project has been on the books for several years and has been a lower priority due to lack of leaks in recent years and the difficult nature of replacement. The project design was awarded to Dudek who has completed the project design and specifications. The construction portion of the project was put out to bid on February 7th, 2022. The project bid opening took place on March 16th, 2022, and VSD received six sealed bids for this project with Van Dyke Corporation being the lowest responsible bidder. The first phase of this project has been completed. *Update: This project has been completed and a Notice of Completion has been recorded with the County.*
- VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building and new laboratory building. Staff have selected a new location for the training/office building that will allow the single-story building with minimal demolition. The architect has completed the schematic design and cost estimate for both the training/office building and laboratory building. An onsite survey was conducted on July 7th. SGH Architects is continuing with the final design of both the Office & Training and Laboratory Buildings. *Update: SGH has submitted 50% design plans which include both buildings for staff*

review and comment in December 2021. This project has been delayed for a year or two to allow other priority projects to proceed and maintain our debt coverage.

Recommendation

Staff recommends that the Board receive the General Manager’s Report for activities during the month of August 2023.

Attachments

[Attachment A Admin Services Report.pdf](#)

[Attachment B NPDES Report for Sept.pdf](#)

[Attachment C Collection Services Report 2023.pdf](#)

[Attachment D Development Services Report August 2023.pdf](#)

[Attachment E Capital Improvement Program Report September 2023.pdf](#)

[Attachment F Environmental Compliance Summary.pdf](#)

[Attachment G Wastewater Surveillance Summary for Sept.pdf](#)

Administrative Services - Task Summary 2023

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Active Litigation Filed	-	-	-	-	-	-	-	-	-	-	-	-	-
Board Meeting	3	2	3	4	3	3	2	1					21
Budget/Finance Committee Meeting	1	-	-	-	1	-	-	-					2
Operations Committee Meeting	-	1	-	1	-	1	-	1					4
Community Engagement Committee Meeting	1	-	1	-	1	-	1	-					4
Employee Anniversaries	1	4	1	1	3	2	5	1					18
Employee Promotions	-	-	-	-	-	-	-	-					-
Facebook Postings	1	3	-	-	-	1	-	-					5
Insurance Claims Initiated	-	-	-	-	-	-	-	-					-
Lost Time Work Incidents	-	-	-	-	-	-	-	-					-
Media Coverage Items	-	-	-	1	-	-	-	-					1
New Hires	-	-	2	-	1	1	-	-					4
Press Release	-	-	-	1	-	1	-	-					2
Public Records Request	2	1	-	1	-	-	1	2					7
Resignations	-	-	1	-	-	-	-	-					1
Retirements	-	-	-	-	-	-	-	-					-

July 2023	Plant Influent		ASP Effluent			Pond Effluent			Total Plant Discharge (Outfall) Grab								
	CBOD (mg/L)	TSS (mg/L)	Monthly Average Flow (MGD)	CBOD (mg/L)	TSS (mg/L)	Monthly Average Pond Effluent Flow (MGD)	CBOD	TSS	EColi (MPN/100ml)	Oil and Grease (mg/L)	Copper (ug/L)	Di(2-ethylhexyl)phthalate (ug/L)	Cyanide (total) (ug/L)	Ammonia (total, as N) (mg/L)	Nitrate (as N) (mg/L)	Nitrite (as N) (mg/L)	Total Nitrogen (mg/L)
1																	
2																	
3																	
4																	
5									58.3								
6	288	234		11.2	7.92												
7																	
8																	
9									18.5	< 1.40	5.1	< 0.500		3.50	11	0.920	17.0
10																	
11																	
12	287	292		6.90	5.70								< 0.00430				
13																	
14																	
15																	
16																	
17									276								
18																	
19																	
20	386	236		7.80	4.50												
21																	
22																	
23																	
24																	
25									38.4								
26																	
27	335	322		6.14	3.40												
28																	
29																	
30			5.67			375	97.5	0.000	1,413								
31																	
Average	324	271	5.67	8.01	5.38	375	97.5	0.000	110.1*	1.40	5.1	0.500	0.00430	3.50	11	0.920	17.0
Minimum	287	234	5.67	6.14	3.40	375	97.5	0.000	18.5	< 1.40	5.1	< 0.500	< 0.00430	3.50	11	0.920	17.0
Maximum	386	322	5.67	11.2	7.92	375	97.5	0.000	1,413	< 1.40	5.1	< 0.500	< 0.00430	3.50	11	0.920	17.0
Exceedences	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0
Permit LIMITS				25	30		40.0	49.0	126(mo) / 400 (max)	25	9.0	5.9	4.3				

Collection Services Task Summary Report for 2023

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Customer Service Calls	6	1	3	1	3	N/A	2	-					16
F.O.G. Inspection - Completed													-
F.O.G. Inspection - Fail													-
F.O.G. Inspection - Pass													-
Hot spot cleaning (total)*	26	-	-	34	-	-	24	-			-	-	84
Lift station inspection	19	16	23	18	19	23	19	16					153
Manhole inspection	179	159	136	178	251	129	113	161					1,306
Sewer line CCTV (feet)	8,060	7,295	N/A	N/A	1,733	14,994	15,111	11,222					58,415
Sewer line cleaning (feet)	52,372	53,787	58,466	67,147	86,073	69,050	46,911	54,601					488,407
SSO Response - Cat 1	0	0	0	0	0	0	0	0					0
SSO Response - Cat 2	0	0	0	0	0	0	0	0					0
SSO Response - Cat 3	0	0	0	0	0	0	0	0					0
USA Markings	160	46	45	28	30	44	42	48					443

