



Board of Directors Regular Meeting  
Tuesday, April 13, 2021 at 1:00 PM  
Valley Sanitary District  
45-500 Van Buren Street, Indio, CA 92201

\*\*\*\*\*SPECIAL NOTICE – VIA VIDEOCONFERENCE\*\*\*\*\*

Pursuant to the Governor’s Executive Order N-25-20 issued on March 4, 2020 and N-29-20 issued on March 18, 2020; the Board of Directors regular meeting will be conducted remotely through Zoom. **Members of the public wanting to participate in the open session of the meeting may do so via the following Zoom registration link:** <https://zoom.us/j/96164334385?pwd=QjN3WEQrWDDlUkYzOGt5eUU5ZTJnQT09> Meeting ID: 961 6433 4385 or by calling 669-900-9128. Members of the public wanting to address the Board, either during public comment or for a specific agenda item, or both, are requested to send an email notification no later than 12:30 p.m. on the day of the meeting to the Valley Sanitary District’s Clerk of the Board at [hgould@valley-sanitary.org](mailto:hgould@valley-sanitary.org).

Page

**1. CALL TO ORDER**

- 1.1. Roll Call
- 1.2. Pledge of Allegiance



**2. PUBLIC COMMENT**

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










**3. 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.*

- 3.1. Approve March 23, 2021 Regular Meeting Minutes 4 - 7  
[3.1 23 Mar 2021 Meeting Minutes.pdf](#) 
- 3.2. Approve Warrants for March 18 to April 7, 2021 8 - 9  
[3.2 Warrants for March 18 to April 7, 2021.pdf](#) 

#### 4. NON-HEARING ITEMS

- 4.1. Discuss Connection Fee Analysis and Provide Direction to Staff for Fiscal Year 2021/22 10 - 15  
[4.1 Discuss Connection Fee Analysis and Provide Direction to Staff.pdf](#)   
[4.1 Attachment A NBS Technical Memo.pdf](#) 
- 4.2. Authorize the General Manager to Amend the Contract with NBS for the Sewer Rate Study for an Additional \$19,720 for a Total Contract Amount Not to Exceed \$68,065 16 - 71  
[4.2 Staff Report NBS Contract Amendment.pdf](#)   
[4.2 Attachment A NBS Rate Study Contract fully executed.pdf](#)   
[4.2 Attachment B VSD Wastewater Rate Study August 2020.pdf](#) 
- 4.3. Annual Renewal of the Business Package Policy and Earthquake Policy for the Fiscal Year 2021/22 in an Amount Not to Exceed \$311,952 72 - 93  
[4.3 Staff Report Comprehensive Insurance Presentation.pdf](#)   
[4.3 Attachment A 2021 Valley Sanitary District Letter.pdf](#)   
[4.3 Attachment B Valley Sanitary District - Renewal Terms 7.1.2021.pdf](#)   
[4.3 Attachment C Valley Sanitary EQ Rnl Quote.pdf](#) 

#### 5. GENERAL MANAGER'S ITEMS

*General Manager's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.*

5.1. Monthly General Manager's Report - February 2021 94 - 105

[5.1 Staff Report GM Report February.pdf](#) 

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

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


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

[5.1 Attachment D Development Services Report March.pdf](#) 

[5.1 Attachment E Capital Improvement Program Update March.pdf](#)  


## 6. COMMITTEE REPORTS

6.1. Budget & Finance Committee - Draft March 30, 2021 Special Meeting Minutes 106 - 107

[6.1 Draft Budget & Finance Meeting Minutes for March 30, 2021.pdf](#)  


6.2. Operations Committee - Draft April 6, 2021 Regular Meeting Minutes 108 - 109

[6.2 Draft Operations Meeting Minutes for April 6, 2021.pdf](#) 

## 7. DIRECTOR'S ITEMS

*Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.*

## 8. INFORMATIONAL ITEMS

## 9. ADJOURNMENT

Pursuant to the Brown Act, items may not be added to this agenda unless the Secretary to the Board has at least 72 hours advance notice prior to the time and date posted on this notice.

# UNOFFICIAL UNTIL APPROVED

## VALLEY SANITARY DISTRICT MINUTES OF REGULAR BOARD MEETING

March 23, 2021

*Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.*

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held via videoconference, on Tuesday, March 23, 2021.

### 1. **CALL TO ORDER**

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

#### 1.1 Roll Call

Directors Present:

Debra Canero, Dennis Coleman, Mike Duran, Scott Sear, William Teague

Staff Present:

Beverli Marshall, General Manager, Holly Gould, Jeanette Juarez, Ian Wilson, Adrian Contreras, Branden Rodriguez, and Robert Hargreaves, Best Best & Krieger

#### 1.2 Pledge of Allegiance

### 2. **PUBLIC COMMENT**

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

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None.

### 3. **CONSENT CALENDAR**

3.1 Approve March 9, 2021, Regular Meeting Minutes

3.2 Approve Warrants for March 4 to March 17, 2021

3.3 Accept Monthly Financial Report for Period Ending February 28, 2021

#### **ACTION TAKEN:**

#### **MOTION:**

Vice President Coleman a motion to approve the consent calendar items as presented. Director Teague seconded the motion. Motion carried unanimously.

**MINUTE ORDER NO. 2021-3088**

# UNOFFICIAL UNTIL APPROVED

## 4. NON-HEARING ITEMS

- 4.1 Authorize the General Manager to Execute a Contract with Harris & Associates for Inspection Services for the Sanitary Sewer Pipe Cleaning and Inspection Project in an Amount Not to Exceed \$64,927

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Adrian Contreras, Assistant Engineer, stated that the goal of the Sanitary Sewer Pipe Cleaning and Inspection project is to clean and televise sewer mains located within the District's boundary that the collections department is unable to televise due to pipe size, siphons and/or high flow level. The data collected will then allow Harris and VSD to prioritize the pipes for repair or replacement. Some work will be conducted at night to take advantage of lower flows. Inspection services are required to make sure the contractor performs the required work per the project specifications. VSD staff will be involved in these efforts but need outside assistance to perform the daily inspection tasks, especially for night work. It is recommended that the District execute a contract with Harris & Associates in an amount not to exceed \$64,927 to provide inspection services for the Sanitary Sewer Pipe Cleaning and Inspection Project and execute Task Order No. 21-01

### **ACTION TAKEN:**

#### **MOTION:**

Secretary Canero made a motion to authorize the General Manager to execute a contract with Harris & Associates in an amount not to exceed \$64,927 to provide inspection services for the Sanitary Sewer Pipe Cleaning and Inspection Project and authorize the General Manager to execute Task Order No. 21-01. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2021-3089**

- 4.2 Discuss and Establish a Fee for Using the District's RV Dump Station

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The District contracted with NBS to perform a cost-of-service analysis and rate study for its wastewater service charges. As part of that analysis, staff asked them to determine what the appropriate fee should be to recover the cost of treating discharge to the RV dump station. Based on this analysis, the cost is approximately \$10 per customer. Based on staff's historical observations, a significant number of users of the District's RV dump station are from outside of the District's service area. After discussion, the Board agreed that residents of the District that already pay the annual sewer use rate should not be assessed a fee for using the District's dump station. Those users that live outside the service area will be charged \$10. The District's legal counsel, Robert Hargreaves, stated that he will look into whether this needs to be done with a public hearing but until then, to move forward with the motion and vote.

### **ACTION TAKEN:**

#### **MOTION:**

President Sear made a motion to establish a fee of \$10.00 for use of its RV dump station for all users who are not residents of the VSD service area. Residents of the District's service area should be allowed to continue to use the RV dump station free of charge. Proof of residence will be required to access the dump station. The effective date of the fee will be May 1, 2021 to allow time for the public to be notified of the new service fee. Director Teague seconded the motion. Motion carried by the following roll call vote:

# UNOFFICIAL UNTIL APPROVED

AYES: Canero, Coleman, Sear, Teague

NOES: Duran

**MINUTE ORDER NO. 2021-3090**

## 4.3 Discuss and Approve the VSD Succession Plan

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Beverli Marshall, General Manager, presented the Succession Plan to the Board. The plan addresses retirements, recruitment, retention issues, and preparations for regulatory changes. Ms. Marshall discussed the key components of the Succession Plan that include risk and needs assessments, managing strategies to risks, developing individual plans for key positions, policies, barriers, and the need to review and update regularly. The has plan identified six (6) key recommendations to address both the succession and staffing needs of the District. Of the six (6) recommendations, staff suggests addressing three (3) of the six items starting in Fiscal Year 2021/22 with an objective to complete all recommendations within five (5) years. After a thorough discussion, it was the consensus for the Board for the plan to be brought back at a later date.

## 4.4 Discuss and Adopt the Brand & Image Use Policy

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Beverli Marshall, General Manager, reported that in April 2020 the Board asked staff to develop a plan to build a brand for the District and to ensure that the public knows it. The first step was to develop a new logo for the District, which was completed and adopted by the Board on March 24, 2020. Staff implemented the new logo and applied it to VSD vehicles, uniforms, hats, business cards, and other District items. The next step in the rebranding process is to ensure that the VSD brand is used appropriately and reflects positively on the District. With that in mind, staff drafted the Brand & Image Use Policy. The purpose of the Policy is to establish and strengthen the VSD brand through a unified message, repetition, and consistency. A discussion took place about adopting a tagline and a mascot. The Board would like Ms. Marshall to reach out to staff to involve them in coming up with a tag line and bring the policy back before the Board in April.

## 5. GENERAL MANAGER'S ITEMS

Beverli Marshall, General Manager, reported that the county has now moved in the red tier with more businesses opening up, including gyms and movie theaters. The state has also deemed wastewater workers as emergency workers, making them eligible to receive the COVID-19 vaccine. The District is back to full staff except for a few employees that fall under the high-risk category. The cubicles have been installed in the operations building and the partitions are installed in the other shared offices. A discussion on returning to in-person Board meetings took place.

## 6. COMMITTEE REPORTS

### 6.1 Operation's Committee – Draft March 16, 2021, Special Meeting Minutes

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Beverli Marshall, Secretary Canero, and Director Teague gave a brief report on the committee meeting.

## 7. DIRECTOR'S ITEMS

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None.

# *UNOFFICIAL UNTIL APPROVED*

## **8. INFORMATIONAL ITEMS**

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None.

## **9. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:29 p.m. The next regular Board meeting will be held on April 13, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District

**DISBURSEMENTS**  
**Approved at the Board Meeting of**  
**April 13, 2021**

9612 Paychex - Live Check	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$2,128.85
9613 Paychex - Live Check	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$5,498.15
39113 SGH Architects Inc	Office & Training Building Billing thru Nov 2020	\$12,517.50
39114 ABS Facility Services, Inc	Labor Costs for Operations Bldg Teardown	\$4,038.00
39115 AIC Coating Services, Inc.	Onsite Mgmt. and Coating Inspection Clarifier #1	\$650.00
39116 Calif. Water Environment Assn.	Mech. Tech 4 & Memb. ren. 06/01/2021-05/31/2022	\$298.00
39116 Calif. Water Environment Assn.	Coll Sys Maint Gr 2 Rnwl 06/01/2021-05/31/2022	\$96.00
39117 Caltest Analytical Laboratory	Monthly Samples for March 2021	\$995.00
39118 Carollo Engineering, Inc	*Sewer Siphon Replacement Prof. Services Feb 2021	\$7,524.75
39119 City of Indio	Annual Encroachment Permit Fee 1/14/2021-1/13/2022	\$1,428.00
39120 Consolidated Electrical Distributors, Inc.	Building Lighting	\$284.38
39121 Daniels Tire Service, Inc.	Truck Tire for 2010 Ford F350	\$255.50
39122 Denali Water Solutions	Biosolids Hauling February 2021	\$7,032.00
39123 Desert Arc	Landscape Maintenance - March 2021	\$800.00
39123 Desert Arc	Landscape Maintenance - February 2021	\$800.00
39124 Desert Hose & Supply	2 Inch Male Camlocks	\$24.46
39124 Desert Hose & Supply	Hose Assembly, Discharge, Fem and Male hoses	\$1,262.03
39124 Desert Hose & Supply	Camlocks and GHM Brass	\$27.71
39124 Desert Hose & Supply	36 Inches Wide Armor Step	\$980.63
39124 Desert Hose & Supply	Swivels, Air Hoses and Couplers	\$227.85
39124 Desert Hose & Supply	Port Ball Valves	\$1,148.53
39125 DRT Transport	(4) 90 Day J Truck Inspections	\$380.00
39125 DRT Transport	Oil Change and 90 day Inspection for KW T440 Truck	\$643.78
39125 DRT Transport	International Vac Maint on 3/11/2021	\$561.21
39126 E.S. Babcock & Sons, Inc.	POTW Lab Test March 2021	\$1,220.00
39126 E.S. Babcock & Sons, Inc.	Biosolids Lab Testing March 12 2021	\$361.00
39127 Environmental Resource Associates	Lab Testing 03/15/2021	\$320.29
39127 Environmental Resource Associates	Dissolved Oxygen and Volatile Solids	\$245.25
39128 Equipment Direct	Lens Cleaning Wipes	\$137.89
39129 Fiesta Ford	Battery Clamp	\$19.14
39129 Fiesta Ford	Ford F550SC 4x2 Utility Truck	\$98,811.97
39130 Fulton Distributing Co.	Dust Mops	\$9.79
39130 Fulton Distributing Co.	Recycle Basket, Wastebaskets	\$180.74
39131 Grainger	Sulfuric Acid	\$429.99
39132 Hach Company	Nitrivier Powder Pillows	\$183.30
39132 Hach Company	Flexi Portable Meter, Batteries, Labor Charges	\$715.77
39133 Harris & Associates	*PADM Coll Sys Infr. Prog. Ph. 2 Feb 2021	\$19,036.00
39133 Harris & Associates	*Indio Blvd Trunk Sewer Rehab Proj February 2021	\$5,888.10
39134 High Tech Mailing Services	Prop 218 Newsletter Mailings 03/25/2021	\$20,477.96
39135 Kaman Industrial Technologies	Radial Ball Bearings	\$33.34
39136 McMaster-Carr Supply Co.	Soft Wool, Stainless Steel, Drilling Screws	\$202.59
39136 McMaster-Carr Supply Co.	Stream Nozzle, Surface Filler, Band Clamps	\$356.49
39136 McMaster-Carr Supply Co.	CPVC Pipe, Screws	\$288.56
39136 McMaster-Carr Supply Co.	Hardened Threaded Rod, Drill Bits, SS Hex Nuts	\$999.88
39137 MCR Technologies, Inc.	Meter Calibration Services from 03/16/2021-03/18/2021	\$4,089.56
39138 Midway Vacuum & Janitorial, LLC	Lemon Clean Gallons	\$156.17
39139 NBS Government Finance Group	Quarterly Admin Fees 4/1/2021-6/30/2021	\$4,361.41
39140 Plumbers Depot Inc.	Loaner Camera Shipment Cost	\$27.82
39141 Praxair Distribution, Inc.	Stargold	\$193.46
39142 Quinn Company	Parts for Telehandler	\$647.38
39142 Quinn Company	Repair on Skid Steer Loader	\$2,863.07
39143 SGH Architects Inc	*Lab Building Development Prof. Services February 2021	\$16,912.50
39144 Southern California Boiler, Inc.	Boiler Maintenance for March 2021	\$1,004.99
39145 Southwest Networks, Inc.	HP Workstation for Development Services	\$1,729.13
39146 Spot Out	VCT Stripping of Floor and Wax	\$2,593.00
39147 Thomas Scientific	Cover Glass	\$95.70
39148 Trittech Software Systems	Remote Training for Lucity	\$225.00
39148 Trittech Software Systems	Remote Training on 03/24/2021	\$525.00
39149 United Way of the Desert	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$25.00
39150 Univar Solutions	Sodium Hypochlorite Delivery 03/11/2021	\$7,323.69
39150 Univar Solutions	Sodium Hypochlorite Delivery 03/19/2021	\$7,251.66
39151 USA Blue Book	Square Bottles	\$161.84
39152 VWR International, Inc.	Tuffblok Blue Tubes	\$71.63
39153 Willdan Financial Services	Professional Services Feb 2021	\$1,122.00
39153 Willdan Financial Services	Assessment Districts Professional Services October 2020	\$1,480.00
39154 Yellow Mart	Safety Boots	\$162.38
39155 Accountemps	Staffing for Week Ending 03/26/2021	\$1,493.70
39155 Accountemps	Staffing for week ending - 03/05/2021	\$1,532.00
39155 Accountemps	Staffing for week ending - 03/12/2021	\$1,493.70
39155 Accountemps	Staffing for week ending - 03/19/2021	\$1,532.00
39156 Air & Hose Source, Inc.	Fuel Filter	\$87.60



39157	Calif. Water Environment Assn.	Membership - 06/01/2021-05/31/2022	\$192.00
39158	Endura Steel, Inc.	SS Pipe	\$765.03
39159	Equipment Direct	Sunscreen	\$239.91
39160	Fisher Scientific	GGA concentrate snips	\$193.40
39161	Grainger	Platform Stepladder	\$232.94
39161	Grainger	Check Valve	\$243.39
39162	Haaker Equipment Company	Y Strain Screen, Gaskets	\$140.29
39163	Hach Company	Nitrate Ionic	\$326.44
39163	Hach Company	Chlorine, Glass Filters	\$770.26
39164	Harrington Industrial Plastics, Inc.	Valve Diaphragm, CPVC Tee and Joints	\$898.72
39165	Kenneth Kepley	Refund Colonial After-Tax Deduction from 02/26/2021 pay date	\$76.62
39166	McMaster-Carr Supply Co.	CPVC Pipe Fittings	\$310.64
39166	McMaster-Carr Supply Co.	SS Valve	\$408.32
39166	McMaster-Carr Supply Co.	CPVC piping	\$56.32
39166	McMaster-Carr Supply Co.	SS Pipe, Thick Wall PVC Pipe, Pull Handles	\$176.87
39167	NSI Solutions Inc.	Qwik Stiks, Rufflex Gloves	\$248.61
39168	Plumbers Depot Inc.	Warthog Overhaul Kit, NTP Tips, Freight & Labor	\$470.29
39169	ReadyRefresh by Nestle	Water Delivery - 02/23/2021-03/22/2021	\$988.70
39170	Southwest Networks, Inc.	Cat5 Cables	\$53.01
39171	Superior Protection Consultants	Security Services - March 2021	\$6,448.00
39172	Tops 'N Barricades Inc.	Road Signs	\$934.22
39172	Tops 'N Barricades Inc.	Vests, Watch Book	\$113.32
39172	Tops 'N Barricades Inc.	Cones and Road Signs	\$1,829.23
39173	Underground Service Alert	Board Fee - April 2021	\$68.64
39173	Underground Service Alert	Dig Alerts - April 2021	\$184.90
39174	United Way of the Desert	PR 11/27/2020 - 12/10/2020 PD 12/18/2020 (repl for ck#38870)	\$25.00
39174	United Way of the Desert	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$25.00
39175	Univar Solutions	Sodium Hypochlorite - 03/30/2021	\$7,182.62
39175	Univar Solutions	Sodium Bisulfite - 03/25/2021	\$5,582.08
39175	Univar Solutions	Ferric Chloride - 03/24/2021	\$7,485.48
39176	YSI Inc	Rebuild of Ras Pump #4	\$16,891.71
202103251	CalPERS Retirement	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$20,321.81
202103252	CalPERS 457	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$1,025.00
202103253	Cintas Corp	Uniforms, Mats, Towels for Week of 03/04/2021	\$623.83
202103253	Cintas Corp	Uniforms, Mats, Towels for Week of 03/11/2021	\$624.56
202103253	Cintas Corp	Uniforms, Mats, Towels for Week of 03/18/2021	\$615.48
202103253	Cintas Corp	Uniforms, Mats, Towels for Week of 03/25/2021	\$644.97
202103255	UPS	Shipping Charges as of March 13 2021	\$29.53
202103255	UPS	Shipping Charges as of March 20 2021	\$150.14
202103257	Cintas Corp	First Aid Replenishment 03052021	\$149.52
202103261	Paychex - Direct Deposit	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$76,795.10
202103262	Paychex - Fee	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$169.28
202103263	Paychex - Garnishment	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$210.46
202103264	Paychex - Tax	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$37,047.24
202103265	Vantage Point Transfer Agents - ICMA	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$1,545.00
202103266	MassMutual	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$10.00
202103267	Nationwide Retirement Solution	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$1,535.00
202103269	Colonial Life	PR 02/19/2021 - 03/04/2021 PD 03/12/2021	\$751.37
202103269	Colonial Life	PR 03/05/2021 - 03/18/2021 PD 03/26/2021	\$751.37
202103291	CalPERS Health	Health Insurance - April 2021	\$31,226.25
202103293	Standard Insurance Company	Dental and Vision Insurance - April 2021	\$3,451.00
202103311	Indio Water Authority	Hydrant Water for February 2021	\$485.42
202103312	Domino Solar LTD	Electricity for March 2021	\$8,794.11
202104011	Standard Insurance Company	Life and Disability Insurance for April 2021	\$1,332.83
202104051	Imperial Irrigation District	Electricity for February 2021	\$35,282.91
202104091	Paychex - Direct Deposit	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$76,180.62
202104092	Paychex - Fee	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$223.16
202104093	Paychex - Garnishment	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$210.46
202104094	Paychex - Tax	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$39,837.68
202104095	MassMutual	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$10.00
202104096	Nationwide Retirement Solution	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$1,535.00
202104097	Vantage Point Transfer Agents - ICMA	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$1,570.00
202104098	CalPERS Retirement	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$19,611.09
202104099	CalPERS 457	PR 03/19/2021 - 04/01/2021 PD 04/09/2021	\$1,025.00
202104121	Indio Water Authority	Water for February 2021	\$914.10
202104131	Time Warner Cable	Telephone Service for April 2021	\$1,154.59
202603251	Pitney Bowes, Inc.	Postage Machine Rental April-June 2021	\$127.24
			\$678,214.85



**Valley Sanitary District  
Board of Directors Meeting  
April 13, 2021**

TO: Board of Directors  
THROUGH: Beverli A. Marshall, General Manager  
FROM: Jeanette Juarez, Business Services Manager  
SUBJECT: **Discuss Connection Fee Analysis and Provide Direction to Staff for Fiscal Year 2021/22**

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

**Executive Summary**

The purpose of this report is for the Board of Directors to review the analysis of the district’s sewer capacity fees completed by NBS and give staff direction for the Fiscal Year 2021/22 fee schedule.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 5.1: Align long-term financial planning with strategic priorities.

