



Tuesday, February 20, 2024 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren Street, Indio, CA 92201

**BOARD OF DIRECTORS
SPECIAL SESSION
AGENDA**

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

Zoom link: <https://us06web.zoom.us/j/81064497924>

Meeting ID: 810 6449 7924

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

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

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

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PRESENTATIONS
 - 4.1 [P3S CONFERENCE HIGHLIGHTS](#)
Recommendation: Review

- 4.2 **PRESENTATION OF CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICER (CSMFO) OPERATING BUDGET EXCELLENCE AWARD**
Recommendation: Review
5. **PUBLIC COMMENT**
6. **CONSENT CALENDAR**
Consent calendar items are expected to be routine and noncontroversial, to be acted upon by the Board of Directors at one time, without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.
- 6.1 **APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD JANUARY 23, 2024, AND THE SPECIAL MEETING HELD JANUARY 30, 2024**
Recommendation: Approve
- 6.2 **APPROVE WARRANTS FOR FEBRUARY 13, 2024**
Recommendation: Approve
7. **NON-HEARING ITEMS**
- 7.1 **REVIEW THE CONTINUING DISCLOSURE ANNUAL REPORTS FOR FISCAL YEAR 2022/23 \$7,540,000 WASTEWATER REVENUE REFUNDING BONDS, SERIES 2015, AND \$8,848,000 ASSESSMENT DISTRICT NO. 2004-VSD (SHADOW HILLS INTERCEPTOR) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2005**
Recommendation: Review
- 7.2 **REVIEW THE ANNUAL DEBT TRANSPARENCY REPORT SUBMITTED TO THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC) FOR THE 2022 INSTALLMENT SALE AGREEMENT \$71,000,000 RECYCLED WATER PROJECT PHASE 1**
Recommendation: Review
- 7.3 **ELECTION OF VICE PRESIDENT FOR THE CALENDAR YEAR 2024**
Recommendation: Approve
- 7.4 **RECEIVE UPDATE ON BOARD OF DIRECTOR RECRUITMENT**
Recommendation: Discuss
8. **GENERAL MANAGER'S REPORT**
- 8.1 **RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR JANUARY 2024**
Recommendation: Review
9. **COMMITTEE REPORTS**
- 9.1 **DRAFT MINUTES OF THE OPERATIONS COMMITTEE MEETING - FEBRUARY 6, 2024**
Recommendation: Discuss
10. **DIRECTOR'S ITEMS**
11. **INFORMATIONAL ITEMS**

12. ADJOURNMENT

POSTED February 8, 2024
Holly Gould
Clerk of the Board
Valley Sanitary District

PUBLIC NOTICE

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



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Anna Bell, Laboratory & Compliance Supervisor and Michael Placencia, Environmental Compliance Technician III
SUBJECT: P3S CONFERENCE HIGHLIGHTS

Suggested Action

Review

Strategic Plan Compliance

GOAL 4: Increase Community Understanding and Support

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

In addition to his VSD role as Environmental Compliance Technician III, Michael is also the CWEA P3S Committee Vice Chair. During his attendance at the annual P3S Conference held in Anaheim, CA from February 4th through 7th, he held additional roles of Lead-Host and Presenter. On Day 1 of the Conference, Michael was the Lead-Host to the Opening General Session welcoming attendees to the start of the conference. On Day 2, Michael presented in the Pretreatment session track, "Solubility Rules! Existing and Emerging Pretreatment Technologies" as representative of the District. His roles as Lead-Host, Presenter, and attendee contribute to VSD's strategic plan goals of increasing community understanding and support. The conference opportunity provided the vehicle to generate greater support for the industry, increasing regional collaborations through social connections, and expanding public recognition for the District.

Recommendation

Receive and file this report as information.

Attachments



IGNITING THE TORCH

FEBRUARY 5-7, 2024 | ANAHEIM, CA

51st Annual
Pretreatment,
Pollution Prevention,
And Stormwater
Conference





Full-Service Wastewater and Waste Management Services from the Experts

Patriot Wastewater is dedicated to providing the highest standard of environmental compliance and our treatment process surpasses county, state, and federal regulations. In addition, all waste streams are batch treated to eliminate mixing of waste streams, which will put generators at ease when they use Patriot Wastewater for their wastewater disposal needs.

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Conference Committee

CONFERENCE CHAIR

Edwin Alonzo
Town of Apple Valley

PROGRAM LEAD

Berlinda Blackburn
Blackburn Environmental Services

OPENING SESSION LEAD

Michael Placencia
Valley Sanitary District

SOCIAL EVENTS LEADS

Jonathon Powell
OC SAN

Melissa Soriano
OC SAN

FACILITY OF THE YEAR
AWARDS CO-LEADS

Casey Fitzgerald
City of San José

Stephen Sealy
LACSD

FOG WORKSHOP LEAD

Angela Zepeda
City of Coachella



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and Sal Ochoa.

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SANITATION DISTRICTS**
Converting Waste Into Resources

SILVER





P3S23 Attendees by Kelly Sullivan

MESSAGE FROM THE CHAIR

P3S 51st Annual Conference

Igniting the Torch

EARLY BIRD
DEADLINE
JAN. 5



On behalf of CWEA, the P3S Executive Committee, and the Conference Planning Committee, it is our distinct privilege to extend to you a heartfelt invitation to join us at the 2024 Pretreatment, Pollution Prevention, and Stormwater (P3S) Conference, taking place

February 5 to 7 in the vibrant city of Anaheim.

Our world is evolving, presenting us with unprecedented challenges. To effectively fulfill our roles as stewards of the environment, it is imperative that we pool our collective knowledge.

Building connections and collaborating with fellow professionals are pivotal aspects of advancing one's career. **This year, I urge you to expand on this critical facet of our profession by reflecting on the significant themes of leadership and mentorship.**

It is fair to state that many of us could not have navigated the journey of becoming water professionals without the invaluable guidance and mentorship provided by those who paved the way before us.

The central theme for this year's conference is **"Igniting the Torch."** Leadership and mentorship are essential in achieving ambitious objectives, whether it is conducting inspections or safeguarding coastal

waters. Every goal requires the expertise of trained professionals who must be nurtured, guided, and continually educated.

With this spirit in mind, the P3S Executive Committee has designed this conference to offer the ongoing training environmental professionals need, equip them with the tools required for leadership and mentorship roles, and facilitate connections with individuals who have adeptly wielded these tools and held these roles in the past.

I cordially invite you to engage with the P3S Committee. Our gatherings have always been marked by abundant energy, enthusiasm, and a renewed sense of purpose as environmental professionals come together.

I wholeheartedly encourage you to find ways to participate in this conference and to inspire your peers, colleagues, and coworkers to do the same. This conference caters to both seasoned professionals and those new to the field. Join us on Tuesday, February 6 for the P3S Committee Meeting at 9:50 a.m. at the P3S Conference and embark on your journey as an environmental leader.

We look forward to seeing you in Anaheim!

Best Regards,

EDWIN ALONZO

CWEA P3S Committee Chair
Town of Apple Valley

Schedule-at-a-Glance

MONDAY

- 7:30 - 8:30 a.m. **Registration & Continental Breakfast**
- 8:30 - 11:30 a.m. **Opening General Session**
sponsored by **Patriot**
- 11:30 - 12:15 p.m. **Time with Exhibitors**
- 12:15 - 1:20 p.m. **Facility of the Year Awards Lunch**
- 1:30 - 3:20 p.m. **Technical Sessions**
- 3:20 - 3:50 p.m. **Expo Refreshments**
- 3:50 - 4:40 p.m. **Technical Sessions**
- 4:40 - 6:30 p.m. **Networking with the Partners**

TUESDAY

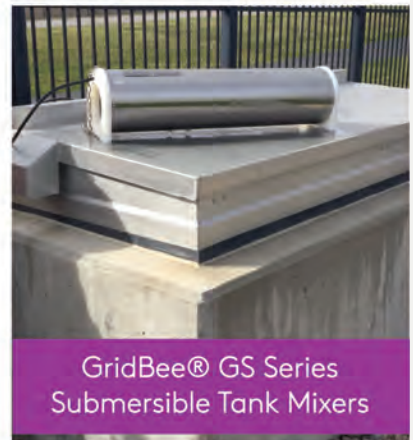
- 7:00 - 8:00 a.m. **Breakfast with Exhibitors**
- 8:00 - 9:50 a.m. **Technical Sessions**
- 9:50 - 10:50 a.m. **P3S Committee Meeting**
- 9:50 - 10:50 a.m. **Expo Refreshments**
- 10:50 - 11:40 a.m. **Technical Sessions**
- 11:45 - 12:50 p.m. **Order of the Silver Cover Lunch**
- 1:00 - 1:30 p.m. **Dessert with Exhibitors**
- 1:30 - 3:20 p.m. **Technical Sessions**
- 3:20 - 3:50 p.m. **Networking with the Exhibitors**
- 3:50 - 4:40 p.m. **Technical Sessions**
- 6:00 - 10:00 p.m. **Signature Event & Tour**

WEDNESDAY

- 7:30 - 8:00 a.m. **Continental Breakfast**
- 8:00 - 12:05 p.m. **Technical Sessions**
- 9:00 - 11:00 a.m. **Technical Tour**
- 12:05 - 1:20 p.m. **P3S Grant Recipients Lunch**
- 1:30 - 3:20 p.m. **Technical Sessions**

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Networking Events

Networking With the Partners
 Monday, February 5
 4:40 - 6:30 p.m.

Enjoy an assortment of hot appetizers and refreshing beverages at this year's annual networking event. Connect with fellow professionals, engage with exhibitors, rekindle old friendships, and stand a chance to win fantastic door prizes.

Claim your drink tickets from any of CWEA's dedicated exhibitors. **It's a complimentary treat for all attendees.** Don't miss out on the fun!

P3S Committee Meeting
 Tuesday, February 6
 9:50 - 10:50 a.m.

Interested in learning more about leadership roles within the P3S Committee? Join this welcoming and inclusive meeting to find out what the committee is planning. Let the P3S Committee leaders know if you're interested in getting involved.

Free and everyone is welcome.



Attendees enjoying the networking events at P3S23. (Kelly Sullivan)



CWEA

P3S SIGNATURE EVENT



Go behind the scenes at a massive water park

Great Wolf Lodge Water Park

Tuesday, February 6 • 6:00 p.m.
 Ticketed event \$90 • Includes tour and dinner
 12681 Harbor Blvd, Garden Grove, CA 92840

Photo by Great Wolf Lodge

Opening Session Speaker Bios

Monday, February 5 | 8:30 - 11:30 a.m.

The Opening General Session is focused on inspiring the next generation of water professionals by “Igniting the Torch” of mentorship and leadership.

OPENING SESSION
SPONSORED BY



Tracy Quinn serves the President and CEO of Heal the Bay, leading the dynamic team of scientists, policy experts, outreach specialists, and educators in pursuit of its clean water mission. Tracy has dedicated her career to improving water quality in our rivers and ocean and ensuring safe, reliable, and affordable water for all Californians.



Derek Marshall is an activist and community organizer who is dedicated to bringing resources back to his district through a Marshall Plan for the Desert, a vision aimed at creating jobs in California’s 23rd district with a Renewable Energy Corridor. He wants to bring people together by building relationships that ensure the working class gets a larger piece of the economic pie.



Rob Thompson is the General Manager (GM) for the Orange County Sanitation District (OC San). Mr. Thompson has been with OC San since 1995 serving in many capacities for OC San including Manager of the Process Controls Division to oversee the maintenance, installation and programming of OC San’s SCADA system and programmable logic controllers; Engineering Manager overseeing the instrumentation shops, electrical shops and power generation plants; and Engineering Manager overseeing Asset Management and Engineering Planning, and Director of Engineering.



Randy Korgan is a thirty-year Teamster, who first became involved in the Labor Movement by volunteering his time as an organizer at the age of twenty-one. As an advocate for working people, he has helped thousands organize, mobilize, and achieve bargaining rights ever since. He currently serves as the Secretary-Treasurer of Teamsters Local 1932 and the International Brotherhood of Teamsters National Director for Amazon.



Win door prizes during the popular
P3S24 Opening Session trivia contest.

Opening Session Lead
MICHAEL PLACENCIA
Environmental Protection and
Resource Recovery Leader
Valley Sanitary District

PROVIDING INNOVATIVE WATER SOLUTIONS AND SERVICES

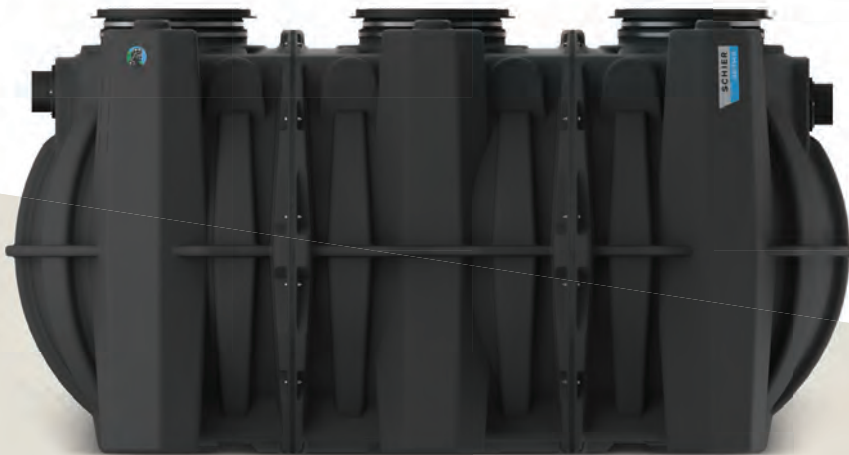
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Conference Lunches



FACILITY OF THE YEAR AWARDS

Casey Fitzgerald
and Stephen Sealy
P3S Awards Leads

12:15 – 1:20 p.m.



ORDER OF THE SILVER COVER

Joe Lucia
Past P3S Chair

11:40 a.m. – 12:50 p.m.



P3S GRANT RECIPIENTS

Jason Finn
Grants Lead

12:05 – 1:20 p.m.

Conference lunches are included in your registration. Please RSVP for lunches to help us avoid food waste.



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Patriot Environmental Tour



How Centralized Waste Treatment Facilities Work

Wednesday, February 7
9:00 - 11:00 a.m. • Tickets are \$25

Get an inside look at Patriot Environmental’s centralized waste treatment facility.

Regulated under 40 CFR 437 subpart D it receives and treats non-hazardous waste liquids.

They have a permitted flow rate of 100,000 gallons per day. Since 2016, Patriot Environmental has successfully treated and discharged over 50 million gallons of industrial wastewater.

The tour will cover aspects of how Patriot Environmental processes and treats the different types of waste streams received.

Capacity is limited so register soon. Attendees must meet the bus promptly at the hotel. Pick-up is on the side of the building. **See page 14 for pick-up spot.**

Technical Tour Lead
JASON FINN
 Industrial Waste Inspector
 LACSD



(Photos by Patriot Environmental)

Technical Sessions

MONDAY			
7:30 – 8:30 a.m.	REGISTRATION & CONTINENTAL BREAKFAST Expo Area • Catalina Foyer		
8:30 – 10:00 a.m.	OPENING GENERAL SESSION PART 1 Santa Rosa Ballroom		
10:00 – 10:15 a.m.	BREAK Expo Area • Catalina Foyer		
10:15 – 11:30 a.m.	OPENING GENERAL SESSION PART 2 Santa Rosa Ballroom		
11:30 a.m. – 12:15 p.m.	TIME WITH EXHIBITORS Expo Area • Catalina Foyer		
12:15 – 1:20 p.m.	LUNCH & FACILITY OF THE YEAR AWARDS Santa Rosa Ballroom		
TRACKS	STORIES FROM THE INSPECTORS	WATER BOARD MS4 PERMITS REGIONAL CHALLENGES	REGIONAL WATER AUTHORITY FACILITIES
LEAD	Mary Thompson City of Santa Barbara	Jason Finn LACSD	Jonathon Powell OC San
LOCATION	Catalina A	Catalina B	Catalina C
1:30 – 2:20 p.m.	Sun, Sea, and Pretreatment Lessons Learned in the City of Santa Barbara Mary Thompson City of Santa Barbara	Region 8 MS4 Updates Nam Nguyen SWRCB Regional Water Board	Pretreatment Information Management System: An Integrated and Automated Database Solution Michael Truong Encina Wastewater Authority
2:30 – 3:20 p.m.	Chemical Fire and Spill ECI 1 - Response and Lessons Learned Anthony Swanson City of Riverside	Region 9 MS4 Updates Dr. Jessica Taylor SWRCB Regional Water Board	Local Limits Perspectives Nubia Donikian and Gorman Lau Larry Walker Associates (LWA)
	Developing a Wastewater Surveillance Sampling Strategy Tamara Vasquez, Nicole Jimenez, City of Riverside		
3:20 – 3:50 p.m.	REFRESHMENTS WITH THE EXHIBITORS Expo Area • Catalina Foyer		
3:50 – 4:40 p.m.	Trust but Verify and Q&A Panel George Muñoz, City of Riverside and Mary Thompson City of Santa Barbara	Please Visit Other Sessions	Regional Agency Perspectives Jerome Jovenal, Brian Finkelstein OC San
4:40 – 6:30 p.m.	FOOD, DRINKS, & DOOR PRIZES NETWORKING WITH THE PARTNERS Expo Area • Catalina Foyer		

TUESDAY MORNING


BREAKFAST WITH THE EXHIBITORS Expo Area • Catalina Foyer				
TRACKS	EPA UPDATES	LEADERSHIP	PRETREATMENT	ENHANCED SOURCE CONTROL WORKSHOP
7:00 – 8:00 a.m.	Carley Craig and Nattapong Pengphol LACSD	Shannon Simmers City of Riverside	Wendy Hsiao City of Burbank	Kristopher McGinnis LACSD
LEAD				
LOCATION	Catalina C	Catalina B	Catalina A	Santa Rosa B
8:00 – 8:50 a.m.	Introduction and Overview of EPA Pretreatment Regulations and Updates Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	Overview of CWEA Mentoring Program Shannon Simmers City of Riverside	Dental Facility Inspections Tracy Wyhlidko City of Redding	NWRI Enhanced Source Control Expert Panel Report Dr. George Tchobanoglous, UC Davis and Kevin Hardy, NWRI
9:00 – 9:50 a.m.	Pretreatment Standards: Categorical Regulations Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	Cracking the Millennial Code Ryan Vet ryanvet.com	Solubility Rules! Existing and Emerging Pretreatment Technologies Michael Placencia Valley Sanitary District	Source Control Success Stories Mark Kawamoto OC San Overview of LACSD’s Industry Advisory Council Liana Olivas LACSD
9:50 – 10:50 a.m.	P3S COMMITTEE MEETING Santa Rosa A			
9:50 – 10:50 a.m.	REFRESHMENTS WITH EXHIBITORS Expo Area • Catalina Foyer			
10:50 – 11:40 a.m.	Pretreatment Standards: Prohibitions and Local Limits Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	A Woman’s Perspective in a Male-Dominated Industry Jaclyn Alm Jurupa Community Services District	The New EPA Rules Your IPP Will Be Required to Add by 2025 Eric Snell SwiftComply	Enhanced Source Control Experts Panel: Ask Us Anything Moderator: Steve Jepsen Clean Water SoCal
11:40 a.m. – 12:50 p.m.	LUNCH & ORDER OF THE SILVER COVER JOE LUCIA, P3S PAST CHAIR Santa Rosa B			
1:00 – 1:30 p.m.	DESSERT WITH EXHIBITORS Expo Area • Catalina Foyer			



18.1 CONTACT HOURS AVAILABLE
EVENT CONTACT HOURS
AUTOMATED

All attendees will be scanned upon entering the session room. To earn contact hours, you must attend the full session. One contact hour will be issued per 50-minute session. You will be scanned out if you leave prior to the session end time.

TUESDAY AFTERNOON

TRACKS	EPA UPDATES	COMMUNICATION	PRETREATMENT INSPECTOR TOOL BELT TRAINING	ENHANCED SOURCE CONTROL WORKSHOP
LEAD	Andrew Marin LACSD	Lanae Barragan LACSD	Joseph Lara Town of Apple Valley	Kristopher McGinnis LACSD
LOCATION	Catalina C	Catalina B	Catalina A	Santa Rosa B
1:30 - 2:20 p.m.	Pretreatment Compliance Audits and Inspections Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	Networking Alchemy: Forging Transformational Relationships Chandler Letulle JCSD	Inflow and Infiltration Latif Laari VVRWA Elizabeth Caliva Dudek	 Roundtable Discussions Small group discussions on hot topics. See topics list below.
2:30 - 3:20 p.m.	EPA Updates: Inspector 101 Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	Leadership Coachella Valley Ivan Monroy CVWD	PFAS - How Big of a Deal is It Really? John Shaffer, EEC 7 Habits of Effective PFAS Source Trackers Mary Kate Forkan Carollo Engineers	
3:20 - 3:50 p.m.	NETWORKING BREAK WITH EXHIBITORS Expo Area • Catalina Foyer			
3:50 - 4:40 p.m.	EPA Updates: Inspector 101 Amelia Whitson, Jim Polek, EPA Region 9 and Chuck Durham, PG Environmental	The Yellow Cake Principle: Your Recipe for Influence and Success Roger Grannis GrannisGroup	Plan Check George Muñoz City of Riverside	Optimizing Water Reuse Projects: Leveraging P3S Professionals for Enhanced Source Control Corey Bracken City of Santa Monica
6:00 p.m.	SIGNATURE EVENT AND TOUR - GREAT WOLF LODGE			



LIGHTING SOLUTIONS FOR WATER TREATMENT APPLICATIONS

HOLOPHANE

ESCP WORKSHOP ROUNDTABLE TOPICS
Regional Board 9 San Diego Fisayo Osibodu and Brandon Bushnell
Communications & Public Outreach Jennifer Cabral, OC San
Industrial User Inspections Jason Finn, LACSD
Pretreatment Permit Denials Katie Greenwood, SOCWA
Recent ESCP Experience for IPR Mary Kate Forkan and Dr. Farzaneh Shabani, Carollo
Local Limits Peter Carlstrom, LACSD
PFAS Source Control Steven Lajkowicz, LACSD
And more!