*Note: Hot spot cleaning is performed quarterly



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

12-Sep-23

Plan Check in Progress
 Inspection in Progress
 New Project

Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Add'l Dwelling Unit - Cebreros Residence	83181 Blue Mountain Court	Plans submitted for additional dwelling unit. Plans approved and notified applicant 3/3/21. Permit 3967 7/26/2021	Inspect work improvements as scheduled.
Arroyo Crossing Phase 1 architectural plans	47555 Jefferson Steel/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 12/22/21. Permit 3998 issued 1/6/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 1 civil plans	47555 Jefferson Steel/Highway 111	Civil plans submitted for new apartment complex. Plan review completed. Plans approved and returned to applicant 12/22/21. Permit 3998	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 architectural plans	47777 Jefferson Steel/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22 Permit 4005 on 2/7/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 civil plans	47777 Jefferson Steel/Highway 111	Civil plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22. Permit 1005	Inspect work improvements as scheduled.
Autozone Jackson Street	41850 Jackson Street/aAvenue 42	Plans submitted for plan check. Sewer main relocation. Plans approved 1/21/21. Waiting for engineer to finalize easements docs. Permit 3954 issued 5/13/21.	10% warranty bond in place Reinspect and notice of acceptance Due 1/1/2023
Ave 42 Self Storage	82815 Ave 42/Showcase Blvd	Plans submitted, fee paid. Plans approved and notified applicant 3/2/23. Permit 4110 5/24/2023	Inspect work improvements as scheduled.
Bliss & Oasis Apts Sewer Improv. Plan	NW Corner of Bliss Ave and Oasis St	Plans submitted for Civil Plans, fee paid with check. Completed 1st plan check and returned to the applicant 12/15/22.	Perform 2nd plan check upon plan resubmittal.
Buzzbox	42625 Jackson Street #112	Plans submitted existitng building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Castro 80501 lot 50	Motorcoach CC 80501 Ave 48 Lot 50	Plans submitted, Permit 4056	Inspect work improvements as scheduled.
Chandi Plaza Building "B" Shell	81-971 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st check and returned to the applicant 10/13/20. Issued permit 3963 on 6/29/21.	Inspect work improvements as scheduled.
Coco Palms Tract 38072-2	South East Corner of Avenue 49 and Jackson St	Plans submitted and plan check fee paid for phase 2 of housing tract. Pending signatures for phase 1 before proceeding	Waiting for owner to submit Bonds and Development agreement paperwork.
COD Child Development Center	45742 Oasis Street	Plans submitted for child development center. Plans approved and notified applicant 1/25/22. Permit 4025 4/21/22	Inspect work improvements as scheduled.
College of the Desert	45524 Oasis Street	Plans submitted for campus expansion. Plan review completed, plan approved and notified applicant 1/25/22. Permit 4026 4/22/22	Inspect work improvements as scheduled.
Community Valley Bank	81701 Hwy 111	Plans Submitted and fee paid for TI Improvement. Emailed Matt Seto for plan pick-up 4/11/23. Permit 4099	Inspect work improvements as scheduled.
EOS Fitness Hwy 111	Highway/Jefferson Street	Plans submitted for construction of new gym facility. Plans approved and notified applicant 4/27/20. Permit 4049	Waiting for Development Agreement and Bonds before owner can process permit paperwork.
Gabino's Creperie	82862 Miles Ave	Plans submitted, fee paid with credit card. Completed 2nd plan check and returned to the applicant 6/28/23. Permit #4120 on 08/09/23	Inspect work improvements as scheduled.
Gallery at Indian Springs	Jefferson St/Westward Ho Drive	Tract is Complete. Warranty Bond received 8/25/2021.	Notice of acceptance after 12 month warranty bond release.
Grease Interceptor T.I. at 82707 Miles (Encore Coffee)	82707 Miles Avenue/ Corner of Miles and Oasis	Plans submitted for Plans and scope of work, fee paid with check. Completed 3rd plan check and notified applicant 3/16/23. Permit # 4095	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 enginner 8/27/18. Sewer Finaled 5/12/20.	Waiting for owner to submit Warranty Bond
Handels Ice Cream Shop	42225 Jackson Street/Avenue 42	Plans submitted for new suite TI. 2nd plan check completed and returned to the applicant 8/31/22. Permit 4064	Inspect work improvements as scheduled.
Homes 2 Suites Sewer Improvement Plan	80653 Hwy 111	Plans submitted for Sewer Improvement Plans, plan check fee paid.	Perform 2nd plan check upon plan resubmittal.
I-10 Monroe Conceptual Site Plans	SE Corner of Monroe and Ave 42	The Palms at Indio Sewer Plans submitted (Fee paid 8/19/22) Approved 6/8/23	Waiting for owner to submit Bonds and Development agreement paperwork.
I-10 Monroe Conceptual Site Plans Pt. 2	SE Corner of Monroe and Ave 42	Plans Submitted and fee paid for Sewer Development. Aproved 6/8/23	Waiting for owner to submit Bonds and Development agreement paperwork.