**Fiscal Impact**

The estimated revenue from the proposed rate increase is \$252,110 for Fiscal Year 2021/22.

**Background**

The District contracted with NBS to perform a cost-of-service analysis and rate study for its wastewater service charges. NBS examined the sewer capacity fee analysis prepared in May of 2019, which is the basis of the current sewer capacity fee of \$4,400 per equivalent dwelling unit (EDU). The current calculation is as follows:

**Sewer Capacity Fee per EDU = Flow + Chemical Oxygen Demand (COD) + Total Suspended Solids (TSS)**

**Flow** = \$16.15/gpd X average gallons per day (gpd) of flow

**COD** = \$267.18/ lbs./day x average lbs./day of COD

**TSS** = \$645.68/lbs./day X average lbs./day of TSS

NBS determined that there is a problem with the current calculation in that it understates the average gpd of flow, the lbs./day of COD, and the lbs./day of TSS. NBS's current update of the District's sewer rates confirmed that the most recent average residential winter water use is 306 gpd, which is 33% higher than the 230 gpd used in the May 2019 analysis for the current rate. Also, the lbs./day of COD and TSS are also proportionally higher at 306 gpd vs. 230 gpd.

Adjusting the formula to the correct average values of gpd of flow, the lbs./day of COD, and lbs./day of TSS results in a Connection Capacity Charge of \$5,833 per EDU.

### **Recommendation**

Staff recommends that the Board of Directors authorize staff to add the proposed connection capacity charge to the Fiscal Year 2021/22 fee schedule and set a public hearing date for 05/25/21.

### **Attachments**

Attachment A: NBS Technical Memo: Sewer Capacity Fees



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516 (P) 951.296.1997  
(F) 951.296.1998

[nbsgov.com](http://nbsgov.com)

## TECHNICAL MEMORANDUM

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**TO: BEVERLI MARSHALL, GENERAL MANAGER  
JEANETTE JUAREZ, BUSINESS SERVICE MANGER  
VALLEY SANITARY DISTRICT**

**FROM: GREG CLUMPNER, DIRECTOR, NBS  
ALICE BOU, CONSULTANT, NBS**

**RE: ANALYSIS OF THE DISTRICT'S SEWER CAPACITY FEES**

**DATE: APRIL 7, 2021**

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### BACKGROUND AND PURPOSE

While updating the sewer rates, Valley Sanitary District (“District”) asked NBS to also review the District’s recent sewer capacity fee analysis prepare in May of 2019.<sup>1</sup> This analysis is the basis for the District’s current sewer capacity fee of \$4,400 per equivalent dwelling unit (EDU) and the unit costs for flow, Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) used to calculate capacity fees for customers with non-standard effluent flows and/or strengths.

The purpose of this technical memorandum is to provide a brief review of the methodology used in the 2019 analysis. In summary, we believe the capacity fee calculations result in lower than the maximum fees allowed; several improvements could be made the next time the District updates these fees.

### METHODOLOGY

The 2019 analysis relies on a methodology that develops unit costs for the sewer system’s primary cost factors (that is flow, COD<sup>2</sup> and TSS) and then applies them to the typical residential customer, or EDU. This methodology is appropriate, although there are other methodologies more commonly used. For example, a “Buy-in/Incremental” methodology estimates the value of both existing assets, on a replacement-cost-less-depreciation basis, and planned future capital projects, and then divides this total value by the remaining system capacity (in EDUs). The 2019 analysis only considers the value of the existing sewer system.

The following sections outline our concerns regarding the 2019 analysis and discuss recommendations for the District to consider in its next sewer capacity fee update. Only the sections for which we have comments are addressed below.

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<sup>1</sup> Final Evaluation of Sewer Capacity Charges, Prepared for Valley Sanitary District, Municipal Financial Services, May 2019.

<sup>2</sup> Biochemical Oxygen Demand (BOD) is typically used, depending on what the treatment plant typically measures (i.e., COD or BOD).

## A. Sewer System Valuation (Section 2.1 of the Report)

The 2019 analysis estimates the value of the sewer system based on the following five components:

1. Existing Fixed Assets
2. *Less* Contributed Assets
3. *Less* Contributed Capital
4. *Less* Debt Principal Outstanding
5. *Less* Working Capital

We have concerns about the first three of these components:

- **Existing System Asset Value** – Based on the data presented in Appendix Table A-1, the \$227 million in pipe costs included in the existing system value appears to be the full replacement cost in 2019-year dollars, not accounting for depreciation. Typical industry standards are to use a replacement-cost-less-depreciation value rather than full replacement (i.e., new) value, because new customers should not be asked to buy-in to assets at full replacement cost when many of those assets have less than their full expected life remaining. As a result, new customers would be paying for both the full replacement cost of the existing assets in their capacity fee and, at some point in the future, the full cost of replacing those assets.
  - **NBS recommends using a replacement-cost-less-depreciation approach.**
- **Developer Contributed “Assets” and “Capital”** – The general idea behind deducting developer-contributed assets and capital is that neither the District, nor its “first-in customers<sup>3</sup>”, incurred any costs for these assets (i.e., they were *contributed*) and, therefore, there is nothing for new customers to “buy-into”. Although we agree with this concept, we still have the following concerns:
  1. *Developer contributed assets* deducted from the value of the existing system assets assume that 20% of the gross value of pipe is developer-contributed<sup>4</sup>. This assumption can have a significant impact on the sewer capacity fee calculation. Because of this, the basis for the developer contributions should be better documented and/or there should be a more thorough rationale for the assumption provided.
    - **NBS recommends a closer examination of developer contributions.**
  2. *Developer contributed capital* are a concern because it is unclear why contributed capital in the form of sewer capacity fee revenue previously paid by developers should be deducted while capacity fee revenue paid by non-developers is not:
    - We see no difference between capacity fees paid by developers vs. non-developers.
    - The value of developer-contributed capital (i.e., capacity fee revenues) was calculated by taking revenues as far back as 1978 and inflating them to present-year dollars. In our opinion, this does not accurately represent an actual value that should be considered in these calculations.

We also believe it is more reasonable to assume that most of the developer-contributed capacity fee revenue would likely have been spent by paying for system assets between 1978 to 2019, and thereby already incorporated into the collection and/or treatment system assets.

Additionally, we did not find any indication that the inflated dollars collected between 1978 and 2019 represent an actual financial asset. That is, if the District had \$68 million in funds, as shown in Appendix Table A-2, those funds could be referenced instead.<sup>5</sup>

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<sup>3</sup> That is, customer already connected to the sewer system when newer customers connect.

<sup>4</sup> See footnote 3 in Table 2-1.

<sup>5</sup> However, we do not believe deducting these funds is required under Government Code 66000 standards.

- ***NBS does not see the rationale for deducting developer-contributed sewer capacity fee revenues, or for that matter any capacity fee revenues, and would recommend they not be deducted.***

**B. Sewer System Capacity and Unit Costs<sup>6</sup> (Section 2.2-2.4 of the Report)**

The questions about deducting developer-contributed capacity fee revenue and how the \$227 million of existing pipe value was calculated would affect the unit costs presented in Table 2-4 of Section 2.4. In other words, the unit costs and the recommended sewer capacity fees could be significantly different if the existing system asset value and/or the developer-contributed capacity fee revenue were treated differently.

- ***NBS recommends reexamining the calculation of unit costs after further review of the value of existing system assets and developer-contributed assets and capital.***

**C. Single Family EDUs and Recommended Sewer Capacity Fees (Section 2.5-2.6 of the Report)**

Sewer capacity fees for a typical single-family home (i.e., an EDU) are calculated by multiplying the unit costs for flow, COD and TSS (as shown in Table 2-4), by the average single-family flow in gallons/day (gpd), lbs./day of COD, and lbs./day of TSS (as shown in Table 2-5):

**Flow:** \$16.15/gpd x 230 gpd of flow = **\$3,713**

**COD:** \$267.18/lbs./day x 1.25 lbs./day of COD = **\$333**

**TSS:** \$645.68/lbs./day x 0.58 lbs./day of TSS = **\$372**

**Total Sewer Capacity Fee per EDU = \$4,418 (rounded to \$4,400)**

NBS believes the most significant problem in this calculation is the adjustment made to the typical flow per EDU to reduce it from 300 gpd to 230 gpd. The reason given is that “conservation” would result in this reduction, although no further analysis is provided. This typical flow average is usually estimated based on the average residential winter water use, which is a proxy for typical effluent flow. NBS’ current update of the District’s sewer rates confirmed that the most recent average residential winter water use is 306 gpd, which is 33% higher than the 230 gpd used in this analysis. In other words, if just the average 306 gallons/day was used in the capacity calculation instead of the 230 gpd, the FY 2019/20 sewer capacity fee of \$4,418/EDU would increase by 33% to \$5,883/EDU:

**Flow:** \$16.15/gpd x 306 gpd of flow = **\$4,942**

**COD:** \$267.18/lbs./day x 1.66 lbs./day of COD = **\$444**

**TSS:** \$645.68/lbs./day x 0.77 lbs./day of TSS = **\$497**

**Total Sewer Capacity Fee per EDU = \$5,883**

*Note: Pounds of COD and TSS are also proportionally higher at 306 gpd vs. 230 gpd*

- ***NBS recommends using typical flow/EDU of 306 gpd rather than 230 gpd, as the 306 gpd is well documented in the updated sewer rates the District is now considering adopting.***

**CONCLUSIONS**

In addition to the NBS recommendations noted above, we believe the District should consider a capacity fee calculation methodology that includes the value of planned system improvements as well as the value of planned future system assets to the extent that they are constructed for the purpose of providing additional capacity to future customers. This calculation is commonly referred to as the “Buy-in/Incremental” methodology.

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<sup>6</sup> NBS did not validate the data used in this section but, for the purposes of this review, we assume they are accurate.

## **NBS' PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS**

In preparing this technical memorandum and the opinions and recommendations included herein, NBS has relied on the information presented in the District's 2019 *Evaluation of Sewer Capacity Charges*. While this information was provided by sources that we believe to be reliable, NBS has not independently verified this data. While we have relied on industry standard methodologies in this review, we do not in any manner consider this technical memorandum to be a legal opinion; NBS are not attorneys.

Also, while we believe NBS' use of such information and assumptions is reasonable for the purpose of this technical memorandum and its recommendations, some assumptions and/or data may not be accurate and may in fact be significantly different. Therefore, the actual results would vary from those presented herein to the extent that actual assumptions and/or data differ from those assumed by us or provided to us by others.



**Valley Sanitary District  
Board of Directors Meeting  
April 13, 2021**

**TO:** Board of Directors

**FROM:** Beverli A. Marshall, General Manager

**SUBJECT: Authorize the General Manager to Amend the Contract with NBS for the Sewer Rate Study for an Additional \$19,720 and a Total Contract Amount Not to Exceed \$68,065**

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

**Executive Summary**

The purpose of this report is for the Board to discuss a contract amendment for the sewer rate study.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 5.3: Update rate structure to ensure it is up-to-date and fair to all classes of customers.

**Fiscal Impact**

The total fiscal impact of this contract, including the requested amendment, is \$68,065. There are sufficient funds in the remaining Comprehensive Budget for Fiscal Year 2021/22 to cover the additional \$19,720.

**Background**

The Board identified the need for a comprehensive sewer rate study to include the Recycled Water Project to be completed within the next five years as well as other critical infrastructure projects. Staff published a request for proposals on July 1, 2020, and NBS was selected as the consultant to perform the study. The original cost for the study was set at \$48,345.

As part of the study, NBS needed access to the water consumption data from IWA to determine flow-based needs. During the process, it was identified that there were variances between the meter information provided by IWA and the APN data provided by the County. While VSD staff contributed many hours to reconciling these variances, NBS staff had to perform unexpected and significant data analysis to verify the water consumption and the estimated EDUs that would be used as the basis for sewer charges. The original study budget did not envision this level of effort in that task.



To avoid a delay in completing the sewer rate study, and with the transition of primary consultants, the additional labor hours were not calculated and submitted prior to the work's completion. Since NBS did not request prior approval for this cost overrun, they have submitted an amended Scope and Cost of Services (See Table 1 below) for the Board's consideration. The notable changes to the scope and cost are:

1. Documentation of the study budget and the NBS labor charges to date. Task 10 (Prop 218 notice) and additional meeting costs have been excluded.
2. A summary of labor costs billed to date and those that have yet to be billed showing a total overrun of \$33,232 as of March 31.
3. A summary of additional labor charges for Task 3 and 4 and those included in the request for \$19,720 is included and assumes that NBS will write-off \$13,512.50 plus whatever additional charges are accrued from March 31 to the end of the study.

#### Amended Scope and Cost of Services

Summary of Agreement and Invoiced Labor Charges to Date (as of March 31, 2021)				
Wastewater Rate Study Tasks	Proposal/Agreement		Invoiced to Date	
	Consultant Labor (hrs.)	Consultant Costs (\$)	Hours	\$
Task 1 - Kick-off Meeting & Data Collection	24	\$4,170	24	\$4,170
Task 2 - Financial Plan	48	\$8,400	48	\$8,400
Task 3 - Analyze Customer Data	34	\$5,920	34	\$5,920
Task 4 - Cost of Service Analysis	33	\$5,925	33	\$5,925
Task 5 - Rate Design Analysis	34	\$6,040	34	\$6,040
Task 6 - Review Capacity Charges	16	\$3,140	0	\$0
Task 7 - Regional Rate Comparison	7	\$1,140	7	\$1,140
Task 8 - Prepare Study Report	22	\$3,990	22	\$3,990
Task 9 - Meetings and Presentations				
9.1 - Meetings with District Staff	16	\$2,920	16	\$2,920
9.2 - Public Presentations (two)	18	\$3,450	18	\$3,450
Task 10 - Prepare Proposition 218 Notice	18	\$3,250	<i>(excluded)</i>	
Task 11 - Provide Electronic Rate Model	0	\$0	0	\$0
<i>Additional Billed (to Contract total)</i>				<i>\$6,390</i>
<b>Total</b>	<b>270</b>	<b>\$48,345</b>	<b>236</b>	<b>\$48,345</b>
Labor Costs Per Visit/Presentation	3	\$630	<i>(excluded)</i>	
Travel Expenses (not to exceed)	na	\$100	<i>(excluded)</i>	

Summary of Hours and Labor Charges to Date (as of March 31, 2021)				
NBS Staff	Billed-to-Date		Yet-to-be-Billed	
	Hours	\$	Hours	\$
Alice Bou	198.6	\$33,755.00	156.00	\$26,520.00
Greg Clumpner	14.0	\$3,500.00	9.00	\$2,250.00
Kim Boehler	48.5	\$10,920.00	17.00	\$3,825.00
Jordan Taylor/Jeremy Jung	0.00	\$0.00	3.75	\$637.50
<b>Total</b>	<b>261.1</b>	<b>\$48,175.00</b>	<b>182.0</b>	<b>\$33,232.50</b>

Additional Labor Charges to Date (as of March 31, 2021)						
Wastewater Rate Study Tasks	Additional Hours & Charges to Date					
	Alice Bou	Jordan T./ Jeremy J.	Kim Boehler	Greg Clumpner	Total Hours	\$
Task 3 - Analyze Customer Data	136	3.75	17	3	156	\$28,332.50
Task 4 - Cost of Service Analysis	20	0	0	6	26	\$4,900.00
<b>Total</b>	<b>156</b>	<b>3.75</b>	<b>17</b>	<b>9</b>	<b>182</b>	<b>\$33,232.50</b>
<b>NBS Proposed Amendment to Study Budget</b>	<b>116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116</b>	<b>\$19,720.00</b>
<i>NBS Proposed Write-off to Study Budget</i>	<i>40</i>	<i>3.75</i>	<i>17</i>	<i>9</i>	<i>66</i>	<i>\$13,512.50</i>

Staff believes that this is a fair and equitable resolution to this situation.

### Recommendation

Staff recommends that the Board of Directors authorize the General Manager to amend the contract with NBS for the sewer rate study for an additional \$19,720 and a total contract amount not to exceed \$68,065.

### Attachments

- Attachment A: Contract with NBS for Sewer Study
- Attachment B: Scope and Cost of Services

**VALLEY SANITARY DISTRICT  
PROFESSIONAL SERVICES AGREEMENT  
For  
Sewer Rate Study**

This Agreement is made and entered into as of September 10 2020 by and between the Valley Sanitary District, a California Special District ("District"), and NBS, a corporation, with its principal place of business at 32605 Temecula Parkway, Suite 100, Temecula, CA 92592 ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

**RECITALS**

- A. District is a public agency of the State of California and needs professional services for the following project: Sewer Rate Study (referred to as "the Project").
- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

**AGREEMENT**

The Parties agree as follows:

- 1. Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional consulting services necessary for the Project. Consultant shall provide the District with the services described in the scope of services attached hereto as Exhibit "A" and by this reference incorporated herein.
- 2. Compensation.
  - a. The District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A" attached hereto and by this reference incorporated herein. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of forty-nine thousand seventy-five dollars (\$49,075). This amount does not cover all printing and related costs, and the District will pay any additional fees for printing expenses.
  - b. Periodic payments shall be made within thirty (30) days of receipt of an undisputed invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis. The District may withhold a portion of an application for payment because of defective work not remedied or unsatisfactory prosecution of the work by the Consultant. The District will release any withheld funds upon Consultant satisfactorily remedying the issue that

resulted in the withholding. The District will not pay late fees to the Consultant on the compensation due Consultant under the terms of this Agreement.

c. Payment shall not constitute acceptance of any work completed by Consultant. The making of final payment shall not constitute a waiver of any claims by the District for any reason whatsoever.

3. Additional Work. If changes in the work seem merited by Consultant or District, and informal consultations with the other Party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the District and executed by the Parties before performance of such services, or the District will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Term of Agreement.

a. The term of this Agreement shall be from the date indicated above to June 30, 2021, unless earlier terminated as provided herein. Consultant shall complete the services within the term of this Agreement and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary, to complete the services.

b. Consultant shall complete the services within the term of this Agreement and in accordance with the schedule set forth in Exhibit "A" attached hereto and by this reference incorporated herein.

c. Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the District to proceed.

5. Delays in Performance.

a. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

6. Consultant's Books and Records.

a. Consultant shall keep and shall preserve for four (4) years after final completion of the project, accurate and detailed records of all ledgers, books of

account, invoices, vouchers, cancelled checks, and other documents or records evidencing or relating to the work, services and disbursements charged to the District under this Agreement (collectively, "Books and Records"). Any and all Books and Records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. During such four (4) year period, Consultant shall give the District and its agents, during normal business hours, access to such Books and Records. The District and its agents shall have the right to make copies of any of the said Books and Records.

b. Where the District has reason to believe that any of the Books and Records required to be maintained by this section may be lost or discarded due to dissolution or termination of Consultant's business, the District may, by written request, require that custody of such Books and Records be given to a person or entity mutually agreed upon and such Books and Records thereafter shall be maintained by such person or entity at Consultant's expense. Access to the Books and Records shall be granted to the District and its representatives.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the District, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

8. Permits, Licenses, Fees and Other Charges. Consultant shall, in accordance with applicable laws and ordinances, obtain at its expense all permits and licenses necessary to accomplish the services. Failure to maintain a required license or permit may result in immediate termination of this Agreement.

9. Qualifications. Consultant represents and warrants to the District that it has the qualifications, experience, licenses, and facilities necessary to properly perform the services in a competent and professional manner.

10. Standard of Care. Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

11. Assignment and Subconsultant. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained

herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

12. Independent Contractor. Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant shall become an employee of District. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from District as herein provided.

13. Insurance. Consultant shall not commence work for the District until it has provided evidence satisfactory to the District it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give District, its officers, employees, agents and District designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the District, and provided that such deductibles shall not apply to the District as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give District, its officers, employees, agents and District designated volunteers additional insured status.

(iv) Subject to written approval by the District, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the District as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the

Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Coverage	Combined Single Limit
Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.



(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide waiver of subrogation in favor of the District, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District and, shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the District, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

(iii) The District may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the District nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

14. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel approved by agency), indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Consultant or the District, its officials, officers, employees, agents or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

15. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations Title 8, Section 16000, et seq. ("Prevailing Wage Laws), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable.

c. The Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the District. Consultant shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

16. Verification of Employment Eligibility. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

17. Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California, and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

18. Termination

a. The District may terminate the Agreement, in whole or in part, with or without cause, upon ten (10) days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event the District renders such written notice to Consultant, Consultant shall be entitled to compensation for all services properly rendered prior to the effective date of the notice and all further services set forth in the notice. The District shall be entitled to reimbursement for any compensation paid in excess of services rendered and shall be entitled to withhold compensation for defective work or other damages caused by Consultant's services. Consultant acknowledges the District's right to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might arise from the District's termination of this Agreement. Consultant shall deliver to the District and transfer title (if necessary) to all completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and, shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to District only in the event of substantial failure by District to perform in accordance with the terms of this Agreement through no fault of Consultant.