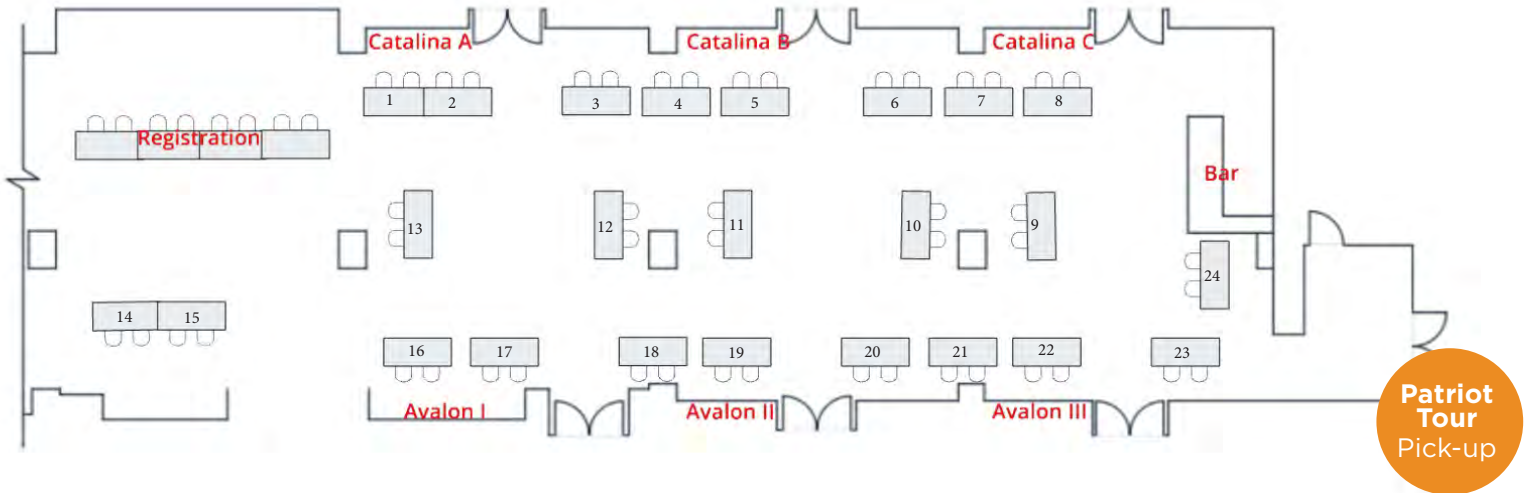
WEDNESDAY



7:30 – 8:00 a.m.	CONTINENTAL BREAKFAST Catalina Foyer		
TRACKS	STORMWATER	ECI TEST PREP	FOG WORKSHOP
LEAD	Kai Hwang LA Sanitation & Environment	George Muñoz City of Riverside	Angela Zepeda City of Coachella
LOCATION	Catalina A	Catalina C	Catalina B
Sponsored by SwiftComply			
8:00 – 8:50 a.m.	Construction General Permit Shanna Delgado CASC Engineering and Consulting	Test Taking Strategies Dr. Ramzi Mamood Office of Water Programs Sac State	Conducting Onsite FOG Inspections Sam Mcleod BMP Compliance Group
9:00 – 9:50 a.m.	Industrial General Permits & SB205 Melanie Sotelo CASC Engineering and Consulting	Environmental Compliance Inspector (ECI) Test Prep Grade 1 Shannon Simmers City of Riverside and Kent McIntosh Retired	Inspection Tools Sam Mcleod BMP Compliance Group
9:50 – 10:15 a.m.	BREAK Catalina Foyer		
10:15 – 11:05 a.m.	Stormwater Pollution Prevention Plans Samantha Brewer CASC Engineering and Consulting	ECI Test Prep Grade 2 Shannon Simmers City of Riverside and Kent McIntosh Retired	Fork-to-Fuel Initiative: Collaboration in Sustainability and Climate Change Activity Trina Lai and Karina Afework LA Sanitation & Environment
11:15 a.m.– 12:05 p.m.	Trash Amendment Melanie Sotelo CASC Engineering and Consulting	ECI Test Prep Grade 3 George Muñoz City of Riverside	Flushable Wipes Lara Wyss Responsible Flushing Alliance
12:05 – 1:20 p.m.	LUNCH & P3S GRANT RECIPIENTS JASON FINN, GRANTS LEAD Santa Rosa		
1:30 – 2:20 p.m.	Stormwater Fee Programs: Best Practices from Across the Country Prabha Kumar Black & Veatch	ECI Test Prep Grade 4 Kent McIntosh Retired	75 Years Experience Preventing Sewer Spills Ralph Palomares & Ed Peterson El Toro Water District
2:30 – 3:20 p.m.	(Micro)plastics in Stormwater Management Dr. Charlotte Haberstroh Black & Veatch	ECI Test Pre Practice Quiz Shannon Simmers and George Muñoz City of Riverside Kent McIntosh, Retired	Gas Monitor Training: The Big Hole in Confined Space Training Jason Call Gas Monitor Competence Training
3:20 p.m.	CONFERENCE ADJOURNS		

Now open for mentor and mentee applications.
mentor.cwea.org

Participating Exhibitors



Company	Booth #
CleanWay Environmental Partners	1
Sage Designs	2
UNITED SALES AGENCY	3
FOG BMP	4
MIFAB	5
International Accreditation Service (IAS)	6
North Bay Waterworks	7
H & R PLUMBING AND DRAIN CLEANING	8
Aqua Natural Solutions	9
SwiftComply	10
Patriot Environmental Services	11
Performance Pipeline Technology	12
WCT Products	13
Clow Valve Company / iHydrant	14
Minicam Inc	15
Schier Products	16
NPDESPro	17
Big Dipper and Trapzilla Grease Interceptors	18
Pipe & Plant Solutions	19
IXOM Watercare	20
Santa Fe Water Systems	21
Pro-Pipe	22
Bioalchemy	23
Holophane Acuity Brands Lighting	24



P3S Attendees catch up in between sessions. Photos by Kelly Sullivan

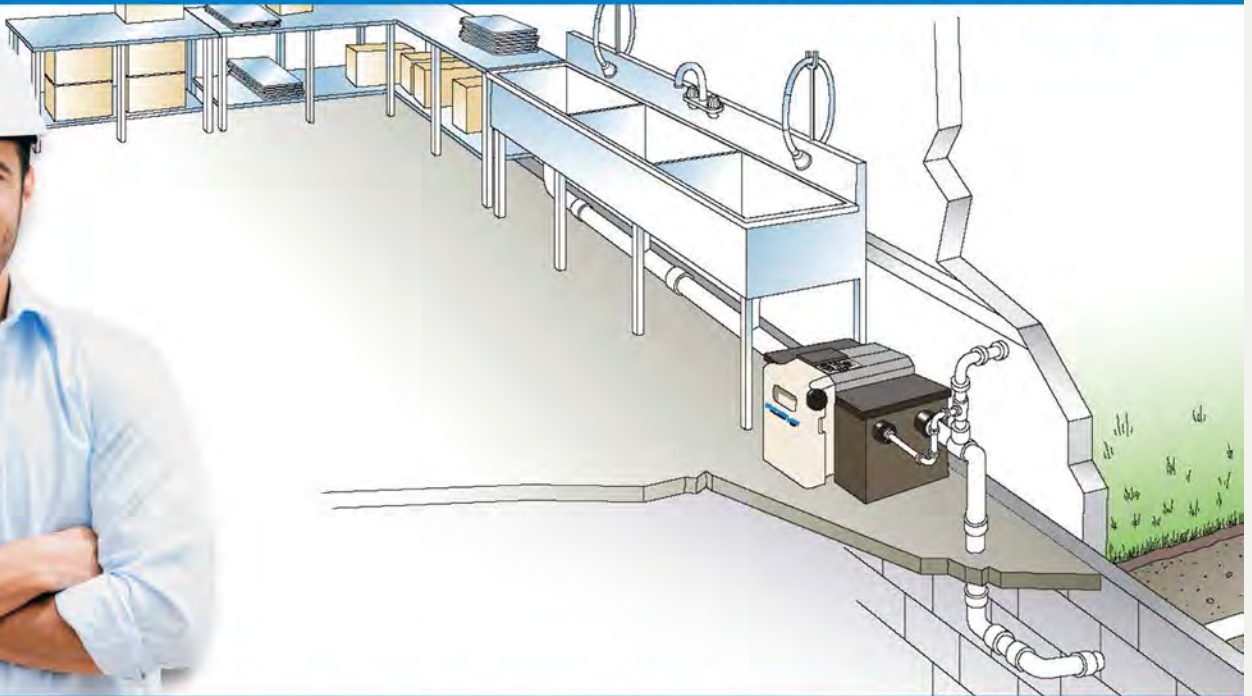


P3S Exhibitors and attendees discuss products in the Expo.



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VISIT BOOTH #18

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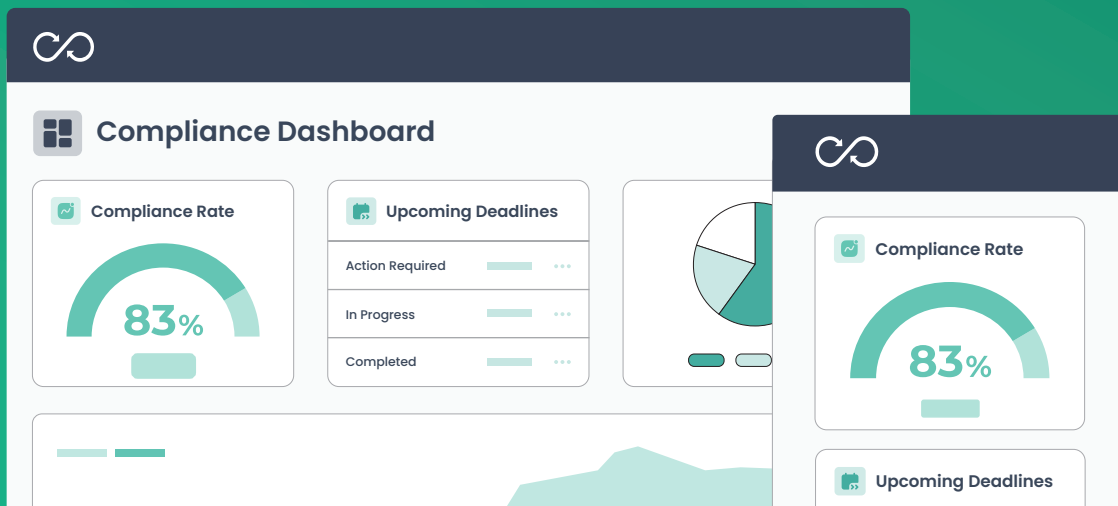
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Wastewater Compliance Management Simplified

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Before you register yourself or a group of persons online, please read all instructions and ensure you know which events and meals you or each person in your group will attend. You will need your online CWEA password for all those you are registering. Discrepancies may result in delays when you pick up your registration materials at the conference.

EARLY BIRD REGISTRATION

Register by **January 5, 2024** to receive the discounted conference registration rate. Mailed early-bird registrations **MUST** be post-marked by **January 5, 2024** and accompanied with the appropriate payment to be processed. Save time by registering online!

MEMBER-DISCOUNTED RATES

CWEA, WEF or CA-NV AWWA memberships qualifies registrant for member- discounted rates, memberships will be verified. The additional cost of a non-member registration rate will be applied toward a one-year CWEA membership unless otherwise stated on registration form.

ONLINE REGISTRATION

Group and individual online registrations can be processed through CWEA's secure website CWEA.org. Event fees are driven by 'registrant type' selected during registration. Please select the appropriate registrant type based on number of days you are planning to attend the conference. If you have any questions during the online registration process, contact Member Services at memberservices@cwea.org or 510.382.7800 x4.

RETIRED MEMBERS

Retired Members are eligible for a special rate. CWEA Bylaws state a retired member is any person both retired from and not currently affiliated professionally or technically with the water quality field. Retired members can submit a registration form by mail, fax, or email.

ACADEMICS & REGULATORS REGISTRATION

Full-time employees of academic institutions are eligible for the Academics rate. Full-time employees of the State Water Board, Regional Water Boards, CalRecycle, US EPA, or Department of Water Resources are eligible for the Regulators rate. To receive this rate, please submit a registration form by mail, fax, or email.

STUDENT REGISTRATION

Full-time students are eligible for a complimentary registration. A student registration includes lunches and the Monday and Tuesday evening receptions. This registration type is not available online since students must provide verification of current enrollment (nine or more units per semester). Students are asked to submit a registration form by mail, fax, or email.

EVENTS & MEALS

Most events and lunches are included in the conference registration fee. Please RSVP to help us avoid food waste. There is a fee to attend the Signature Event on Tuesday evening and the technical tour on Wednesday. Guest/spouse tickets are also available.

SPEAKERS

Conference speakers can register online at a discounted rate and instructions will be emailed to them.

REGISTRATION PAYMENT

Full payment may be made by credit card, purchase order, personal check or company/agency check. Credit card payments are accepted using the enclosed registration form or through CWEA's secure website (CWEA.org). For check or money order payments, please make them payable to "CWEA P3S24." Those who submit payments with an Early Bird Registration fee after **January 5, 2024** will be billed for the difference. Registrations received without full payment or purchase order will not be processed. You must be registered for the conference as an attendee to receive CWEA contact hours.

CANCELLATION POLICY

Cancellations and substitutions must be received at least 3 business days prior to the date of the event.

Credit Eligibility: To be eligible for credit, a written notice must be received one week prior to the program date.

Cancellation Fee: A 25% cancellation fee will be deducted from the refund amount.

Day of Program Cancellation/No-Show: Cancellations or no-shows on the day of the program will not be eligible to receive a refund or credit.

Refund Process: Refunds, minus the applicable cancellation fee, will be processed within 3 days after receiving the cancellation request once approved.

SPONSOR AND EXHIBITOR OPPORTUNITIES

For more information about Sponsor and Exhibitor opportunities, please contact Nicole Agnone, Exhibit & Sponsorship Manager, exhibit@cwea.org, 510.382.7800 x115.

REGISTRATION QUESTIONS

Contact Member Services at memberservices@cwea.org or 510.382.7800 x4.

SPEAKER QUESTIONS

Contact Melanie Guillen at mguillen@cwea.org.

DISCLAIMER

CWEA and our Board members and volunteers are not responsible for the actions of speakers or the content of their sessions. No endorsement is implied or given of any persons or their philosophies, ideas, statements; nor of any products or processes; nor of any organizations or companies who volunteer to serve as speakers at the conference or exhibitors who purchase an exhibit booth.





REGISTRATION FORM

Register online:
p3s24.cwea.org

(PLEASE PRINT OR TYPE)

First Name: _____ Last Name: _____

Agency/Company: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Email: _____

Emergency Contact: _____ Emergency Phone: _____

CWEA MEMBER WEF MEMBER CA-NV AWWA MEMBER # ENTER AWWA MEMBER NUMBER HERE

(Must have current membership for member rates.)

Special Services: Check here if you require special accommodations to fully participate. Please attach a written description of your needs and return it to CWEA 30 days prior to the conference.

ADA Requirements: _____

Dietary Restrictions: _____

Full Conference Rates

	Early Bird Deadline 1/5/24	Regular Registration Starting 1/6/24
Member	<input type="checkbox"/> \$785	<input type="checkbox"/> \$835
Non-Member (a year of CWEA membership is included as part of registration)	<input type="checkbox"/> \$1,006	<input type="checkbox"/> \$1,056
Retired Member	<input type="checkbox"/> \$380	<input type="checkbox"/> \$380
Academics	<input type="checkbox"/> \$265	<input type="checkbox"/> \$265
Full-Time Student (must provide proof of attendance w/min 9 units for college students)	<input type="checkbox"/> No cost	<input type="checkbox"/> No cost

Are you a speaker? Look for details on how to register in the speaker invitation email. Please don't use this form.

Two-Day Conference Attendance

Please choose your days of attendance (select any two days): MONDAY TUESDAY WEDNESDAY

Member	<input type="checkbox"/> \$555	<input type="checkbox"/> \$620
Non-Member	<input type="checkbox"/> \$776	<input type="checkbox"/> \$841
Full-Time Student (must provide proof of attendance w/min 9 units for college students)	<input type="checkbox"/> No cost	<input type="checkbox"/> No cost

One-Day Conference Attendance

Please choose your day of attendance (select one day): MONDAY TUESDAY WEDNESDAY

Member	<input type="checkbox"/> \$380	<input type="checkbox"/> \$440
Non-Member	<input type="checkbox"/> \$601	<input type="checkbox"/> \$661
Full-Time Student (must provide proof of attendance w/min 9 units for college students)	<input type="checkbox"/> No cost	<input type="checkbox"/> No cost

Registration form continues on the next page...



REGISTRATION FORM PAGE 2

PLEASE RSVP FOR MEALS & EVENTS *(help us avoid waste)*

FREE LUNCHES

- MONDAY
- TUESDAY
- WEDNESDAY

FREE EVENTS & WORKSHOPS

- Warm Welcome Happy Hour (Sun.)
- Networking with the Partners (Mon.)
- P3S Committee Meeting (Tues.)
- Enhanced Source Control Workshop (Tues.)
- FOG Workshop, sponsored by SwiftComply (Wed.)

EVENT TICKETS AVAILABLE FOR PURCHASE

Spouse/Guest Tickets

___ qty. Spouse/Guest Lunch Ticket	\$60
___ qty. Networking with the Partners (Mon.)	\$70
___ qty. Signature Event (Tues.)	\$90
___ qty. Technical Tour (Wed.)	\$25

Signature Event and Tour

<input type="checkbox"/> Signature Event	\$90
<input type="checkbox"/> Technical Tour	\$25
Tickets Subtotal	\$
GRAND TOTAL	\$



PAYMENT INFORMATION

For payments by check or money order, make payable to: **CWEA P3S24**

For payments by credit card, please print clearly.

Credit Card: VISA MASTERCARD DISCOVER AMEX Signature: _____

Credit Card Number: _____ Expiration Date: _____

Name of Account Holder: _____ Billing Zip Code: _____

Full payment or purchase order is required to process registrations. Please see the registration instructions for important information about cancellation deadlines and substitutions.

REGISTRATION OPTIONS:

1. Register online at events.cwea.org
2. Fax: 510.382.7810
3. Send registration form and payment to:
CWEA P3S24
 7677 Oakport Street, Suite 1030
 Oakland, CA 94621-1935

Registration Assistance

MEMBER SERVICES

510.382.7800 option 4

or memberservices@cwea.org





Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: PRESENTATION OF CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICER (CSMFO) OPERATING BUDGET EXCELLENCE AWARD

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

None.

Environmental Review

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

Background

The CSMFO Recognition Committee oversees the Award Program for Excellence in Budgeting to recognize agencies with well-presented budget documents, best practices, processes, and procedures.

With the rigorous reviews complete, the CSMFO Recognition Committee is pleased to announce the Valley Sanitary District as a 2024 CSMFO Operating Budget Excellence Award recipient.

Recommendation

Accept the Operating Budget Excellence Award from CSMFO.

Attachments

[5.3 Attachment A Operating Budget Excellence Award.pdf](#)

*California Society of Municipal
Finance Officers*

Certificate of Award

***Operating Excellence
Fiscal Year 2023-2024***

Presented to the

Valley Sanitary District

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

January 29, 2024



Rich Lee

*Rich Lee
2023 CSMFO President*

James Russell-Field
*James Russell-Field, Chair
Recognition Committee*

Dedicated to Excellence in Municipal Financial Reporting



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Holly Gould, Clerk of the Board
SUBJECT: APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD JANUARY 23, 2024, AND THE SPECIAL MEETING HELD JANUARY 30, 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

None

Environmental Review

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

Background

The meeting minutes for the Board of Directors Regular Meeting held January 23, 2024, and the Special Meeting held January 30, 2024.

Recommendation

Approve

Attachments

[23 Jan 2024 Minutes.edited.docx](#)

[30 Jan 2024 Meeting Minutes.edited.docx](#)

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

January 23, 2024

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, January 23, 2024, at 45-500 Van Buren St., Indio, CA 92201.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:

Debra Canero, Scott Sear, William Teague

Directors Absent:

Mike Duran

Staff Present:

Jason Dafforn, General Manager; Ron Buchwald, District Engineer; Jeanette Juarez, Chief Administrative Officer; Dave Commons, Chief Operating Officer; Holly Gould, Clerk of the Board; Tino Tijerina, Matthew Pittelli, and Craig Hayes, Best Best & Krieger

Guests:

Andres Coronel – Desert Recreation Foundation

Dan Rossi – Friends of the Palm Springs Animal Shelter

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT - None

5. CONSENT CALENDAR

5.1 Approve the Minutes for the Board of Directors Regular Meeting held January 9, 2024

5.2 Approve Warrants for January 23, 2024

5.3 Monthly Credit Card Report for the Period Ending December 31, 2023

5.4 Monthly Investment Report for the Period Ending December 31, 2023

5.5 Monthly Financial Report for the Period Ending December 31, 2023

ACTION TAKEN:

MOTION:

Secretary/Treasurer Sear motioned to approve the consent calendar as presented. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Sear, Teague
NOES: None
MINUTE ORDER NO. 2024-3361

6. NON-HEARING ITEMS

President Canero rearranged the order of the non-hearing items to accommodate the guests.