Indian Palms 32	Cochran Drive & Garland Road	Civil plans submitted for public sewer for 32 unit condo complex. 2nd plan check complete. 9/1/21. Plans approved 9/17/21.	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Indio Behavioral Health Hospital	81655 JFK Court	Civil plans submitted for new mental health facility. Completed 1st plan check and returned to the engineer 12/2/19. Plans approved 6/24/20. Issued permit 3900 on 8/29/20.	Inspect work improvements as scheduled.
Indio Juvenile Court	47671 Oasis St/ Ave 48	Plans submitted to demo existing juvenile court building and construct new building on the same site. Plans approved, notified applicant project ready to permit 9/30/21. Permit # 4004 1/25/22	Inspect work improvements as scheduled.
Indio Marketplace Architectural	82227 Highway 111/Rubidoux	Plans submitted for mall TI. Completed 2nd check and notified applicant 8/2/22.	Waiting for owner to process permit paperwork.
Indio Marketplace Civil	82227 Highway 111/Rubidoux	Plans submitted for mall TI, Completed second plan check and returned to the applicant 11/12/21.	Waiting for owner to process permit paperwork.
Indio Palms RV	45-755 Commerce Street	Civil plans submitted for Public Sewer & Plan Fee Paid. Plans approved and notified applicant 3/20/23. Permit 4097	Waiting for information to draft Development Agreement
Indio Plaza Sewer Relocation	82126 Hwy 111/Monroe St.	Plans submitted for sewer line and manhole relocation. Plans approved and notified applicant 7/28/22.	Waiting for owner to process permit paperwork.
Indio Public Safety Center	46867 Bristol Street/Dr Carreon	Plans submitted for public safety center. Plans approved and returned to applicant 4/12/22. Permit 4052	Inspect work improvements as scheduled.
Indio Self Storage	81161 Indio Blvd	Plans submitted and fee paid for sewer improvement plans. Completed 3rd plan check and returned to the applicant 8/24/23.	Perform 4th plan check upon plan resubmittal.
Indio Taphouse TI	82851 & 82867 Miles Ave	Plans submitted for Taproom in Oldtown Indio, fee paid with check. Plans approved and notified applicant 1/26/23. Permit 4083	Inspect work improvements as scheduled.
Jersey Mike's	42211 Jackson St Ste. 102 / Corner of Ave 42	Plans Submitted and fee paid for Sandwich Restaurant. Plans approved and notified applicant 2/17/23. Permit 4088	Inspect work improvements as scheduled.
John Nobles Apts civil plans	John Nobles Avenue/Rubidoux Street	Plans submitted for on-site private sewer. Completed 1st plan check and returned to applicant 7/12/22.	Perform 2nd plan check upon plan resubmittal.
Kings Castle Taco Architectural	82991 Bliss Avenue	Plans submitted for building TI for taco shop. Completed 2nd plan check. Civil plans submitted for review 7/21/22.	Waiting for owner to process permit paperwork.
Kings Castle Taco Civil Plans	82991 Bliss Avenue	Plans submitted for building TI for taco shop 7/21/22. Plans approved and notified the applicant 9/7/22.	Waiting for owner to process permit paperwork.
Las Plumas/Coco Palm Tract 38072-1	South East Corner of Avenue 49 and Jackson St	Plans submitted for 173 lot housing tract. Completed first plan check 4/27/21.	Waiting for owner to submit Bonds and Development agreement paperwork.
Lifestyle Center New Pool Toilet Rooms	48630 Monroe St - Indian Palms CC	Plans Submitted for restrooms at Indian Palms CC Pool. Plans approved 8/17/23. Permit #4122 08/24/23	Inspect work improvements as scheduled.
Magical Estates Tenant Spaces	82490 Highway 111/Arabia Street	Plans submitted for tenant suite TI's. Completed 1st plan check and returned to applicant 4/28/22.	Perform 2nd plan check upon plan resubmittal.
Motorcoach CC Lot 119	Motorcoach CC 80501 Ave 48 Lot 119	Plans submitted for casita/shade structure. Plans approved. Permit 4115 7/20/23	Inspect work improvements as scheduled.
Nelson Chavez Accessory Dwelling Unit	43163 Deglet Noor	Plan submitted for new accessory dwelling unit, Plan approved and notified applicant 8/30/22 Permit 4113 7/5/23	Inspect work improvements as scheduled.
New Century Garage Doors	81740 Highway 111/Granada Dr.	Plans submitted for new sewer lateral connection. Plans approved and notified applicant project ready to permit 8/17/23.	Waiting for owner to process permit paperwork.
Octavio Rosales SFD	43645 Saguaro Street/Avenue 44	Plans submitted for new SFD. Completed 2nd plan check and returned to the City 8/26/19. Permit 4014 issued 3/18/22.	Inspect work improvements as scheduled.
Outdoor Resorts CC - Casita Addition	80394 Avenue 48, Lot 182	Plans submitted for casita addition and storage building. Plans approved and notified applicant 9/30/21	Waiting for owner to process permit paperwork.
Outdoor Resorts Lot 307	80394 Ave 48 Lot 307	Plans submitted for casita addition and outdoor BBQ. Permit 4112	Inspect work improvements as scheduled.
Palmera Apartments Civil	NE Corner of Monroe and Requa	Plans submitted for Sewer Developmet, fee paid. Completed 2nd plan check and returned to the applicant 3/9/23	Perform 3rd plan check upon plan resubmittal.
Palmera Project Arc	Requa Ave West of Monroe PM 38493	Plans Submitted for Apt Homes with Clubhouse	Plans in Queue
Paradiso Tract 31815	East of Monroe North of Ave 41	New model homes under construction. Warranty Bond received 3/2/2023.	Notice of acceptance after 12 month warranty bond release.