19. Documents. All original papers, maps, models, designs, studies, surveys, reports, data, notes, computer files, documents, drawings and other work product (collectively "Work Product") produced by Consultant pursuant to this Agreement, except documents which are required to be filed with public agencies, shall be deemed solely the property of the District. Consultant will take such steps as are necessary to perfect or protect the ownership interest of the District in such Work Product. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to the District all such original Work Product in Consultant's possession or control.

20. Confidential Information. All information gained or Work Product produced by Consultant in the performance of this Agreement will be considered confidential, unless such information is in the public domain. Consultant shall not release or disclose any such information or Work Product to persons or entities other than the District without the prior written consent of the District, except as otherwise required by law. Consultant shall promptly notify the District should Consultant or its representatives be served summons, complaint, subpoena, notice of deposition, request for documents,

interrogatories, requests for admissions or other discovery request or court order from any third party regarding this Agreement and the services performed under this Agreement.

21. Organization. Consultant shall assign \_\_\_\_\_ as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District.

22. Limitation of Agreement. This Agreement is limited to and includes only the work included in the Project described above.

23. Notice. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:  
Valley Sanitary District  
45500 Van Buren Street  
Indio, CA 92201  
Attn: General Manager

CONSULTANT:  
NBS  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Attn: President

and shall be effective upon receipt thereof.

24. Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

25. Cooperation. Consultant shall cooperate in the performance of work with the District and all other agents.

26. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination.

27. Entire Agreement. This Agreement, with its exhibits, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which is not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

28. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

29. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement.

30. Non-Waiver. None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

31. Time of Essence. Time is of the essence for each and every provision of this Agreement.

32. District's Right to Employ Other Consultants. District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

33. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

34. Counterparts. This Agreement may be signed and delivered in any number of counterparts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

35. Authority to Execute. Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.

36. Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification obligations, shall survive any such expiration or termination.

**[SIGNATURES ON FOLLOWING PAGE]**


**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE VALLEY SANITARY DISTRICT AND NBS**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**VALLEY SANITARY DISTRICT**

**NBS**

By:   
Beverli A. Marshall  
General Manager

By:   
Its: President  
Printed Name: Michael Rentner







# VALLEY SANITARY DISTRICT

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## Response to RFP - Wastewater Rate Study Proposal

August 3, 2020

Prepared by:



[nbsgov.com](http://nbsgov.com)



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516

[nbsgov.com](http://nbsgov.com)

August 3, 2020

Ron Buchwald  
Engineering Services Manager  
Valley Sanitary District  
45-500 Van Buren Street  
Indio, CA 92201

**RE: Proposal for Wastewater Rate Study**

Dear Mr. Buchwald,

Thank you for providing us with the opportunity to submit this proposal regarding the Wastewater Rate Study for Valley Sanitary District (District). We understand that the District needs a comprehensive review and update of the Wastewater Rates and a review of its Capacity Charges. We are excited about the possibility of working with you and your team, and see the following objectives as key to the success of the study:

- **Sustainable Financial Plan** – NBS will develop a long-range financial plan that thoroughly evaluates the financial needs of the District to ensure sufficient funding in the long-run to meet its operations, maintenance and capital rehabilitation and improvement needs.
- **Develop Alternative Rate Structures** – NBS will develop rate structure alternatives for the District’s consideration that include a volumetric component based on estimated volume and strength of wastewater discharged by each customer class to improve the proportionality of the District’s sewer rates.
- **Proposition 218 Support** – NBS will provide support throughout the process to ensure rate alternatives and recommendations developed in the study comply with Proposition 218 requirements. Our ultimate goal is to ensure that the study recommendations are legally defensible, comply with industry standards, founded on reasonable assumptions, and designed to meet the broader objectives of the District and its ratepayers. In addition, we will support the District in public meetings and prepare the appropriate notice to support the new rate adoption process.

As requested in the RFP, NBS agrees to be bound by this proposal for a period of 90 days commencing on August 3, 2020. Please contact me at 800.676.7516 or via email at [kboehler@nbsgov.com](mailto:kboehler@nbsgov.com) if you have any questions or concerns. We would genuinely like to work on this project and help the District move forward successfully.

Sincerely,

Kim Boehler  
Director

Michael Rentner  
President

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# 1 | APPROACH / METHODOLOGY

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## Project Approach

Valley Sanitary District requires a comprehensive review and update of its wastewater rates. Currently, the District maintains a flat, Equivalent Dwelling Unit (EDU) based rate structure which has not undergone a thorough review or update of the proportionality of rates or the EDU assignments for each user classification in recent years. In addition, the District must devise a plan to address the unfunded, deferred maintenance of infrastructure and determine how to best fund capital improvements. Meeting these challenges requires an experienced consultant with a proven record of success on similar studies. The following are key components that will be critical for the success of this study:

- **Developing an Infrastructure Funding Plan** – The first important task in this study will be developing a long-term financial plan for the District. This includes a financial plan that will fully fund operations, maintenance and capital improvement needs. As needed, NBS will prepare various funding alternatives that will reflect the capital project costs identified in the District’s asset management and capital improvement plans. The goal of this analysis will be to develop a plan of gradual rate increases that will maintain necessary funding levels for the next five years and beyond.
- **Ensuring Equity in Wastewater Rates** - We understand the District would like to evaluate rate structures with a volumetric component based on estimated volume and strength of wastewater discharged by each customer class in order to provide greater equity than the current rate structure. Therefore, we will work with the District to develop alternative rate structures that will improve equity in the rates between the various customer classes and within each class. NBS will conduct a thorough analysis of the user classifications, EDU assignments, and historical usage data to determine the cost of providing service, which will serve as the basis for the rate design analysis.
- **Successfully Communicating Results** – NBS will work cooperatively with District staff and the Board of Directors to help facilitate the ultimate acceptance of study recommendations. We will thoroughly explain any recommended changes to wastewater rates, the reasons for these adjustments, and the customer bill impacts. We plan to present the outcomes and recommendations of the study in public meetings/workshops to support the new rate adoption process.
- **Defensibility and Meeting Proposition 218 Requirements** – The rate setting “landscape” has changed substantially in recent years. Understanding the implications of these changes—particularly the need for rates to reflect the proportionate cost of service for each customer class—will be another important aspect of this study.
- **Quality Project Delivery** – Our team not only offers our personal commitment to the successful completion of this study, but can also provide client references that back up this commitment. We believe having a consultant with sound judgment and trustworthy quality control is essential for the success of any rate study. NBS has a proven track record of tailoring each rate study to the agency’s needs rather than using a boiler-plate approach.

NBS’ experience and understanding of the Proposition 218 process spans many years and many utilities, including water, wastewater, storm water, and solid waste. NBS has specialized in developing funding mechanisms for municipalities for the last 20-years and has successfully completed more than a dozen

Proposition 218 utility rate proceedings in the last six months. Our proposal provides NBS’ demonstrated ability to present flexible options to help the District achieve its financial goals. We welcome any further discussion of our ideas and approach to this important project.

**Please note, NBS’ corporate office and staff assigned to this project are within 75 miles of the District’s office.** While we have the tools to accomplish all aspects of the project’s work plan remotely from NBS offices, we will remain flexible throughout the project to provide meetings and presentations either on-site or remotely based on the District’s preference. We utilize video conferencing, email, and telephone to coordinate project and review deliverables in an effective manner.

## Scope of Services

NBS maintains established industry standards in rate and fee setting by utilizing the cost-of-service principles embodied in the Water Environment Federation Financing and Charges for Wastewater Systems (Manual of Practice No. 27) and the American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges<sup>1</sup>, also referred to as Manual M1. NBS will address the Proposition 218 requirement that rates not exceed the proportionate cost of providing the service. We will provide guidance and advice throughout the rate study to ensure rate alternatives developed in this study comply with Proposition 218. The figure below shows our process we use to develop wastewater rates.



NBS will work cooperatively with District staff, management, and stakeholders to develop a financial plan and rate recommendations that are well suited to the District’s needs. Based on this input, we expect to make adjustments that yield practical and implementable rates. NBS will provide the leadership necessary to guide the District through the various issues and will explain the key concerns and the strengths and weaknesses of the various options. The following sections explain our detailed approach to this project.

### TASK 1. KICKOFF MEETING AND DATA COLLECTION

NBS will hold an on-site kick-off meeting with District staff at the beginning of the study to review and discuss the general data requirements and the data available from the District’s billing/accounting system. At this time, we will also review the study objectives, tasks, and schedule, as well as a preliminary plan for public presentations. The data required to conduct the study includes information, such as:

- Financial data typically reported in financial statements.

<sup>1</sup> *Principles of Water Rates, Fees, and Charges, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.*

- Asset records, including a depreciation schedule for assets.
- Capital Improvement and/or Master Plans.
- Customer billing information (e.g., water meter sizes, customer class, property type, and monthly water consumption for each customer).
- Water consumption data that includes monthly water consumption for all customers in the District.

## TASK 2. FINANCIAL PLAN

NBS will prepare a financial plan for the District that details revenue, expenditures, reserves, debt coverage ratios, capital improvement costs, repair and replacement costs, and net revenue requirements. Task deliverables will include:

- A 20-year financial projection model that will serve as a financial “roadmap” for the District.
- Summary of current and projected net revenue requirements.
- Updated reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service, and capital projects.
- Projected year-end reserve fund levels.
- Calculated debt service coverage ratios.

This financial plan will lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following subtasks are anticipated:

1. **Projected Revenues and Expenditures** – NBS will prepare a 20-year rate model that projects revenues, expenses, and increases in rate revenue needed to meet all obligations. The analysis will use a cash-basis approach when addressing the District’s system of accounts. The work will provide the District with a financial tool that is able to model rate adjustments, varying operating and maintenance costs, infrastructure improvements, debt issuance, asset replacement, and appropriate reserve fund levels. The District’s projected customer growth rates from master plan documents and planned cost inflation factors will be incorporated into the analysis.
2. **Evaluate Reserve Fund Sufficiency** – NBS will evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues, such as meeting debt service coverage ratios and other rate covenants. We will consider costs for operations, maintenance, capital, and equipment rehabilitation/replacement while balancing the need for rate stabilization. NBS will provide recommendations for reserve fund targets that are tailored to the District’s specific needs. If it is determined a deficit in reserve levels exists, we will consider a phased approach to funding reserves to minimize the impact to ratepayers.
3. **Review Capital Improvement Program Funding** – NBS will incorporate the District’s plans for new facilities, infrastructure improvements, and asset replacement into the financial plan. We will evaluate the timing, costs, and available reserves needed to fund all projects. NBS will collaborate with District staff to refine a well-conceived approach to funding these capital needs. The solution will include an appropriate balance between rate and capacity charge funded projects and, if necessary, the use of outside financing. NBS will develop up to three scenarios to fund the capital improvement program for modeling and comparison purposes.

### TASK 3. ANALYZE CUSTOMER DATA

NBS will analyze the District’s customer data and monthly water consumption data<sup>2</sup> for non-residential customers in order to develop estimated sewer flows contributed by these customers to the District’s wastewater system. This task will require the District to obtain water consumption data from the water providers in its service area. NBS will take the lead in matching the water provider account data to its parcels so that we can develop the sewer flow estimates for non-residential customers that can be used in developing volumetric sewer rate alternatives. An overall class average will be used to develop estimated sewer flows for residential customers.

### TASK 4. COST OF SERVICE ANALYSIS

The revenue requirements will be equitably allocated to individual customer classes based on industry standard methodologies. NBS will review the District’s existing customer classifications and analyze the historical usage characteristics to determine if any changes should be made in order to provide more equity among user classes or comply with industry standards. The main components of the cost-of-service analysis are as follows:

**Classification of Expenses** – NBS will rely on the District’s budget to classify all expenses into their various cost components, such as flow (volume), strength (BOD or COD and TSS), and/or customer related costs.

**Development of Customer Usage Statistics** – NBS will develop the customer usage statistics, or allocation factors, that will be used to assign costs to each customer class. The allocation will consider the water consumption data compiled in Task 3, the District wastewater treatment plant flow and loading data, and industry standard customer classification data. The factors that will be developed include:

- Volume Allocation Factor – Develop estimates of the total volume of wastewater treated for each customer class.
- Strength Allocation Factors – Develop estimates of the pounds of BOD/COD and TSS treated for each customer class.
- Customer Allocation Factors – Calculate the number of customers by customer class in the District’s service area.

**Allocation of Costs to Customer Classes** – NBS will apportion the costs to individual customer classes based on the allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations will be used in the actual rate calculations for each customer class.

### TASK 5. RATE DESIGN ANALYSIS

NBS will provide up to three wastewater rate structure alternatives for the District’s consideration. NBS and District staff will then review the current rate structure and the new rate alternatives to ensure that the new proposed rates meet the District’s broader rate design goals and objectives, including the evaluation of rates with a volumetric component based on water usage. The following subtasks are anticipated:

**Develop Rate Design Recommendations** – Proposed wastewater rates will be developed based on the cost-of-service analysis and will include a discussion of the relative merits (pros and cons) of the current rate structure and the new rate alternatives. This discussion and analysis will also include issues, such as:

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<sup>2</sup> Water consumption data will be provided by Indio Water Authority.

- Amount of revenue collected from fixed vs. volumetric charges.
- Compatibility with the District’s exiting billing procedures.
- Simplicity and ease for the public to understand and the District to administer efficiently.
- Availability of the data necessary to adopt another rate design (e.g., a residential and/or commercial rate design that relies on winter-average or monthly water consumption).
- Relative merits in promoting fairness, equity, and defensibility of each alternative.
- Defensibility in terms of complying with Proposition 218 proportionality requirements.

The rate structure alternatives selected will ultimately provide the basis for comparing customer bills under both the current and proposed rate structures. However, all proposed rate structures will be “revenue neutral,” because they will all collect the same amount of revenue both in total and within each customer class.

**Develop Rate Schedules and Bill Comparisons** – NBS will develop a 5-year wastewater rate schedule for the rate alternatives developed in this task and prepare an analysis of typical bills for each customer class under existing and proposed rates.

## **TASK 6. REVIEW CAPACITY CHARGES**

NBS will review the District’s capacity charges<sup>3</sup> developed in the *May 2019 Evaluation of Sewer Capacity Charges* study and prepared by Municipal Financial Services. The focus of this review will be to evaluate how the existing fees were developed in light of industry standard methodologies, and if they should be updated to reflect current asset values and planned capital expansion or improvements. NBS will complete the following subtasks:

1. Hold a conference call with District staff to discuss the findings of our review of the fees.
2. Write a technical memo summarizing the results of the review and suggest an appropriate methodology for developing updated fees. NBS will outline in the memo what data is required to conduct the analysis to establish new fees.

## **TASK 7. REGIONAL RATE COMPARISON**

NBS will review the Districts’ recent regional rate comparisons and update as needed. The comparison will include the District’s current and proposed wastewater rates to those rates at up to ten wastewater service providers. The results of this comparison will be presented in the study report and in public presentations. The comparisons will provide District staff and the Board with a snapshot of the cost of providing wastewater service to customers in the region.

## **TASK 8. PREPARE STUDY REPORT**

We will prepare a study report that includes proposed rates for the next 5 years. An executive summary and introduction will present the purpose of the report and the results of the study. Tables, graphs, and charts will be used as appropriate, but the emphasis will be on providing a clear, concise, and understandable report that will provide the District with a thorough administrative record that addresses:

- Findings and recommendations.
- Overall study methodology, with reference to industry standards as needed.

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<sup>3</sup> Also referred to as “connection fees” in the District’s RFP.



- A 5-year financial plan, including a revenue and expense projection.
- Description of the capital improvement program, as provided by the District.
- Supporting justification in the form of calculation tables that a judge and the general public could easily understand.
- Appropriate figures and tables summarizing key aspects and results of the study.
- Proposed wastewater rates for a 5-year period.
- Customer bill comparisons, including current vs. proposed rates.

We will provide an electronic file in Microsoft Word format of the draft report for the District’s review and comment. Once we have received the District’s comments,<sup>4</sup> we will incorporate those comments into a final report.

## **TASK 9. MEETINGS AND PRESENTATIONS**

NBS will meet with District staff to review study results and recommendations throughout the project. We will also support the District in public meetings promoting the new rates and capacity charges. The following meetings and presentations are anticipated for this study:

- 1. Meetings with District Staff** – NBS proposes to hold progress meetings with District staff via conference call or web meeting format. These meetings will be used to review initial work products and gain input on the direction of the study. We also expect to have regular phone conversations with District staff to discuss how the study is proceeding and solicit input.
- 2. Public Workshops Presentations** – NBS will provide up to two (2) meetings with the Board of Directors. In these meetings, NBS will present study results, recommendations, receive input and guidance on the direction of the study, and answer questions. We will prepare a PowerPoint presentation for these meetings, which will include visual aids, graphics, charts, and additional worksheets or handouts.

Please note: we have the tools to accomplish all aspects of the project’s work plan remotely from NBS offices. We utilize video conferencing, email and telephone to coordinate on the project and review deliverables in an effective manner.

Given public health circumstances, we will remain flexible throughout the project to provide meetings and presentations either on-site or remotely. For purposes of developing a project budget, we have assumed all progress meetings and presentations will be conducted remotely (with the exception of the on-site kickoff meeting); however, should the District request or require attendance of NBS staff at on-site meetings or presentation of results, we have included a per meeting cost option for the District’s consideration.

## **TASK 10. PREPARE PROPOSITION 218 NOTICE**

NBS will prepare a Proposition 218 notice to be mailed to each record owner/customer to notify them of the proceedings regarding the adoption of new rates. *Please note: the notice must be reviewed and approved by the District’s attorney prior to being mailed.*

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<sup>4</sup> We assume District staff’s comments will be in an electronic Microsoft Word file using track-changes mode.

## TASK 11. PROVIDE ELECTRONIC RATE MODEL

We will develop an MS Excel-based financial plan and rate model that District Staff can use once the study is complete. In the financial planning component of the rate model, the revenue requirements and financial plan will cover a 20-year period, while the cost-of-service and rate design components will establish rates for a test year and include proposed rates for five years. The model will then be used to update and track performance annually.

Throughout the course of the study, we will review components of the model in progress meetings with the goal that Staff become very familiar with the model and how it works at the conclusion of the project. The model will not require any licensing fees and/or setup/updates from NBS.

As this model contains NBS' approach to rate analysis, the following restriction and disclaimer also apply:

- ✓ Delivery of this model to the District is provided for the District's internal use only by District staff and is not to be distributed to any third parties, including outside consultants or contractors. Though the model will be delivered in an editable format, certain restrictions will apply to prevent redistribution of the model and its contents without NBS' prior consent.
- ✓ Delivery of this model does not automatically guarantee that the District will be able to manipulate and update the model "error free" on an on-going basis. NBS also delivers this model as "complete" at the time of the Final Report, and does not take responsibility for subsequent edits made by District staff to the model, or decisions made by the District based on future versions of the model where edits were not performed by NBS professional staff.

## 2 | PROFESSIONAL QUALIFICATIONS AND EXPERIENCE

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### Statement of Qualifications for NBS' Utility Rate Group

NBS' Utility Rate Group (URG) focuses on utility rates in California, including rates for water, sewer, storm water, and solid waste agencies. We also prepare utility capacity charge studies, economic and financial feasibility studies, and other various management consulting services. The URG is comprised of recognized leaders in the field of utility rates who often teach continuing education courses, present technical topics at industry conferences, and participate in Prop 218 public workshops to help adopt new utility rates and fees.

**Demonstrated Expertise** – NBS' expertise in wastewater rate analyses is demonstrated by several unique and recent engagements this team has performed:

- In a recent Wastewater Rate Study for the City of Santa Monica, NBS assisted the City with the following improvements to its rate structure: (1) updated the outdated discharge factors used in estimating wastewater produced by each customer class and used to calculate bills; (2) implemented a modest fixed charge to improve revenue stability for the City that historically had rates that were 100% volumetric, and; (3) developed a financial plan that would fund over \$73 million in capital improvement costs over a five-year period with a combination of cash reserves and new debt financing to help the City achieve its water sustainability goals.
- Similar to Valley Sanitary District, the City of Beaumont had a flat EDU based rate structure and had not reviewed or updated the EDU assignments for each customer class in over 10 years. A key objective of this wastewater rate study was to evaluate the proportionality in commercial and industrial vs. residential sewer rates. Using water consumption data from the City's outside water provider, NBS conducted an analysis to develop an updated rate structure for non-residential customers that consisted of a fixed charge per account and a volumetric charge based on water usage and strength characteristics of wastewater. Residential customers maintained a flat charge per dwelling unit.
- Also similar to Valley Sanitary District, NBS updated Ironhouse Sanitary District's sewer rates which consisted of a flat EDU based rate structure and had not been reviewed or updated in over 10 years. Using water consumption data from three outside water providers, NBS updated the EDU assignments for the non-residential customers and developed rates that are proportional to the cost of providing service. The resulting rates consisted of flat charges for residential customers that vary for each type of dwelling unit, and a flat charge per EDU for each non-residential class.