6.5 Discuss Public Outreach and Sponsorship Opportunity

Jason Dafforn, General Manager, was contacted by the Woman's Club of Indio regarding sponsorship for their Mardi Gras Party. He stated that publishing an advertisement in their publication would be a great way to market the District's upcoming 100-year Celebration. Due to his involvement on the Desert Recreation Foundation's Board of Directors, Mr. Dafforn recused himself during the Desert Recreation Foundation Annual Bowling Tournament discussion. The Board decided to sponsor the event as a Head Pin Sponsor for \$2,750.

ACTION TAKEN:

MOTION:

Secretary/Treasurer Sear motioned to authorize the Head Pin Sponsorship for the Desert Recreation Foundation's Annual Bowling Tournament for \$2,750. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Sear
NOES: None
MINUTE ORDER NO. 2024-3362

6.4 Authorize General Manager to Negotiate and Execute Property Lease Agreement

Valley Sanitary District owns approximately 81 acres of land for its sanitary treatment plant. About 27 acres of land is temporarily available until the treatment plant requires expansion. The 27 acres are further broken down into a decommissioned 7-acre bird center or rehabilitation center with several existing structures available. The remaining 20 acres are a decommissioned wetlands treatment exhibit of empty storage ponds. On November 2, 2023, the District solicited proposals for the lease/use of the 27 acres. On January 4, 2024, one proposal was received by the stipulated deadline from Friends of the Palm Springs Animal Shelter, Coachella Valley Wildlife Rehabilitation Alliance. The proposed agreement terms are a 10-year lease, a 6-month termination clause, an initial lease of 7 acres, including existing structures and cages, first right of refusal for the remaining 20 acres and a lease payment of \$1,000 per month. Staff has reviewed and requests authorization to negotiate with the proposed tenant.

ACTION TAKEN:

MOTION:

Secretary/Treasurer Sear Director Teague motioned to authorize the General Manager to negotiate the terms and conditions of a Lease Agreement with the Friends of the Palm Springs Animal Shelter, Coachella Valley Wildlife Rehabilitation Alliance. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear

NOES: None

MINUTE ORDER NO. 2024-3363

6.1 Authorize the Electrical Installation for Generator #1 Headworks

In October 2022, The Board of Directors approved the purchase of a diesel-powered generator to replace Generator #1. Due to supply chain issues, the estimated delivery date of the generator is March 2024. In preparation for the arrival of the generator, staff requested quotes from four electrical contractors to install and connect the new unit to our existing system. Two proposals were received, and two contractors were non-responsive. Staff reviewed the proposals and determined that AG Engineering was the most cost-effective and comprehensive proposal at \$119,900. Staff has included a contingency of 8.75% for sales tax related to materials purchased as part. This brings the total project cost to an amount of \$130,392. The generator installation cost is included in the FY23/24 Capital Budget.

ACTION TAKEN:

MOTION:

Director Teague motioned to authorize AG Engineering, Inc. to install Generator #1 Headworks for an amount not to exceed \$130,392. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear

NOES: None

MINUTE ORDER NO. 2024-3364

6.2 Review Mid-Year Budget Report for the Fiscal Year 2023/24

Jeanette Juarez, Chief Administrative Officer, and Ron Buchwald, District Engineer, presented the midyear update for the fiscal year 2023-24 budget. The adopted operating and capital budget for the fiscal year 2023/24 includes \$19,897,685 in revenues and \$18,622,894 in operating expenditures. As of December 31, 2023, the District has recorded \$20,542,213 in revenue. The revenues are \$3,034,823, or 17.3% above the seasonal budget. As of December 31, 2023, the District has incurred \$7,563,267 in expenditures. The District's expenditures are \$1,748,180 or 18.8% under the FYTD straight-line budget. According to the current data, revenues are expected to be \$1,639,253, or 8.2% over budget for the fiscal year. The additional revenue is attributed to higher-than-projected sewer rate revenue. The District is in the third year of the adopted rate increase. There was higher than anticipated water consumption that increased the revenue totals. The expenditures are estimated at \$2,365,462 or 12.7% under budget for the fiscal year. The savings are mainly attributed to the fact that no payment is

required for the CalPERS Unfunded Accrued Liability (UAL) for fiscal year 2023/24. Budget adjustment appropriations are needed to balance out Other Employee Benefits, Electricity, and Medical Services accounts. Budget savings will be used to cover the required budget adjustments. As of December 31, 2023, the District's CIP budget had \$543,978 in unbudgeted expenses. These expenses were due to emergency repairs to the Westward Ho Siphon, emergency repairs to the Requa Street subsidence, and several emergency repairs to pumps at the Treatment Plant. Currently, if all planned CIP projects are completed by the end of the fiscal year, the CIP Budget will go over by \$185,284. It is unlikely that all planned projects will be completed by the fiscal year-end. Therefore, a budget adjustment is not needed. Staff have also identified projects that can be postponed if there are more emergency/unbudgeted repairs.

6.3 Resolution No. 2024-1188 State of California Governor's Office of Emergency Services (CalOES) Universal Resolution Designation of Applicants

The State of California Governor's Office of Emergency Services (Cal OES) requires a resolution from the Board of Directors authorizing the General Manager or designee to file applications with Cal OES to obtain certain federal financial assistance under Public Law 93-288, as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act. This is a universal resolution effective for all open and future disasters for three (3) years following the approval date.

ACTION TAKEN:

MOTION: Director Teague motioned to approve Resolution No. 2024-1188, which grants authorization to the CEO/General Manager or designee to file and execute the required documentation to apply for federal assistance and obtain funds. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote: Motion carried by the following roll call vote:

AYES: Canero, Sear, Teague

NOES: None

RESOLUTION NO. 2024-1188

6.6 Discuss Board of Director Vacancy

On January 17, 2024, the Board of Directors was notified that Vice President Jacky Barnum had submitted her resignation from the Valley Sanitary District Board of Directors. The resignation leaves a vacancy on the Board for Division A. After discussion, the Board decided to fill the vacancy by appointment. The Board has 60 days to fill the vacancy. If the vacancy is not filled by the deadline, the Riverside County Board of Supervisors may appoint someone. Secretary/Treasurer Sear thanked Jacky for her time on the VSD Board of Directors.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to fill the vacancy for Division A by appointment and direct staff to begin the process pursuant to Government Code

1780 and District policy. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear

NOES: None

MINUTE ORDER NO. 2024-3365

7. GENERAL MANAGER’S ITEMS - None

8. COMMITTEE REPORTS

8.1 Draft Minutes of the Community Engagement Committee Meeting – January 16, 2024

Chairperson Scott Sear stated that the Committee received updates on community engagement events and the social media schedule for February and March. The first General Manager Quarterly Report will be emailed soon. The Committee also discussed a potential tenant for the vacant bird center and the upcoming high school tours. The Committee reviewed the fact sheets that will be used for public outreach material. The Committee also discussed the date for the 100-year Celebration. So far, November 20, 2025, is the date with the least number of conflicts. The Committee also discussed expanding the Community Engagement Committee to include legislative updates and efforts.

8.2 Update on East Valley Reclamation Authority Meeting – January 16, 2024

Director Scott Sear gave an update on the East Valley Reclamation Authority Meeting held on January 16, 2024. The Authority elected officers for 2024 and received an update on the Recycled Water Master Plan. They also received updates from the Valley Sanitary District General Manager and the Indio Water Authority General Manager.

9. DIRECTOR’S ITEMS

Secretary/Treasurer Sear thanked the General Manager for attending the Appropriations 101 Workshop sponsored by Congressman Ruiz’s office. He also thanked Jacky Barnum for her time with the District.

10. INFORMATIONAL ITEMS

The Board Workshop is scheduled for January 30, 2024, from 9:00 a.m. to 2:00 p.m. at the Fantasy Springs Special Event Center.

11. ADJOURNMENT

With no further business to discuss, the meeting adjourned at 2:23 p.m. The next regular Board meeting will be on February 13, 2024.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District

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

January 30, 2024

A Special Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, January 30, 2024, at Fantasy Resort Events Center – Pa’at Room, 84-245 Indio Springs Pkwy., Indio, CA 92201.

1. CALL TO ORDER

President Canero called the meeting to order at 9:00 a.m.

1.1 Roll Call

Directors Present:

Debra Canero, Mike Duran, Scott Sear, William Teague

Staff Present:

Jason Dafforn, General Manager; Ron Buchwald, District Engineer; Jeanette Juarez, Chief Administrative Officer; and Dave Commons, Chief Operating Officer.

Guests:

Martin Rauch, Rauch Communication Consultants, Inc.

3. NON-HEARING ITEMS

3.1 Valley Sanitary District Board of Directors Workshop

The Board of Directors attended a workshop facilitated by Martin Rauch of Rauch Communication Consultants, Inc. The workshop covered the strategic plan's priorities and objectives.

4. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 12:05 p.m. The next regular Board meeting will be held on February 13, 2024.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: APPROVE WARRANTS FOR FEBRUARY 13, 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

The total charges incurred for the warrants from January 18, 2024, through February 5, 2024, are \$793,920.14.

Environmental Review

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

Background

The attached warrants list shows all disbursements from January 18, 2024, through February 5, 2024.

Recommendation

Approve the warrants for February 13, 2024.

Attachments

[Warrants for February 13, 2024.pdf](#)

DISBURSEMENTS
Approved at the Board Meeting of
February 13, 2024

42284	Carlos Acevedo	Boot reimbursement - C. Acevedo	\$250.00
42285	Charles P. Crowley Company, Inc.	Purafilter pp-30	\$554.74
42285	Charles P. Crowley Company, Inc.	Filters, merv 8, merv 14	\$2,582.31
42286	Cintas Corp	Uniforms mats towels etc - 01/05/2024	\$532.84
42286	Cintas Corp	Uniforms, mats, towels etc - 01/11/2024	\$532.84
42287	CWEA/CORBS	CORBS CWEA sponsorship and dinner for 5 employees	\$1,225.00
42288	Environmental Resource Associates	Dissolved oxygen, ph	\$277.34
42289	GPE Controls, Inc.	1/2 inch isolation valve	\$2,273.48
42290	Hach Company	Nitrate std	\$159.10
42291	IDEXX Distribution, Inc.	Pre disp qt 200 comparator	\$47.55
42292	Industrial Filter Manufacturers, Inc.	Panel element 11293	\$676.36
42293	NeoGov	Governmentjobs.com 2/14/2024-2/13/2025	\$10,636.45
42294	Southwest Networks, Inc.	BDR storage - feb 2024	\$699.00
42295	Superior Truck & Auto LLC	Int 7400 fuel filter, air filter, engine oil filter, oil	\$1,607.78
42295	Superior Truck & Auto LLC	Kenworth t400 quick connect fittings, tube air hose	\$215.12
42296	Tops 'N Barricades Inc.	Sand bags	\$413.25
42297	Townsend Public Affairs, Inc	State advocacy - Jan 2024	\$5,000.00
42298	VWR International, Inc.	Vortex genie	\$572.33
42299	Ardurra Group, Inc	Outreach services - Dec 2023	\$21,151.05
42300	Automation Pride	Estimate 7558 gate 3 furnish transmitter	\$970.28
42300	Automation Pride	Gate 2 issue	\$105.00
42300	Automation Pride	Gate 3 issued, new receiver	\$450.94
42301	Best Best & Krieger LLP	CEQA services oct 2023	\$1,533.09
42302	California Association of Mutual Water Companies	2024 membership dues	\$100.00
42303	California Association of Public Information Officials	Webinar registration - B. Rodriguez	\$30.00
42304	Caltest Analytical Laboratory	Monthly samples - 01/24/2024	\$1,113.40
42304	Caltest Analytical Laboratory	Quarterly samples - 01/24/2024	\$338.80
42305	Charter Communications	Spectrum services - 1/26/2024-2/25/2024	\$1,166.02
42306	Cintas Corp	Uniforms, mats, towels etc - 01/18/2024	\$539.87
42306	Cintas Corp	Uniforms, mats, towels etc - 01/25/2024	\$598.00
42307	Core & Main LP	Hach COD2 digestion vials	\$425.08
42308	D & H Water Systems	Flow meter 791671	\$1,082.28
42309	Daniels Tire Service, Inc.	Dismount of tires	\$63.59
42310	Dept. of Environmental Health	Hazardous waste permit 3/1/2024-2/28/2025	\$2,403.00
42311	Desert Fire Extinguisher Co., Inc.	Fire extinguisher training	\$698.00
42311	Desert Fire Extinguisher Co., Inc.	Fire extinguisher service - 01/10/2024	\$2,851.66
42312	Desert Hose & Supply	Fire hose, center punch	\$305.49
42312	Desert Hose & Supply	Air hose, gloves, gouge, gated ght	\$666.59
42312	Desert Hose & Supply	Carwash hose smooth	\$147.73
42313	Desert Sewer Supply, Inc.	T handle gripper w bypass	\$1,076.56
42314	Diamond Environmental Services, LP	Restroom rental - 1/22/2024-2/18/2024	\$269.20
42315	E.S. Babcock & Sons, Inc.	Biosolids - class b -01/30/2024	\$389.41
42315	E.S. Babcock & Sons, Inc.	Monthly samples - 01/22/2024	\$178.35
42316	Eknar Israel Garcia	Cert reimbursement - grade 1 E&I	\$192.00
42317	Fiesta Ford	Check noisy brakes	\$49.00
42318	Franklin Truck Parts, Inc.	Floor mat, seat cover, back cover	\$100.39
42318	Franklin Truck Parts, Inc.	Cover all set	\$284.42
42319	Fulton Distributing Co.	Janitorial supplies	\$976.40
42320	George Petersen Insurance Agency	Pollution liability - 03/01/2024-02/28/2025	\$19,176.00
42321	Geotab USA, Inc	Camera install on new vehicles	\$428.00
42322	Innovative Document Solutions	Canon copier maintenance - oct 2023	\$28.34
42323	Linde Gas & Equipment Inc.	Tank rental - 12/20/2023-1/20/2024	\$162.62
42323	Linde Gas & Equipment Inc.	Helmet and battery	\$188.37
42324	Master's Refreshment Services LLC	Bottled water - 01/22/2024	\$169.00
42325	McMaster-Carr Supply Co.	Micrometer, brushes	\$390.43
42325	McMaster-Carr Supply Co.	Sanding belt	\$97.53
42325	McMaster-Carr Supply Co.	Primer for metal	\$236.42
42325	McMaster-Carr Supply Co.	Abrasive brush	\$384.41
42326	Motion Industries, Inc.	lfst 1" flg brg	\$186.44
42326	Motion Industries, Inc.	lfst 1" flg brg	\$260.90
42326	Motion Industries, Inc.	Super hc v belt	\$169.78
42327	NBS Government Finance Group	QTR 1 2024 admin services	\$4,375.00
42328	Northern Safety Co.	Gloves, medtec	\$299.50
42329	Plumbers Depot Inc.	Repair of CUES cameras	\$1,108.34
42330	Quinn Company	Air filters	\$306.09
42331	ReadyRefresh by Nestle	Distilled water - 12/27/2023-01/26/2024	\$85.91
42331	ReadyRefresh by Nestle	Distilled water - 12/17/2023-1/16/2024	\$123.87
42331	ReadyRefresh by Nestle	Distilled water - 12/13/2023-01/12/2024	\$57.96
42332	Schneider Electric Buildings Americas, Inc	Amendment # 2 RST RWP - Dec 2023	\$128,230.15
42333	Tops 'N Barricades Inc.	Tape banner caution	\$26.92
42334	Uline Shipping Supply	Clear bottles	\$36.30
42335	United Way of the Desert	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$20.00
42336	Univar Solutions	Sodium hypo - 01/22/2024	\$11,556.59
42336	Univar Solutions	Sodium bisulfite - 01/23/2024	\$6,469.27
42336	Univar Solutions	Sodium hypo - 02/02/2024	\$11,822.38
42337	Valley Office Equipment, Inc	Sharp copier maintenance - 12/13/2024-1/12/2024	\$64.47
42338	Victoria Nelson	Cert reimbursement	\$235.00
202401231	Basic	Funds withdrawn - 01/23/2024	\$177.78
202401251	CalPERS Health	Health insurance - February 2024	\$59,794.64
202401252	Standard Insurance Company	Dental and vision insurance - February 2024	\$5,129.44
202401261	Paychex - Direct Deposit	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$100,573.30

202401262	Paychex - Garnishment	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$419.07
202401263	Colonial Life	PR 12/22/2023 - 01/04/2024 PD 01/12/2024	\$1,003.32
202401263	Colonial Life	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$1,003.32
202401263	Paychex - Tax	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$47,491.23
202401264	CalPERS 457	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$1,222.93
202401265	Empower (formerly Mass Mutual)	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$10.00
202401266	Mission Square (formerly ICMARC / Vantage Point)	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$1,470.00
202401267	Nationwide Retirement Solution	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$2,483.50
202401268	CalPERS Retirement	PR 01/05/2024 - 01/18/2024 PD 01/26/2024	\$28,109.10
202401301	Basic	Funds withdrawn - 01/30/2024	\$95.00
202401311	Domino Solar LTD	Electricity - December 2023	\$5,761.50
202401312	Imperial Irrigation District	Electricity - December 2023	\$87,467.71
202402011	Imperial Irrigation District	Electricity - December 2023	\$591.21
202402012	Standard Insurance Company	Life and disability insurance - February 2024	\$1,929.31
202402013	De Lage Landen Financial Services, Inc	Sharp copier lease - 01/31/2024	\$212.07
202402021	Verizon Wireless	Cell phones - January 2024	\$1,240.02
202402051	Indio Water Authority	Water - December 2023	\$506.09
202402052	FedEx	Shipping fees - 01/12/2024	\$13.68
202402052	FedEx	Shipping charges - 01/30/2024	\$63.72
202402053	Associated Time On Demand	AOD for Jan 2024	\$302.76
202402054	Burrtec Waste & Recycling Svcs	Grit removal - January 2024	\$2,080.20
202402055	Burrtec Waste & Recycling Svcs	Trash service - February 2024	\$311.49
202402066	Grainger	Stencils	\$46.36
202402066	Grainger	Reflective caution sign	\$136.80
202402066	Grainger	Safety sign	\$43.68
202402066	Grainger	Safety sign	\$53.83
202402066	Grainger	Tubing clear shore	\$191.78
202402066	Grainger	Gate valve lockout	\$62.05
202402066	Grainger	Spill platform	\$164.47
202402066	Grainger	Pressure blaster	\$1,209.11
202402066	Grainger	V belt and file	\$185.49
202402066	Grainger	Mini-pleat air filter	\$447.75
202402066	Grainger	Half mask respirator	\$144.35
202402067	Grainger	Sulfuric acid	\$877.42
202402067	Grainger	Disposable gloves	\$28.16
202402067	Grainger	Tubing silicone	\$155.68
202402067	Grainger	Digital multimeter	\$190.94
202402067	Grainger	90 elbow	\$29.30
202402067	Grainger	Air belt sander	\$825.91
202402067	Grainger	Angle grinder, battery	\$756.08
202402067	Grainger	Sanding belt	\$21.33
202402067	Grainger	Voltage detector	\$77.45
202402067	Grainger	HID ballast kit	\$395.19
202402091	Paychex - Direct Deposit	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$100,633.18
202402092	Paychex - Garnishment	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$419.07
202402093	Paychex - Tax	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$47,450.95
202402094	Paychex - Fee	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$248.61
202402095	CalPERS 457	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$1,222.93
202402096	Empower (formerly Mass Mutual)	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$10.00
202402097	Mission Square (formerly ICMARC / Vantage Point)	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$1,470.00
202402098	Nationwide Retirement Solution	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$2,491.62
202402099	CalPERS Retirement	PR 01/19/2024 - 02/01/2024 PD 02/09/2024	\$28,122.31
202402101	City of Coachella	Water - January 2024	\$49.77
202402121	Frontier Communications	Telephone service - January 2024	\$95.78
202402131	Indio Water Authority	Water - December 2023	\$993.32
		Total	\$793,920.14



Valley Sanitary District

DATE: February 20, 2024

TO: Board of Directors

FROM: Jeanette Juarez, Chief Administrative Officer

SUBJECT: REVIEW THE CONTINUING DISCLOSURE ANNUAL REPORTS FOR FISCAL YEAR 2022/23 \$7,540,000 WASTEWATER REVENUE REFUNDING BONDS, SERIES 2015, AND \$8,848,000 ASSESSMENT DISTRICT NO. 2004-VSD (SHADOW HILLS INTERCEPTOR) LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2005

Suggested Action

Review

Strategic Plan Compliance

GOAL 5: Long-Term Financial Strength

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

Governments or governmental entities (Issuers) issuing bonds have an obligation to meet specific continuing disclosure standards set forth in Continuing Disclosure Agreements (CDA). Under these contractual agreements, the Issuer commits to provide to the marketplace certain financial information and notices of listed events.