Paradiso Tract 31815 & 31815-3	East of Monroe North of Ave 41	Plans submitted for new housing tract phases. Completed first plan check 2/25/21. Plans Approved 3/25/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 3/1/2024
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.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Pawley Pool Aquatic Facility	46350 Jackson Street/Date Ave.	Plans submitted for new Aquatic Center on existing public pool site. Project Expired in 2020. Resubmitted 10/25/21. Completed 3rd plan check and returned to the applicant 1/10/23.	Perform 3rd plan check upon plan resubmittal.
Private residence for Cristina Ayon	49115 Ridgeback Ct	Plans submitted, fee paid. Plans approved and notified applicant project ready to permit 12/22/22. Permit 4071 1/12/23	Inspect work improvements as scheduled.
Raising Canes Restaurant	Monroe Street/Showcase Parkway	Plans submitted for new restaurant building. Plans approved and notified the applicant 12/6/22.	Waiting for owner to process permit paperwork.
Ramon Chavez Accessory Dwelling Unit	43737 Oasis St / Ave 44	Plans submitted for plan check. Plans approved and notified applicant 10/13/20. Issued permit 3908 on 10/13/20.	Inspect work improvements as scheduled.
Ranch RV & self Storage	83734 Dr Carreon	Plans submitted, fee paid with check. Completed 2nd plan check and notified applicant 12/14/22. Permit 4090 2/28/2023	Inspect work improvements as scheduled.
Residence for Mr and Mrs Job Lopez	49-134 Ridgeback Ct	Plans Submitted and fee paid for private residence. Plans approved and notified applicant 3/16/23. Permit 4093	Inspect work improvements as scheduled.
Ridgeback Ct Family Residence	49128 Ridgeback Ct	Plans submitted for single family residence, plan check fee paid. Plans aproved. Permit 4114 7/20/23	Inspect work improvements as scheduled.
Roma Furniture Store	81691 Hwy 111, #101 - next to El Super	Plans submitted for T.I. Furniture Store. Plans approved, notified applicant project ready to permit.	Inspect work improvements as scheduled.
Rosa Rebollar Accessory Dwelling Unit	81179 Helen Ave/Swingle Ave	Plan submitted for new accessory dwelling unit. Project built, notified applicant project ready to permit 6/22/23.	Waiting for owner to process permit paperwork.
Showcase Indio Pad 4 Shell	42225 Jackson Street/Avenue 42	Plans submitted for new retail shell buidling. Plans approved and notified applicant 7/26/22. Permit 4055	Inspect work improvements as scheduled.
Sunburst RV Storage	43250 Sunburst Street/Oleander Avenue	Plans submitted for new RV storage facility. Completed 1st check and notified applicant 3/21/22. Permit 4020 4/7/22	Inspect work improvements as scheduled.
Tarra Lago 32341-12	North of Avenue 44 & East of Harrison	First Plan Complete 12/16/20. Plans Approved 2/19/21.Maintenance Bond in place 8/16/22.	10% warenty bond in place Reinspect and notice of acceptance Due 8/16/2023
Terra Lago Four Seasons Tract 32287	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Plans Approved 4/26/21.	10% warenty bond in place Reinspect and notice of acceptance Due 8/1/2024
Terra Lago Four Seasons Tract 32288-1	North of Via Terra Lago and East of Golf Center Pkwy	Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 11/24/21 2nd plan check complete 1/18/22.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32288-F	North of Via Terra Lago and East of Golf Center Pkwy	Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 3/29/22 Approved 7/1/23	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32288-F	North of Via Terra Lago and East of Golf Center Pkwy	Civil plans submitted for Public Sewer. Plans Approved 7/1/22	Waiting for information to draft Deveopment Agreement
Terra Lago Four Seasons Tract 32341-F	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Completed 1st plan check and notified applicant 5/1/20. Plans Approved 8/15/20.Maintenance Bond in place 8/16/22	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.
Texas Roadhouse Restaurant	42790 Jackson Street	Plans submitted for Steakhouse, fee paid with check. Plans approved and notified the applicant 2/9/23. Permit 4092 3/7/23	Inspect work improvements as scheduled.
Tim & Lois Eklund Site 105	Motorcoach CC 80501 Ave 48 Lot 105	Plans submitted, Permit 4068	Inspect work improvements as scheduled.
Timothy Venable Project	84221 Corregidor Avenue/Bataan Street	Plans submitted for connection of SFD to sewer lateral. Plan approved and notified applicant 5/3/22. Permit 4042 6/21/22 Final 8/1/23	No further action required.
Tower Market #965	Intersection Monroe Street/Dr Carreon	Plans submitted for Convienient Store/Gas Station, fee paid with check. Plans approved nd notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023	Inspect work improvements as scheduled.
Tower Market #965 Architectural	Intersection Monroe Street/Dr Carreon	Plans Submitted and fee paid for architectural plans for a gas station. Plans approved and notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023	Inspect work improvements as scheduled.
Woodsprings Suites Ext Stay Hotel	42-425 Jackson St.	Civil plans submitted for Public Sewer & Plan Fee Paid. Plans approved 2/14/23 and notified applicant	Waiting for owner to process permit paperwork.