**Proposition 218 Adoption** – In addition to our high-level of participation in Prop 218 hearings, we also have working relationships with some of the State's top attorneys specializing in Prop 218 law. We are confident that we can successfully guide the District through the challenges that Prop 218 presents for its wastewater rates.

**Project Management Team** – NBS' project management team (project manager and senior reviewer) offer a combined 45+ years of experience in setting rates for water and wastewater utilities. Kim Boehler and Greg Clumpner have worked closely over the last nine years to successfully complete more than 100 similar rate studies and can ensure your rate study will be efficiently and successfully managed.

**The Ultimate Proof of NBS' Qualifications** – We believe that the best proof of our qualifications and our success is what our clients say about our consulting services. We have included a number of client references to demonstrate this point, and we encourage you to contact these references.

## Relevant Experience

Below is a sample of projects for California municipal agencies that our proposed team has completed (or is now completing) which are similar to the District's study.

- Arvin Community Services District, *Water Rate Study*
- City of Arvin, *Sewer Rate Study*
- Avila Beach Community Services District, *Water and Sewer Rate and Connection Fee Study*
- Azusa Light and Water, *Water Rate Study*
- Bellflower Mutual Water Company, *Water Rate Study*
- Calaveras County Water District, *Water and Sewer Rate Study*
- Citrus Heights Water District, *Water Rate Study*
- City of Colton, *Water Rate and Connection Fee Study*
- City of Colton and Grand Terrace, *Sewer Rate Study*
- Cucamonga Valley Water District, *Water and Recycled Water Connection Fee Study*
- Cucamonga Valley Water District, *Water Rate Study*
- Culver City, *Sewer Rate Study*
- Culver City, *Stormwater Parcel Tax Formation*
- Desert Water Agency, *Water, Sewer and Recycled Water Rate Study*
- City of El Cerrito, *Storm Drain Master Plan Funding Analysis*
- City of Fort Bragg, *Water, Sewer and Storm Drain Rate Study*
- City of Greenfield, *Water and Sewer Utility Revenue Requirement Analysis*
- Hidden Valley Lakes Community Services District, *Water and Sewer Rate Study*
- City of Livermore, *Water Rate and Connection Fee Study*
- City of Long Beach, *Stormwater Funding Analysis*
- City of Los Altos, *Storm Drain Master Plan Financing Analysis*
- City of Morgan Hill, *Water and Sewer Rate Study*
- City of Pasadena, *Water Rate Study*
- City of Redding, *Water, Sewer and Solid Waste Rate Study and Connection Fee Analysis*
- Rural North Vacaville Water District, *Water Rate Study*
- City of San Carlos, *Sewer Revenue Requirement Analysis*
- City of Santa Paula, *Water and Sewer Rate Study*
- San Mateo County, *Sewer Rate Study*
- City of Sausalito, *Sewer Rate Study*
- City of Solvang, *Water and Sewer Rate and Connection Fee Study*
- City of Stanton, *Sewer Rate Study*
- Suisun-Solano Water Authority, *Water Rate Study*
- Sussex County, Delaware, *Water, Sewer Rate and Capacity Fee Study and Oversizing Credit Analysis*
- City of Taft, *Sewer and Solid Waste Rate Study*
- Twenty-nine Palms Water District, *Water Rate Study*
- City of Victorville, *Storm Drain Funding Feasibility Analysis and Storm Drain Rate Study*



## Green Initiatives



NBS is committed to being part of the solution to the overuse of resources in our economy today, as we strive to be good business partners with our local government clients. Being “green” is good for our planet, our people and our bottom line.

NBS uses these five primary methods to reduce our impact on the environment:

- Minimizing usage of materials: We minimize hard copy printouts and use reusable dishware in the office instead of paper and plastic, as examples.
- Recycling programs: We recycle paper and most food and beverage containers.
- Purchasing “good” paper and printing services: We only buy recycled paper and paper that meets the Forest Stewardship Council (FSC) standards. Our printer uses less-toxic soy inks.
- Minimizing travel via technology: We use online conferencing tools, for example, for many meetings and presentations in lieu of travel.
- Purchasing carbon credits: We offset carbon dioxide production that occurs for all business travel and office energy usage, via the well-respected Carbonfund.org. Our support of Carbonfund.org helps us fight global warming through innovative projects such as The Tensas River reforestation in Louisiana to absorb carbon dioxide as well as truck stop electrification that has enabled truckers to reduce tailpipe emissions, saving a gallon of diesel per hour.

The NBS San Francisco office has been certified since October 2007 by the City and County of San Francisco as part of the Association of Bay Area Governments' (ABAG) “Green Business Program.”



## Client References

Below is a sampling of projects and references similar in scope and magnitude to the District's study.

### CITY OF SANTA MONICA

#### WATER AND WASTEWATER RATE AND CAPITAL FACILITY FEE STUDIES

*Project Dates: September 2018 to May 2020*



#### Contact Information

Sunny Wang  
Water Resources Manager  
1212 5<sup>th</sup> Street, 3<sup>rd</sup> Floor  
Santa Monica, CA 90401  
P: 310.458.8230  
E: Sunny.Wang@SMGOV.NET

**NBS Project Team:** Kim Boehler,  
Jordan Taylor and Greg Ghironzi

In 2020, NBS completed a comprehensive Water and Wastewater Rate and Capacity Fee Study for the City of Santa Monica. Key objectives addressed in the study included developing long-term financial plans that ensure the City's operating and capital needs are met, along with maintaining adequate reserve funds. The City has adopted Water Self Sufficiency goals, and key capital projects that are needed to meet these goals. We worked with City staff throughout the study to identify funding and develop options to fund the Sustainable Water Infrastructure project that is estimated to cost over \$200 million. The project will be funded with a combination of outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases.

The City also had several rate structure objectives that were addressed in the study such as providing greater revenue stability for the utilities by collecting a greater percentage of revenue from fixed water meter charges and incorporating a modest fixed charge in the wastewater rate structure. Additionally, the tiered volumetric water rates were updated to apply to all customer classes and were designed to reflect the City's various sources of water supply. NBS also conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods (and estimated wastewater flow).

All study recommendations were reviewed in several meetings with the Task Force on the Environment, which was made up of 10-12 residents of the City. In these meetings, we presented study data, outcomes, and recommendations and worked with the Task Force to develop final recommendations to City Council that were agreeable for all parties. Other services provided in the study included preparing the Proposition 218 Notice that was mailed to all property owners and utility customers as notification of potential rate adjustments and updating the City's capital facility fees to reflect infrastructure costs needed to serve new development.

**CITY OF VICTORVILLE**  
**WATER RATE STUDY, SEWER RATE & CAPACITY FEE STUDY,**  
**AND INDUSTRIAL PRETREATMENT PROGRAM FEE STUDY**

*Service Dates: January 2015 – June 2018*



**Contact Information**

Doug Mathews  
Director of Public Works  
and Water  
14343 Civic Center Drive  
Victorville, CA 92393  
P: 760.243.6332  
E: dmathews@ci.victorville.ca.us

**NBS Staff:**

Kim Boehler, Greg Clumpner,  
Greg Ghironzi and Alice Bou

NBS completed a Sewer Rate and Capacity Fee Study for the City of Victorville. The main concerns addressed in the study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and capacity fees that reflect operating and capital infrastructure costs for the City-owned and operated collection system, industrial wastewater treatment plant, and costs for regional wastewater treatment. As part of this study, NBS also developed the Industrial Pretreatment Program Fees for four significant industrial users that utilize the City's Industrial Wastewater Treatment Plant.

In 2017, NBS completed a Water Rate Study for the City. Key issues addressed included developing a capital funding plan that would fund over \$55 million in rehabilitation and replacement projects and updating the water rate structure to one based on industry standard methodologies, and developing drought surcharges that can be implemented in increased drought stages. A key part of both rate studies was working with the City Council in several workshops to develop rate alternatives that all Council members could agree on, and support for the public approval process.

*"I just wanted to take the opportunity to thank you and Greg for the exceptional work on our Sewer Rate Study. It was always reassuring to know that the numbers provided would stand up to any challenges due to the fact that the financial analyses you provided were thorough, defensible, and based on logical and generally accepted practices within the industry.*

*We certainly appreciated your diligence, patience, professionalism, and ability to keep a sense of humor, and look forward to working with you and your team in the future."*



**DOUG MATHEWS**  
*director of public  
works & water*

**Sewer Rate Study | June 2018**



**IRONHOUSE SANITARY DISTRICT**  
**WASTEWATER RATE AND CAPACITY CHARGE STUDY**

*Project Dates: November 2018 – March 2020*



**Contact Information**

Tyson Zimmerman  
Assistant General Manager  
450 Walnut Meadows Drive  
Oakley, CA 94561  
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E: zimmerman@isd.us.com

**NBS Staff:**

Kim Boehler, Jordan Taylor, Alice  
Bou and Greg Ghironzi

NBS recently completed a Wastewater Rate and Capacity Fee Study for Ironhouse Sanitary District. The main objectives addressed in the study included: developing a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays, and developing cost of service based rates that are proportional to the cost of service. When the study was initiated, the District had not completed a full cost of service review in over a decade and had a flat EDU based rate structure. A key component of this study was obtaining water consumption data for the District’s customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged. The new rate structure is similar to the prior rates with a flat charge per EDU, however it varies by customer class to reflect the proportional cost of service.

NBS also conducted a capacity charge study to simplify and consolidate the District’s new development fees. The study established the cost for infrastructure needed to serve new development, on a per EDU basis. The District’s Board of Directors accepted the proposed rates and capacity fees in April 2020 for implementation in July 2020.





**Contact Information**

Amer Jakher  
Public Works Director  
13220 Central Avenue  
Chino, CA 91710  
P: 909.497.4499  
E: AJakher@cityofchino.org  
*Formerly at City of Beaumont,  
now at City of Chino*

**NBS Staff:**

Kim Boehler and Greg Clumpner


In 2018, NBS performed a Sewer Rate Study after previously completing a Sewer Capacity Charge Study for the City of Beaumont. The need for these studies arose in 2016, because the City exceeded the capacity limit in their wastewater treatment plant and needed to explore several options to resolve this problem and to accommodate growth. Options included connecting to another local sewer treatment provider, or expanding the City’s wastewater treatment plant. NBS worked with the City on these studies to evaluate the financial impact these solutions would have on sewer rates and capacity charges for current and future residents of the City. NBS has presented the results of our analysis to the City Council in several meetings to support the decision-making process. New capacity charges were adopted in 2017.

Following the Council’s decision to expand the City’s wastewater treatment plant, NBS continued to work with staff to develop sewer rate alternatives for the Council’s consideration. The wastewater treatment plant expansion requires significant amount of debt financing which will be repaid with a mix of rate revenue and capacity charges. NBS worked with staff to ensure that this balance was accurate but conservative, as expected use of capacity charge revenue reduces rate revenue needs but is a less reliable revenue source.

Another key objective of the study was to evaluate the proportionality in commercial and industrial vs. residential sewer rates. A key component of this study was obtaining water consumption data for the City’s sewer customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.

The City previously had a flat EDU based rate structure for all customers and the study updated the commercial and industrial rate structure to one that had a fixed charge per account and volumetric charge based on water consumption, that varied by customer class. The City adopted new sewer rates in June 2018.

### 3 | FIRM ORGANIZATION AND PROJECT TEAM



## AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

**24 YEARS** In Business     **100% ESOP** NBS is a 100% employee-owned S-Corporation

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**NBS HEADQUARTERS**  
32605 Temecula Pkwy | Suite 100  
Temecula, CA 92592

**SAN FRANCISCO REGIONAL OFFICE**  
870 Market Street | Suite 1223  
San Francisco, CA 94102

**CONTACT**  
Kim Boehler | 800.676.7516  
kboehler@nbsgov.com

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**LEGAL NAME**     **DBA**  
NBS Government     NBS  
Finance Group

**INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT**  
Michael Rentner, President

**Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.**

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally-justified fee design. Across all practice areas, we have worked with more than **400 public agencies** to date, including cities, counties, school districts, utilities, and special districts.

## Utility Rate Group

**The NBS Utility Rate Group ensures your utility rates, system capacity fees, and financial plans provide an appropriate level of funding and are also justifiable in a fluid legal and regulatory environment.**



We act as strong advocates for our many utility clients to ensure that rates and fees address the multitude of challenges facing each community. Just ask the municipalities where we have performed more than 500 studies!



Once study results are in, we support you through the Proposition 218 approval process. Working within legal and industry standards, we partner with you to implement solutions for the most challenging financial issues.



Throughout the process, we strive to educate the public, manage community expectations, and work within the often confusing legal framework to develop the best solutions for your utility. Our analytical support and expert consultants help agency staff and legal counsel navigate the practical and legal challenges.

## Firm Organization

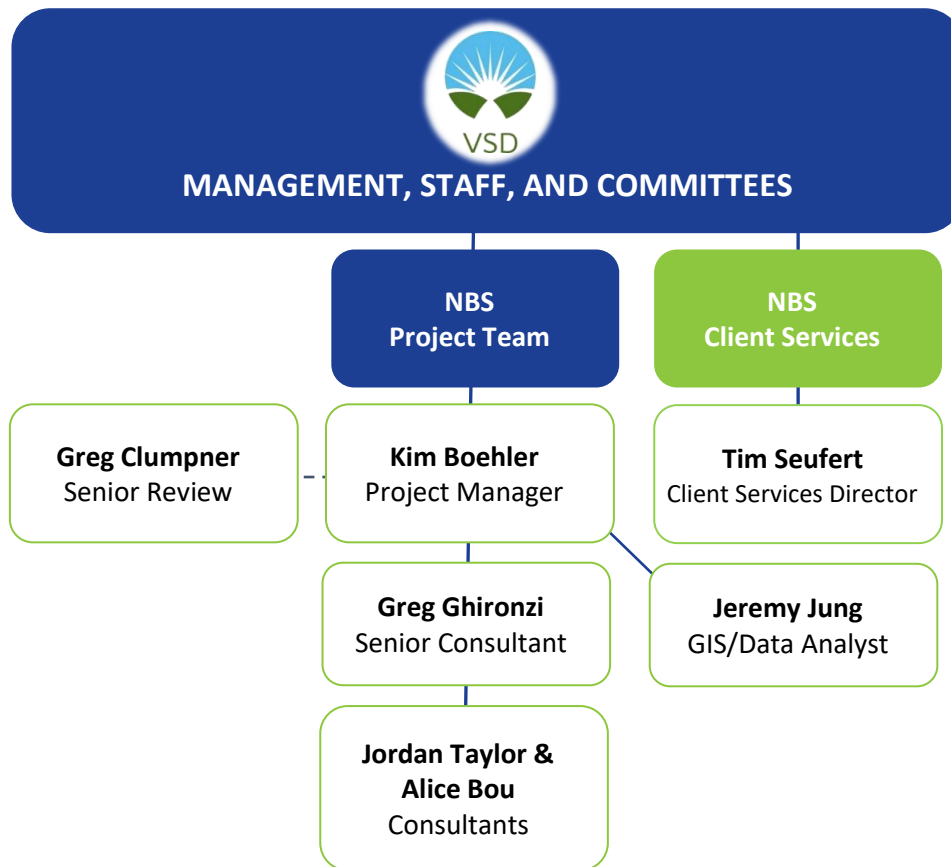
NBS' type of ownership, years in business, and listing of primary services are included in the blue At-A-Glance box above.

**Size of firm:** NBS provides a staff of 47 professionals with extensive experience in the fields of finance, management, engineering, and local governance. This combined knowledge produces a synergy that results in maximum success and minimum risk. We work with our clients as partners by developing an intricate knowledge of their needs and responding with strategic and timely solutions. While our team members are engaged in a variety of ongoing projects, we are able to provide the services requested within the required timeline. In order to preserve our on-going commitment to excellent client service, we do not propose or contract for more work than we are reasonably accomplished to complete. We are actively, *but prudently*, growing our firm recruiting top talent to ensure our clients' expectations are always met – if not, exceeded.

## Key Personnel

The staff selected for Valley Sanitary District's Wastewater Rate Study are those most qualified based on their experience and backgrounds. The following is a brief overview of NBS' proposed consulting team. Our team members work together seamlessly allowing your staff to focus on other priorities.

### NBS Project Team Organization



Full resumes are included in the Appendix, which include specific project experience for each team member.

## **KIM BOEHLER, PROJECT MANAGER**

**Role and Responsibilities:** Kim Boehler will direct the work efforts of the project team and will work closely with the District's project manager to discuss and review the overall approach, development of rate alternatives, and creative solutions to consider. She will be the District's main point of contact throughout the study and will design and direct analytical efforts of the project team, provide senior-level technical analysis and review, and monitor the schedule and delivery of work products to the District's satisfaction. Kim will be fully conversant in all findings and will be present for progress meetings with District staff and all public presentations for this project.

**Work Experience:** Kim Boehler is a project manager who brings more than 14 years of experience at NBS, in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in utility financial management, special financing district administration, overhead cost allocation analysis, and user fee studies. For the past ten years, Kim's work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California. She leads project teams on water and wastewater rate and capacity charge studies for our public agency clients. Kim has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences and educational seminars on related issues.

## **GREG CLUMPNER, SENIOR REVIEW**

**Role and Responsibilities:** Greg Clumpner will provide technical review, including the evaluation of study alternatives and results, as needed throughout the project. He will assist the project team in developing the best solutions that will fit the District's unique characteristics and issues.

**Work Experience:** As a director in NBS' Utility Rate Study Practice, Greg Clumpner's 35-year professional career has focused on cost-of-service rate studies for municipal water, sewer, recycled water and solid waste agencies. He regularly makes technical presentations at industry conferences and client workshops. Greg's practice includes management-consulting assignments related to utility operations, system valuations, and feasibility studies. He also created and managed Foresight Consulting where, for six years, his practice focused on water and sewer rate analyses. He has completed 400+ similar studies during his career.

Additionally, since Greg works with Prop 218 legal counsel on an on-going basis, he knows the general legal constraints as well as when to solicit critical legal input to ensure alternatives will meet specific legal requirements.

## **GREG GHIRONZI, SENIOR CONSULTANT**

**Roles and Responsibilities:** Under the direction of the project manager, Greg Ghironzi will oversee the development of the financial plan and rate alternatives, and assist as needed on the study with peer review. Greg will be fully conversant in all findings and will be present for all progress meetings and onsite for presentations to the Board of Directors, if the project manager is unavailable. Greg's affiliations with the municipal finance community enable him to bring a high level of Proposition 218 experience and expertise to this engagement.

**Work Experience:** Greg Ghironzi is a senior consultant with NBS. He has more than 25 years of experience working with various funding mechanisms and possesses a broad background in public finance and management. Greg is an acknowledged expert in the formation, annexation, and ongoing administration of

land-based special tax and special assessment districts and various financing tools. Greg is now fully focused in utility financial management, including cost of service and rate design analyses for public water and wastewater utilities. Greg is a Registered Municipal Advisor.

### **JORDAN TAYLOR AND ALICE BOU, UTILITY RATE CONSULTANTS**

**Role and Responsibilities:** Jordan Taylor and Alice Bou will support the project team in performing large-scale data analysis and validation, data input and will also help develop the financial plan, cost of service analysis and rate alternatives for the District’s consideration.

**Work Experience:** Jordan Taylor has a Bachelor of Science degree in Chemistry and a Master’s Degree in Business Administration with an emphasis in Finance. She offers more than 10 years of accounting experience along with extensive knowledge of financial analysis and budget planning.

Alice Bou has a Bachelor of Arts degree and offers more than two decades of experience working in accounting and financial management performing data analysis, variance analysis, budgeting and forecasting, financial modeling and managerial reporting.

### **JEREMY JUNG, GIS DATA ANALYST**

**Role and Responsibilities:** Jeremy Jung will provide GIS support services to develop customer database and match assessor’s parcel database to Indio Water Authority water consumption data.

**Work Experience:** Jeremy has extensive experience as a GIS technician. He creates and analyzes maps and data associated with County Assessor’s Parcels, District Boundaries, and custom images utilizing the latest GIS technology. In addition, Jeremy is able to display GIS maps over satellite imagery in order to view properties and maps with a high degree of detail as well as extract GIS parcel data to compare to other data sources, such as county-secured property tax rolls.

### **TIM SEUFERT, CLIENT SERVICES DIRECTOR**

**Roles and Responsibilities:** As Client Services Director, Tim Seufert will ensure that the District’s fundamental objectives are being met at all times and that the project is proceeding on a timely basis. He is included on the team as an active representative of our company’s commitment to the highest level of service.

**Work Experience:** Tim Seufert has two decades of local government experience with a wide variety of revenue tools. He also has a decade of corporate financial experience. Tim has been involved with many projects from their inception and feasibility stage to their completion. He has been a presenter at dozens of training seminars, and he is an author on local government finance issues for the California League of Cities, the California Special Districts Association, California Society of Municipal Finance Officers, and other forums.



## 5 | PROPOSED COSTS

Our professional fees are based on our understanding of the District’s needs and the effort we believe is necessary to complete the scope of services described in our proposal. Work will be performed on a time and materials basis, at the hourly labor rates show in the tables below, with a fee of **\$48,345**. Should the District need to have NBS staff on-site for meetings or presentations (after the kick-off meeting), an additional \$630 in professional fees, plus up to \$100 in travel expenses per meeting would apply. All tasks would be mutually agreed upon by NBS and the District prior to proceeding.