Pursuant to the Continuing Disclosure Certificates, the Continuing Disclosure Annual Reports have been completed and are due no later than February 15 each year.

Recommendation

Receive and file this report as information.

Attachments

[8.1 Attachment A Wastewater Revenue Refunding Bonds, Series 2015.pdf](#)
[8.1 Attachemnt B Assesment District No. 2004-VSD.pdf](#)



Certificate of Filing

Valley Sanitary District
\$7,540,000 Wastewater Revenue Refunding Bonds, Series 2015

The 2022-23 Fiscal Year Annual Report for the above-referenced issue, together with the District Financial Statements, was filed electronically by Harrell & Company Advisors and posted on the EMMA website on December 20, 2023.

No Material Event Notices were filed in 2023.

VALLEY SANITARY DISTRICT

\$7,540,000

Wastewater Revenue Refunding Bonds, Series 2015

Issue Date: June 18, 2015



FISCAL YEAR 2022-23 ANNUAL REPORT
December 20, 2023

CONTACT INFORMATION

Jason Dafforn, General Manager
Valley Sanitary District
45-500 Van Buren Street
Indio, CA 92201
Telephone: (760) 238-5400
jdafforn@valley-sanitary.org

CUSIP NUMBERS

The information contained herein applies to Bonds with the following CUSIP numbers:

<u>Maturity</u>	<u>CUSIP</u>
6/1/2024	920075AJ7
6/1/2025	920075AK4
6/1/2026	920075AL2

CONTENT OF ANNUAL REPORT

Pursuant to the Continuing Disclosure Certificate for this issue, the Annual Report is due no later than February 15 each year. This Fiscal Year 2022-23 Annual Report contains:

- (1) The audited Financial Statements of the District for the year ended June 30, 2023;
- (2) Customer Base;
- (3) Largest Customers for Fiscal Year 2022-23;
- (4) Net Revenues and Debt Service Coverage for Fiscal Year 2022-23;
- (5) Description of Additional Indebtedness Incurred by the District during Fiscal Year 2022-23; and
- (6) Event Notice Filing Summary.

FINANCIAL STATEMENTS

The audited Annual Comprehensive Financial Report of the District for the year ended June 30, 2023 (“2023 ACFR”) has been filed separately on the MSRB’s Electronic Municipal Market Access (“EMMA”) website.

CUSTOMER BASE

A ten-year history of customer type by EDU can be found on page 64 of the 2023 ACFR.

LARGEST CUSTOMERS FOR FISCAL YEAR 2022-23

The largest customers for Fiscal Year 2022-23 can be found on page 67 of the 2023 ACFR.

NET REVENUES AND DEBT SERVICE COVERAGE FOR FISCAL YEAR 2022-23

Gross Revenues:	
Service Charges	\$17,466,637
Other Operating Income	43,865
Investment Income	3,271,494
Property Tax	1,406,144
Connection Fees	<u>1,047,104</u>
	23,235,244
Maintenance and Operation Costs:	
Salaries and Benefits	6,358,113
Service and Supplies	2,205,870
Chemicals	596,805
Utilities	900,075
Insurance	<u>354,287</u>
	10,415,150
Net Revenues	\$12,820,094
Debt Service:	
2015 Bonds	\$ 886,688
CSWRCB Loan	553,360
Banc of America Public Capital Corp Installment Sale Agreement	<u>1,896,546</u>
Total	\$3,336,594
Coverage Ratio	384%

**DESCRIPTION OF ADDITIONAL INDEBTEDNESS INCURRED IN
FISCAL YEAR 2022-23**

None.

EVENT NOTICE FILING SUMMARY

No Material Event Notices were filed in 2023.

CERTIFICATION

This Annual Report constitutes the Annual Report required to be furnished under the Continuing Disclosure Certificate with respect to the Bonds for the Fiscal Year ending June 30, 2023.

/s/ Jason Dafforn
General Manager



VALLEY SANITARY DISTRICT

\$8,848,000 Assessment District No. 2004-VSD (Shadow Hills Interceptor) Limited Obligation Improvement Bonds, Series 2005

Riverside County, California
Dated: August 4, 2005
Base CUSIP+: 920068

2022/2023 ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT AS OF JANUARY 30, 2024



+ Copyright, American Bankers Association. CUSIP data is provided by CUSIP Global Services (formerly known as CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is *not* intended to create a database and does not serve in any way as a substitute for the CUSIP service. The issuer takes no responsibility for the accuracy of such number.

LIST OF PARTICIPANTS

VALLEY SANITARY DISTRICT

Jeanette Juarez
Chief Administrative Officer
45500 Van Buren Street
Indio, California 92201
(760) 238-5400
www.valley-sanitary.org

DISTRICT ADMINISTRATOR AND DISCLOSURE CONSULTANT*

Willdan Financial Services*
27368 Via Industria, Suite 200
Temecula, California 92590
Phone (951) 587-3500
www.willdan.com

UNDERWRITERS

Kinsell, Newcomb & De Dios, Inc.

Stinson Securities, LLC

BOND COUNSEL AND DISCLOSURE COUNSEL

Best Best & Krieger LLP
Riverside, California

FISCAL AGENT AND DISSEMINATION AGENT

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

* In its role as Disclosure Consultant Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

I. INTRODUCTION

Pursuant to an Official Statement dated July 21, 2005, the Valley Sanitary District (the “Sanitary District” or Issuer) issued \$8,848,000 Assessment District No. 2004-VSD (Shadow Hills Interceptor) Limited Obligation Improvement Bonds, Series 2005 (the “Bonds”). The Bonds were issued to (i) finance the costs of certain public improvements serving property within Assessment District No. 2004-VSD (Shadow Hills Interceptor) (the “District”) of the Sanitary District, (ii) fund capitalized interest on the Bonds through September 2, 2006, (iii) pay costs related to the issuance of the Bonds, and (iv) make a deposit to a Reserve Fund.

The District is comprised of approximately 2,389 residential lots in ten separate developments throughout the City of Indio. Building permits have been issued in eight of the ten developments. All building permits have been issued in three of the developments, with the percent issued in the remaining five developments ranging from 69% to 100%.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the Sanitary District for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Agreement, dated as of July 1, 2015 (the “Continuing Disclosure Agreement”). For further information and a more complete description of the Sanitary District, City of Indio, the District, and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Sanitary District and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Sanitary District or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Issue	As of September 30, 2023
Limited Obligation Improvement Bonds, Series 2005	\$3,510,000.00

B. FUND BALANCES

Fund	As of June 30, 2023	As of September 30, 2023
Reserve Fund	\$640,011.35	\$612,060.00
Reserve Requirement	\$612,060.00	\$612,060.00
Redemption Fund	\$274.81	\$38,831.66

Source: The Bank of New York Mellon Trust Company, N.A.

There have not been any funds withdrawn from the Reserve Fund to pay interest or principal payments on the Bonds since the date of the last Report.

C. DEBT SERVICE PAYMENTS

There have not been any failures of the Issuer or the Fiscal Agent to pay interest or principal payments on the Bonds on any scheduled payment date since the date of the last Report.

III. FINANCIAL INFORMATION

THE SANITARY DISTRICT'S AUDITED FINANCIAL STATEMENTS ARE PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE SANITARY DISTRICT ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE SANITARY DISTRICT IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE SANITARY DISTRICT TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE SANITARY DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

The audited financial statements for the Issuer for the fiscal year ended June 30, 2023 are attached to this report as Appendix A.

IV. OPERATING INFORMATION

A. TOTAL DELINQUENCIES

The following tables set forth delinquency information for all Fiscal Years with delinquencies. There are no delinquencies prior to Fiscal Year 2013/2014.

Fiscal Year	Annual Special Tax	Amount Delinquent as of June 30 of the Fiscal Year	Percent Delinquent as of June 30 of the Fiscal Year	Amount Delinquent as of September 22, 2023	Percent Delinquent as of September 22, 2023
2013/2014 ⁽¹⁾	\$645,039.38	\$3,800.04	0.59%	\$136.77	0.02%
2014/2015 ⁽¹⁾	\$648,398.90	\$2,997.19	0.46%	\$274.98	0.04%
2015/2016 ⁽¹⁾	\$638,499.02	\$2,687.63	0.42%	\$0.00	0.00%
2016/2017 ⁽¹⁾	\$638,341.82	\$3,538.81	0.55%	\$138.88	0.02%
2017/2018	\$627,605.16	\$13,023.62	2.08%	\$273.92	0.04%
2018/2019 ⁽²⁾	\$627,252.42	\$2,868.26	0.46%	\$133.92	0.02%
2019/2020 ⁽³⁾	\$625,846.96	\$2,703.23	0.43%	\$267.26	0.04%
2020/2021 ⁽⁴⁾	\$623,527.86	\$1,883.22	0.30%	\$674.38	0.11%
2021/2022 ⁽⁵⁾	\$623,545.20	\$2,297.32	0.37%	\$2,297.32	0.37%
2022/2023 ⁽⁶⁾	\$625,051.80	\$2,655.07	0.42%	\$2,665.07	0.42%

⁽¹⁾ Represents delinquencies of parcel 692-570-070 which are currently subject to a payment plan.

⁽²⁾ June 30, 2019 data was not available, October 15, 2019 data used in its place.

⁽³⁾ June 30, 2020 data was not available, October 15, 2020 data used in its place.

⁽⁴⁾ June 30, 2021 date was not available, September 28, 2021 data used in its place.

⁽⁵⁾ June 30, 2022 date was not available, September 22, 2022 data used in its place.

⁽⁶⁾ June 30, 2023 date was not available, September 20, 2023 data used in its place.

Source: Fiscal Years 2013/2014 through 2016/2017 – Riverside County Tax Collector, as compiled by Shepherd and Staats, Inc.

Source: Fiscal Years 2017/2018 through current – Riverside County Tax Collector, as compiled by Willdan Financial Services.

B. STATUS OF FORECLOSURE PROCEEDINGS

The Assessment Bond Law provides that in the event any Assessment installment or any interest thereon is not paid when due, the Sanitary District may order the institution of a court action to foreclose the lien of the unpaid assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory under the Assessment Bond Law. However, the Sanitary District has covenanted in the Fiscal Agent Agreement that it will order, and cause to be commenced, judicial foreclosure proceedings against properties with delinquent Assessment installments in excess of \$750 by the October 1 following the close of the Fiscal Year in which such installments were due, and will commence judicial foreclosure proceedings against all properties with delinquent Assessment installments by the October 1 following the close of each Fiscal Year in which it receives Assessment Revenues in an amount which is less than ninety-five percent (95%) of the total

Assessment Revenues which were to be received in the Fiscal Year and diligently pursue to completion such foreclosure proceedings.

Currently, there is one parcel that meet the criteria to commence foreclosure proceedings. Willdan will continue to monitor delinquent activity.

Assessor's Parcel Number	Delinquent Amount Per Fiscal Year 2022/2023	Total Delinquent Amount ⁽¹⁾
692-450-054	\$1,200.62	\$1,200.62

⁽¹⁾ Total delinquent amount does not include fees or interest.

C. BUILDING PERMITS

There were 73 building permits issued during Fiscal Year 2023/2024 for the construction of single-family homes within the boundaries of the District. Between July 1, 2023 and November 30, 2023, there were 73 building permits issued. As summarized in the table below, there have been a total of 2,353 building permits issued within the boundaries of the District as of November 30, 2023.

Year	Building Permits Issued	
	As of June 30 th	As of November 30 th
2005	124	637
2006	1,330	1,357
2007	1,381	1,388
2008	1,450	1,454
2009	1,461	1,461
2010	1,466	1,471
2011	1,476	1,483
2012	1,483	1,483
2013	1,505	1,530
2014	1,561	1,578
2015	1,601	1,616
2016	1,679	1,692
2017	1,756	1,756
2018	1,787	1,787
2019	1,787	1,787
2020	1,833	1,906
2021	2,043	2,071
2022	2,206	2,280
2023	2,280	2,353

Source: Valley Sanitary District as compiled by Willdan Financial Services.

D. CHANGE IN OWNERSHIP

The following table sets forth the total number of parcels in the District as to which the County Assessor's roll for the current fiscal year represents a change in ownership from a home builder to a homeowner as compared to the prior Fiscal Year as well as the total number of parcels owned by persons/entities other than a home builder.

Ownership	Fiscal Year 2022/2023	Fiscal Year 2023/2024	Difference
Home Builders			
DR HORTON LOS ANGELES HOLDING CO INC ⁽¹⁾	50	34	(16)
DRH ENERGY INC	0	28	28
LENNAR HOMES OF CALIF INC	31	38	7
MONTE VINA II – INDIO ⁽²⁾	153	66	(88)
AG ESSENTIAL CA 1 ⁽³⁾	102	32	(70)
Subtotal	336	198	(139)
Other Persons			
Homeowners	1,880	2,019	139
Other ⁽⁴⁾	13	9	(4)
Grand Total	2,229	2,226	0

⁽¹⁾ The remaining 16 lots owned by DR Horton Los Angeles for Fiscal Year 2022/2023 now belong to individual homeowners.

⁽²⁾ Of the 88 lots previously owned by Monte Vina II – Indio for Fiscal Year 2022/2023, 28 are now owned by DR Horton, 28 are owned by DRH Energy Inc. and 32 are owned by property owners as of Fiscal Year 2023/2024.

⁽³⁾ Of the 102 AG Essential CA parcels from fiscal year 2022/23, 35 are now owned by Lennar Homes and 35 are owned by homeowners.

⁽⁴⁾ Other represents investors and owners that own more than one parcel

Source: Riverside County Assessor's Office as compiled by Willdan Financial Services.

E. TOTAL ASSESSED VALUE

The following table summarizes the total assessed value of all parcels within the District.

Fiscal Year	Assessed Land	Assessed Structure	Total Assessed Value
2006/2007	\$136,498,203	\$96,379,193	\$232,877,396
2007/2008	\$197,465,993	\$281,986,605	\$479,452,598
2008/2009	\$221,889,102	\$266,739,130	\$488,628,232
2009/2010	\$119,395,592	\$219,293,713	\$338,689,305
2010/2011	\$96,192,295	\$225,173,060	\$321,365,355
2011/2012	\$86,282,581	\$215,290,545	\$301,573,126
2012/2013	\$78,505,620	\$209,226,145	\$287,731,765
2013/2014	\$81,311,249	\$226,283,067	\$307,594,316
2014/2015	\$91,083,260	\$260,662,329	\$351,745,589
2015/2016	\$110,691,191	\$293,479,924	\$404,171,115
2016/2017	\$118,401,831	\$311,034,602	\$429,436,433
2017/2018	\$124,800,261	\$329,980,700	\$454,780,961
2018/2019	\$134,030,130	\$356,540,099	\$490,570,229
2019/2020	\$140,758,695	\$379,975,312	\$520,734,007
2020/2021	\$138,345,991	\$409,716,651	\$548,062,642
2021/2022	\$144,291,368	\$459,575,366	\$603,866,734
2022/2023	\$173,164,383	\$542,430,408	\$715,594,791
2023/2024	\$192,913,172	\$660,821,303	\$853,734,475

Source: Riverside County Assessor's Office as compiled by Willdan Financial Services.

F. OVERLAPPING DEBT

In July 2014, the City of Indio issued \$8,499,000 in Special Tax Refunding Bonds (Series 2014), under Community Facilities District (CFD) 2006-1. CFD 2006-1 includes all parcels within the District's Tract 32402.

In August 2017, the City of Indio issued \$3,910,000 in Assessment Revenue Refunding Bonds (Series 2017), under Assessment District (AD) No. 2004-3 (Desert Trace). AD 2004-3 includes all parcels within the District's Tract 30643.

A summary of the current liens outstanding, by Tract Map, along with the percentage of the 2023/2024 tax roll levy and the resulting 2023/2024 value-to-lien ratios, is below-listed.

Tract	Active Parcels	Percent of CY Levy	Valley Sanitary AD 2004-1 VSD Remaining Lien	Secured Bonded Debt ⁽¹⁾	City of Indio AD No. 2004-3 ⁽¹⁾	City of Indio CFD No. 2006-1 ⁽¹⁾	Total Liens	Total Assessed Value	Value To Lien
30605	56	2.31%	\$81,794	\$208,236	\$0	\$0	\$290,030	\$19,116,000	65.91
30643	421	18.20%	646,303	1,529,315	2,289,539	0	4,465,156	141,840,486	31.77
31562	300	13.07%	464,252	1,179,033	0	0	1,643,285	108,621,549	66.10
31686	147	6.29%	222,915	581,153	0	0	804,068	53,510,765	66.55
31815	413	17.87%	638,736	1,931,054	0	0	2,569,790	178,156,254	69.33
31974	3	3.96%	144,915	22,889	0	0	167,804	2,101,200	12.52
31975	137	6.01%	213,431	567,771	0	0	781,202	52,604,464	67.34
32149	263	11.22%	398,034	1,297,778	0	0	1,695,811	119,538,389	70.49
32304	123	5.24%	185,775	527,459	0	0	713,235	49,064,963	68.79
32402	363	15.85%	562,956	1,386,868	0	5,901,000	7,850,824	129,180,405	16.45
Total	2,226	100.00%	\$3,559,111	\$9,231,555	\$2,289,539	\$5,901,000	\$20,981,205	\$853,734,475	40.69

⁽¹⁾ California Municipal Statistics, Inc., as compiled by Willdan Financial Services.

⁽²⁾ Differences are due to rounding

G. LISTED EVENTS

There have not been any notices of any Listed Events filed pursuant to Section 5 of the Continuing Disclosure Agreement since the date of the last Report.

The Listed Events identified in the above-referenced Section 5 are as follows:

1. Principal and interest payment delinquencies on the Bonds.
2. Occurrence of any default under the Fiscal Agent Agreement dated July 1, 2005 (the "Fiscal Agent Agreement") other than as described in clause (1) above.
3. Amendment to or modification of the Fiscal Agent Agreement or the Continuing Disclosure Agreement modifying the rights of the Owners of the Bonds.
4. Giving of a notice of optional or unscheduled redemption of any of the Bonds.
5. Defeasance of the Bonds or any portion thereof.
6. Any change in any rating on the Bonds.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Any unscheduled draw on the Reserve Fund or any account therein reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. The release, substitution, or sale of property securing repayment of the Bonds (including property leased, mortgaged or pledged as such security).

H. CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC) REPORT FILINGS

There are no reports required to be filed with the California Debt and Investment Advisory Commission for the Bonds pursuant to the Fiscal Agent Agreement.

Appendix A

VALLEY SANITARY DISTRICT

Indio, California



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

Fiscal Year Ending June 30, 2023

Presented by: The Administration Department



VALLEY SANITARY DISTRICT
Annual Comprehensive Financial Report
Year ended June 30, 2023

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Our Core Values

Transparent – We provide information to the public in a complete, understandable, and timely form that is readily available.

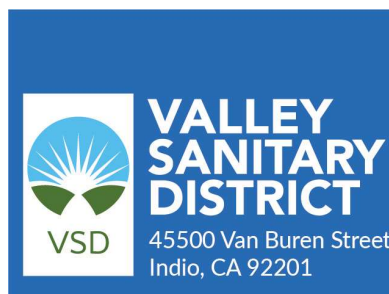
Responsible – We take into account our environment, community, customers, and ratepayers in everything we do.

Respectful – We value diverse viewpoints, teamwork, and active listening to our community and staff.

Integrity – We maintain high standards of conduct in all our actions and all circumstances.

**INTRODUCTORY SECTION
(UNAUDITED)**

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December 1, 2023

To: The Honorable Board of Directors and District Ratepayers

Subject: Annual Comprehensive Financial Report for the Years Ended June 30, 2023, and 2022

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the Valley Sanitary District (District) for the Fiscal Years ending June 30, 2023, and 2022. This report was prepared by the District's Administration Department following guidelines recommended by the Governmental Accounting Standards Board (GASB) and in accordance with Generally Accepted Accounting Principles (GAAP). State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's Fiscal Year. This report is published to fulfill that requirement and to provide the Board of Directors (Board), the public, and other interested parties, with these basic financial statements.

Management assumes full responsibility for both the accuracy of the data and the completeness and the fairness of the presentation, including all disclosures in this financial report. To ensure the completeness and reliability of the information contained in this report, management uses established internal controls that have been adopted for effectiveness, reliability, and compliance. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements in conformity with GAAP. As management, we assert that this financial report is complete and reliable in all material respects.

The District's basic financial statements have been audited by Davis Farr, LLP, a firm of licensed certified public accountants. The independent firm audited the accompanying financial statements of the business-type activities and the fiduciary fund of the District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The independent auditor rendered an unmodified opinion that the District's basic financial statements for the Fiscal Year ended June 30, 2023, are fairly presented, in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in

the form of the Management’s Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The District’s MD&A can be found immediately after the Independent Auditors’ Report and provides an overview and analysis of the basic financial statements.