	August	Fiscal Year
New Projects	1	2
Projects Permitted	1	2
Projects Finald	1	5

Monthly Capital Improvement Project Update - September 2023				
Project Title	Project Description	Current Status	Fiscal Year Budget	Total Spent to Date
Westward Ho Sewer Siphon Replacement Design and Construction	Westward Ho Drive Sewer Siphon Replacement project. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. Staff reviewed the 50% design plans and the updated project cost schedule. Staff reviewed 90% design plans and specifications and submitted comments for correction. Staff are finishing their review of the submitted 100% set of plans and specifications. Staff has met with both the City of Indio and La Quinta, and both have no revisions or concerns. Staff has sent plans to CVWD and IWA for review and VSD received comments back from both agencies for incorporation. Carollo will be performing additional potholing to verify IWA and other utilities. Potholing has revealed that an IWA water line is closer to the project alignment than indicated on record drawings and must be rerouted around the proposed siphon manhole. Permitted Plans have been signed by CVWD. Staff is currently filing an encroachment permit license application as required by CVWD for the permanent pipeline crossing of the channel. Once the contractor is selected, they will file for a construction permit and the encroachment permit will be processed.	This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with bidding and construction which was expected by February 2023. The CEQA documentation for this project has been completed. The recent storm Hillary has exposed the sewer siphon once again. VSD is working with IWA on emergency repairs to the sewer siphon and IWA's 10-inch watermain directly adjacent.	\$10,721,000.00	\$0.00
Collections System Rehabilitation Projects	Collections System Rehabilitation and Replacement project. The first rehabilitation project on Indio Blvd. is complete. This was a good first project and lessons were learned on how to better the process for the next project. The CCTV inspection project is complete. Harris is currently developing plans for the downtown Indio rehabilitation and repair project. This is being done to rehabilitate and replace deficient sewer mains in the streets and allies of the downtown area. The 50% plans for the Downtown Indio Rehabilitation project have been reviewed and comments have been returned to Harris for revision. The 100% design plans have been reviewed by IWA and the City of Indio and both agencies returned comments for revision. The Board awarded the Downtown Indio Rehabilitation Project to GRBCON.	All the cured in place pipe rehabilitation has been completed. The contractor is currently working on the open cut and point repair work in the downtown area in the alley between Salton and Sage Street. Harris has submitted the 65% plans and specifications for the rehabilitation of Calhoun lift station. VSD staff is currently reviewing the plans to make comments and corrections.	\$2,200,000.00	\$676,824.16
Reclaimed Water Project Phase 1	The contract for this project was awarded to Schneider Electric / Stantec. The project design cost is \$2,200,000 and project schedule is approximately 460 days. Construction costs will be determined during the design phase and will be awarded to Schneider Electric / Stantec upon approval of the Board. The Reclaimed Water Project – Phase 1 will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include adding a biofilter, and a sludge thickener unit. The Guaranteed Maximum Price (GMP) has been approved by the Board. 100% design plans have been approved by staff.	After review from VSD staff, ECM #3 (the Rotary Screw Thickeners) is at the 100% design level. Walsh is currently working on building the new grit chamber and digester.	\$39,900,000.00	\$2,871,202.94
New Training and Office Building and Laboratory Building	VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single story training/office building and new laboratory building. Staff have selected a new location for the training/office building that will allow the single-story building with minimal demolition. The architect has completed the schematic design and cost estimate for both the training/office building and laboratory building. An onsite survey was conducted on July 7th. SGH Architects is continuing with the final design of both the Office & Training and Laboratory Buildings. SGH has submitted 50% design plans which include both buildings for staff review and comment in December 2021.	This project has been delayed for a year or two to allow other priority projects to proceed and maintain our debt coverage.	\$0.00	\$0.00
Additional Parking and Landscaping	The District is need of additional parking for employees and customers. Staff proposes to remove the lawn at the front of the property and replace it with parking and drought tolerant landscaping.	A preliminary design of the Project has been completed. In que for the next steps.	\$0.00	\$0.00

Monthly Capital Improvement Project Update - September 2023

Project Title	Project Description	Current Status	Fiscal Year Budget	Total Spent to Date
Influent Pump Station Rehabilitation	Stantec is assisting the District as an Owner's Representative and DCI / Dudek are acting as the design-build team for this project. The influent pump station structure is showing significant signs of deterioration. Proposed improvements to the pump station include: bypass of the pump station for inspection and repair, repair/replacement of leaking and broken gates, repair of interior concrete coating, installation of new valves for proper isolation/drainage, installation of a new jockey pump in the empty pump bay.	The new VFD has been installed for Pump #3 and the pump has been installed tested in the pump station. The guide rails for Pump #3 have been repaired. This project has been completed and a Notice of Completion has been recorded with the County.	\$0.00	\$0.00
Steel WaterLine Replacement	The above ground piping in the aeration basins is in need of repair. The steel waterline adjacent to the aeration basins was old and prone to leaks and the lines supplying the froth sprayers are also aging and in need of additional valves and updated sizing. Phase 1 of the project replaced the steel waterline and added in necessary valves as requested by operations staff. Phase 2 of the project will replace all the froth sprayer piping and add in additional valves for future connection.	This project has been completed and a Notice of Completion has been recorded with the County.	\$450,000.00	\$223,202.50