Wastewater Rate Study Tasks	Consultant Labor (Hours)				Grand Totals	
	Senior Review (Clumpner)	Project Manager (Boehler)	Senior Consultant/ GIS Support (Ghironzi, Jung)	Rate Consultants (Bou, Taylor)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	<b>\$225</b>	<b>\$210</b>	<b>\$175</b>	<b>\$155</b>		
Task 1 – Kick-off Meeting & Data Collection	-	6.0	6.0	12.0	24.0	\$4,170
Task 2 – Financial Plan	-	16.0	4.0	28.0	48.0	\$8,400
Task 3 – Analyze Customer Data	-	6.0	16.0	12.0	34.0	\$5,920
Task 4 – Cost-of-Service Analysis	1.0	12.0	4.0	16.0	33.0	\$5,925
Task 5 – Rate Design Analysis	2.0	10.0	4.0	18.0	34.0	\$6,040
Task 6 – Review Capacity Charges	-	12.0	-	4.0	16.0	\$3,140
Task 7 – Regional Rate Comparison	-	1.0	-	6.0	7.0	\$1,140
Task 8 – Prepare Study Report	2.0	8.0	-	12.0	22.0	\$3,990
Task 9 – Meetings and Presentations						
9.1 – Meetings with District Staff	-	8.0	-	8.0	16.0	\$2,920
9.2 – Public Presentations (two)	-	12.0	-	6.0	18.0	\$3,450
Task 10 – Prepare Proposition 218 Notice	-	4.0	12.0	2.0	18.0	\$3,250
Task 11 – Provide Electronic Rate Model	-	-	-	-	-	<i>Included</i>
<b>GRAND TOTAL NOT TO EXCEED</b>	<b>5.0</b>	<b>95.0</b>	<b>46.0</b>	<b>124.0</b>	<b>270.0</b>	<b>\$ 48,345</b>
<b>Additional Costs for Optional Site Visits and Presentations:</b>						
Labor Costs Per Visit/Presentation	-	3.0	-	-	3.0	\$630
Travel Expenses (not to exceed)						\$100
<b>Subtotal, Per Visit/Presentation</b>	<b>-</b>	<b>12.0</b>	<b>-</b>	<b>4.0</b>	<b>16.0</b>	<b>\$730</b>

**Additional services authorized** by the District, but not included in the scope of services above, such as additional analysis, public meetings or rate alternatives will be billed at the labor rates shown below, or the then applicable hourly rates. All additional tasks would be mutually agreed upon by NBS and the District prior to proceeding.

Title	Hourly Rate
Senior Reviewer	\$225
Project Manager/Director	\$210
Senior Consultant/GIS Support	\$175
Consultant	\$155

## 6 | ADDITIONS OR EXCEPTIONS

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NBS accepts the terms, conditions and general form of the Valley Sanitary District standard Consultant Services Agreement with the following modification(s):

*Attachment A – Page 8*

14. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel **approved by agency of District's choosing**), indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Consultant or the District, its officials, officers, employees, agents or volunteers.



# 7 | EVIDENCE OF INSURANCE



NBSGOVE-01

SEIME1

## CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/20/2019

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

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

<b>PRODUCER</b> License # 0L48969 C3 Risk & Insurance Services 404 Camino Del Rio S. STE 410 San Diego, CA 92108	<b>CONTACT NAME:</b> Megan Seitz	
	<b>PHONE (A/C, No, Ext):</b> (619) 669-8108 249	<b>FAX (A/C, No):</b>
<b>E-MAIL ADDRESS:</b> megan@c3insurance.com		
<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURER A:</b> Hanover Insurance Company		22292
<b>INSURER B:</b> Allmerica Financial Benefit Insurance Company		41840
<b>INSURER C:</b> Gemini Insurance Company		10833
<b>INSURER D:</b>		
<b>INSURER E:</b>		
<b>INSURER F:</b>		

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

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

INSR. LTR.	TYPE OF INSURANCE	ADDL. INSD.	SUBR. WVD.	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		X	OH3A43196306	9/24/2019	9/24/2020	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea. occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPROP AGG \$ 4,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			AW3A42745806	9/24/2019	9/24/2020	COMBINED SINGLE LIMIT (Ea. accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			OH3A43196306	9/24/2019	9/24/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WH3A42745706	9/24/2019	9/24/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA. EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	E&O/Professional Lia			VCPL066003	9/24/2019	9/24/2020	Ea. Claim/Aggregate 2,000,000
C	E&O/Professional Lia			VCPL066003	9/24/2019	9/24/2020	Retention 20,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**Additional Insured Listed Here.**  
  
 Blanket forms apply when required by written contract.

<b>CERTIFICATE HOLDER</b>  Name and Address of Certificate Holder	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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## APPENDIX | RESUMES

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This appendix contains full resumes for our proposed project team.

## EDUCATION

- Bachelor of Science, Business Administration, Finance, California State University, San Bernardino

## AFFILIATIONS

- Registered Municipal Advisor
- American Water Works Association (AWWA), Member

## SPEAKING / MEDIA

### (LAST 5 YEARS)

- “Embedded Social Justice: Are Utility Rates Really Fair and Equitable?” – California League of Cities, Municipal Finance Institute, December 2017
- “How Conservation, the Drought and Legal Issues Are Changing the Landscape for Rate Setting in California” – American Water Works Association Water Education Seminar, August 2016
- “Conservation, the Drought and Social Justice” – California Water Environment Association Annual Conference, April 2016
- “Brown Lawns and the Changing Landscape of California Water Rates: Next Steps?” – AWWA CA-NV Section Spring Conference, March 2016
- “Water and Sewer Rates: From Defensibility to Tailor Made Rate Design” – CSDA Annual Conference, September 2015
- “Basic Rate Making Principles and Key Issues Affecting Rates in California” – American Water Works Association Water Education Seminar, August 2015

## HIGHLIGHTS

Kim Boehler is a Director in our Utility Rate Group and brings more than 13 years of experience at NBS in all three of our major consulting practice areas. She has a comprehensive understanding of agency funding needs through her work in special financing district administration, overhead cost allocation analysis, user fee studies, and utility financial management.

For the past ten years, her work has focused exclusively on financial planning, cost-of-service analyses and rate design for water and wastewater utilities in California.

Kim leads project teams on water and wastewater rate and capacity fee studies for our public agency clients.

She has completed 150+ utility rate and fee studies, and often speaks at public workshops, industry conferences, and educational seminars on related issues.

## RELEVANT PROJECT EXPERIENCE

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City’s increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City’s sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **Indio Water Authority – Long Range Financial Plan Study:** Created a long-range Financial Plan with multiple overlapping capital improvement program funding plans and water treatment options. Restructured reserve funds, recommended reserve targets and prepared cash flow projections to maximize the Authority’s cash position, utilize debt financing, and minimize rate increases.
- **Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.

- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- **County of San Luis Obispo – Wastewater Capacity Charge Study:** Calculated wastewater system buy-in amounts for a small community in the County’s Service Area with a failing package treatment plant which needed to connect to the County’s Los Osos treatment plant. Created a unique funding solution enabling the buy-in amount to be financed over time and collected upon the County secured property tax rolls.
- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City’s most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City’s water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.

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*“You hit a grand slam for us. Your expertise, professionalism, insight and thoroughness places you and NBS in the highest regard with the Board of Directors and Management Staff.”*

*Martin Krieger, Former Finance Director, Desert Water Agency*

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- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.
- **Desert Water Agency, Palm Springs – Water, Recycled Water and Sewer Rate Study:** In 2016, completed a Water, Recycled Water and Sewer Rate Study for the Agency, and has been working with the Agency since 2010 on its utility rate program. The main concerns addressed in the 2016 study were providing more revenue stability for the potable water utility (rates were previously over 80% volumetric), ensuring rates are sufficient to support the \$45 million capital improvement program over the next five years, maintaining sufficient reserve funds, and retaining the Agency’s uniform volumetric water rate. To address recent conservation requirements, we developed drought rates for the Agency that can be implemented, if more severe drought stages occur. For the Reclaimed Water and Wastewater utilities, the key issues addressed were developing rates that fully fund utility operations, maintenance, capital replacement costs, and establishing reserve targets for these enterprises that are separate from the Agency’s main potable water operation.
- **El Cerrito – Citywide Storm Drainage Master Plan Funding Analysis:** Evaluated the City’s storm drainage revenue from an existing parcel tax and developed a long-term financial plan to fund all future obligations including operating, maintenance, and capital improvement program (CIP) costs. Modeled various levels CIP funding options depending on the priority of improvements and available revenue. Various revenue mechanisms were evaluated to determine potential costs to various property types, congruent with the applicable statutory authority to levy a tax, assessment, or fee.
- **Victorville – Water Rate Study, Sewer Rate & Capacity Fee Study, Storm Drainage Fee Study:** In 2016 completed a Water Rate Study, and subsequently completed Sewer and Solid Waste Rate Studies for the City of Victorville in 2018. The main concerns addressed in the sewer rate study were developing a long-term financial plan to ensure sufficient funding for all operating expenses and \$23 million in capital needs. A key part of this study was developing sewer rates and Industrial Pretreatment Program Fees for four significant industrial users that utilize the City’s Industrial Wastewater Treatment Plant (IWWTP) and collection system, and rates for all residential and commercial customers that utilize a combination of City-owned and operated collection system, the IWWTP and a regional wastewater treatment provider. Evaluated the City’s storm drain program revenue requirements, developed a long-term financial plan and recommended funding solutions to replace or supplement the existing storm drain fee.

## EDUCATION

- Master of Science, Agricultural/Managerial Economics, U.C. Davis
- Bachelor of Science, Environmental Planning, U.C. Davis

## AFFILIATIONS

- Former Vice-Chair, City of Davis Utility Rate Advisory Committee
- Former Chairman, City of Davis Planning Commission

## SPEAKING / MEDIA

- “Tiered Water Rates – Understanding Their Equity and Impact on Customer Bills” – Journal of AWWA, September 2019, Volume 111, Number 9
- “Avoiding Billing Debacles Around New Water or Sewer Rates” – Journal of AWWA, March 2019, Vol. 111, No. 3
- “Changing Perspectives on Outside Surcharges: Understanding New Criteria” – Journal of AWWA, January 2019, Vol. 111, No. 1
- “Social Justice and Water Rates: Impacts of Rate Design on Low-Income Customers” – Journal of AWWA, July 2018, Vol. 110, No 7
- “Rates, Fees and Charges in the Post-Proposition 13, 218 and 26 ERA in California” – NBS Publication, Contributing Author, 2014
- “Setting the Stage for Water Rates: Policy Direction Should Be A Priority”, CSMFO Magazine, November 2016
- “Fiscal Health vs. Pricing for Conservation” – ACWA Fall Conf., Indian Wells, CA, December 2015

## HIGHLIGHTS

Greg Clumpner has 35 years of experience in financial, economic, and cost-of-service rate analyses for municipal water, sewer and solid waste agencies, including broader management consulting:

- **Utility Cost-of-Service Rate Studies:** 400+ cost-of-service analyses and rate design studies; conservation-oriented water rates, capital improvement funding strategies for water, sewer and solid waste utilities
- **Management Consulting and Strategic Planning:** Feasibility analyses of municipal vs. private system operations, system valuations and acquisitions, and bond feasibility studies.

## RELEVANT PROJECT EXPERIENCE

- **City of Redding – Water, Sewer, and Solid Waste Rate and Impact Fee Studies:** Cost-of-service study of water, sewer, and solid waste rate and system capacity charges. Addressed everything from policies objectives to structure alternatives. Worked with a City Council-appointed Citizens Advisory Group that reviewed rate alternatives and provided recommendations to the Council.
- **Mountain House CSD, Tracy, CA – Water and Sewer Cost-of-Service Rate Study:** Study redesigning rates from 1990s-era rate structures that subsidized utilities from the general fund. New rates were phased in over five years and restructured rates, evaluated customer bill impacts, provided public workshops and Prop 218 notices.
- **El Dorado Irrigation District, Placerville, CA – Water, Sewer, and Recycled Water Cost-of-Service and Rate Design Study:** Worked with the district board and a dedicated committee to review/recommend policy changes; alternative rate designs; and recommended water, sewer, and recycled water rates.
- **Los Angeles Department of Water & Power (LADWP) – Specialized Studies:** As a part of the 2018-19 interim rate review for LADWP under contract with Navigant Consultants (now Guidehouse), prepared evaluations of: (1) Analysis of how demand forecasting methodologies are used for financial planning and rate-setting purposes; (2) Review of temperature zones and water rate impacts to determine whether climate-change adjustments to temperature zone boundaries would change customer water budgets, and; (3) stormwater benefit cost analysis reviewed the feasibility of specific projects.
- **City of Lincoln – Sewer and Solid Waste Rate Studies:** Prepared full cost-of-service rate studies that evaluated rate design alternatives, capital project funding strategies, and changing customer characteristics. The sewer rates provided the basis for issuing new revenue bonds to fund capital improvements.



RELEVANT PROJECT EXPERIENCE | CONTINUED



*“Greg’s knowledge and expertise helped the process immensely. He met with the committees and presented his findings in clear, understandable graphs and tables. He worked with staff to fine tune the information for presentation to the Board and community.”*

*Brian Lee, General Manager,  
San Lorenzo Valley  
Water District*

- **City of Sacramento – Water, Sewer and Stormwater Impact Fees:** Updated citywide impact fees for each utility, including the City’s downtown area combined storm-sewer system as well as the separated systems.
- **Pajaro Sunny Mesa CSD, Monterey – Water Rate Study:** The CSD has nine separate water systems, each with separate rates. This study developed a uniform and combined rate structure for the CSD that met CSD policy objectives and Prop 218 requirements for fairness and equity.
- **City of Santa Paula – Water and Sewer Rate Study:** This study included meeting future funding requirements, evaluating issues surrounding the City’s purchase of its wastewater treatment plant, drought impacts, and generally improving rate design to be fairer and more equitable. Residential sewer rates were restructured to create volumetric charges based on average winter water use on a customer-by-customer basis.
- **City of Sausalito – Sewer Rate Study:** This study restructured sewer rates from a fixed charge to a combination of fixed and volumetric rates based on average winter water use. At that time, the Marin County Grand Jury was investigating sewer rates countywide and commended the City for the actions it took to restructure these rates and recommended other agencies follow suit.
- **San Francisco PUC – Solid Waste Electric Utility Rate Studies:** As the prime contractor, NBS teamed with Navigant and R3 Consulting to complete rate studies for the PUC that updated solid waste and electric utility rates.
- **San Lorenzo Valley Water District – Water and Sewer Cost of Service and Rate Design Studies:** Two separate studies addressed the cost of service and then rate design issues, including a long-term funding plan for capital projects. Rate design included restructuring tiered rates combined with a set of rate stabilization (drought) rates that would automatically be implemented if rate revenue in any month fell 10 percent or more below projected revenues
- **City of Yuba City – Water and Sewer Rate Study:** Comprehensive update addressing long-term revenue goals, water conservation, and adequate funding for capital improvements. Prepared financial plan alternatives, projected net revenues, developed reserve policies, cost-of-service analyses, and alternative rate designs including water conservation rates.

## HIGHLIGHTS

- Registered Municipal Advisor with the SEC/MSRB
- More than 25 years of experience
- Proposition 218 procedure expertise
- Special Financing District (SFD) expertise including special assessments and special districts
- Financial analyses for Water Rate Studies and Wastewater Capacity Charges
- Groundwater Sustainability Agency (GSA) Funding and Formation
- Feasibility and evaluation of a broad range of revenue tools

## BIOGRAPHY

Greg Ghironzi is a Senior Consultant with NBS in our Utility Rate Group. With more than 25 years of experience in public finance, he possesses a broad background with public revenue tools and local government management. In combination with his utility experience, he is also an acknowledged expert in the formation, annexation, and ongoing administration of land-based special tax and special assessment districts. In addition, he has experience with parcel and property tax audits.

Greg's affiliations and network with the municipal finance community enable him to bring additional experience to each engagement. He has worked with every type of local agency: This includes cities, counties, school districts, and a broad range of special districts such as utility (water, wastewater, etc.), fire, library, hospital, conservation, cemetery, and parks/recreation.

Greg is actively involved on a day-to-day basis with public agencies throughout the state. He assists the Utility Rate team in preparing analysis and rate design studies, capital improvement funding strategies for water, sewer, and stormwater.

## RELEVANT PROJECT EXPERIENCE

- **Indio Water Authority – Long Range Financial Plan Study:** Created a long-range Financial Plan with multiple overlapping capital improvement program funding plans and water treatment options. Restructured reserve funds, recommended reserve targets and prepared cash flow projections to maximize the Authority's cash position, utilize debt financing, and minimize rate increases.
- **County of San Luis Obispo – Wastewater Capacity Charge Study:** Calculated wastewater system buy-in amounts for a small community in the County's Service Area with a failing package treatment plant which needed to connect to the County's Los Osos treatment plant. Created a unique funding solution enabling the buy-in amount to be financed over time and collected upon the County secured property tax rolls.
- **County of San Luis Obispo/Paso Robles Basin Water District – GSA Funding and Formation:** Evaluated and recommended funding solutions for the formation of a Groundwater Sustainability Agency (GSA) in light of special legislation for the Agency. Funding solutions addressed the formation of the GSA, funding of the Groundwater Sustainability Plan and ongoing management activities.



RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.
- **Rosamond Community Services District – Agency-wide Revenue Evaluation for Funding Options and Capacity Fee Study:** Evaluated the District’s revenues and expenses, including special assessment district audits, recommended replacement of certain revenue streams and prepared Water and Sewer Capacity and Connection Fee Studies.
- **Victorville – Citywide Storm Drainage Fee Study:** Evaluated the City’s storm drain program revenue requirements, developed a long-term financial plan and recommended funding solutions to replace or supplement the existing storm drain fee.
- **El Cerrito – Citywide Storm Drainage Master Plan Funding Analysis:** Evaluated the City’s storm drainage revenue from an existing parcel tax and developed a long-term financial plan to fund all future obligations including operating, maintenance, and capital improvement program (CIP) costs. Modeled various levels CIP funding options depending on the priority of improvements and available revenue. Various revenue mechanisms were evaluated to determine potential costs to various property types, congruent with the applicable statutory authority to levy a tax, assessment, or fee.
- **City of Sacramento – Citywide Storm Drainage Funding Option Analysis:** Evaluating the City’s options to fund Storm Drainage costs. Recommending the most viable options, including the calculation of sample rates, testing the rates and creating the revenue mechanism (i.e. assessment, property-related fee or tax) selected by the City.
- **East Palo Alto – Water Rate Surcharge Analysis for Capital Replacement Needs:** Performing a cost of service analysis to update water service surcharges. Developing an updated meter surcharge for the purpose of replacing water meters throughout the City’s service area, and a capital surcharge to address capital improvement, rehabilitation and replacement projects. Capital projects that will be funded include: approximately 70% of the City’s water pipelines, improving water storage facilities, increased reliability/interties to various water suppliers and increasing system capacity to meet current and future water demand.

## EDUCATION

- Master of Business Administration, Finance, University of Redlands
- Bachelor of Science, Chemistry, University of Utah, Salt Lake City

## HIGHLIGHTS

- Extensive experience in large-scale data analysis
- Advanced Excel user with the essential skills for complex data analysis and alternative scenario analysis
- More than ten years of accounting experience for large and small businesses
- Experienced consultant with water, sewer and solid waste rate structures
- Experienced consultant with budget management, financial planning and reserve fund analysis

## BIOGRAPHY

Jordan Taylor is a Consultant at NBS in our Utility Rate group. She brings more than ten years of experience in finance, accounting, budget planning and system auditing. Jordan graduated with high honors in her Master's program and spent most of her studies focusing on large-scale financial analysis and data management.

Jordan provides analysis and support on water and sewer utility rate studies for cities and special districts in California. She performs various financial analyses, data management, and utility customer data analysis for utility rate and capacity fee studies. Jordan's diverse knowledge of managerial accounting is essential to the work performed by NBS.

## RELEVANT PROJECT EXPERIENCE

- **Costa Mesa Sanitary District – Solid Waste Rate Study:** This comprehensive rate study included development of a long-term financial plan that evaluated funding options to reduce the annual operating deficit over a five-year period. An evaluation of the District's solid waste rates, and updated rates were calculated for the three cart sizes that are used by customers in the District and a five-year rate schedule was adopted.
- **Hidden Valley Lakes Community Services District – Water/Sewer Rates & Capacity Fee Study:** Completed an updated water and sewer cost of service study, based on a previous 2015 study conducted by NBS. A key part of this study was addressing significant capital improvement projects and drought-related changes in water consumption patterns. Major tasks included reviewing financial/rate setting policies, preparing financial plans, updating the cost of service analysis, and evaluating alternative rate designs.
- **Idyllwild Water District – Water and Sewer Rate Study:** Prepared water and sewer rate studies, which included developing long-term financial plans that allowed the District to begin funding capital improvement programs for both utilities, and maintain adequate reserves to meet established reserve fund policies. Updated the water rate structure to provide more revenue stability for the District, and implement a cost-based tiered volumetric rate.
- **Ironhouse Sanitary District – Sewer Rate/Capacity Fee Study:** Developed a long-term financial plan that provides sufficient funding to meet annual operating and capital improvement costs, ensuring the District maintains adequate reserve funds while balancing capital outlays. Developed cost of service based rates that are proportional to the cost of service. A key component was obtaining water consumption data for customers and conducting an analysis to determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.