District Structure and Leadership

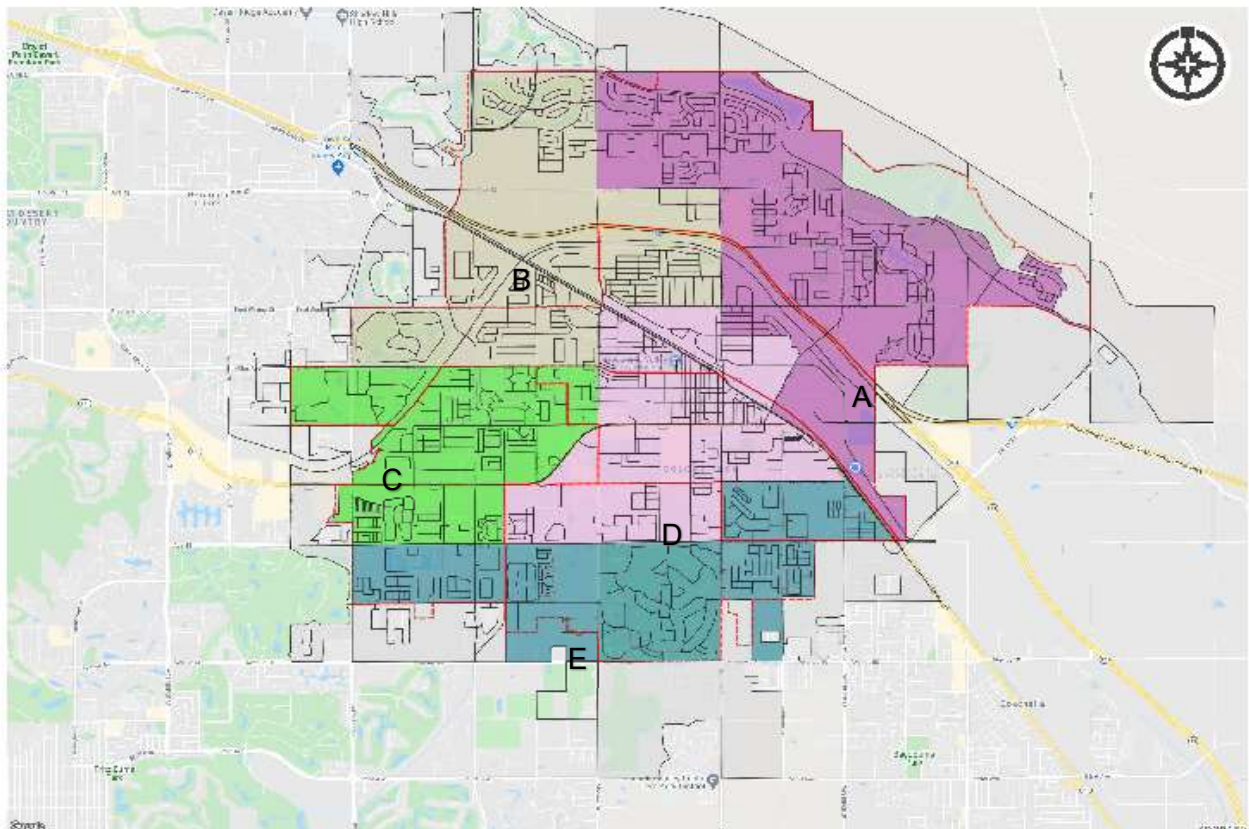
Mission Statement

Valley Sanitary District serves and benefits Indio and the surrounding communities by collecting, treating, and recycling wastewater to ensure a healthy environment and sustainable water supply.

District Governance

Valley Sanitary District is a California special district, that operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, § 6400 et seq. The District was formed June 1, 1925, and is governed by a five-member Board of Directors. Each

Option 3



Under California law, the Board of Directors establishes and implements policies for the operation of the District. The Board of Directors establishes goals and objectives, manages sound fiscal policy and control, sets rates and fees, approves the annual operating and capital budget, approves capital improvement plans, maintains strong

communication between the Board of Directors and the General Manager, and advocates for the District. The Board of Directors makes decisions to serve the best interests of the community. The District's Board of Directors meets on the second and fourth Tuesday of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

The U.S. Environmental Protection Agency, the California Regional Water Quality Control Board, the California Health Service Department, as well as other regulatory agencies, provide permits and standards that the District must meet to collect, treat, recycle, reuse, and dispose of wastewater.

District Services

Valley Sanitary District is in Indio, California located in the eastern desert area of Riverside County. As the largest city in the Coachella Valley, Indio has a population of approximately 90,837. The District provides sanitary sewer services to approximately 28,028 connections within its 19.5 square mile service area. The District encompasses portions of the City of Indio, the City of Coachella, City of La Quinta, and adjacent unincorporated areas of Riverside County, California. Residential customers represent approximately 97% of the District's customer base and produce an estimated 81% of the sewage flow. The District operates and maintains approximately 254 miles of sanitary sewer line and delivers over 6 million gallons per day of wastewater to its water reclamation facility. The reclamation facility has the capacity to treat 12.5 million gallons per day. The treated wastewater is discharged into the Whitewater Storm Channel and becomes a source of freshwater replenishment to the Salton Sea.

Budget Process

The District's budget conforms to Generally Accepted Accounting Principles as applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District prepares its annual budget on a fund accounting basis, which segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The District maintains the minimum number of funds consistent with legal and managerial requirements and reports the following funds in its annual budget:

- **Operating Fund:** This is the general operating fund of the District and the primary revenue source for this fund is derived from rates charged to customers for services provided. Other receipts that are not allocated by law or contractual agreement to some other funds are also accounted for in this fund. General operating expenditures, fixed charges, and maintenance costs not paid through other funds are paid from this fund.
- **Special Revenue Funds:** These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for particular purposes. The District has three (3) special revenue funds:

- 2015 Wastewater Revenue Refunding Bonds
- State Water Resources Control Board Revolving Fund Loan
- Bank of America Loan
- Fiduciary Fund: The District reports an Agency Fund that is purely custodial in nature (assets equal liabilities), and thus does not involve measurement of results of operations. This fund is used to account for assets for the Assessment District No. 2004 (Shadow Hills Interceptor) for which the District acts as an agent for its debt service activities.
- Capital Improvement Fund: This fund is unrestricted and used to allocate capital expenditures for identified projects.
- Restricted CIP Fund: Indicates the current Fiscal Year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and how activities are controlled. The overview of each fund provides a detailed explanation of the purpose of the fund and its planned budget for each Fiscal Year.

The budget process for the District is a collaborative effort among all departments that is based on sound financial management and longevity. The operating budget focuses on allocating and using resources within the framework of the strategic plan to ensure the long-term success and development of the District as a whole. The capital budget includes key projects to further advance the District's Capital Improvement Program (CIP) and for capital projects that are necessary to meet regulatory requirements, system reliability, repair, and replacement of District assets.

The District strives to maintain formal policies and procedures that reflect "best practices" for budget development and adjustments. The District uses established budgetary preparation procedures and guidelines, a calendar of events, planning models by fund, budget adjustment procedures, the establishment of rates and fees, indirect costs, and interest income. The budget process is scheduled to allow sufficient review and input by the Board of Directors and constituents. The budget document reflecting all final actions as adopted by the Board of Directors, on or before June 30th of each year, is made available within 30 days of such adoption in both hard copy at the District office and on the District's website.

Budgetary Control

The Board of Directors annually adopts an operating and capital budget prior to the new Fiscal Year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise and capital projects. The budget and reporting guidelines applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

If actual costs are expected to be higher than what was budgeted, these options are available within the requirements of existing policies:

1. Cancel the project or reduce the scope of the project.
2. Transfer funds from another project with lower priority or excess funds available.
3. Appropriate funds from reserves, with Board approval.
4. Re-budget the project, with additional funding, in the following Fiscal Year.
5. Board approval is required for any new projects added during the Fiscal Year.

Internal Control Structure

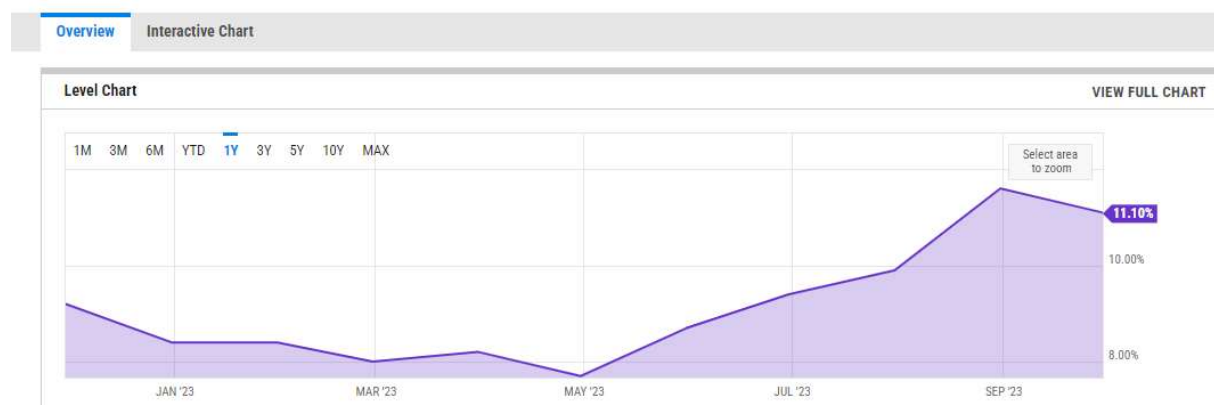
District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Economic Condition and Outlook

The Coachella Valley unemployment rate is 11.10% compared to 9.90% last year (YCharts.com). While private education, health services, and government jobs increased service, transportation, and manufacturing jobs decreased in Riverside County (Employment Development Department). For the District, this poses a challenge in balancing the need for rate increases to fund critical infrastructure while remaining sensitive to the economic situation of many of its residential ratepayers and businesses.

Coachella, CA Unemployment Rate (I:CCAU1KD5)

11.10% for Sep 2023



Home sales saw a decline over the previous year. According to the California Desert Association of Realtors and the Greater Palm Springs Realtors, the 12-month average of sales, which takes out seasonality, shows sales are averaging 599 units a month. This is 25% below last year. The median price of a detached home in the Coachella Valley ended October at \$642,450, up slightly for the month but down 2.7% year over year. The price decline over the last five months has been primarily seasonal.

In the City of Indio's Fiscal Year 2022/23 mid-year budget report the City reported \$5.9 million in additional general fund revenue than originally projected. \$2.5 million was attributed to sales tax revenue and \$3.5 million to transient occupancy tax. A surplus of \$1 million in Measure X revenue is projected in the next year.

In the past year, the City of Indio issued 4,600 building permits, representing \$238 million in new construction. That total includes 531 new single-family dwelling permits, 25 multi-family dwelling permits, and 15 new commercial permits. Single-family dwelling construction has decreased over the previous year. Commercial and multi-family development activity remains strong. Several previously approved projects adjusted their plans to current market forces. The adjusted developments signify the potential construction of thousands of new housing units in the City of Indio over the next several years.

Developments in the building and entitlement process include:

- Desert Retreat by Pulte Homes is a residential development spanning 378 acres. The community will add 1,500 single-family homes.
- Public Safety Campus
- New City Hall
- New Library
- Raising Canes
- EOS Fitness

In summary, the City of Indio is taking full advantage of the opportunities to build and implement strategic planning to actualize its goals. These initiatives benefit the District because they encourage residential and commercial development within the service area, which in turn leads to an increase in sewer connections. The District, like the City of Indio, will build on the current momentum to take full advantage of the opportunities and realize goals through strategic planning.

Major Initiatives

During Fiscal Year 2022-2023, the District completed or initiated several significant projects:

- **Collections System Rehabilitation & Replacement Program** – The District operates and maintains approximately 257 miles of sanitary sewer line and delivers over six million gallons per day of wastewater to its wastewater reclamation facility. To keep up with an aging and expanding infrastructure, the District is working with Harris & Associates to develop a \$60 million, 12-year rehabilitation and replacement program. The District has completed the construction of the first sewer main rehabilitation project consisting of Cured In Place Pipe (CIPP) lining and manhole rehabilitation along Indio Boulevard from Highway 111 to Dr. Carreon Boulevard. The District began construction work on

the Indio Downtown District Sewer Improvement Project in January 2023. Work will be completed by Fall of 2023. The estimated total construction cost is \$2,350,000.

- **Westward Ho Sewer Siphon Replacement Project** – An existing sewer siphon crossing the Coachella Stormwater Channel at Westward Ho Drive was damaged by flood waters that occurred on February 14, 2019. The District hired Carollo Engineers to complete the design and obtain the required permits. This work was completed in June of 2022. A significant portion of the estimated project cost of \$5.2 million will be reimbursed by the Federal Emergency Management Agency (FEMA) disaster recovery funds through the California Office of Emergency Management. This project is awaiting final approval from FEMA prior to proceeding with bidding and construction.
- **Reclaimed Water Project, Phase 1** – This \$82 million project will replace an aging and capacity-restricting infrastructure and provide redundancy by: adding a second digester and expanding the bar screens, replacing the main electrical switch board, and providing a sludge thickener for activated waste thickening. Schneider Electric and Stantec were selected as the design-build partners for this project. Construction began in January 2023 with the estimated completion date set for May 2025. All except approximately \$11 million of this project is funded through a 20-year loan through the Bank of America Public Capital Corporation.
- **Influent Pump Station Rehabilitation Project** – Stantec assisted the District as an Owner’s Representative for the rehabilitation of the influent pump station structure, which was showing significant signs of deterioration. DCI and Dudek were selected as the design-build team for this project. The project included installing a new gate in the forebay, replacing the interior discharge pipes, rehabilitating the wall liner throughout the pump station, replacing the above ground check and isolation valves, and adding additional valves to improve and upgrade the pump station. This project began in May 2022 and was completed in August of 2023. The project cost was \$3.6 million.
- **New Training & Office Building Project** – The District identified a need for new offices for District personnel as well as an area for training, meetings, and events. The District selected SGH Architects for the initial design of the new building which includes a schematic layout of the building and the estimated construction cost. Due to lack of funding (approximately \$10 million), the project has been deferred to Fiscal Year 2023-24.
- **New Laboratory Building Project** – The District has identified a need for a new laboratory to comply with new regulatory standards. The District selected SGH Architects for the initial design of the new building which includes a schematic layout of the building and the estimated construction cost. Due to lack of funding (approximately \$10 million), the project has been deferred to Fiscal Year 2023-24.

- **Activated Sludge Plant (ASP) Steel Water Line Replacement Project** (Phase 1 & 2) – The above ground, steel waterline adjacent to the aeration basins and the lines within the aeration basins were old and prone to leaks, especially at the grooved joints, and had exceeded their useful life. The design of both phases of this project was awarded to Dudek. The design of Phase 1 was completed in October 2021. The construction contract was awarded to Van Dyke Corporation with work being completed in June 2022. The design on Phase 2 was completed in December 2022. The construction contract was again awarded to Van Dyke Corporation with work being completed in September 2023. The total cost of the project was \$652,000.
- **Biosolids Conversion Project** – Valley Sanitary District is exploring ways to deal with the biosolids produced at the treatment plant instead of hauling away the biosolids to be processed as compost. Lystek is a company that developed a way to convert biosolids into a liquid fertilizer that is licensed by the State of California. In July 2022, Valley Sanitary District engaged Lystek to develop a feasibility study on what it would take to install this conversion process at our treatment plant facility. The feasibility study is complete. The next steps will be to discuss financing and to develop design plans and specifications for the project. This project is estimated to cost about \$10 to \$15 million.

Sewer Rates and District Revenues

The District receives revenue from limited sources, the Sewer Use Charge (SUC) being the primary source of both operating and capital improvement revenue. In Fiscal Year 2020-21 the District hired an independent consultant to complete a Comprehensive Wastewater Rate Study. The study addressed three key issues.

- Development of net revenue requirements from FY22 to FY41
- Establishing and maintaining reserve funds and targets
- Funding the Capital Improvement Program (CIP)

The findings of the completed study showed a significant funding shortfall in coming years if no adjustment to rates is implemented. Without the additional revenue, the District would not be able to maintain operating service levels, fund critical, high-risk projects identified in the 20-year District-Wide CIP Master Plan, and meet debt service requirements. In addition to using the additional SUC revenue, the District plans to finance major projects through various loan programs to bridge the gap.

The public had several opportunities to comment on the proposed rate increases, after which the Board approved the SUC effective July 1, 2021, through June 30, 2026.

Proposed Annual Sewer Rate Schedule Starting July 1, 2021 through June 30, 2026						
Annual Sewer Rate Schedule	Current	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024	July 1, 2025
Programa Annual de Tarifas de Alcantarillado	Ahora					
Fixed Service Charge (Cargo Por Servicio Fijo)						
	Per EDU	Rates per EDU (Tarifas por EDU)				
Single Family (Unifamiliar)	\$330.00	\$ 342.72	\$ 385.56	\$ 433.76	\$ 487.98	\$ 497.74
Multi-Family (Multifamilia)	\$330.00	\$ 150.00	\$ 168.75	\$ 189.84	\$ 213.57	\$ 217.84
Mobile Home (Casas Moviles)	\$330.00	\$ 181.28	\$ 203.94	\$ 229.43	\$ 258.11	\$ 263.27
RV Park (Parque RV)	\$330.00	\$ 141.25	\$ 158.91	\$ 178.77	\$ 201.12	\$ 205.14
	Per EDU	Rates per Account (Tarifas por Cuenta)				
Commercial-Low/Med Strength (Baja Resistencia)	\$330.00	\$ 199.03	\$ 223.91	\$ 251.90	\$ 283.39	\$ 289.06
Commercial-High Strength (Alta Resistencia)	\$330.00	\$ 607.00	\$ 682.88	\$ 768.24	\$ 864.27	\$ 881.56
Volumetric Rate (Tasa Volumetrica)						
		\$ per hcf average winter water consumption (\$ por hcf consumo medio de agua en invierno)				
Single Family (Unifamiliar)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
Multi-Family (Multifamilia)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
Mobile Home (Casas Moviles)	-	\$ 0.98	\$ 1.10	\$ 1.24	\$ 1.40	\$ 1.43
		\$/hcf annualized water consumption (\$/hcf del consume de agua anualizado)				
RV Park (Parque RV)	-	\$ 1.10	\$ 1.23	\$ 1.38	\$ 1.55	\$ 1.58
Commercial-Low/Med Strength (Baja Resistencia)	-	\$ 0.88	\$ 0.99	\$ 1.11	\$ 1.25	\$ 1.28
Commercial-High Strength (Alta Resistencia)	-	\$ 2.00	\$ 2.25	\$ 2.53	\$ 2.85	\$ 2.91

Strategic Plan

The District with the support of the Board of Directors continues to focus its energy and resources towards realizing the goals and objectives identified in the Strategic Plan. The following six goals support the District's mission, vision, and values.

- Goal 1: Fully Staffed with a Highly Trained and Motivated Team
- Goal 2: Increase Recycling, Reuse, and Sustainability
- Goal 3: Excellent Facilities
- Goal 4: Increase Community Understanding and Support
- Goal 5: Long-Term Financial Strength
- Goal 6: Improve Planning, Administration and Governance

Challenges Facing the District

The District is not immune to increasing costs in key areas such as utility rates, aging infrastructure and replacement needs, mandatory retirement benefit contributions, health care premiums, post-employment benefits, and regulatory changes.

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

have and what it actually has in its pension plan. In 2018 the District had a CalPERS Unfunded Accrued Liability (UAL) of \$2,820,718. The Board approved a 5-year fresh start making the 2018-19 contribution \$585,916, or more, if a lump sum was paid starting in July 2018, and continuing for each of the next 5 years. The goal was to pay off the UAL. The District was successful and completed the 2018 5-year fresh start plan. However, there was a large investment loss in CalPERS in 2021-22. As of June 30, 2023, the District's UAL projected balance is \$2,126,554. The interest rate is estimated at 7.389%. In September 2023 the Board approved a new 5-year fresh start making the 2023-24 contribution \$515,872, or more if a lump sum was paid starting in July 2024, and continuing for each of the next 5 years.

The District's biggest challenge is addressing its aging infrastructure and proactive preparation for changing regulatory requirements. After the 2021 rate study was completed and implemented, construction and inflation costs increased exponentially. One example is the Recycled Water Project Phase 1, coming in \$30.3 million over the original estimate. In 2023 a new rate study was completed, and a new proposed fee schedule was presented to the Board of Directors and the rate payers through a Proposition 218 Notice. This posed a challenge in balancing the need for rate increases to fund critical infrastructure while remaining sensitive to the economic situation of many of its residential ratepayers and businesses. After hearing the public input and further review the Board decided not to proceed with the proposed rate increase. Instead, the District will postpone and revise certain projects until a new CIP Master Plan is completed.

The District continues to look for other revenue sources, such as grants and partnerships with private companies, to offset the cost of both operations and capital improvements.

Financial Stability

The key to financial stability is the ability to successfully maintain services and functions, efficiently manage expenses, and withstand and adapt to external changes. The District has had long-term financial success through prudent budgets, sound fiscal policy, and both short and long-term strategic planning. In the fiscal year 2023-24, the District will revise its CIP Master Plan and forge a new pathway to accomplish its CIP needs all while maintaining its financial viability and solvency.

The District acknowledges that the current economic atmosphere has higher levels of uncertainty than in years past. However, it has a long history of sound financial management and planning. The financial stability of the District is solvent despite the external economic stressors. As previously mentioned, the District is not without challenges including increases in costs of supplies, services, premiums, and CIP rehabilitation, replacement, and expansion. Fiscal Year 2022-23 was a year of planning and strategy to ensure the continuity and success of the organization.