Environmental Compliance Summary Report for 2023

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Pretreatment													
Customer Service Calls	11	10	2			5	6						34
Commercial Approval Letters	4	3	1			7	1						16
Change of Ownership Inspection	3					4	3						10
SIU Permit Compliance	3	3	3	3			2						14
FOG-FSE Inspections Completed	22	14	12	6	14	31	23						122
Commercial Inspections Completed	4	5	1	1		9	3						23
Environmental & Collections investigations	3	4					1						8
Failed Inspections or NOV													0
Total # of Inspections	32	26	16	10	14	40	29	0	0	0	0	0	167
Laboratory													
# of Collected Samples	266	266	327	255	296	258	277						1,945
# of Tests (Analyses)	548	537	618	514	574	534	591						3,916
# of Samples sent to Contract Labs	40	41	36	32	55	31	28						263
# of Contracted Tests (Analyses)	73	142	62	63	149	46	38						573
% of Samples performed In-House	85.0%	84.6%	89.0%	87.5%	81.4%	88.0%	89.9%						86.5%

August 2023



Wastewater Surveillance

Your Guide to VSD & Viruses



VSD Program

Wastewater surveillance is used to monitor the presence of infections within VSD's service community by tracking trends in virus rates.

Public health officials can utilize the data to prevent and control disease within our service area.

Websites VSD Program data shared with:

- [COVIDPoops19](#)
- [Cal-SuWers Network](#)
- [WastewaterScan](#)
- [CDC Covid Tracker](#)
- [Biobot Covid Tracker](#)

PodCast: [WEF "Sewer Signals"](#)

WHAT'S NEW

PROGRAM TIMELINE

VSD's Wastewater Surveillance Program Timeline of Events

PROGRAM RESOURCES

Program contents, Upcoming

SURVEILLANCE TRENDS

Recent Program Trends

Timeline

June
2021

US Dept. Health & Human Services (HHS) partnered with Biobot Analytics
(12-week Fully funded program)

October
2021

GTmolecular Labs
(VSD sponsored)

January
2022

Biobot Network
(6-month Fully funded program)

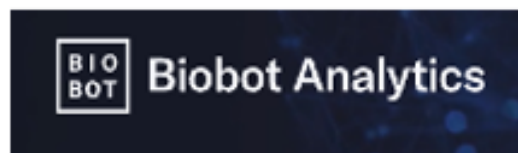
CDC National Wastewater Surveillance System (NWSS) partnership with LuminUltra
(Fully funded program: Jan - April)

April
2022

CDC NWSS partnership with Biobot Analytics
(Fully funded program)

August
2022

WastewaterScan: Stanford Initiative partnered with Verily Life Sciences
(18-month Stipend funded)



GT-Digital SARS-CoV-2
Wastewater Surveillance

WWW.GTMOLECULAR.COM



NATIONAL™
WASTEWATER
SURVEILLANCE
SYSTEM



CDC NWSS & Biobot

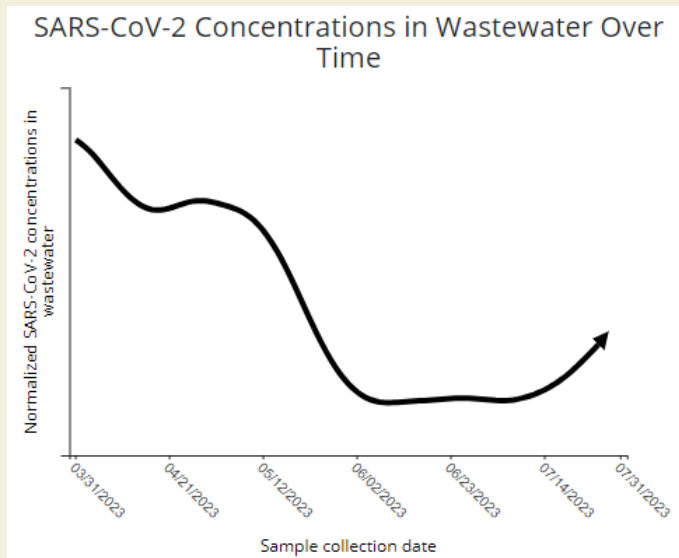
Website: [CDC Tracker](https://www.cdc.gov/nwss/)

Influent 24hr composite samples collected: Tues, Thurs

MPox - Jan 2023 - Current

Virus Concentration - NOT DETECTED

COVID-19 - Mar 2023 - Current



*Program Update: Temporary extension thru August 25th, Program awaiting direction from CDC NWSS.

WastewaterScan

<https://wastewaterscan.org/>

Primary Sludge grab samples collected: Mon, Wed, Fri

SARS-CoV-2 (COVID-19)

Severe Acute Respiratory Syndrome; spread through droplets from coughs, sneezes, or talking.

MPox

Rare disease caused by infection from viruses in smallpox family, not related to chickenpox.

Influenza (A & B)

Seasonal respiratory viruses can cause flu pandemics.

Respiratory Syncytial Virus (RSV)

Common respiratory virus causing mild, cold-like symptoms. Can be fatal to infants and older adults. Cause Bronchiolitis and pneumonia.

Human Metapneumovirus (hMPV)

Seasonal respiratory virus related to RSV.