RELEVANT PROJECT EXPERIENCE | CONTINUED

- **City of Yuba City – Water and Sewer Rate Study Updates:** Perform annual updates of the City’s most recent comprehensive Water and Sewer Financial Plan and Rate Study. Key objectives of the annual updates are to evaluate annual financial status and determine if the City needs to implement the previously approved rate increases, or if a lower increase is possible.
- **City of Lincoln – Sewer and Solid Waste Rate Study:** Prepared long-term financial plans for the City’s Sewer and Solid Waste utilities, which included evaluating debt financing alternatives for sewer collection system and wastewater treatment plant improvements. Since this was the City’s first full cost-of-service analysis for solid waste, Jordan and the project team developed all relevant data necessary to complete the study, including allocating collection, disposal, organics collection, and general and administrative costs.
- **City of McFarland – Water and Sewer Rate Study:** Developed long-term financial plans for the City’s water and sewer utilities that would adequately fund operating, maintenance, and high-priority capital improvement needs, which included expanding the wastewater treatment plant and constructing a new water well. Worked with the project team to update the rate structures to reflect the cost of providing service to each customer class and current industry standards.
- **City of Morgan Hill – Wastewater Rate Study:** Prepared a financial plan for the 2018 wastewater rate study update, which included budget analysis, cash flow projections, and a detailed evaluation of capital funding options. The study evaluated debt financing alternatives to fund \$87 million in capital improvements for pipeline replacement and a treatment plant expansion.
- **City of Sacramento – Development Impact Fee Study:** Conducted an extensive update of water, sewer, and storm drainage system capacity charges. This study addressed City policies and overall objectives in developing connection fee alternatives for the City to consider. Key tasks included preparing financial/rate setting policies, financial plans, projecting capital revenue requirements, cost-of-service analyses, and alternative fee methodologies.
- **City of Seal Beach – Water and Sewer Rate Study:** Prepared financial plans for the City’s water and sewer utilities to ensure sufficient funding was available for operating, maintenance, capital improvement needs and to maintain appropriate reserve funds. Developed cash flow analyses and capital improvement program funding options that balanced the use of rate increases with potential debt financing to minimize the impact to ratepayers.
- **City of Santa Monica – Water and Wastewater Rate and Capital Facility Fee Study:** Developed long-term financial plans for the City’s water and wastewater utilities that balanced meeting operating, maintenance, and capital needs along with maintaining adequate reserve funds. Worked with the project team to develop capital funding options for the City’s \$200 million Sustainable Water Infrastructure project by balancing outside debt financing, interfund loans, use of existing reserve fund balances, and rate increases. Developed updated rate structures which included collecting a greater percentage of revenue from fixed water meter charges, incorporating a modest fixed charge in the wastewater rate structure and developing tiered volumetric water rates based on the City’s sources of water supply. Conducted a thorough analysis of water usage patterns and updated the wastewater discharge factors to reflect low water usage periods.

**EDUCATION**

- Bachelor of Arts, University of California San Diego, La Jolla

**HIGHLIGHTS**

- Two decades of financial, accounting and risk management experience
- Extensive experience in financial reporting, risk management analysis, budget management and development of accounting policies and procedures
- In-depth experience as a finance manager, consultant and controller in private industry
- Supports project teams completing public utility rate and fee studies in performing large-scale data analysis, financial modeling and rate analysis

**BIOGRAPHY**

Alice Bou is a Consultant in our Utility Rate and Fee group. She is an accomplished finance professional with proven success in the oversight of management accounting and business analysis. Alice has two decades of experience working in accounting and financial management, performing data analysis, variance analysis, budgeting and forecasting, financial modeling, and managerial reporting. She has also developed detailed procedures and systems documentation with a focus on productivity, data integrity and functionality to promote transparency of all finance and accounting functions across all departments of the entire organization. Alice’s diverse experience is essential to the work performed by NBS.

As a member of the NBS team, Alice assists in the preparation of financial plans, cost of service, rate, and fee design analysis for our public utility clients. She reviews financial statements, budgets, capital improvement plans, operational data, and customer billing information for use in public utility rate and fee studies. Alice adds value to our team with her exceptional strategic financial planning and analytical skills.

**RELEVANT PROJECT EXPERIENCE**

- **City of Sausalito – Sewer Rate Study:** Developed a comprehensive financial plan to address the City’s increasing operating and maintenance costs as well as the need to finance \$8.6 million in planned capital improvements over the 5-year rate period. Due to the deteriorating condition of the City’s sewer system, the overall goal was to identify equitable sewer charges that addressed sewer upgrades and services and develop rates that balanced the use of outstanding bond proceeds, cash reserves, and additional revenue generated from rate increases.
- **City of Davis – Sewer Rate and System Capacity Fee Study:** Established sewer capacity fees for the City that reflect the cost of sewer system infrastructure that is available to serve new development. Many factors were considered in the study, including the allocation of the \$268 million in existing system assets, the cost of planned capital improvements, and adjustments for outstanding debt and cash reserves. The assigned EDU’s per residential type of use were calculated based on the City’s most recent sewer rate study and average winter water use.



*“Working with Alice was nothing short of extraordinary. Her expertise and responsiveness enabled city staff to express with confidence before the Council on the recent utility study.”*

*Tai Chau  
Assistant Public Works Director  
City of Santa Paula*



## RELEVANT PROJECT EXPERIENCE | CONTINUED

- City of Redding – Water, Sewer, and Solid Waste Rate Study:** Performed an update of the City’s rate studies for its water, sewer, and solid waste utilities, which included updating long-term financial plans to incorporate funding capital improvements estimated at \$97.2 million and reviewing alternative rate structures. Although all three utilities were financially sound, rate increases were necessary to ensure the continued financial health of the City’s utilities by generating sufficient revenue needed to meet projected capital funding requirements, providing revenue stability, and providing equity in rates among customer classes. In addition, the cost-of-service analysis for the solid waste utility examined specific allocation factors for each customer class and determined how costs are divided into various types of service (e.g., collection, disposal, and transfer station).
- City of Santa Paula – Water and Sewer Rate Study:** Completed water and sewer rate studies that included development of sustainable financial plans that focused on balancing the capital improvement needs of the utilities against the financial impact on customers. Worked with the City to develop several capital funding alternatives that balanced the use of cash reserves and rate increases to fund all obligations. The financial plans were then incorporated into the cost-of-service and rate design analyses to develop several rate alternatives for the City’s consideration.
- Suisun-Solano Water Authority – Water Rate Study:** Conducted a comprehensive water rate study for the Authority which consisted of a long-term financial plan that includes the projection of revenues and expenditures on a cash-flow basis to help determine the amount of rate revenue required to maintain reserves at the recommended levels. Worked with Authority staff to develop a plan to fund over \$20 million in necessary capital improvement projects, with a combination of new debt issuances, existing cash reserves, and rate adjustments.
- City of El Cerrito – Storm Drainage Fee Study:** Worked together with the engineering firm of Schaaf & Wheeler to perform a feasibility analysis for the City. This review addressed the shortfall of the Storm Drain Utility to sufficiently fund increasing operational costs, the establishment and maintenance of reserve funds, and the funding of the City’s capital improvement projects. Conducted an extensive analysis of the Contra Costa County secured property data by land use type in order to develop the per parcel cost estimates for the various funding mechanisms presented to the City for consideration based on available revenue sources.
- LADWP – Water Temperature Zone Analysis:** LADWP currently has a four-tiered water-budget based volumetric rate structure that assigns water budgets to each customer based on lot size and temperature zone. As part of LADWP’s Interim Rate Review, evaluated the findings of previous temperature zone assignments to determine potential customer bill impacts of modifying the existing temperature zones. Prepared an analysis of temperature zone impacts on water customers, including a thorough review of the temperature data as well as recent trends related to the number of customers, water use, and water bills by zone, tier, and lot size over the last five years. The primary focus of this study was to see if recent changes in temperature data as defined by LADWP’s current temperature zones warranted changing the customers assigned to each temperature zone, or the criteria used to define each zone.

## RELEVANT PROJECT EXPERIENCE | CONTINUED

- **Rosamond Community Services District – Water and Sewer Capacity Fee Study:** Developed updated water and sewer capacity charges and connection fees for the District to ensure these fees reflect the cost of infrastructure needed to serve new development and meet industry standard methodologies. Updated the District’s capacity charges utilizing the replacement-cost-less-depreciation approach to estimate the value of the District’s existing assets and incorporating the costs of planned capital improvements from the water and sewer master plans. In addition, updated the connection fees for installing connections to the water and sewer systems by using key data such as staff labor time, cost of equipment, and the cost of infrastructure installed.
- **Mill Valley – Sewer Rate Study:** In the process of preparing a long-term financial plan reflecting the City’s growing concerns about shortfalls due to increased capital improvement costs and its current sewer rate structure, specifically the equitable assignment of costs to commercial customers (i.e., restaurants). Sewer rates will be evaluated to improve revenue stability in the light of current economic conditions as well as recent drought and continuing water conservation efforts. Water consumption data will be used to update commercial rates to assess how consumption has changed in the last few years and how projected water conservation might impact future consumption.
- **Ironhouse Sanitary District – Wastewater Rate and Capacity Fee Study:** Assisted the project team in the analysis of the District’s customer data to confirm the proportionality of current sewer rates to the cost of providing service. This process involved an in-depth examination of the water consumption data for customers from multiple water agencies to complete a cost-of-service analysis and determine updated EDU assignments for non-residential customers based on water usage and strength characteristics of wastewater discharged.
- **Pajaro/Sunny Mesa Community Services District – Water Rate Study:** In the process of completing a comprehensive water rate study for the District. The study will update the critical components of the water rate analysis last updated in 2015, which includes a review of the District’s underlying policies and assumptions. The study update will include cost-of-service and rate design analyses as well as the following: (1) Projecting the District’s revenues and expenses using a cash-basis method to identify future rate increases and help maintain appropriate reserve fund levels in light of updated budget projections; (2) Evaluating reserve fund sufficiency by reviewing existing reserve funds, target reserves, reserve fund policies, and other related issues such as debt service coverage ratios; (3) Verifying that capital improvement funding aligns with District-provided capital project plans; and, (4) Evaluating the timing, costs, and available reserves used to fund the various improvement projects.



**EDUCATION**

- Bachelor of Science, Political Science, California Polytechnic State University, Pomona
- Certificate, Geospatial Technician, Victor Valley College
- Certificate, Geographic Information Systems, San Bernardino Valley College

**HIGHLIGHTS / TECHNICAL**

- Configure and maintain ESRI ArcGIS applications (web maps, Dashboards, StoryMaps, Survey123, Collector, QuickCapture)
- Prepare numerous boundary maps, diagrams, and 1915 Act lien apportionments
- ArcDesktop, ArcSDE, ArcGIS Server, ArcGIS Online, Survey 123, Collector
- Python Software experience
- SQL for data manipulation and analysis
- Autodesk AutoCAD

**BIOGRAPHY**

Jeremy Jung is a Geographic Information Systems (GIS) Data Analyst for NBS. He has more than five years of experience in the design and maintenance of GIS Geodatabases in a SDE environment, including reconciling/posting and QA/QC. He has developed new workflows and utilized Model Builder for processing parcel data that removed the need to purchase the data on a quarterly basis. Jeremy has performed spatial analysis to identify restricted areas for Cannabis Delivery Services, and utilized basic Python scripts to edit and automate GIS workflows. He has updated and maintained numerous map services for GIS applications (Cityworks, CRW Trakit, Granite XP, Internal Geoviewer, Public Viewer).

As a GIS Data Analyst, Jeremy creates maps and analyzes data associated with county assessor’s parcels, district boundaries, public facilities and improvements as well as captures custom images utilizing the latest in GIS technology. In addition, he is able to create custom web-based GIS applications for internal and external use by NBS clients.

**RELEVANT PROJECT EXPERIENCES**

- **CivicMic** – Successfully completed a variety of projects for CivicMic including the creation of surveys, web maps, web apps, and testing ESRI Hubs. The web applications assist with facilitating community outreach and public engagement opportunities to determine the level of public support.
- **Los Angeles County Metropolitan Transportation Authority** – Accomplished creating a quarter mile and half mile buffers around approximately 60 stations to help identify assessed values for each parcel within the buffer zones.
- **East Contra Costa Fire Protection District** – Calculated fire stations distance drive times and half mile buffer distances within ECCFPD boundary to determine best response times for each parcel. Utilizing network analysis was instrumental in determining the calculation of special general benefit and proportionality for ECCFPD.



*Our staff appreciates the expertise, guidance and experience that the NBS teams bring to our special assessments.”*

*Mike Gow, General Manager / Chief Engineer, Lake Hemet Municipal Water District*





**Valley Sanitary District  
Board of Directors Meeting  
April 13, 2021**

TO: Board of Directors

THROUGH: Beverli A. Marshall, General Manager

FROM: Jeanette Juarez, Business Services Manager

**SUBJECT: Annual Renewal of the Business Package Policy and Earthquake Policy for the Fiscal Year 2021/22 in an Amount Not to Exceed \$311,952**

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

**Executive Summary**

The purpose of this report is for the Board of Directors to delegate authority to the General Manager to negotiate and execute a contract with Desert Cornerstone Insurance Service, Inc. for the purchase of the Business Package Policy and the Earthquake Policy in an amount not to exceed \$311,952.

**Strategic Plan Compliance**

This item complies with VSD Strategic Plan Objective 6: Improve Planning, Administration, and Governance.

**Fiscal Impact**

The financial impact of \$311,952 is included in the proposed Comprehensive Budget for FY 2021/22.

**Background**

Hugh Curtis from Desert Cornerstone Insurance Service, Inc. will present the Business Package Policy and the Earthquake Policy renewal. The 12-month coverage period is from July 1, 2021 – June 30, 2022.

The Business Package Policy includes the Property, General Liability, Management Liability, Inland Marine, Auto and Umbrella coverage. The proposed renewal for July 1, 2021 is \$124,962.

The Earthquake Policy renewal for July 1, 2021 is \$186,990.



**Recommendation**

Staff recommends that the Board of Directors delegate authority to the General Manager to negotiate and execute a contract with Desert Cornerstone Insurance Service, Inc. for the purchase of the Business Package Policy and the Earthquake Policy in an amount not to exceed \$311,952.

**Attachments**

Attachment A: Cover Letter – Desert Cornerstone Insurance Service, Inc.

Attachment B: Insurance Proposal Business Package Policy – Desert Cornerstone Insurance Service, Inc

Attachment C: Insurance Proposal Earthquake Policy – Desert Cornerstone Insurance Service, Inc

April 5, 2021

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

Dear Beverli and Jeanette:

The renewal Business Package policy and Earthquake policies for Valley Sanitary District renew July 1, 2021. Enclosed are the renewal quotes (the vehicle list is included in the Automobile quote) along with the Statement of Values including the Inland Marine scheduled and unscheduled coverages.

The business package renewal premium is \$124,962 and includes the Property, General Liability, Management Liability, Inland Marine, Auto and Umbrella. This is up about \$10,000 (8%) from last year due to a program rate increase and the addition of the new Ford F550SC. The attached proposal breaks down the cost of each area of coverage.

The property Total Insured Value remains the same as last year to \$39,006,621 and the Inland Marine schedule is down slightly, from \$690,875 last year to \$607,275 due to the elimination of a few pieces of equipment.

The primary general liability coverage has an occurrence limit of \$1,000,000 and an annual aggregate of \$3,000,000. Extension of liability limits on all policies is through an umbrella policy with limits of \$10,000,000 per occurrence and \$10,000,000 aggregate. There is no General Liability deductible. These limits may be increased upon approval by the carrier if you wish to consider increasing the umbrella.

The Earthquake is written separately, and we are providing a total \$40,000,000, which includes a \$2,000,000 Business Interruption limit. The total Earthquake premium is \$186,990 (up from \$176,365 last year, which is about 6%). Per my email of February 20, 2021, the carrier had originally estimated a renewal premium of \$192,000, and we were able to negotiate a lower premium than expected.

The renewal premium for all policies is \$311,952, which is up from last year's total cost of \$291,148 due to the above rate increases.

We will need to have the Signature Pages signed and returned before binding coverage. We are also including the invoice for renewal premium as per attached.



**Desert Cornerstone**  
INSURANCE SERVICE<sup>INC.</sup>

The pollution liability coverage is not included here, as it was renewed on March 1, 2021 and sent under separate cover via email on March 29, 2021.

Thank you for allowing us the privilege of providing this coverage for Valley Sanitary District. I will be happy to answer any questions you or the Board may have. As always, I appreciate your business and value you as a client.

Sincerely,

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

Hugh K. Curtis



**INSURANCE PROPOSAL**  
**Valley Sanitary District**

**EFFECTIVE DATE**  
**7/1/2021**

**PRESENTED BY:**  
**Desert Cornerstone Insurance Services**



**PROGRAM MANAGER**  
**[www.alliedpublicrisk.com](http://www.alliedpublicrisk.com)**  
**Allied Community Insurance Services, LLC**  
**Agency License No. 733176**  
**CA License No. 0L01269**



## PREMIUM SUMMARY

**NOTE:** This proposal is prepared from information supplied to us on the application submitted by your insurance broker. It may or may not contain all terms requested on the application. Proposed coverages are provided by the Allied Public Risk WaterPlus policy forms and are subject to the terms, exclusions, conditions and limitations of those policy forms. Actual policies should be reviewed for specific details. Specimen policies are available from your insurance broker.

PAGE	COVERAGE SECTION	PREMIUM
3-7	<b>SECTION 1. PROPERTY</b> (Property, Equipment Breakdown & Mobile Equipment)	\$ 41,747.00
8	<b>SECTION 2. COMMERCIAL CRIME</b>	\$ 1,500.00
9-10	<b>SECTION 3. COMMERCIAL GENERAL LIABILITY</b>	\$ 35,665.00
11	<b>SECTION 4. PUBLIC OFFICIALS &amp; MANAGEMENT LIABILITY (POML)</b> (Wrongful Acts, Employment Practices, Employee Benefits, Privacy & Network Risk)	\$ 8,720.00
12	<b>SECTION 5. BUSINESS AUTO</b>	\$ 18,611.00
13	<b>SECTION 6. COMMERCIAL EXCESS LIABILITY</b>	\$ 17,645.00

	<b>TOTAL ANNUAL PREMIUM</b> (excludes state-imposed taxes, surcharges, and fees)	\$ 123,888.00
	<b>TERRORISM PREMIUM</b>	\$ 774.00
	<b>FULLY EARNED POLICY FEE</b>	\$ 300.00
	<b>STATE-IMPOSED TAXES, SURCHARGES, AND FEES</b>	\$ N/A
	<b>TOTAL AMOUNT DUE*</b> *Payment is due in accordance with the producer agreement.	\$ 124,962.00

### NOTES:

**INSURED:** Valley Sanitary District  
**EFFECTIVE DATE:** 7/1/2021

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SECTION 1. PROPERTY\*

\*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes

### CARRIER:

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

### FORM:

- Special Causes of Loss
- Proprietary
- Integrated

### LIMITS:

<b>Blanket Property:</b> (Real Property & Business Personal Property)	<b>\$39,006,621</b>
<b>Blanket Coverage Extension:</b> A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	<b>\$2,000,000</b>
<b>Equipment Breakdown / Boiler &amp; Machinery:</b>	<b>Included</b>
<b>Mobile Equipment</b> (Scheduled):	<b>\$607,295</b>
<b>Mobile Equipment</b> (unscheduled, maximum \$10,000 any one item):	<b>\$100,000</b>
<b>Mobile Equipment</b> (borrowed, rented & leased):	<b>\$300,000</b>
<b>Earthquake</b> (earth movement excluded):	<b>N/A</b>
<b>Flood Zone AE:</b>	<b>N/A</b>
<b>Flood Zone X</b> (unshaded):	<b>N/A</b>

### DEDUCTIBLES:

\$1,000	Property
\$1,000	Mobile Equipment
\$1,000	Equipment Breakdown (aboveground & less than 50 feet belowground)
\$2,500	Equipment Breakdown (greater than 50 feet belowground)
N/A	Earthquake (earth movement excluded)
N/A	Flood Zone X (per occurrence)
N/A	Flood Zone AE <sup>1</sup> (per occurrence)
N/A	Flood Zone AE <sup>1</sup> (per damaged structure / per occurrence)
	<sup>1</sup> the greater of the deductibles will be applied
N/A	Wind/Hail <sup>2</sup> (per occurrence)
N/A	Wind/Hail <sup>2</sup> (per damaged structure / per occurrence)
	<sup>2</sup> the greater of the deductibles will be applied

### POLICY HIGHLIGHTS:

- Blanket Policy Limits
- Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Broad Definition of Covered Property
- Proprietary Coverage Extensions

### VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

INSURED: Valley Sanitary District  
EFFECTIVE DATE: 7/1/2021

DISCLAIMER: Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SPECIAL COVERAGES:

- **New Locations Or Newly Constructed Property:**  
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**  
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense Expense.
- **Pollution Remediation Expenses:**  
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the policy period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**  
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**  
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**  
Pays up to \$100,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**  
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**  
Pays up to \$100,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.



## KEY DEFINITIONS

### ■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 1000 feet of premises described in the Declarations;
- Underground vaults and machinery.

### ■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

### ■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.





## KEY DEFINITIONS *(continued)*

### ■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

### ■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins;
- Hydrants; or
- Electric utility power transmission and distribution lines and related equipment owned by the insured.