Awards and Recognition

During the past year, the District received the following awards:

- ❖ Government Finance Officers Association (GFOA) – Excellence in Financial Reporting
- ❖ GFOA – Distinguished Budget Presentation Award
- ❖ California Society of Municipal Finance Officers (CSMFO) – Operating Budget Excellence Award
- ❖ California Water Environment Association (CWEA) Colorado River Basin (CORBS) Operator of the Year
- ❖ CWEA CORBS Maintenance Person of the Year
- ❖ CWEA CORBS Collection System Person of the Year
- ❖ CWEA CORBS Electrical Instrumentation Person of the Year

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Valley Sanitary District for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2022. This was the 10th consecutive year that the District received this prestigious award. To receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

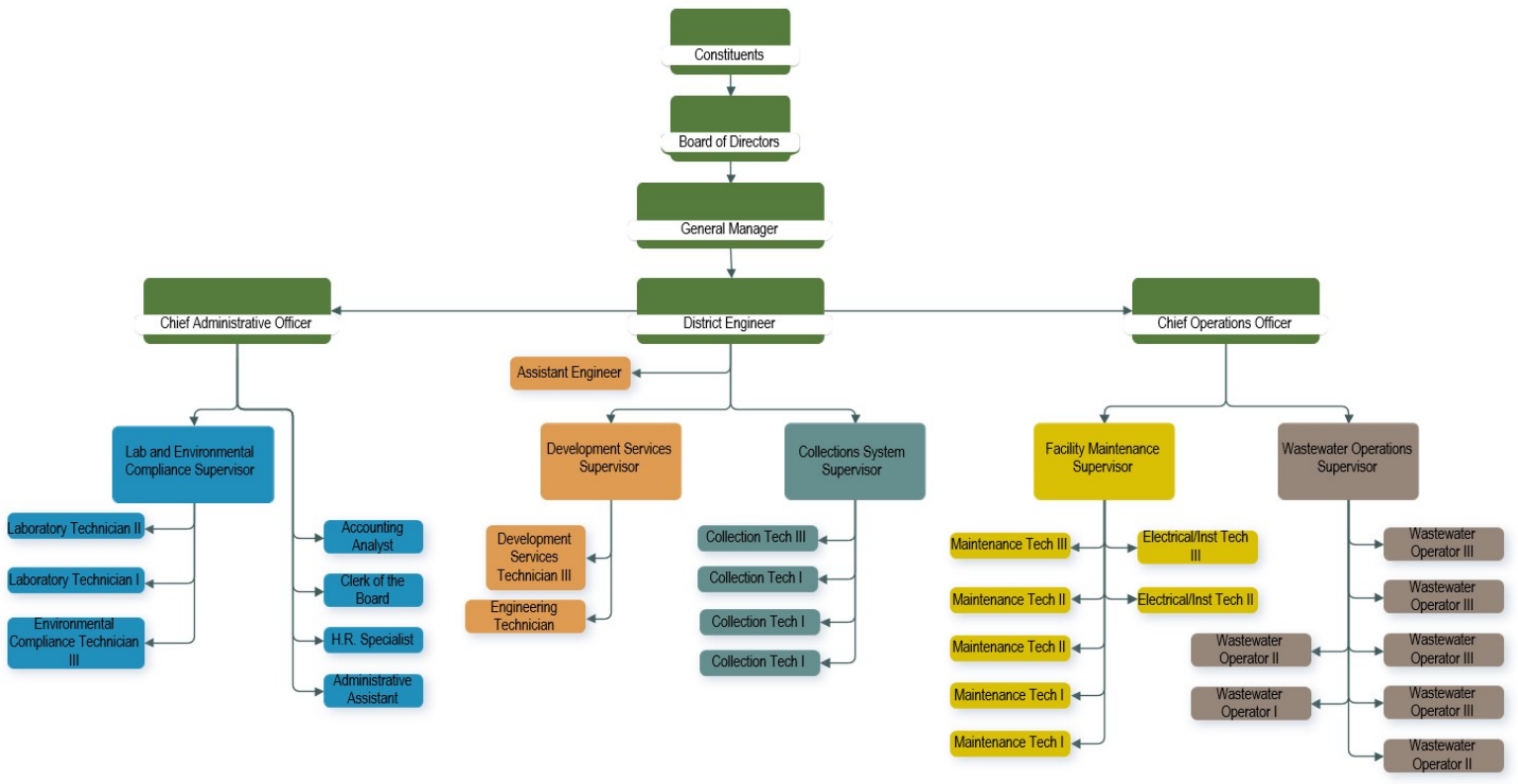
Acknowledgments

Preparation of this report was accomplished by the combined efforts of District administrative staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would like to thank the members of the Board of Directors for their continued support in the planning and implementation of the District's fiscal policies.

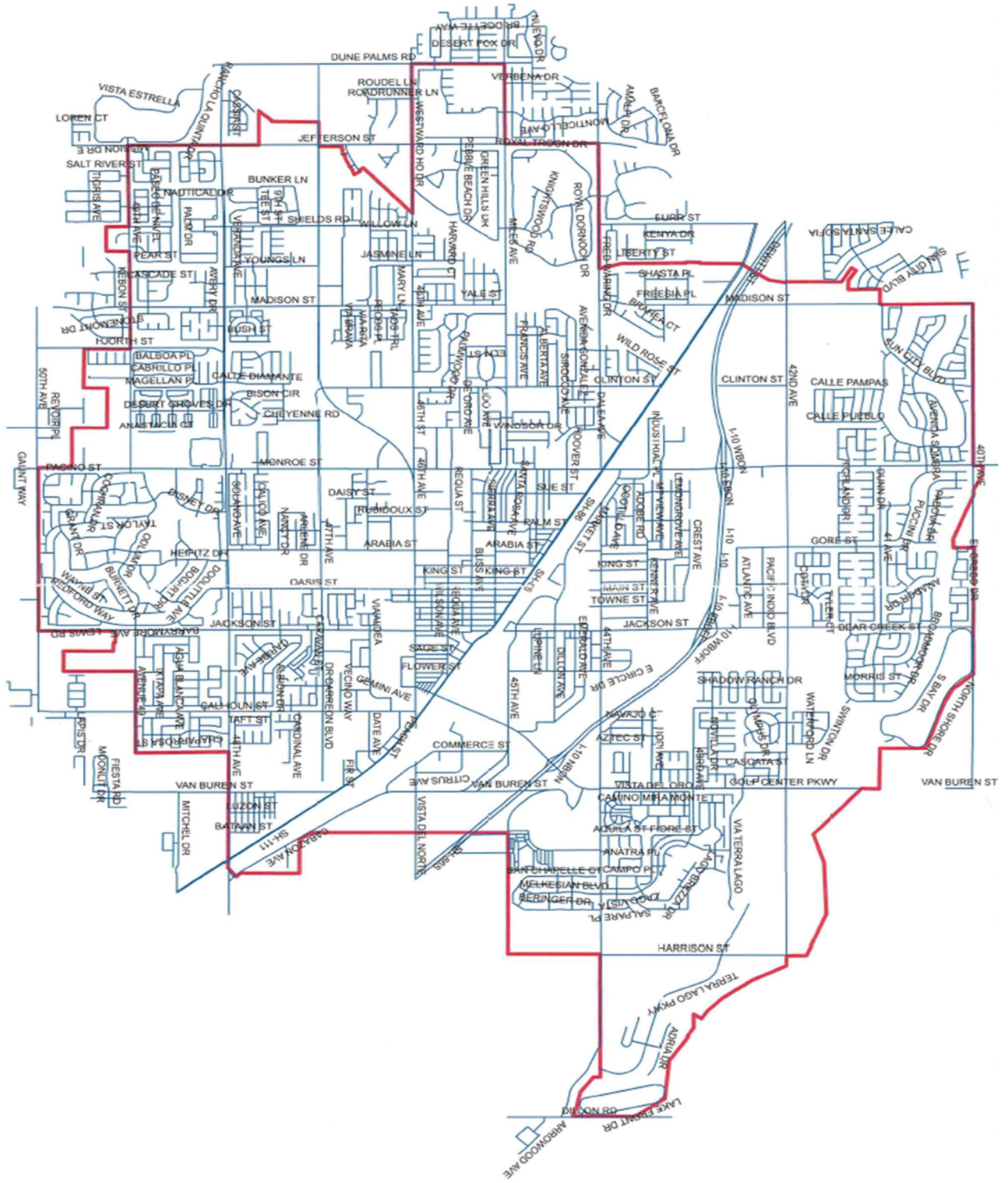
Respectfully submitted,



Jason Dafforn, PE
General Manager



District Service Area





VALLEY SANITARY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023

BOARD OF DIRECTORS

Debra Canero
Board President



Mike Duran
Board Vice President

Scott Sear
Secretary/Treasurer



Jacky Barnum
Director

William Teague
Director



Mission Statement

Valley Sanitary District serves and benefits Indio and the surrounding communities by collecting, treating, and recycling wastewater to ensure a healthy environment and sustainable water supply.



VALLEY SANITARY DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023

SENIOR ADMINISTRATION

Jeanette Juarez
**Chief Administrative
Officer**



Jason Dafforn
General Manager

Dave Commons
**Chief Operating
Officer**



Ron Buchwald
District Engineer

Contact Us



45500 Van Buren St Indio, CA 92201



(760) 238-5400



www.valley-sanitary.org



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Valley Sanitary District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



**FINANCIAL
SECTION**

Highway 111, City of Indio

VALLEY SANITARY DISTRICT

Indio, California

Annual Comprehensive Financial Report

Year ended June 30, 2023

**Prepared by:
Administration and Finance Department**

Financial Section

Independent Auditor's Report

Board of Directors
Valley Sanitary District
Indio, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Valley Sanitary District (the "District"), as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance

but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and *Pension and Other Post Employment Benefit Schedules* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the District's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2022. In our opinion, the summarized comparative information

presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *Schedule of Operating Expenses* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Schedule of Operating Expenses* is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Schedule of Operating Expenses* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Davis Farr LLP

Irvine, California
December 1, 2023

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**Valley Sanitary District
Management's Discussion and Analysis
(Required Supplementary Information) (Unaudited)**

The management of the Valley Sanitary District (District) presents the District's financial statements with a narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$120.5 million for the year ended June 30, 2023. Of this amount, \$54.9 million is unrestricted and may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased \$8.0 million or 7.1% for the year ended June 30, 2023, from \$112.5 million to \$120.5 million. The variance is primarily due to an increase in sewer service revenue. In the fiscal year 2020/21, after properly conducting a noticed public and as allowed by Proposition 218 the District adopted a rate increase schedule that will continue through the fiscal year 2025/26. The rate increase will fund capital improvement projects, repairs, and rehabilitation of the District's collection and system infrastructure and equipment. It will also fund the Recycle Water Project Phase I for indirect reuse to replenish the Coachella Valley aquifer. Additionally, there has been an increase in investment income due to current market trends and increased interest rates compared to the last two (2) years.
- Current assets decreased by \$12.7 million or 9.3%. The variance for the year ended June 30, 2023, is due to a decrease in investment income. Investments in an escrow account for the Bank of America loan for the Recycled Water Project Phase decreased from \$71.0 million to \$55.7 million. The decrease is due to drawdowns of the account to pay for construction expenditures related to the project. In the fiscal year 2022/23 there was a decrease of \$1.1 million collected for new connection fees. The decrease is attributed to lower revenue collected for connection fees compared to the previous fiscal year. In the fiscal year 2021/22 there were two (2) new apartment developments that were added that attributed to the higher connection fees.
- Noncurrent assets increased by \$15.9 million or 21.7% as of June 30, 2023. The variance is attributed to the addition of capital assets such as six (6) pumps, procurement software, and an air conditioner. There are also new projects that are in construction in progress such as the Recycled Water Project Phase I and the Collection System Repairs / Rehab / Replace Program construction.
- The District's total liabilities decreased by \$3.1 million or 3.3%. The decrease in liabilities is attributed to a reduction in outstanding debt for the Recycled Water Project Phase I. The Recycled Water Project – Phase I 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 sludge thickener unit. This project is necessary to meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was \$71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042. In the fiscal year 2021/22 CalPERS experienced a large investment loss therefore increasing the net pension liability. As of June 30, 2023, the District's Unfunded Accrued Liability (UAL) has a balance of \$2.1 million, and the interest rate is estimated at 7.389%. In September 2023 the Board approved a new 5-year fresh start making the 2023-24 contribution \$515,872, or more if a lump sum was paid starting in July 2024, and continuing for each of the next 5 years.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Overview of the Financial Statements

This discussion and analysis serve as an introduction to the District's financial statements. The District's financial statements comprise of two components: 1) fund financial statements and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses, and changes in net position* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The business-type activity for the District is the provision of sanitary services to the community.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

Fiduciary Funds. Fiduciary funds, which consist solely of trust and agency funds, are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the *statement of net position* or the *statement of revenue, expenses, and changes in net position* because the resources of the funds are *not* available to support the District's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The fiduciary fund financial statement can be found on page 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 25-47 of this report.

Required Supplementary Information. The Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios are presented as required supplementary information and can be found starting on page 49 of this report.

Supplementary Information. The Schedule of Operating Expenses presents the functional expenses by activity and is presented as supplementary information beginning on page 55 of this report.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$120.5 million for the year ended June 30, 2023.

The largest portion of the District's net position during June 30, 2023, 49.6%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

DISTRICT'S NET POSITION

At the end of the year ending June 30, 2023, the District can report positive balances in all three (3) categories of net position. The same situation held true for the prior fiscal year.

Table I
Valley Sanitary District
Condensed Statement of Net Position
As of June 30, 2023

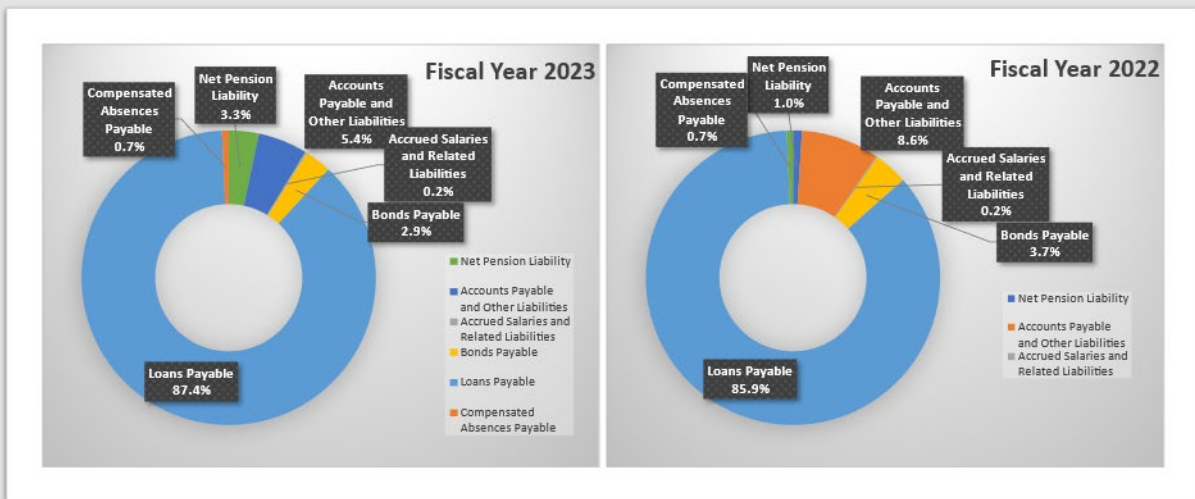
	2023	2022
Current Assets	\$ 123,011,291	\$ 135,673,353
Capital Assets	87,925,671	72,268,413
Noncurrent Assets	611,928	411,928
Total Assets	211,548,890	208,353,694
Deferred Outflows of Resources	2,566,017	1,149,809
Current Liabilities	8,779,915	10,973,591
Noncurrent Liabilities	84,191,962	85,170,189
Total Liabilities	92,971,877	96,143,780
Deferred Inflows of Resources	670,486	884,243
Net Position:		
Net Investment in Capital		
Assets	59,752,362	57,312,137
Restricted	5,821,219	4,963,830
Unrestricted	54,898,963	50,199,513
Total Net Position	\$ 120,472,544	\$ 112,475,480

**Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

District Assets



District Liabilities



Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

Changes in the District’s net position reflect an increase of \$8.0 million or 7.1% for the year ended June 30, 2023. The District’s total revenues increased during the fiscal year 2022/23 by \$3.2 million or 16.3%. The variance is primarily due to an increase in sewer service revenue and connection fees for new developments. As mentioned in the letter of transmittal, in the fiscal year 2021/22, after properly conducting a noticed public and as allowed by Proposition 218 the District adopted a rate increase schedule that will continue through the fiscal year 2025/26. The rate increase will fund capital improvement projects, repairs, and rehabilitation of the District’s collection and system infrastructure and equipment. It will also fund the Recycle Water Project Phase I for indirect reuse to replenish the Coachella Valley aquifer. The increase in nonoperating income is attributed to higher returns than projected in investment income due to current market trends.

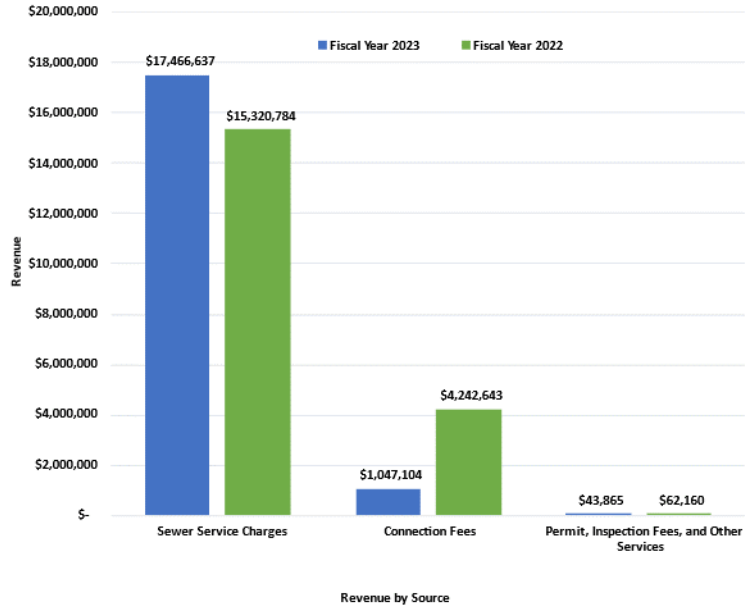
DISTRICT’S CHANGES IN FUND NET POSITION

Table II
Valley Sanitary District
Condensed Statement of Revenues, Expenses, and Changes in
Fund Net Position
As of June 30, 2023

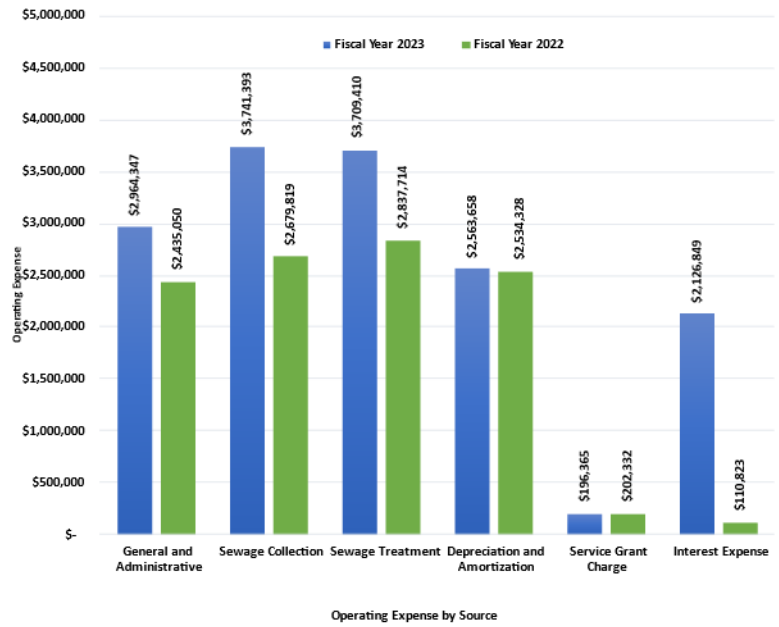
	2023	2022
Revenues:		
Sewer Service Charges	\$ 17,466,637	\$ 15,320,784
Connection Fees	1,047,104	4,242,643
Permits & Inspections	26,975	44,130
Other Operating	16,890	18,030
Nonoperating	4,741,480	405,472
Total Revenues	\$ 23,299,086	\$ 20,031,059
Expenses:		
Depreciation & Nonoperating	\$ 4,886,872	\$ 2,645,151
Administrative	2,964,347	2,435,050
Sewage Collection	3,741,393	2,679,819
Sewage Treatment	3,709,410	2,837,714
Total Expenses	\$ 15,302,022	\$ 10,597,734
Increase In Net Position	\$ 7,997,064	\$ 9,433,325
Beginning Net Position, (As Restated) (Note 14)	112,475,480	103,042,155
Ending Net Position	\$ 120,472,544	\$112,475,480

Valley Sanitary District Management's Discussion and Analysis (Continued) (Required Supplementary Information) (Unaudited)

Operating Revenues Fiscal Year 2023 vs 2022



Operating Expenses Fiscal Year 2023 vs 2022



**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

Capital Asset Administration

The District’s capital assets (net of accumulated depreciation) as of June 30, 2023 were \$87.9 million. This includes land, buildings, system improvements, machinery, and equipment. The increase is attributed to the addition of capital assets such as the steel waterline replacement, sewer main rehabilitation, and a Backhoe loader. There are also new projects that are in construction in progress such as the Recycled Water Project Phase I and the Collection System Repairs / Rehab / Replace Program construction.