Norovirus

Leading cause of GI illness.

New Additions Late Summer 2023

Enterovirus - sever respiratory illness and acute flaccid paralysis

Parainfluenza - seasonal respiratory illness

Adenovirus - major cause of GI illness

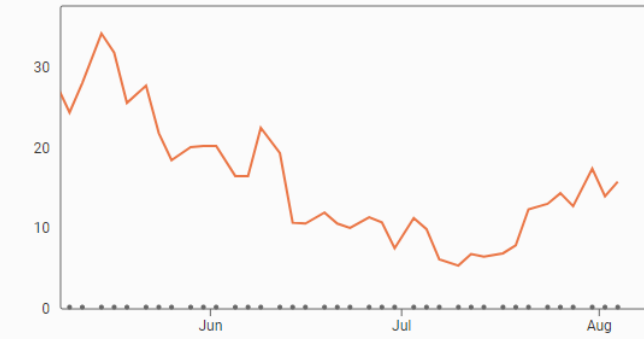
Rotavirus - Major cause of GI illness, vaccine preventable

Candida auris - emerging pathogen, multidrug resistant fungal infection

Hepatitis A - cause intermittent outbreaks, vaccine preventable

SARS-CoV-2

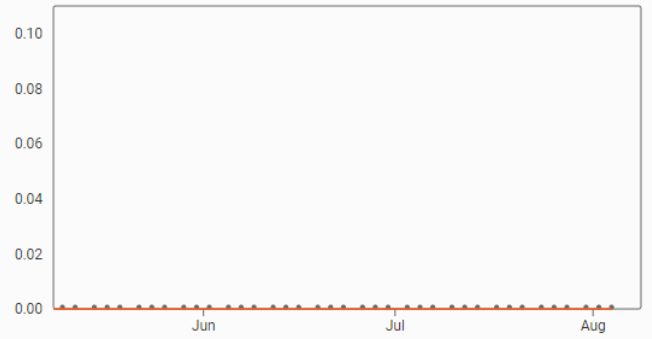
[Detail >](#)



- Sample collected
- N Gene - all variants

Influenza

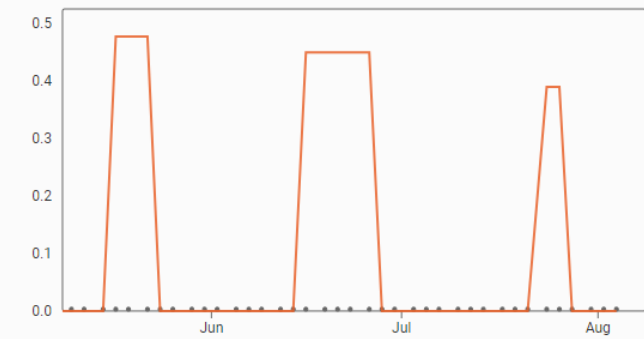
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- Sample collected
- Influenza A

Respiratory syncytial virus (RSV)

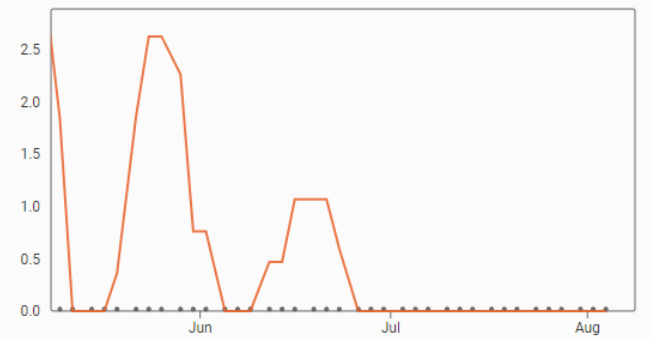
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- Sample collected
- RSV

Human Metapneumovirus

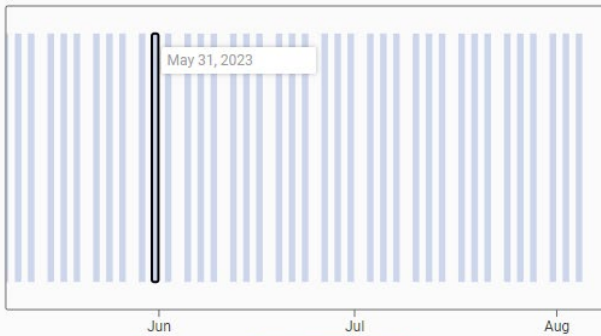
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- Sample collected
- Human Metapneumovirus

Mpox

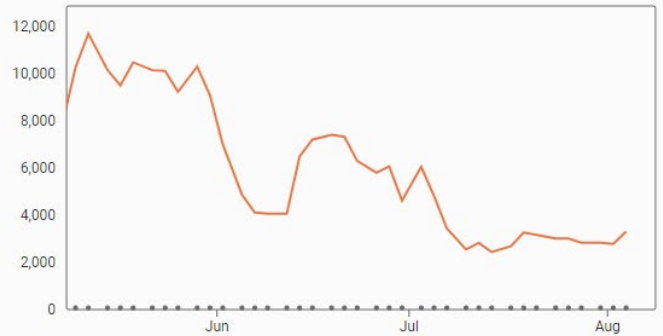
[Detail >](#)



Concentration: ■ Not detected ■ Low ■ High

Norovirus

[Detail >](#)



- Sample collected
- Norovirus



Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Holly Gould, Clerk of the Board
SUBJECT: DRAFT MINUTES OF THE BUDGET & FINANCE COMMITTEE MEETING - SEPTEMBER 5, 2023

Suggested Action

Discuss

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

This does not qualify as a project for the purposes of CEQA.