### ■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
  - a. Insulating or refractory material;
  - b. Buried vessel or piping;
  - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
    - (1) Feed water piping between any boiler and its feed pump or injector;
    - (2) Boiler condensate return piping; or
    - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
  - d. Structure, foundation, cabinet or compartment containing the object;
  - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
  - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
  - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



**PROPERTY SUBLIMITS:**

Coverage	Limit
Accounts Receivable	\$500,000
Valuable Papers and Records	\$500,000
Contamination	\$100,000
Tools and Equipment Owned by Your Employees	\$5,000
Personal Effects and Property of Others	\$5,000
Outdoor Property (unscheduled)	\$25,000
New Locations or Newly Constructed Property	\$1,000,000
Business Personal Property at New Locations	\$1,000,000
Utility Services - Direct Damage	\$250,000
Utility Services – Business Income and Extra Expense	\$250,000
Dependent Business Premises	\$250,000
Property at Other Locations	\$250,000
Pollution Remediation Expense (specified cause of loss)	\$250,000
Pollution Remediation Expense (covered cause of loss)	\$100,000
Contract Penalties	\$100,000
SCADA Upgrades	\$100,000
Property in Transit	\$100,000
Backup/Overflow of Water from Sewer, Drain, Sump	\$100,000
Fine Arts	\$25,000
Limited Coverage for “Fungus”, Wet Rot or Dry Rot	\$25,000
Trees, Shrubs & Plants (maximum \$1,000 any one item)	\$25,000
Indoor and Outdoor Signs (unscheduled)	\$25,000
Arson Reward	\$10,000
Fire Department Service Charge	\$5,000
Non-Owned Detached Trailers	\$5,000
Cost of Inventory or Adjustment	\$5,000
Patterns, Dies, Molds, Forms	\$2,500
Fire Protection Devices	\$2,500
Debris Removal	25% of scheduled limit
Ordinance or Law Provision	25% of scheduled limit

**NOTES:**

Premium is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

**Earthquake and Flood coverages are excluded.**

**INSURED: Valley Sanitary District**  
**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SECTION 2. COMMERCIAL CRIME\*

**\*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

**CARRIER:**

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary
- Integrated

**RATING BASIS:**

- On file with underwriter
- Non auditable

**LIMITS:**

EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
\$500,000	\$250,000	\$250,000	\$5,000	\$250,000	\$100,000	\$100,000	\$100,000

**DEDUCTIBLE:**

**\$1,000** each claim

**DESIGNATED EMPLOYEE BENEFIT PLAN(S):**

**POLICY HIGHLIGHTS:**

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

**NOTES:**

**INSURED: Valley Sanitary District**  
**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SECTION 3. COMMERCIAL GENERAL LIABILITY \*

**\*IS SECTION INCLUDED IN THE PROPOSAL? Yes**

**CARRIER:**

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Occurrence
- Proprietary

**RATING BASIS:**

- On file with underwriter
- Non auditable

**LIMITS:**

Per Occurrence	\$1,000,000
General Aggregate	\$3,000,000
Products & Completed Operations Aggregate	\$3,000,000
Personal & Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You	\$1,000,000
Medical Payments	\$10,000

**DEDUCTIBLE:**

N/A

**POLICY HIGHLIGHTS:**

- Duty to Defend
- Broad Definition of Insured
- Fellow Employee
- Per Location Aggregate
- Blanket Additional Insured Endorsement

**OPTIONAL COVERAGES INCLUDED IN QUOTE:**

**INSURED: Valley Sanitary District**  
**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**  
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**  
Coverage is provided for bodily injury or property damage arising out of the failure of any insured to adequately supply water.
- **Waterborne Asbestos:**  
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**  
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**  
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
  - Potable water which you supply to others;
  - Chemicals you use in your water or wastewater treatment process;
  - Natural gas or propane gas you use in your water or wastewater treatment process;
  - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
  - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
  - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
  - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
  - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
  - Sudden and accidental events that are neither expected nor intended by an Insured. However, no coverage is provided under this exception for petroleum underground storage tanks.

## NOTES:

**INSURED: Valley Sanitary District**  
**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



**SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY \***

**\*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

**CARRIER:**

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Occurrence

**DEFENSE COSTS:**

- Outside the Limits of Liability

**LIMITS:**

Wrongful Acts	\$1,000,000	per act
Employment Practices <i>(including third party discrimination)</i>	\$1,000,000	per offense
Employee Benefit Plans	\$1,000,000	per offense
Injunctive Relief	\$5,000	per act
	\$3,000,000	aggregate limit

**PRIVACY LIABILITY AND NETWORK RISK<sup>1</sup>:**

Privacy & Network Security Wrongful Acts	\$1,000,000	per act
Breach Consultation Services	\$50,000	per act
Breach Response Services	\$50,000	per act
Public Relations & Data Forensics	\$50,000	per act

<sup>1</sup>Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date: 7/1/2018. Privacy Deductible: \$1,000.

**SPECIAL COVERAGES:**

- Inverse Condemnation: Yes

**DEDUCTIBLE**

**\$1,000** each claim including expenses

**RETROACTIVE DATE:**

**POLICY HIGHLIGHTS:**

- Duty To Defend
- Broad Definition of Named Insured including Past and Future Employees
- Outside Directorship
- Punitive Damages are Covered Where Insurable by Law
- No Intentional Acts, Assault & Battery or Bodily Injury Exclusions

**NOTES:**

**INSURED: Valley Sanitary District**  
**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.



## SECTION 5. BUSINESS AUTO\*

**\*IS THIS SECTION INCLUDED IN THE PROPOSAL? Yes**

**CARRIER:**

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- ISO Business Auto

**PORTFOLIO:**

	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
"No-Fault" or Statutory Personal Injury Protection (each person)	No Coverage	N/A
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$50,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV

**DEDUCTIBLE:**

Liability: None  
 Comprehensive: \$500  
 Collision: \$500

**NOTES:**

**Please refer to Auto terms provided for per unit coverage.**



**SECTION 6. COMMERCIAL EXCESS LIABILITY \***

**\*IS THIS SECTION IS INCLUDED IN THE PROPOSAL? Yes**

**CARRIER:**

- Allied World Assurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

**FORM:**

- Proprietary
- Following Form

**LIMITS:**

\$10,000,000 / \$10,000,000

**RATING BASIS:**

- On file with underwriter
- Non auditable

**SCHEDULED UNDERLYING POLICIES:**

Commercial General Liability - Yes

Hired and Non-Owned Auto Liability - Yes

Public Officials & Management Liability - Yes

Wrongful Acts - Yes

Employment Practices - Yes

Employee Benefit Plans - Yes

Owned Auto Liability - Yes

Employer's Liability (minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000) - No

Other:

**NOTABLE EXCLUSION:**

- Workers' Compensation

**NOTES:**

Employers' Liability subject to Allied World security requirements.

**INSURED: Valley Sanitary District**

**EFFECTIVE DATE: 7/1/2021**

**DISCLAIMER:** Actual coverage is subject to the language of the policies as issued. Your issued policy may contain limits, exclusions, and limitations that are not detailed in this proposal.





# ARROWHEAD

## Special Risk Division

701 B Street, Suite 2100, San Diego CA 92101

**We are pleased to provide you with the following quotation. Please review it carefully. Coverages, terms and conditions may be different or more restrictive than what was requested.**

Quote Valid Until: 6/30/2021 12:01 AM; Local time at the location of the property involved Account Number: 92870

Written request to bind is needed prior to the expiration of this quote or the quote will be considered closed

Named Insured: VALLEY SANITARY DISTRICT, INC. Term: 6/30/2021 to 6/30/2022  
Mailing Address: 45-500 VAN BUREN, INDIO, CA 92201

Renewal of 50961  New Business

### Layer 1 Carrier Listing:

Everest Indemnity Insurance Company	62.50%	\$25,000,000
Ascot Underwriting Ltd (Syndicate 1414 at Lloyd's)	12.50%	\$5,000,000
Underwriters at Lloyd's London / Hamilton	25.00%	\$10,000,000

NON ADMITTED CARRIERS - Current rating may be found at [ambest.com](http://ambest.com)

Perils: Earthquake only Including Earthquake, Excluding Flood, Excluding Earthquake Sprinkler Leakage  
 Terrorism (TRIPRA of 2015)  
 Building Ordinance: Excluded

If excess - BO coverage applies only if all underlying carriers are including with no sublimits

Layer 1: \$ 40,000,000 (100.00%) part of \$ 40,000,000 Primary  
Limits apply per occurrence and in the aggregate for the following: Earthquake

Deductibles: CA EQ 10 % per Unit

Including Time Element -  
 Business Income  Extra Expense  Rental Value  
 Excluding Time Element BI deductible if different from PD:

Minimum EQ Deductible:	<b>\$ 50,000</b>
EQSL:	<b>Excluded</b>
Flood:	<b>Excluded</b>
AOP:	<b>Excluded</b>
Terrorism:	<b>Same as EQ</b>

- Unit is defined as: a) Each Separate Building or Structure
- b) Contents in each Separate Building or Structure
- c) Property in the Yard
- d) Business Income/Extra Expense

- Property Covered:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Real Property                | <input checked="" type="checkbox"/> Business Personal Property |
| <input type="checkbox"/> Hard Costs                              | <input type="checkbox"/> Soft Costs                            |
| <input checked="" type="checkbox"/> Business Income              | <input checked="" type="checkbox"/> EDP                        |
| <input checked="" type="checkbox"/> Extra Expense                | <input type="checkbox"/> Tenant Improvements/Betterments       |
| <input type="checkbox"/> Rental Value                            | <input type="checkbox"/> Stock                                 |
| <input type="checkbox"/> Leasehold Interests                     | <input checked="" type="checkbox"/> Machinery and Equipment    |
| <input type="checkbox"/> Contingent Business Income              | <input type="checkbox"/> Accounts Receivable                   |
| <input type="checkbox"/> Per Submission                          | <input type="checkbox"/> Valuable Papers                       |
| <input type="checkbox"/> Fine Arts                               | <input checked="" type="checkbox"/> fences                     |
| <input checked="" type="checkbox"/> Foundations, walls, walkways | <input type="checkbox"/>                                       |
| <input checked="" type="checkbox"/> underground piping3MM        |  |

- Valuation:
- |                                      |  |   |
|--------------------------------------|--|---|
| Property Damage                      | <input checked="" type="checkbox"/> RC | <input type="checkbox"/> ACV            |
| Time Element including Extra Expense | <input type="checkbox"/> RC            | <input checked="" type="checkbox"/> ALS |

Territory/Locations: CA only per SOV on file with company dated 3/17/2021

TIV: \$ 39,006,621

- Forms:
- Company Form
  - Company Excess Follow Form (subject to review and approval of form we are to follow)  
**Copy of policy we are to follow must be received within 75 days of effective date or we will issue our form**
  - Manuscript Form (subject to approval of final executed policy form and approval of form we are following if following form)  
**Manuscript form and copy of policy we are to follow must be received within 75 days of effective date or we will issue our form**
- If doing Excess Follow Form or Manuscript Form, we require a complete copy of the policy we are following which is subject to approval prior to issuing our policy. Our policy will not be issued without it.**

- Exclusions:
- Pollution (Company Form)
  - Asbestos / Contamination (Company Form)
  - Mold (Company Form)
  - Flood  EQSL  Theft
  - Flood - locations located in 100 year flood plain
  - Flood - locations located in 100 year flood plain, X500, X(Shaded) and B flood zones
  - Building Ordinance, Increased Cost of Construction and Demolition
  - Exclude but allow BO/ICC/Demo losses to erode the aggregate
  - Boiler and Machinery
  - Communicable Disease, Virus or Bacteria
  - Cyber Exclusion Endorsement
  - Underlying Sublimited Coverages Exclusion
  - All Risk Perils (Including Windstorm)
  - Ensuing Loss
  - War Exclusion
  - Nuclear/Radioactive/Biological and Chemical Exclusion
  - CONTRACTORS EQUIP-SCHEDULED & UNSCHED

- 
- Conditions:
- Warrant All Risk Underlyer
  - Debris Removal clause (Company Form)
  - Excess Limit of Liability and Participation Clause (Company Form)
  - Drop Down
  - Statement of Values form
  -
- 

PREMIUM: \$ 180,000	25% Minimum Earned
TRIPRA of 2015 Premium: \$ 90,000	Not included in premium above
Surplus Lines: Fees \$ 5,850	
Catastrophe Analysis Fee: \$ 900	Fully Earned
Inspection Fee: \$ 240	Fully Earned
Total Excluding TRIA: \$186,990	

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*This quote does not guarantee the addition of additional locations/coverages at the account rate or any rate. Should coverage be bound, the agreement to add additional locations/coverages is subject to carrier approval.*

Quote Subject to:

Comments:

This insurance does not apply to "bodily injury", "property damage", "time element" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease caused by either virus or bacteria whether engineered or naturally occurring.

This quote may vary from coverage requested.

This quote is a summary of coverage and may not be all encompassing. In the event of difference, policy language will prevail. Locations covered under this policy may be subject to inspection and underwriting action may be taken if the exposure is found to be different than the submitted application.

<https://www.bbinsurance.com/ccpa-privacy-notice/>

<https://www.munichre.com/us-non-life/en/general/privacy-statement.html>

## **Notice Regarding Surplus Lines Filing Confirmation and TRIPRA Rejection Forms**

On all accounts effective 2/1/2019 and later, we will be using DocuSign to collect Surplus Lines Filing Confirmations and TRIPRA rejection notices. These notices and forms will no longer be appended to your Quotes or Binders.

**PLEASE NOTE THAT AT THE TIME OF BINDING YOU MUST ADVISE US IF THE INSURED HAS ELECTED OR REJECTED THE PURCHASE OF TRIPRA COVERAGE. BINDERS CANNOT BE SENT UNTIL THIS INFORMATION IS PROVIDED.**

After your account is bound, you will receive separate emails with instructions to complete the Surplus Lines Filing confirmation and TRIPRA Rejection forms in DocuSign. You will also be able to reassign or forward the request to another party for completion.

After all documents are signed they will automatically be returned to your underwriter and no further action will be required on your part.

## **Schedule of Applicable Fees**

### **Catastrophe Analysis Fee \$ 900**

Ascot Underwriting Ltd (Syndicate 1414 at Lloyd's) - \$ 300.00

Everest Indemnity Insurance Company - \$ 300.00

Underwriters at Lloyd's London / Hamilton - \$ 300.00

### **Inspection Fee \$ 240**

Ascot Underwriting Ltd (Syndicate 1414 at Lloyd's) - \$ 80.00

Everest Indemnity Insurance Company - \$ 80.00

Underwriters at Lloyd's London / Hamilton - \$ 80.00



**Valley Sanitary District  
Board of Directors Meeting  
April 13, 2021**

**TO:** Board of Directors  
**THROUGH:** Beverli A. Marshall, General Manager  
**SUBJECT:** **Monthly General Managers Report – February 2021**

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

**Executive Summary**

The purpose of this report is to keep the Board and the public informed on VSD’s day-to-day operations.

**Strategic Plan Compliance**

The recommendation complies with the VSD Strategic Plan Goal 6: Improve Planning, Administration, and Governance.

**Fiscal Impact**

There is no fiscal impact from this report.

**Background**

The following data represents the activities and metrics for the month of February 2021.

*Administrative Services*

- Proposition 218 postcards have been mailed customers. The proposition 218 notice and Draft Sewer Rate Study is posted on the Valley Sanitary District website.
- The proposed sewer rate increase was presented at the Indio City Council Meeting on April 7, 2021.
- Live training with Caselle is complete. The Caselle system is now live and is being administered parallel with Financial Edge until June 30, 2021.

*Operations & Maintenance*

- At the request of Stantec, staff has taken the North Cell out of operation. The water has been pumped into pond 2 for treatment and the biosolids are currently being dried in place to be removed for disposal. The North Cell is being considered as a treatment basin to receive high ammonia loads from the belt press filtrate before being returned to the influent pump station, in the upcoming plant upgrade project.

- At the request of Stantec, staff has started to treat all the flow from the influent pump station through the activated sludge plant. Staff put the entire aeration basin system into service and blower air flow trends are being observed for blower system performance.
- RAS pump #4 was sent in for repair due to bad motor windings. The pump was repaired, returned and staff put the pump back into service.
- Staff completed the installation of the north sodium bisulfite tank and the tank has been put into service.
- The results of the second quarter mandated PFAS monitoring were received and reported to the state GEOtracker reporting site.
- Required annual meter calibrations were performed by MCR technologies.
- Staff regenerated the south iron sponge and put back into service after regeneration.
- Interviews for the operations positions were conducted, and the selected candidate will be starting on April 19, 2021.

#### *Development Services*

- Construction has begun on the Dutch Bros. Coffee near the intersection of Hwy 111 and Las Palmas Rd. This location will have a drive thru and walk-up service only.
- Construction has begun on the Chandi Plaza at the southwest corner of Indio Blvd. and Avenue 44. This project will include a convenience store with fueling station, carwash, restaurants, and retail suites.
- Villa Hermosa Phase III has started construction of 100 apartment units. The new units will be constructed at the Fred Young Farm Labor Camp, near the intersection of Van Buren St. and Dr. Carreon Blvd.

#### *Collection Services*

- Field Vector crew is currently working on Trouble Spot areas.
- CCTV Inspection work is currently being conducted in the area of John Nobles and Monroe St.

#### *Capital Improvement Program*

- The Preliminary Design Report for the replacement of the sewer siphon at Westward Ho Drive is complete. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. The design is in progress. Staff and the consultant had a preliminary meeting with CVWD regarding requirements for crossing the channel. 50% of design plans and an updated project cost schedule have been submitted by Carollo. Staff reviewed the plans and sent comments back to Carollo for revision. 90% design plans and specifications have been submitted by Carollo and staff has reviewed them and submitted comments for correction. Update: Carollo has submitted a pre-final 95% set of plans and specifications which staff is currently reviewing. Staff is coordinating meetings with the City of Indio and La Quinta to discuss comments the agencies may have on the project.
- Staff is continuing to work with Harris and Associates on the Collections System Rehabilitation and Maintenance project. Harris has put together bid documents

for the CCTV inspection of sewer mains that need special requirements or technology which have been approved by VSD and the City of Indio. This project was put out to bid and advertised to potential bidders on November 23rd, 2020. and sealed bids will be opened on January 14th, 2021. The first rehabilitation project was put out to bid and advertised to potential bidders on August 3, 2020, and the bid was closed on September 10, 2020, with 5 companies submitting bids. The lowest responsible bidder was Insituform with a bid of \$240,483. Harris is also 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. 50% design plans for the downtown Indio sewer improvement project have been submitted and staff is currently reviewing them. Update: All work for the first rehabilitation project has been completed. VSD is waiting for laboratory testing on liner samples to be completed to close out the project. The CCTV inspection project will begin once the contractor acquires the required permits from the local jurisdictions.

- VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building. Staff had a second meeting with the architect to discuss ideas for a functional and adequate building. Staff has selected a new location for the building that will allow the single-story building with minimal demolition. Staff comments and revisions based on the single-story design have been submitted to the architect who is currently preparing a revised floor plan, conceptual cost estimate, and new proposal for the construction of a new laboratory building. The architect has completed the schematic design cost estimate for the training/office building. Update: The architect has developed a preliminary floor plan for the proposed new laboratory building. Staff have reviewed the floor plan and returned comments to be addressed.
- VSD is currently working with Stantec, who is acting as an Owner's Representative, on the repair and rehabilitation of the Influent Pump Station. Stantec and staff have received five (5) Statement of Qualifications as part of the Request for Qualification (RFQ) solicitation. Staff and Stantec shortlisted three (3) of the firms to move on to the next step of submitting a proposal for the work to be completed. The Request for Proposal (RFP) was released on August 28, 2020 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 22<sup>nd</sup> to February 26<sup>th</sup>. Update: Dudek is currently preparing the Basis of Design Report.
- Staff is working on implementing an asset management system for the treatment plant using Lucy web software. VSD is currently working on building out the Lucy Web system with the help of a Lucy implementor. The latest session of virtual training from the implementor was completed on August 25, 2020. Staff has finished the installation of Lucy Mobile and is pursuing the implementation of plant wide Wi-Fi that will allow access to the asset management system from a mobile device anywhere in the plant facility. Update: Training videos for VSD staff training have been recorded. Operations and maintenance staff will begin to review the training videos and use the system to create and complete work



orders. Staff is also working on populating the system with scheduled work orders.

**Recommendation**

Staff recommends that the Board receive the Manager's Report for activities during the month of February.