Major capital asset events during the current fiscal year included the following:

- **Collection System Repairs / Rehab / Replace Program Design/Construction**
- **Recycled Water Project Phase I**
- **Influent Pump Station Rehabilitation Project**
- **Steel Waterline Replacement Phase II**

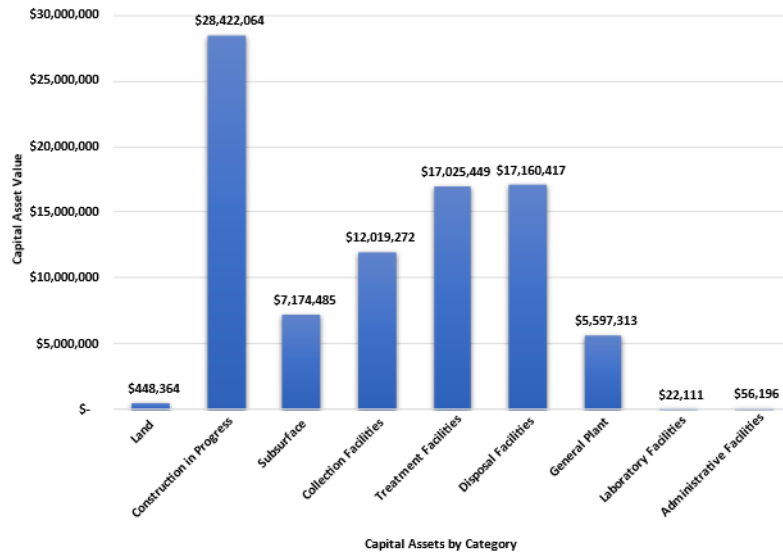
DISTRICT’S CAPITAL ASSETS

**Table III
Valley Sanitary District
Capital Assets Net of Accumulated Depreciation
As of June 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 448,364	\$ 448,364
Construction in progress	28,422,064	10,635,178
Subsurface	7,174,485	7,510,013
Collection facilities	12,019,272	12,409,186
Treatment facilities	17,025,449	17,723,136
Disposal facilities	17,160,417	17,751,176
General plant	5,597,313	5,726,405
Laboratory facilities	22,111	31,455
Admin facilities	56,196	33,500
Total	<u>\$ 87,925,671</u>	<u>\$ 72,268,413</u>

**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

Capital
Assets Net of
Accumulated
Depreciation
Fiscal Year
2023



Additional information on the District’s capital assets can be found on page 33, Note 5, of this report.

Long-term Debt Administration

At the end of June 30, 2023, the District had total long-term debt of \$84.0 million.

The Certificates of Participation (COPs) was debt incurred to help fund Phase I of the District’s Treatment Plant Expansion and Renovation in 2006. On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000, refinancing the COPs and reducing payments by approximately \$1,596,780 over the term of the certificates which runs through 2026. Repayment of the debt is funded through sewer use fees of the District.

The District received a Clean Water State Revolving Fund (CWSRF) loan in May 2018 for \$12.9 million to construct the Requa Avenue Sewer Interceptor Project. The \$12.9 million loan for 30 years at 1.7% interest results in an estimated payment of \$553,360 annually. The first payment will be due one (1) year after the completion date of the Requa Avenue Sewer Interceptor Project, and payable thereafter on June 1st, per the 2015 Wastewater Refunding Revenue Bonds parity requirements. A restricted reserve fund has also been established, equal to one (1) year’s debt service, prior to the construction completion date of the project and shall be maintained for the full term of the Agreement.

The District executed the installment sale agreement in May of 2022 with Banc of America Capital Corp for the Recycled Water Project Phase I. The Recycled Water Project – Phase I will replace an

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

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 sludge thickener unit. This project is necessary to meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was \$71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042.

**Valley Sanitary District
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)**

DISTRICT’S OUTSTANDING DEBT

**Table IV
Valley Sanitary District
Outstanding Debt
As of June 30, 2023**

	2023	2022
Revenue refunding bond	\$ 2,415,000	\$3,165,000
Bond premium	293,161	393,673
Banc of America Co	70,079,704	71,000,000
CWSRF loan	11,193,860	11,550,856
Total	\$ 83,981,725	\$ 86,109,529

Additional information on the District’s long-term debt can be found on page 34, Note 8, of this report.

Economic Factors and Next Year’s Budget

The Indio City Council is very supportive of new enterprises and development. The City of Indio has endorsed the Downtown Specific Plan, the Highway 111 Plan, and the 2040 General Plan. The City is strategically attracting new businesses and developments, with many projects already in action, including the renovation and expansion of the Indio Grand Market Place and adding new eateries and retailers. Incoming enterprises include a four-story, 122-room Wood Spring Suites, Texas Roadhouse, Cork & Fork, Luna's Pizza Bar and Grill, and Keedy's Fountain and Grill: the JFK Memorial Hospital expansion, the Acadia Indio Behavioral Hospital, and upcoming Indio Medical Offices. The College of the Desert plans to expand its Indio campus to 80,000 square feet. According to Carl Morgan, Economic Development Director, "People are attracted to Indio because of the quality of life, schools, amenities, cool things you can do year-round...and Indio is still very affordable".

The City of Indio's investment and support of new development and enterprise leads to moderate growth, as seen in its annual permit growth year over year. The District benefits from this growth through the connection fees it collects for new development or changes in use for existing buildings. In the fiscal year 2023/24, the District is estimated to collect \$767,790 from new connection fees.

In the fiscal year 2021/22, a five-year Sewer Use Charge (SUC) was implemented on July 1, 2021, and will continue through June 30, 2026. In the fiscal year 2023/24, the District is projecting \$17.0 million in SUC revenue, an increase of \$1.3 million or 8.8% due to the third year of the rate increase. The additional revenues are needed to maintain operating service levels, fund critical high-risk projects identified in the 20-Year District-Wide Master Plan, and meet debt service requirements.

In the fiscal year 2022/23, the District received higher than projected nonoperating revenues by \$2.1 million. The additional revenue was mainly attributed to interest income earned. In May 2022, the District closed a loan through Bank of America for \$71 million to finance the Recycled Water Project. The loan is held in an interest-bearing escrow account. The higher revenue is due to higher than anticipated returns due to market rates. Also, the SUC income generated \$1.1 million more due to

Valley Sanitary District
Management's Discussion and Analysis (Continued)
(Required Supplementary Information) (Unaudited)

increased connections that paid for the entire year and a larger than projected volumetric water usage consumption. The SUC is based on a 70% fixed charge per Equivalent Dwelling Unit (EDU) plus a 30% volumetric water consumption charge by class.

The operating and capital budgets for the fiscal year 2023/24 are \$18,622,984 and \$58,232,000 respectively. The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead costs to run day-to-day operations. The capital budget incorporates key projects to advance the District's Capital Improvement Program (CIP). There are 22 capital projects requested in the fiscal year 2023/24. The fiscal year 2023/24 CIP includes the Recycled Water Project Phase I Design Build, the Collection System Sewer Main Rehabilitation and Replacement Program (completion of current projects), and the Westward Ho Sewer Siphon Replacement.

Requests for Information

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, Valley Sanitary District, 45500 Van Buren Street, Indio, California, 92201, or by calling (760) 238-5400.



**BASIC
FINANCIAL
STATEMENTS**

Influent Pump Station Rehabilitation Project

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VALLEY SANITARY DISTRICT
Statement of Net Position
June 30, 2023
(with comparative totals for June 30, 2022)

	2023	2022
Assets		
Current assets:		
Cash and investments (note 3)	\$ 120,795,270	134,115,856
Accounts receivable, net (note 4)	965,208	870,290
Interest receivable	691,595	105,007
Inventories of materials	85,543	148,905
Prepaid items	473,675	433,295
Total current assets	123,011,291	135,673,353
Noncurrent assets:		
Capital assets, not being depreciated (note 5)	28,870,427	11,083,542
Capital assets, being depreciated (note 5)	59,055,244	61,184,871
Investment in joint venture (note 6)	611,928	411,928
Total noncurrent assets	88,537,599	72,680,341
Total assets	211,548,890	208,353,694
Deferred outflows of resources		
Deferred loss on refunding, net	122,138	164,015
Deferred outflows of resources related to pensions (note 10)	2,000,359	543,508
Deferred outflows of resources related to OPEB (note 11)	443,520	442,286
Total deferred outflows of resources	2,566,017	1,149,809
Liabilities		
Current liabilities:		
Accounts payable	3,808,490	7,882,914
Accrued expenses	1,241,151	384,398
Accrued payroll and related liabilities	181,984	158,989
Interest payable	10,063	11,391
Compensated absences, due within one year (note 7)	408,094	408,094
Bonds payable, due within one year (note 8)	865,512	850,512
Loans payable, due within one year (note 8)	2,264,621	1,277,293
Total current liabilities	8,779,915	10,973,591
Noncurrent liabilities:		
Compensated absences, due in more than one year (note 7)	277,189	240,603
Bonds payable, due in more than one year (note 8)	1,842,649	2,708,161
Loans payable, due in more than one year (note 8)	79,008,943	81,273,563
Net pension liabilities (note 10)	2,550,589	444,605
Net OPEB liabilities (note 11)	512,592	503,257
Total noncurrent liabilities	84,191,962	85,170,189
Total liabilities	92,971,877	96,143,780
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions (note 10)	599,927	785,371
Deferred inflows of resources related to OPEB (note 11)	70,559	98,872
Total deferred inflows of resources	670,486	884,243
Net Position		
Net investment in capital assets	59,752,362	57,312,137
Restricted for debt service	5,821,219	4,963,830
Unrestricted	54,898,963	50,199,513
Total net position	\$ 120,472,544	112,475,480

See accompanying notes to the basic financial statements.

VALLEY SANITARY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	2023	2022
Operating Revenues:		
Sewer service charges	\$ 17,466,637	15,320,784
Connection fees	1,047,104	4,242,643
Permit and inspection fees	26,975	44,130
Other services	16,890	18,030
Total operating revenues	18,557,606	19,625,587
Operating Expenses:		
General and administrative	2,964,347	2,435,050
Sewage collection	3,741,393	2,679,819
Sewage treatment	3,709,410	2,837,714
Depreciation	2,563,658	2,534,328
Total operating expenses	12,978,808	10,486,911
Operating Income	5,578,798	9,138,676
Nonoperating Revenues (Expenses):		
Property taxes	1,399,121	1,125,201
Homeowners' tax relief	7,023	6,668
Investment income (loss)	3,271,494	(606,284)
Interest expenses	(2,323,214)	(313,155)
Other revenues	42,810	64,311
Gain on disposal of assets	21,032	17,908
Total nonoperating revenues (expenses)	2,418,266	294,649
Change in net position	7,997,064	9,433,325
Net Position:		
Beginning of year	112,475,480	103,042,155
End of year	\$ 120,472,544	112,475,480

VALLEY SANITARY DISTRICT
Statement of Cash Flows
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	2023	2022
Cash flows from operating activities:		
Cash receipts from customers	\$ 18,462,688	19,135,645
Cash payments to suppliers and vendors for goods and services	(14,192,910)	(3,319,817)
Cash payments to employees for services	(5,858,055)	(5,289,113)
Net cash provided by operating activities	(1,588,277)	10,526,715
Cash flows from noncapital financing activities:		
Property taxes	1,399,121	1,125,201
Homeowners' tax relief	7,023	6,668
Net cash provided by noncapital financing activities	1,406,144	1,131,869
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(11,233,922)	(2,993,772)
Proceeds from sale of assets	21,032	18,246
Principal paid on bonds payable	(750,000)	(715,000)
Interest paid on bonds and loans payable	(2,383,177)	(374,769)
Principal paid on loans payable	(1,277,292)	(351,029)
Loan proceeds	-	71,000,000
Net cash (used in) capital and related financing activities	(15,623,359)	66,583,676
Cash flows from investing activities:		
Interest received/loss	2,684,906	(669,753)
Cash payment to joint venture	(200,000)	(225,000)
Net cash provided by investing activities	2,484,906	(894,753)
Net increase in cash and cash equivalents	(13,320,586)	77,347,507
Cash and cash equivalents:		
Beginning of year	134,115,856	56,768,349
End of year	\$ 120,795,270	134,115,856

VALLEY SANITARY DISTRICT
Statement of Cash Flows (Continued)
For the year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	2023	2022
Reconciliation of operating income to net cash provided by operating activities		
Net operating income	\$ 5,578,798	9,138,676
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,563,658	2,534,328
Other nonoperating revenues	42,810	64,311
Changes in operating assets and liabilities:		
Accounts receivable	(94,918)	(489,942)
Inventories of materials	63,362	810
Prepaid items	(40,380)	(67,111)
Pension related deferred outflows of resources	(1,456,851)	347,969
OPEB related deferred outflows of resources	(1,234)	20,575
Accounts payable	(11,061,418)	258,127
Accrued expenses	856,753	384,398
Accrued payroll and related liabilities	22,995	(96,343)
Compensated absences	36,586	64,969
Net pension liabilities	2,105,984	(2,129,641)
Net OPEB liabilities	9,335	(136,263)
Pension related deferred inflows of resources	(185,444)	535,270
OPEB related deferred inflows of resources	(28,313)	96,582
Net cash provided by operating activities	\$ (1,588,277)	10,526,715
Noncash items from capital and related financing activities:		
Amortization of deferred loss on refunding	\$ 41,877	41,877
Amortization of premium	\$ (100,512)	(100,512)

VALLEY SANITARY DISTRICT
Statement of Fiduciary Net Position
June 30, 2023

	Custodial Fund
Assets:	
Cash and investments (note 3)	\$ 754,423
Cash with fiscal agent (note 3)	640,286
Assessment receivable	3,135
Interest receivable	5,848
Total assets	1,403,692
 Net Position	 \$ 1,403,692

VALLEY SANITARY DISTRICT
Statement of Changes in Fiduciary Net Position
June 30, 2023

	Custodial Fund
Additions:	
Special tax assessments	\$ 13,080
Administrative fees	1,159
Interest income	57,050
Total additions	71,289
Deductions:	
Principal Payments	15,000
Total deductions	15,000
Changes in net position	56,289
Net Position, beginning of year	1,347,403
Net Position, end of year	\$ 1,403,692

Valley Sanitary District
Notes to the Basic Financial Statements
Year ended June 30, 2023

Note 1 – Reporting Entity

Valley Sanitary District (the “District”) was formed on June 1, 1925, under the Health and Safety Code, Sanitary District Act of 1923, Section 6400 et. seq., for the purpose of operation and maintenance of sewer collection, transmission, and treatment facilities, and serving a population of approximately 89,000 in the City of Indio, portions of the City of Coachella, and adjacent unincorporated areas of the County of Riverside. The District is a municipal corporation governed by a five-member elected board of directors.

The accompanying financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit

Valley Sanitary District Wastewater Facilities Corporation (the “Corporation”) was activated in 2006 by the District. The Corporation was organized pursuant to the Nonprofit Public Benefit Corporation Law of the State of California, being Part 2 of Division 2 of Title 1 of the California Corporation Code. It was formed for the purpose of providing financial assistance to the District by acquiring, constructing, improving and developing certain real and personal property, together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The District’s Board of Directors sits as the Corporation’s Board of Directors. The Corporation’s activities are blended with those of the District in these financial statements. There was no activity in the Corporation until the fiscal year 2007-2008. Separate financial statements of the Corporation are not issued.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Business-Type Activities

The Financial Statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows) report information on all the activities of the primary government and its component units. The District accounts for its operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

The Financial Statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

The District reports a custodial fund. The custodial fund is used to account for assets for the Assessment District No. 2004 (Shadow Hills Interceptor) for which the District acts as an agent for its debt service activities.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value. Investments are reported at amortized cost, which approximates fair value. Changes in fair value that occur during the fiscal year are recognized as investment income for that fiscal year.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to changes in interest rates. The reported value of the pool approximates the fair value of the pool shares. The District also participates in CalTrust Medium Term Fund.

Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectible accounts are based on prior experience and management’s assessment of the collectability of existing accounts. As of June 30, 2023, there is no allowance for doubtful accounts.

Inventory of Materials

Inventories consist of expendable supplies, spare parts and fittings and are valued at cost using first-in first-out basis.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost if actual historical cost was not available. Donated capital assets are valued at acquisition value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Subsurface Lines	40 years
General Plant	10-40 years
Machinery and Equipment	5-10 years
Collection, Treatment and Disposal Facilities	10-40 years

Major outlays for capital assets are capitalized as projects are constructed, and repairs and maintenance costs are expensed.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources, and deferred inflows of resources.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The District has three items that qualify for reporting this category: deferred loss on refunding, deferred outflows of resources related to pensions, and deferred outflows related to OPEB.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time. The District has two items that qualify for reporting this category: deferred inflows of resources related to pensions and deferred inflows related to OPEB.

Compensated Absences

District policy permits its employees to accumulate not more than two (2) times their current annual vacation. Employees are compensated twelve (12) days of sick leave per year with a maximum accrual not to exceed 120 days. The combined unused vacation and sick pay will be paid to an employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using salary/wage rate in effect at the time of separation.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for pension reporting:

Valuation Date June 30, 2021
Measurement Date June 30, 2022
Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over five (5) years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2021
Measurement Date June 30, 2022
Measurement Period July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized using the straight-line method over five (5) years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies

Long-Term Debt

Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred.

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code (“IRC”) Section 148(f), related to its tax-exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2023.

Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets, net of deferred outflows/inflows of resources related to the debt.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Property Taxes

Property taxes are levied on July 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is January 1. The County of Riverside, California (“County”) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy properties at 1% of full market value (at time of purchase) and can increase the property assessed values by no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied. No allowance for doubtful accounts was considered necessary.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

Comparative Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

Note 3 – Cash and Investments

At June 30, 2023, cash and investments are classified in the accompanying statements of net position as follows:

	Business-Type		Total
	Activities	Fiduciary Fund	
Cash and investments	\$ 120,795,270	754,423	121,549,693
Cash and investments with fiscal agent	-	640,286	640,286
	<u>\$ 120,795,270</u>	<u>1,394,709</u>	<u>122,189,979</u>

At June 30, 2023, cash and investments consisted of the following:

Cash on hand	\$	500
Demand deposits		2,692,132
Investments		<u>119,497,347</u>
Total cash and investments		<u>\$122,189,979</u>

Demand Deposits

At June 30, 2023, the carrying amount of cash deposit was \$2,692,132, which was fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 3 – Cash and Investments (Continued)

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

Investments Authorized by the California Code and The District's Investment Policy

Under the provisions of the District's investment policy and in accordance with California Government Code, the District is authorized to invest or deposit in the following:

- Local Agency Investment Fund (LAIF) established by the State Treasurer
- Bonds issued by the District with a 5-year maximum maturity
- United States Treasury Bills, Notes and Bonds with a 5-year maximum maturity
- Federally Insured Certificates of Deposit with a 5-year maximum maturity
- Collateralized bank deposits with a 5-year maximum maturity
- Fixed income instruments with an average maturity of one (1) year or less including: Mortgage-backed securities; asset-backed securities; banker's acceptances; commercial paper; certificates of deposits; repurchase agreements backed by 102% U.S. agency securities and U.S. Treasury obligations; medium-term notes; and rated money-market funds. All securities must be rated A- or better at the time of purchase
- United States Government Agency Notes and Bonds with a 5-year maximum maturity
- Shares of Beneficial Interest issued by joint powers authority

Local Agency Investment Fund

The District's investments with Local Agency Investment Fund ("LAIF") include a portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. As of June 30, 2023, the District had \$62,105,327 invested in LAIF, which had invested 1.10% of the pooled investment funds in Structured Notes and Medium-term Asset-Backed Securities. LAIF is reported at amortized costs, which approximates fair value.

CalTrust Medium Term Fund

As of June 30, 2023, the District had \$1,065,731 invested in CalTrust Medium Term Fund. CalTrust Medium Term Fund is reported at amortized costs, which approximates fair value.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 3 – Cash and Investments (Continued)

Money Market Fund

As of June 30, 2023, the District had \$640,011 invested in a money market fund and held by the bond trustee. The District’s investments in money market funds are considered cash equivalents as they are short-term, highly liquid investments that are readily convertible to known amounts of cash, they present insignificant risk of changes in value because of changes in interest rates.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. However, the District does not have a formal policy regarding interest rate risk.

As of June 30, 2023, all of the District’s investments had maturity dates of twelve (12) months or less.

Disclosures Relating to Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2023, the District had the following investments with the following ratings:

	Minimum Legal Rating	AAA	Not Rated	Total
Local Agency Investment Fund	N/A	\$ -	62,105,327	62,105,327
CalTrust Medium Trust Fund	N/A	-	1,065,731	1,065,731
Money market fund	N/A	-	55,686,278	55,686,278
Held by bond trustee:				
Money market fund	AAA	640,011	-	640,011
Total investments		<u>\$ 640,011</u>	<u>118,857,336</u>	<u>119,497,347</u>

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 4 – Accounts Receivable

Accounts receivable primarily consists of sewer use fees - direct billings, connection fees, and reimbursements as well as the District's allocation of property taxes and sewer use charges collected but not remitted by the County of Riverside.