Background

Attached are the draft minutes of the Budget & Finance committee meeting held on September 5, 2023.

Recommendation

Staff recommends that the Board receive an update from the Budget & Finance committee members.

Attachments

[5 Sep 2023 Meeting Minutes.edited.doc](#)

**VALLEY SANITARY DISTRICT
BUDGET & FINANCE COMMITTEE MEETING MINUTES
September 5, 2023**

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 5, 2023.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Chairperson 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

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

None.

5. DISCUSSION / ACTION ITEMS

5.1 Approve Minutes for January 3, 2023, and May 2, 2023, Budget & Finance Committee

Committee Member Sear motioned to approve the minutes of the January 3, 2023, and May 2, 2023, Budget & Finance Committee Meeting. Chairperson Canero seconded the motion. The motion carried unanimously.

5.2 Discussion of Payoff Options for the CalPERS Unfunded Accrued Liability

Jeanette Juarez, Chief Administrative Officer, explained to the committee that the Unfunded Accrued Liability (UAL) is the difference between the accrued pension liability and the market value of assets within a pension plan; the shortfall between what an agency should have and what it has in its pension plan. Due to a significant investment loss in 2021/2022, the District's UAL projected balance is \$2,126,554. The interest rate is estimated at 7.389%. The CalPERS actuary, Kurt Schnieder, provided some potential repayment options for the Board of Directors to consider. The options include a 30-year, 15-year, 5-year, and 1-year UAL payoff. After

reviewing the four alternatives, the committee recommended Staff bring the 5-year option to the full board as an action item. The UAL is included in the Fiscal Year 2023/24 budget. There was a short discussion on short-term investments.

5.3 Update on the Audit for the year Ending June 30, 2023

Jeanette Juarez, Chief Administrative Officer, gave an update on the Fiscal Year 2023 audit. She stated that the auditors completed their onsite fieldwork on August 28 and are now preparing financials. The audit has gone very smoothly, and the auditors are preparing for their exit interview.

6. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 1:29 p.m. The next regular committee meeting will be on November 7, 2023.

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



Valley Sanitary District

DATE: September 12, 2023
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: UPDATE ON THE AUDIT FOR THE YEAR ENDING JUNE 30, 2023

Suggested Action

Review

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 as defined by the California Environmental Quality Act (CEQA).

Background

Pursuant to Government Code section 53891, local governments are required to submit annual financial reports to the State Controller consistent with generally accepted accounting principles. Local governments are also advised to keep records that readily correlate to the requirements needed to prepare the various State Controller's Office (SCO) required financial reports.

California State law (Gov. Code, §26909) requires special districts to submit to regular audits that are performed by a county auditor or a certified public accountant. These audits are public documents and must be filed with the State Controller's Office and the County Auditor-Controller.

The District's external financial auditors, Davis Farr LLP, commenced their fieldwork on August 28,

2023, for the audit ending June 30, 2023. Attached to this report is the communication letter that was sent to the Board of Directors from the auditors.

Recommendation

Staff recommends that the Board of Directors receive and file this report as information.

Attachments

[11.1 Attachment A Valley Sanitary District Communication to Board.pdf](#)

August 29, 2023

Board of Directors
Valley Sanitary District
45500 Van Buren St.
Indio, CA 92201

This letter is provided in connection with our engagement to audit the financial statements of the Valley Sanitary District as of and for the year ending June 30, 2023. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified. Additionally, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process (review and acceptance of audit reports, etc.) to ascertain whether or not anyone on the Board of Directors has knowledge of matters that might have a bearing on the auditor's risk assessment for the District's annual audit.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the District are thought by the Board of Directors to be weak
- Known or suspected misstatements in the accounting records
- Known or suspected use of improper accounting practices
- Any awareness of pressure upon the District or management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of the District taken as a whole. If additional time is required to respond to the concerns of the Board of Directors, we will estimate for the District the costs involved.

Please respond within 30 days from the date of this letter if the Board of Directors has any matters to report that meet the above criteria. You may email me at jfoster@davisfarr.com or contact me by phone (949) 783-1744.

Our Responsibilities

As stated in our engagement letter dated June 27, 2023, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with Government Auditing Standards for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the District's Annual Comprehensive Financial Report (ACFR) includes only the information identified in our report. We have no responsibility for determining whether the Introductory Section or Statistical Section is properly stated. We require that we receive the final version of the ACFR in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the entity's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Our audit examination began August 28, 2023. We plan to have the audit complete and finalize the ACFR by December 2023.

Planned Scope of Audit

In addition to our standard audit approach, we have identified significant audit risk areas for the District and plan to modify our audit approach as follows:

- Risk of errors in implementing GASB 96: Subscription Based Information Technology Arrangements: We will review contracts and agreements and evaluate the applicability of the new accounting standard.
- Each year we are required to incorporate an element of unpredictability into our audit approach. This year, we plan to perform data mining over check disbursements using a tool known as Benford's law to identify any anomalies in the data.

This information is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jonathan Foster', with a long horizontal flourish extending to the right.

Jonathan Foster, CPA
Partner