**Attachments**

- Attachment A: Administrative Services Report for February
- Attachment B: Monthly NPDES Report for February
- Attachment C: Collection System Report for February
- Attachment D: Development Services Report for February
- Attachment E: Capital Improvement Program Update for February

## Administrative Services - Task Summary 2021

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Active litigation filed	-	-											-
Board meeting	3	2											5
Budget/Finance Committee meeting	1	1											2
Operations Committee meeting	-	1											-
Employee anniversaries	-	5											5
Employee promotions	1	-											1
Facebook postings	1	-											1
Insurance claims initiated	-	-											-
Lost time work incidents	-	-											-
Media coverage items	-	-											-
New hires	-	-											-
Press release	-	-											-
Public records request	-	-											-
Resignations	-	-											-
Retirements	-	-											-

February 2021	Plant Influent		ASP Effluent			Pond Effluent		
	CBOD (mg/L)	TSS (mg/L)	Monthly Average Flow (MGD)	CBOD (mg/L)	TSS (mg/L)	Monthly Average Pond Effluent Flow (MGD)	CBOD (mg/L)	TSS (mg/L)
1								
2								
3								
4	313	256		13.6	14.8		12.1	20
5								
6								
7								
8								
9								
10								
11	352	258		8.23	6.61		14.3	20
12								
13								
14								
15								
16								
17								
18	312	296		7.68	4.35		19.4	32
19								
20								
21								
22								
23								
24								
25	328	284		8.22	5.2		22.7	38.4
26								
27								
28			4.90			1.130		
<b>Average</b>	326	274	4.90	9.43	7.74	1.130	17.1	27.6
<b>Minimum</b>	312	256	4.90	7.68	4.35	1.130	12.1	20
<b>Maximum</b>	352	296	4.90	13.6	14.8	1.130	22.7	38.4
<b>Permit LIMITS</b>				25	30		40.0	49.0

Laboratory	Collected (# of Samples)	315
	Analyzed (# of Tests)	685

Total Plant Discharge (Outfall) Grab									
EColi (MPN/100ml)	CL2 Residual (mg/L)	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)
48.1	< 0.01	< 1.4	5	< 0.5	1.5	4.9	8.2	2.7	19
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
27.5	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
6.3	< 0.01								
6.3	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
5.2	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
	< 0.01								
12.2*	0.01	1.4	5	0.5	1.5	4.9	8.2	2.7	19
5.2	< 0.01	< 1.4	5	< 0.5	1.5	4.9	8.2	2.7	19
48.1	< 0.01	< 1.4	5	< 0.5	1.5	4.9	8.2	2.7	19
126	<0.01	25	9.0	5.9	4.3				

## Collection Services Task Summary Report for 2021

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Customer Service Calls	2	2	4										8
F.O.G. Inspection - Completed													0
F.O.G. Inspection - Fail													0
F.O.G. Inspection - Pass													0
Hot spot cleaning (total)*	26	-	-										26
Lift station inspection	19	19	19										57
Manhole inspection	157	125	216										498
Sewer line CCTV (feet)	0	0	32,428										32,428
Sewer line cleaning (feet)	58,522	50,400	70,368										179,290
SSO Response - Cat 1	0	0	0										0
SSO Response - Cat 2	0	0	0										0
SSO Response - Cat 3	0	0	1										1
USA Markings	37	33	55										125

\*Note: Hot spot cleaning is performed quarterly



## VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

**6-Apr-21**

Plan Check in Progress  
Inspection in Progress  
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
7-Eleven Golf Center	44925 Golf Center/Avenue 45	Civil plans submitted for new 7-Eleven store approved. Arch. plans approved and returned to the applicant 10/26/20. Issued permit 3915 on 10/26/20.	Inspect work improvements as scheduled.
82490 Highway 111-Former Imperial Furniture	82490 Highway 111/Arabia Street	Plans submitted for remodeled suites. Completed 1st plan check and returned to applicant 1/8/21.	Perform 3rd plan check upon plan resubmittal.
Abel Lupian Commercial Bldg.	45105 Commerce Street	Plans submitted for new commercial building. Completed 1st plan check and returned to the applicant 4/3/20.	Perform 2nd plan check upon plan resubmittal.
Add'l Dwelling Unit - Cebreros Residence	83181 Blue Mountain Court	Plans submitted for additional dwelling unit. Plans approved and notified applicant 3/3/21.	Waiting for owner to process permit paperwork.
Animal Samaritans - TI	42150 Jackson Street, Ste's 104-106	Plans submitted for building TI. Plans approved and returned to the applicant 2/4/2020. Issued permit 3874 on 2/28/2020.	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.	Waiting for owner to process permit paperwork.
Bel Cielo - Tr 32425	West of Clinton South of Ave 44	Model homes. No plan check is required. Permit and Inspection fees need to be paid. Issued permit 3840 on 9/13/19.	Inspect work improvements as scheduled.
Buzzbox	42625 Jackson Street #112	Plans submitted existng building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Cardenas Single Family Dwelling (SFD)	82266 Stallone Drive	Plans submitted for new SFD. Plans approved, notified the applicant 6/16/20.	Waiting for owner to process permit paperwork.
Carranza Residence -Additional Dwelling Unit	81-450 Palmyra Avenue	Plans submitted for additional dwelling unit. Plans approved and notified applicant 10/2/20. Issued permit 3907 on 10/5/20.	Inspect work improvements as scheduled.
Chandi Plaza	SW Corner of Indio Blvd/Avenue 44	Civil plans submitted for plan check. Completed 2nd plan check and notified applicant 9/30/20. Permit 3948 issued 4/2/21.	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.	Perform 2nd plan check upon plan resubmittal.
Chandi Plaza Building Restaurant Shell	81-977 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st plan check and returned to applicant 10/22/20.	Perform 2nd plan check upon plan resubmittal.
Chandi Plaza Car Wash	81-983 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st plan check and returned to applicant 9/16/20.	Perform 2nd plan check upon plan resubmittal.
Chandi Plaza Convenience Store	81-965 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st plan check and returned to applicant 9/16/20.	Perform 2nd plan check upon plan resubmittal.
Chavez Tenant Improvement	45330 Jackson St/Civic Center	Plans submitted for TI of existing building. Demolition of interior walls and facilities. Completed 4th plan check and returned to the City 6/25/18. Issued permit 3755 on 7/9/18.	Inspect work improvements as scheduled.
Citadel RV Storage-Phase 1	83667 Dr. Carreon Blvd/Calhoun Street	Plans submitted for construction of new RV storage facility. Plans approved and returned to the applicant 3/17/2020.	Waiting for owner to process permit paperwork.
Corso Residence	49491 Braley Court	Plans submitted for single family residence. Completed 1st plan check and notified applicant 8/25/20. Permit 3931 issued 1/5/21	Inspect work improvements as scheduled.
Couthouse Bar & Grill	82910 Highway 111/Jackson Street	Plans submitted for new restaurant. Completed 1st plan check and returned to applicant 12/14/20.	Perform 2nd plan check upon plan resubmittal.
Dave's Hot Chicken	42213 Jackson Street/Avenue 42	Plans submitted for new restaurant. Plans approved and notified applicant 2/24/21. Issued permit 3942 on 3/8/21.	Waiting for owner to process permit paperwork.
Demo Unlimited Storage Yard	83-845 Ave 45/Vam Buren St	Plans submitted for plan check. Completed 2nd plan check and returned to applicant 9/25/20. Plans approved and returned 10/13/2020	Waiting for owner to submit Bonds before drafting agreement
Destiny Church	80250 Highway 111/Jefferson Street	Plans submitted for plan check. Completed 1st check and returned to the applicant 11/9/20.	Perform 2nd plan check upon plan resubmittal.
Donuts Bistro	82151 Avenue 42, Ste 104	Plans submitted for construction of new restaurant. Plans approved and returned to the City 8/28/19.	Waiting for owner to process permit paperwork.
Dunn Edwards Paint Store	81921 Hwy 111/Las Palmas	Plans submitted for new retail building. Plans approved and returned to applicant 4/13/20. Issued permit 3884 on 5/12/2020.	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Dutch Bros. Coffee	81776 Highway 111/Las Palmas Street	Plans submitted new coffee shop. Plans approved and notified applicant 1/21/21. Permit 3945 issued 3/30/21.	Inspect work improvements as scheduled.
EOS Fitness Ave 42 Gym	SWC of Spectrum Street & Avenue 42	Plans submitted for construction of new gym facility. Completed 2nd plan check and returned to the City 11/13/19.	Perform 3rd plan check upon plan resubmittal.
EOS Fitness Hwy 111	Highway/Jefferson Street	Plans submitted for construction of new gym facility. Plans approved and notified applicant 4/27/20.	Waiting for Development Agreement and Bonds before owner can process permit paperwork.
EOS Fitness Public Sewer Extension	SWC of Spectrum Street & Avenue 42	Plans approved and returned to the engineer 6/3/19. Bond and Development agreement in place. Waiting to receive recorded agreement.	Inspect work improvements as scheduled.
Fred Young (Villa Hermosa Apts Phase III)	83801 Dr. Carreon Blvd / West of Van Buren	Plans submitted for apts at Fred Young Farm Labor Dev. Plans approved and returned to the applicant 7/17/2019. Submitted revision to approved plans 9/16/20 Revised Plans approved 11/5/2020. Permit 3944 issued 3/23/21.	Inspect work improvements as scheduled.
Gallery at Indian Springs	Jefferson St/Westward Ho Drive	Civil plans submitted for plan check. Completed 1st plan check and returned to the Engineer 1/10/18. Completed 2nd plan check and returned to the Engineer 1/25/18. Plans approved 1/31/18.	Inspect work improvements as scheduled.
Gallery Homes Tract -Indian Palms	Monroe & Avenue 50	Gallery Homes has recently purchased the 106 lots. Staff has inspected the site and prepared a list of improvements that need to be made prior to issuing connection permits. Plans submitted for home plans. Reviewed 1st plan check and returned back to the city on 6/4/2014. 2nd plan check returned to city 7/7/14. Model plans approved and returned to the City 8/22/14. New homes currently under construction.	Inspect work improvements as scheduled.
Gallery Links - 3	Indian Palms Country Club - Monroe/Avenue 48	Plans submitted for installation of 5 sewer laterals for new SFD. Plans approved and returned to the applicant 4/13/20.	Inspect work improvements as scheduled.
Golden Corral Restaurant	Atlantic Ave/Caspian near Ave 42 and Jackson	Plans submitted for new restaurant building. Arch plans approved 6/12/20. Completed 1st plan check on civil plans and returned to the applicant 6/12/20.	Perform 2nd plan check upon plan resubmittal.
Habitat for Humanity SFD	43655 Towne Street	Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20. Permit 3926 issued 12/1/20.	Inspect work improvements as scheduled.
Habitat for Humanity SFD	43689 Arabia Street	Received plans for the construction of a new home on vacant lot. Plans approved and returned to the applicant 3/11/20. Permit 3925 issued 12/1/20.	Inspect work improvements as scheduled.
Hampton Inn Sewer Main Extension	North West Corner of Spectrum St and Atlantic Ave	Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to engineer 8/27/18. Sewer Finaled 5/12/20.	Waiting for owner to submit Warranty Bond
Indian Water RV Community Bldg.	47202 Jackson Street	Plans submitted for new community building. Completed 1st plan check and returned to applicant. 9/25/19. Issued permit 3873 on 2/26/2020.	Inspect work improvements as scheduled.
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. Completed 1st plan check and returned to the City 2/23/16. Completed 2nd plan check and returned to the applicant 6/8/2020.	Perform 3rd plan check upon plan resubmittal.
Indio Palms Sewer Main Extension( Street A)	South East Corner of Avenue 42 and Monroe St	Plans submitted for the extension of a private sewer main for Indio Palms at Spectrum Street. Plan check fees paid 2/1/18. Plans approved and returned to engineer 5/10/18. Development agreement and Bonds in place.	Sewer Main Complete. Need recorded Easement to release Bonds
Jackson Street Liquor Store	44350 Jackson Street/Ruby Avenue	Plans submitted existing building TI. Plans approved and returned to the City 4/29/19. Issued permit 3829 on 7/26/19.	Inspect work improvements as scheduled.
Jacqueline & Oscar Lua Residence	80-555 Ridgeback Court	Plans submitted for single family residence. Completed 1st plan check and notified applicant 8/25/20.	Perform 2nd plan check upon plan resubmittal.
John Nobles Apartments	TBD - Rubidoux Street/John Nobles Ave	Plans submitted new apartment complex. Completed 1st plan check and returned to the City 2/27/19.	Perform 2nd plan check upon plan resubmittal.

**Monthly Capital Improvement Project Update - April 2021**

<b>Project Title</b>	<b>Project Description</b>	<b>Current Status</b>	<b>Fiscal Year Budget</b>	<b>Total Spent to Date</b>
Westward Ho Sewer Siphon Replacement Design and Construction	Due to the February 2019 rain event, the existing VSD sewer siphon that crosses the CVWD storm channel at Westward Ho Drive became exposed and was damaged. In order to prevent this from happening again in the future, Carollo Engineers is currently working with VSD on the final design of a new sewer that is to be constructed well below the new channel scour depth. The design being proposed would utilize horizontal directional drilling to create a new sewer siphon alignment under the channel and adjacent to the original siphon. Permit processing with at least CVWD and possibly other regulatory agencies may extend the design/permit period. Some or possibly all the project costs will be reimbursed by FEMA / CalOES.	A pre-final 95% set of plans and specifications have been submitted by Carollo and staff is currently reviewing them. Staff is coordinating meetings with the City of Indio and La Quinta to discuss comments the agencies may have on the project.	\$1,325,000.00	\$417,417.75
Collections System Rehabilitation Projects	Harris & Associates is assisting the District in creating a 10-year rehabilitation and replacement program for the collections system. The purpose of this project is to repair, rehabilitate, replace and/or realign aging or defective pipelines and/or segments projected to reach capacity within the foreseeable future. Harris and the District have assigned a rating and priority to all of the pipes in the collection system and are splitting them up into projects for each fiscal year. The first project for this fiscal year will consist of the rehabilitation of approximately 2,300 feet of sewer located in Indio Boulevard and underneath the railroad near Cabazon Avenue using cured in place lining. The second project will consist of hiring a contractor to perform CCTV inspections of all pipes within the District that cannot be surveyed by collections staff due to high flows or pipe diameter. The third project is the downtown Indio rehabilitation and repair project. This project is being done to rehabilitate and replace deficient sewer mains in the streets and allies of the downtown area.	All work for the first rehabilitation project has been completed. Staff is waiting for laboratory testing on liner samples to be completed to close out the project. Harris has submitted 50% plans for the downtown Indio rehabilitation and repair project which staff is reviewing. Staff is currently waiting on National Plant Services to acquire the required permits from the local jurisdictions for the CCTV Sewer Cleaning and Inspection project.	\$2,643,928.00	\$229,400.15
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, a sludge holding tank, and a sludge thickener building.	Schneider Electric has completed the Basis of Design Report. The project will now progress to the 30% design estimated to be completed by June 2021.	\$5,749,692.00	\$0.00
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.	Dudek is currently preparing the Basis of Design Report.	\$1,200,000.00	\$202,577.20
New Training and Office Building and Laboratory Building	The District and SGH Architects are developing the initial design for a new office / training building that will be located to the west of the existing Operations building. The purpose of this new building is to provide space for new offices for collections and maintenance personnel as well as a training area for company events and meetings. Also as part of this project, VSD has contracted SGH to develop designs for a new laboratory building to replace the existing lab due to the current issues lab staff are experiencing with the layout and air filtering system.	The architect has developed a preliminary floor plan for the proposed new laboratory building. Staff have reviewed the floor plan and returned comments to be addressed.	\$149,610.00	\$106,133.50
Additional Parking and Landscaping	The District is in 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. On hold for next steps.	\$250,000.00	\$0.00



**Monthly Capital Improvement Project Update - April 2021**

<b>Project Title</b>	<b>Project Description</b>	<b>Current Status</b>	<b>Fiscal Year Budget</b>	<b>Total Spent to Date</b>
Steel WaterLine Replacement	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.	Project has not started.	\$142,000.00	\$0.00
Recycled Water Main Extension	Staff would like to extend the secondary effluent pipeline system about 250 feet to the pond chlorine contact chamber to save significant potable water when cleaning the pond chlorine contact chamber. This will allow the use of secondary effluent water to be used to clean the chamber instead of potable water. This project has been in the budget for the second year. It has been on hold waiting for staff to have time to install the water main themselves.	Project has not started.	\$60,000.00	\$0.00
Completion of Perimeter Fence Project	This project has been postponed due to the need for a design of the fence before construction. The location and terrain of the proposed fence is such that it will need design. Staff is limited with the number of projects already in process that have a higher priority than this project. Current night security patrol has limited the theft and damage of District property.	Project has not started.	\$280,000.00	\$0.00
Van Buren Slope Protection	The slope along the south end of the District's property is being eroded during flooding events which is causing the posts of the chain link fence to become exposed and weakened. VSD has coordinated with the City of Indio to design a gravel and rip-rap slope reinforcement that will prevent washout during heavy rain events. This project is split into three phases which will encompass the entire length of fence line along Cabazon Road.	Project complete.	\$250,000.00	\$154,947.10

**VALLEY SANITARY DISTRICT  
BUDGET & FINANCE COMMITTEE MEETING MINUTES**

March 30, 2021

*Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.*

A special meeting of the Valley Sanitary District (VSD) Budget & Finance Committee was held via videoconference on Tuesday, March 30, 2021.

**1. CALL TO ORDER**

Chairman Dennis Coleman called the meeting to order at 1:00 p.m.

**1.1 Roll Call**

Directors Present:

Chairman Dennis Coleman

Committee Member Scott Sear

Staff Present:

Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Ron Buchwald, Engineering Services Manager, Holly Gould

**1.2 Pledge of Allegiance**

**2. PUBLIC COMMENT**

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

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None.

**3. DISCUSSION / ACTION ITEMS**

**3.1 Review and Discussion of Valley Sanitary District FY22 Operating & Maintenance (O&M) and Capital Budget Presentation**

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Jeanette Juarez, Business Services Manager, presented the FY22 Operating & Maintenance (O&M) and Capital Budget Presentation to the committee. The proposed O&M and capital budgets for FY22 are \$10,802,095 and \$15,912,465, respectively. The O&M budget encompasses such costs as wages, operating supplies, loan payments, insurance premiums, and other overhead costs to run day-to-day operations. The capital budget incorporates key projects to further advance the District's Capital Improvement Program (CIP). The CIP for FY22 includes the Reclaimed Water Phase 1 treatment upgrade project, the Influent Pump Station Rehabilitation Project and the Collection System Sewer Main Rehabilitation and Replacement Program. The presentation highlighted FY21 milestones, the budget process and

strategies, summaries of the operating and capital budgets, analysis of expenses, analysis of funding, proposed positions, and budget comparisons. Chairperson Coleman requested that a listing of the new services under the administration department be listed for better clarification. He also suggested that a technical memo with a summary of changes to supplement the presentation would be helpful. Committee member Sear requested that a description of the duties of each new proposed position be added to the presentation. A discussion about the asset management program took place. Ron Buchwald, Engineering Services Manager, described what the program does and the difference between the asset management program the collections department uses and the program for the plant. This presentation will come before the full board at a special board meeting on April 20, 2021.

**4. FUTURE MEETING ITEMS**

Jeanette Juarez will be bringing the capital asset policy for the committee to review.

**5. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 2:20 p.m. The next regular committee meeting will be held on May 4, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District

**VALLEY SANITARY DISTRICT  
OPERATIONS COMMITTEE MEETING MINUTES**

April 6, 2021

*Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.*

A regular meeting of the Valley Sanitary District (VSD) Operations Committee was held via videoconference on Tuesday, April 6, 2021.

**1. CALL TO ORDER**

Beverli Marshall called the meeting to order at 1:11 p.m.

**1.1 Roll Call**

Committee Members Present:

Ron Buchwald, Chair

Debra Canero, Director

William Teague, Director

Staff Present:

Ian Wilson, Facility Operations Manager, Beverli Marshall, General Manager, Jeanette Juarez, Business Services Manager, Adrian Contreras, Assistant Engineer, Ryan Williams, Maintenance Supervisor, Holly Gould, Clerk of the Board

**1.2 Pledge of Allegiance**

**2. PUBLIC COMMENT**

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

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None.

**3. DISCUSSION / ACTION ITEMS**

**3.1 Project Update: The Water Reclamation Facility's Asset Management System**

Ron Buchwald, Engineering Services Manager, presented the project update for the District's asset management system. Mr. Buchwald explained that the District had an outdated asset management software system that could not be upgraded and only contained about a third of the assets of the current water reclamation facility. With the hiring of the Maintenance Supervisor in August 2016, a more determined effort was made at building a new asset management system. Due to considerable staff time even with the assistance of a consultant and/or software vendor (staff used the assistance of both), it has taken staff over three (3) years to build the new asset management system. There are currently over 1,300 assets in the new asset management system. Mr. Buchwald explained the process of adding assets into the

program and how the program produces workorders. The workorders will help organize, assign, prioritize, track, and complete maintenance tasks. For an efficient asset management system, the goal is to have the work orders be about 90% preventative and 10% reactive. Each asset can produce 4-7 work orders per unit period with the period being a month to over two years depending on the asset. With an asset management system, the District can track staff workload, staff time to perform the work order, maintenance costs, repair costs, replacement costs and more. The new asset management system will be beneficial and assist staff to be more preventative, but it will also create considerably more work for staff. Ryan Williams, Maintenance Supervisor, presented a Power Point presentation to the committee that walked them through how assets are added and workorders produced within the Lucity software program.

### 3.2 Review and Discussion of the Valley Sanitary District Draft FY 2022 CIP Budget Presentation

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Ron Buchwald, Engineering Services Manager, presented the FY22 Capital Budget Presentation to the committee. The proposed capital budget for FY22 is \$15,912,465. The capital budget incorporates key projects to further advance the District's Capital Improvement Program (CIP). The CIP for FY22 includes the Reclaimed Water Phase 1 treatment upgrade project, the Influent Pump Station Rehabilitation Project and the Collection System Sewer Main Rehabilitation and Replacement Program. The presentation highlighted FY21 milestones, the budget process and strategy, FY22 goals, proposed FY22 budget, and summary of capital funding. Committee member Canero requested that the projects that are currently in process, projects that are FEMA qualified, and carryovers be broken out in a way that they are easily identified with the presentation. The committee members thanked staff for all their hard work they have put into developing the capital budget.

## 4. FUTURE MEETING ITEMS

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Ian Wilson, Facility Operations Manager, suggested having a discussion on the drainage sump issue and where to re-route that water once the ponds are eliminated.

## 5. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 2:22 p.m. The next regular committee meeting will be held June 1, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District