As of June 30, 2023, the accounts receivable were as follows:

Direct billing, connection fee and reimbursement receivables	\$	659,829
Property taxes and sewer use receivable from County of Riverside		305,095
Workers' comp receivable		5,134
Basic employee receivable		<u>(4,850)</u>
Total accounts receivables	<u>\$</u>	<u>965,208</u>

Note 5 – Capital Assets

Summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not depreciated				
Land	\$ 448,364	-	-	448,364
Construction in progress	10,635,178	17,786,885	-	28,422,063
Total capital assets, not depreciated	11,083,542	17,786,885	-	28,870,427
Capital assets, being depreciated				
Subsurface	20,878,424	-	-	20,878,424
Sewage collection facilities	16,609,872	34,456	(55,655)	16,588,673
Wastewater treatment facilities	36,275,362	40,146	-	36,315,508
Sludge disposal facilities	24,681,864	-	-	24,681,864
General plant facilities	9,258,661	320,985	-	9,579,646
Laboratory facilities	46,719	-	-	46,719
Administrative facilities	151,386	38,444	-	189,830
Total capital assets, being depreciated	107,902,288	434,031	(55,655)	108,280,664
Less accumulated depreciation				
Subsurface	(13,353,711)	(316,447)	-	(13,670,158)
Sewage collection facilities	(4,246,941)	(444,794)	55,655	(4,636,080)
Wastewater treatment facilities	(18,546,069)	(734,734)	-	(19,280,803)
Sludge disposal facilities	(6,930,666)	(593,023)	-	(7,523,689)
General plant facilities	(3,504,336)	(447,488)	-	(3,951,824)
Laboratory facilities	(15,263)	(9,344)	-	(24,607)
Administrative facilities	(120,431)	(17,828)	-	(138,259)
Total accumulated depreciation	(46,717,417)	(2,563,658)	55,655	(49,225,420)
Total capital assets, being depreciated, net	61,184,871	(2,129,627)	-	59,055,244
Total capital assets, net	\$ 72,268,413	15,657,258	-	87,925,671

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 6 – Investment in Joint Venture

On December 18, 2013, the District entered into a Joint Powers Agreement with the City of Indio (the "City") to form the East Valley Reclamation Authority (the "JPA") to plan, program, finance, design and operate a reclaimed water facility to bring a sustainable water supply and manage the water resources for the customers of the Indio Water Authority (a blended component unit of the City) and the District. The costs and expenses of the JPA are generally shared equally by the City and the District unless otherwise determined by the JPA's Board of Directors, except that the District is responsible for 100% of the costs and expenses associated with the design and construction of facilities for the District's compliance with any permit terms. During the year ended June 30, 2023, the District made a contribution to the JPA in the amount of \$200,000. As of June 30, 2023, the District reported investments in joint venture in the amounts of \$611,928. Copies of the annual financial report for the JPA may be obtained from the finance department of the City of Indio.

Note 7 – Compensated Absences

Summary of changes in compensated absences for the year ended June 30, 2023 is as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year	Due in More Than One Year
\$ 648,696	554,760	(518,173)	685,283	408,094	277,189

Note 8 – Long-term Debt

Summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year	Due in More Than One Year
2015 Wastewater Revenue Refunding Bonds	\$ 3,165,000	-	(750,000)	2,415,000	765,000	1,650,000
Bond Premium, net of amortization	393,673	-	(100,512)	293,161	100,512	192,649
State Water Resources Control Board Revolving Fund Loan	11,550,856	-	(356,996)	11,193,860	363,065	10,830,795
Banc of America loan	71,000,000	-	(920,296)	70,079,704	1,901,556	68,178,148
	<u>\$ 86,109,529</u>	<u>-</u>	<u>(2,127,804)</u>	<u>83,981,725</u>	<u>3,130,133</u>	<u>80,851,592</u>

2015 Wastewater Revenue Refunding Bonds

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

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000. The purpose of the bond issuance was to provide funds to defease and refund on current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on net revenue of the wastewater system of the District. Interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on each December 1 and June 1 beginning December 1, 2015. The bonds are not subject to redemption prior to maturity. The outstanding balance as of June 30, 2023 was \$2,415,000.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 8 – Long-term Debt (Continued)

Future debt service requirements are as follows:

<u>2015 Wastewater Revenue Refunding Bonds</u>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 765,000	120,750	885,750
2025	805,000	82,500	887,500
2026	845,000	42,250	887,250
	<u>\$ 2,415,000</u>	<u>245,500</u>	<u>2,660,500</u>

State Water Resources Control Board Revolving Fund Loan

The District executed the installment sale agreement with the State Water Resources Control Board (the "SWRCB") for the construction of the Requa Avenue Sewer Interceptor Project. As part of the Requa Avenue Sewer Interceptor Project, the District constructed 4.2 miles of new gravity flow sewer pipeline and related utility improvements designed to collect and convey sanitary sewer flow within an existing public right-of-way through central Indio, California, to the existing District's Water Reclamation Plant. The SWRCB provided financial assistance. The total amount of the loan funded was \$12,920,155 with no unused credit. There was no pledged asset as collateral. In event of default, the District upon demand by SWRCB, will immediately repay an amount equal to project funds disbursed, accrued interests, penalty assessments, and additional payments. Beginning June 2019, the District will repay the principal of the project funds, together with all interest accruing thereon, annually to the SWRCB. As of June 30, 2023, the outstanding balance of the SWRCB revolving fund loan was \$11,193,860.

Future debt service requirements are as follows:

<u>State Water Resources Control Board Revolving Fund Loan</u>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 363,065	190,296	553,361
2025	369,237	184,124	553,361
2026	375,514	177,846	553,360
2027	381,898	171,463	553,361
2028	388,390	164,970	553,360
2029-2033	2,043,265	723,540	2,766,805
2034-2038	2,222,948	543,855	2,766,803
2039-2043	2,418,433	348,369	2,766,802
2044-2048	2,631,110	135,694	2,766,804
	<u>\$ 11,193,860</u>	<u>2,640,157</u>	<u>13,834,017</u>

A reserve account is required to be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payments from unrestricted net revenues. The reserve requirement is \$553,360 for the duration of the loan. The balances held in the reserve at June 30, 2023 in the amount of \$1,106,722. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues that are at least 125% of the total debt service payments (including

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 8 – Long-term Debt (Continued)

2015 Wastewater Revenue Refunding Bonds). Net revenue and total debt service paid during the year ended June 30, 2023, were in the amount of \$7,543,242 and \$1,445,048 which resulted in ratio of 522%.

Bank of America Loan

On May 13, 2022, the District executed the installment sale agreement with Bank of America Public Capital Corp (Lender) to finance public capital improvements to the District's wastewater system. The total amount of the loan funded was \$71,000,000. The District will make installment payments to the Lender commencing December 1, 2022 and scheduled to end June 1, 2042. As of June 30, 2023, the outstanding balance of the Banc of America loan was \$70,079,704.

Future debt service requirements are as follows:

Bank of America Loan			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,901,556	976,250	2,877,806
2025	1,272,389	963,596	2,235,985
2026	2,366,972	937,450	3,304,422
2027	2,576,648	919,954	3,496,602
2028	3,686,912	887,408	4,574,320
2029-2033	20,214,296	3,729,179	23,943,475
2034-2038	21,009,791	2,327,118	23,336,909
2039-2043	17,051,140	887,086	17,938,226
	\$ 70,079,704	11,628,041	81,707,745

Note 9 – Conduit Debt

Limited Obligation Improvement Bonds

On July 21, 2005, the District issued \$8,080,000 limited obligation improvement bonds, series 2005 for Assessment District No. 2004-VSD (Shadow Hills Interceptor). Interest ranging from 3.05% to 5.20% is payable semi-annually on March 2nd and September 2nd of each year commencing from March 2, 2006. The bonds mature September 2nd commencing September 2, 2007, and continuing through 2030 with optional call dates beginning September 2, 2014.

The bonds are limited obligations of the District payable, solely from the installments of assessments levied on the assessment parcels within the District and other funds pledged under the fiscal agent agreement. The District shall only be obligated to pay the principal of the bonds, or the interest thereon, from funds described in the Indenture and neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or interest on the bonds. Therefore, the limited obligation improvement bonds are not included in the accompanying financial statements. As of June 30, 2023, the outstanding balance of the bond was in the amount of \$3,473,297.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans

General Information about the Pension Plan

Plan Description

The District contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Employees Covered by Benefit Terms

At June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	2021	
	Classic	PEPRA
Active employees	12	18
Transferred and terminated employees	18	11
Retired employees and beneficiaries	18	-
	48	29

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least five (5) years of credited service. Public Employee Pension Reform Act (PEPRA) Miscellaneous Plan members become eligible for service retirement upon attainment of age 62 with at least five (5) years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the highest average annual compensation during any consecutive 12 or 36-month period of employment. Retirement benefits for classic miscellaneous employees are calculated as 2.5% of the highest average annual compensation during any consecutive 12 or 36-month period of employment. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final three (3) year compensation.

Participant is eligible for non-industrial disability retirement if they become disabled and have at least five (5) years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the District to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5% per year, plus a lump sum in the amount of one month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The public agency cost-sharing plans covered by the miscellaneous risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2022, the active employee contribution rate for miscellaneous plan and PEPRA miscellaneous plan is 8.00% and 7.25% of annual pay, respectively, and the employer's contribution rate is 12.4% and 7.76% of annual payroll, respectively.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The June 30, 2021, valuations were rolled forward to determine the June 30, 2022 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

¹The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

Change of Assumption

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building -block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹An expected inflation of 2.30% used for this period.

²Figures are based on the 2021 Asset Liability Management study.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 10 – Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liabilities of the Plan as of the measurement date at June 30, 2022, calculated using the discount rate of 6.90%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.90%) or one percentage-point higher (7.90%) than the current rate:

Measurement Date	Plan’s Aggregate Net Pension Liability/(Asset)		
	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
June 30, 2022	\$ 4,912,603	2,550,589	607,238

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan’s proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at: 6/30/21 (Valuation date)	\$ 15,292,879	14,848,274	444,605
Balance at: 6/30/22 (Measurement date)	17,327,228	14,776,639	2,550,589
Net changes during 2021-2022	(2,034,349)	71,635	(2,105,984)

Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the District’s share of risk pool actuarial accrued liability at the beginning of measurement period.

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 10 – Pension Plans (Continued)

The District’s proportionate share of the net pension liability was as follows:

Measurement Date	
June 30, 2021	0.00822%
June 30, 2022	<u>0.02208%</u>
Change - Increase (Decrease)	<u>0.01386%</u>

For the year ended June 30, 2023, the District recognized pension expense in the amount of \$1,486,888.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between Expected and Actual Experience	\$ 51,221	(34,306)
Changes in Assumptions	261,361	-
Differences between Projected and Actual Investment Earnings	467,200	-
Differences between Employer's Contributions and Proportionate Share of Contributions	41,060	(479,753)
Change in Employer's Proportion	156,318	(85,868)
Pension Contributions Made Subsequent to Measurement Date	<u>1,023,199</u>	-
Total	<u>\$ 2,000,359</u>	<u>(599,927)</u>

Deferred outflows of resources related to pension resulting from District’s contributions subsequent to the measurement date in the amount of \$1,023,199 will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 10 – Pension Plans (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 8,837
2025	35,891
2026	46,749
2027	285,756
2028	-
Thereafter	-
Total	<u>\$ 377,233</u>

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Deferred Compensation Plans

The District has made available to its employees four deferred compensation plans, whereby employees authorize the District to withhold funds from salary to be invested. Funds may be withdrawn by participants upon termination of employment or retirement. The District makes no contributions under the plans. Pursuant Internal Revenue Code ("IRC") Section 457, the plan assets are held in trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are not the property of the District and, as such, are not subject to the claims of the District's general creditors. As a result, the assets of the 457 plan are not reflected in the financial statements.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 11 – Other Postemployment Benefits (“OPEB”)

General Information about the OPEB Plan

Plan Description

The District contributes to a single employer defined benefit plan to provide post-employment medical benefits. Specifically, the District offers postretirement medical benefits to all employees who retire from the District after attaining age 50 with at least five years of service. The plan does not provide a publicly available financial report.

Benefit Types Provided	Medical only
Duration of Benefits	Lifetime
Required Services	5 years
Minimum Age	50
Dependent Coverage	Yes
District Contribution %	100%
District Cap	\$151.00 per month* for measurement period 2021-2022

*This amount will increase as provided in California Government Code Section 22891

Employees Covered by Benefit Term

At June 30, 2021 valuation date, the following employees were covered by the benefit term:

Active employees	22
Inactive employees receiving benefits	8
Inactive employees entitled to but not receiving benefits	-
Total	30

Contribution

The obligation of the District to contribute to the plan is established and may be amended by the District’s Board of Directors. Employees are not required to contribute to the plan. The District made contributions on pay-as-you-go basis.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

Net OPEB Liability

The District’s 2022 net OPEB liability is measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

Total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate

The discount rate of 6.75% was used in the valuation. The Actuary used historic 28-year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The Actuary offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.00%	7.545%
All Fixed Income	25.00%	4.250%
Real Estate Investment Trusts	8.00%	7.250%
All Commodities	3.00%	7.545%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.000%
	100.00%	

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

The District looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don’t necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. The District used geometric means.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021 (measurement date)	\$ 757,657	254,400	503,257
Changes recognized for the measurement period:			
Service Cost	21,362	-	21,362
Interest on total OPEB liability	49,985	(37,097)	87,082
Difference between expected and actual experience	-	-	-
Difference in benefit payment	(1,057)	-	(1,057)
Employer contributions	-	98,117	(98,117)
Employee contributions	-	-	-
Changes in assumptions	-	-	-
Administrative expenses	-	(65)	65
Benefit payments	(54,583)	(54,583)	-
Net change during measurement period 2020-2021	15,707	6,372	9,335
Balance at June 30, 2022 (measurement date)	\$ 773,364	260,772	512,592

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current discount rate:

Measurement Date	Net OPEB Liability		
	Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
June 30, 2022	\$ 594,960	512,592	443,049

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (4.0 percent decreasing to 3.0 percent) or 1-percentage-point higher (4.0 percent increasing to 5.0 percent) than the current healthcare cost trend rates:

Measurement Date	Net OPEB Liability		
	Healthcare Cost Trend Rate -1% (3.00%)	Current Healthcare Cost Trend Rate (4.00%)	Healthcare Cost Trend Rate +1% (5.00%)
June 30, 2022	\$ 423,111	512,592	622,048

Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense in the amount of \$89,359. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contribution after measurement date	\$ 67,947	-
Changes of assumptions	324,193	-
Difference between expected and actual experience	24,465	(70,559)
Projected earnings on pension plan investments under/(in excess of) actual earnings	26,915	-
Total	\$ 443,520	(70,559)

Deferred outflows of resources related to OPEB resulting from District’s contributions subsequent to the measurement date in the amount of \$67,947 will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 36,598
2025	36,334
2026	35,314
2027	41,969
2028	30,825
Thereafter	123,974
Total	305,014

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Premiums are paid annually by the District. For the years ended June 30, 2023, the District had insurance expenses in the amounts of \$354,287 in premium payments.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. As of June 30, 2023, there were no liabilities to be reported. During the past three fiscal years there have been no settlements or judgments that exceeded insured coverage. There have been no significant reductions in insured liability coverage from coverage in the prior year.

**Valley Sanitary District
Notes to the Basic Financial Statements (Continued)
Year ended June 30, 2023**

Note 13 – Commitments and Contingencies

Shadow Hills Assessment District

In September 1994, the District authorized oversize credits of \$343,403 against capital impact fees for developments occurring within Assessment District 90-1 that are benefiting from the sewer trunk line improvements installed in 1993. As of June 30, 2023, credits of \$227,661 have been applied, leaving a balance of \$115,742 to be issued.

Pending Legal Actions

The District has not been named in any lawsuit. However, there could be pending litigation. While the outcome of these lawsuits is not presently determinable, in the opinion of management of the District, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of the District, or is adequately covered by insurance.

Construction Commitments

Outstanding construction commitments as of June 30, 2023:

Projects:

Steel Waterline Replacement Phase 2	\$ 450,000
Collection System Repairs / Rehab / Replace Program Design	2,200,000
Sewer Siphon Replacement at Westward Ho – Design	9,285,000
Sewer Siphon Replacement at Westward Ho – Construction	1,436,000
Recycled Water Project Phase 1 (Bank of America loan)	<u>39,900,000</u>
	<u><u>\$ 53,271,000</u></u>



**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

Sanitary Collections Crew Jetting Sewer Lines

Valley Sanitary District
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
District's proportion of the net pension liability	<u>0.02185%</u>	<u>0.02397%</u>	<u>0.02461%</u>	<u>0.02573%</u>	<u>0.02584%</u>
District's proportionate share of the net pension liability	<u>\$ 1,359,412</u>	<u>1,645,582</u>	<u>2,129,724</u>	<u>2,551,281</u>	<u>2,490,030</u>
District's covered payroll	<u>\$ 1,805,145</u>	<u>1,980,191</u>	<u>2,004,667</u>	<u>2,279,280</u>	<u>2,059,259</u>
District's proportionate share of the net pension liability as a percentage of covered payroll	<u>75.31%</u>	<u>83.10%</u>	<u>106.24%</u>	<u>111.93%</u>	<u>129.92%</u>
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	<u>83.77%</u>	<u>81.08%</u>	<u>77.15%</u>	<u>77.13%</u>	<u>79.13%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

Valley Sanitary District
 Required Supplementary Information
 Schedule of District's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement date	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
District's proportion of the net pension liability	<u>0.02706%</u>	<u>0.02366%</u>	<u>0.00822%</u>	<u>0.02208%</u>
District's proportionate share of the net pension liability	<u>2,772,698</u>	<u>2,574,246</u>	<u>444,605</u>	<u>2,550,589</u>
District's covered payroll	<u>2,362,608</u>	<u>2,427,580</u>	<u>2,768,913</u>	<u>3,010,687</u>
District's proportionate share of the net pension liability as a percentage of covered payroll	<u>117.36%</u>	<u>106.04%</u>	<u>16.06%</u>	<u>84.72%</u>
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	<u>78.86%</u>	<u>81.92%</u>	<u>81.92%</u>	<u>97.09%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14.

Valley Sanitary District
Required Supplementary Information
Schedule of Contributions - Pensions
Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year end	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution ²	\$ 340,629	279,922	203,392	303,301	323,626
Contribution in relation to the actuarially determined contribution ²	<u>(1,126,986)</u>	<u>(279,922)</u>	<u>(203,392)</u>	<u>(303,301)</u>	<u>(323,626)</u>
Contribution deficiency/(excess)	<u>\$ (786,357)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll ³	<u>\$ 1,805,145</u>	<u>1,980,191</u>	<u>2,004,667</u>	<u>2,279,280</u>	<u>2,059,259</u>
Contributions as a percentage of covered payroll	<u>62.43%</u>	<u>14.14%</u>	<u>10.15%</u>	<u>13.31%</u>	<u>15.72%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it become available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Reportable earnings to CalPERS, closed

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Valley Sanitary District
 Required Supplementary Information
 Schedule of Contributions - Pensions (Continued)
 Year ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year end	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution ²	\$ 814,982	716,153	284,596	297,554	1,023,199
Contribution in relation to the actuarially determined contribution ²	<u>(814,982)</u>	<u>(716,153)</u>	<u>(284,596)</u>	<u>(297,554)</u>	<u>(1,023,199)</u>
Contribution deficiency/(excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll ³	<u>\$ 2,362,608</u>	<u>2,427,580</u>	<u>2,768,913</u>	<u>3,010,687</u>	<u>3,377,894</u>
Contributions as a percentage of covered payroll	<u>34.50%</u>	<u>29.50%</u>	<u>10.28%</u>	<u>9.88%</u>	<u>30.29%</u>

¹ Historical information is presented only for measurement periods for which GASB 68 is available for periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it become available.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Reportable earnings to CalPERS, closed

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016,

Valley Sanitary District
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Year ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB liability						
Service cost	\$ 8,775	9,016	9,264	24,584	25,260	21,362
Interest	15,962	17,288	18,677	52,317	56,183	49,985
Difference in benefit terms	-	-	116	(2,443)	(79,782)	(1,057)
Differences between expected and actual experience	-	-	34,873	-	-	-
Changes of assumption	-	-	435,621	-	23,088	-
Benefit payments	(5,921)	(6,158)	(7,126)	(41,586)	(57,074)	(54,583)
Net change in total OPEB liability	18,816	20,146	491,425	32,872	(32,325)	15,707
Total OPEB liability, beginning	226,723	245,539	265,685	757,110	789,982	757,657
Total OPEB liability, ending (a)	245,539	265,685	757,110	789,982	757,657	773,364
OPEB fiduciary net position						
Contributions - employer	21,565	27,960	14,136	41,586	115,209	98,117
Net investment income	9,580	8,919	8,063	5,055	45,868	(37,097)
Benefit payments	(5,921)	(6,158)	(7,126)	(41,586)	(57,074)	(54,583)
Administrative expense	(80)	(193)	(28)	(71)	(65)	(65)
Other	-	(15,583)	-	-	-	-
Net change in plan fiduciary net position	25,144	14,945	15,045	4,984	103,938	6,372
Plan fiduciary net position, beginning	90,344	115,488	130,433	145,478	150,462	254,400
Plan fiduciary net position, ending (b)	115,488	130,433	145,478	150,462	254,400	260,772
Plan net OPEB liability - ending (a) - (b)	\$ 130,051	135,252	611,632	639,520	503,257	512,592
Plan's fiduciary net position as a percentage of the total OPEB liability	47.03%	49.09%	19.21%	19.05%	33.58%	33.72%
Covered payroll	\$ 2,279,280	2,059,259	2,362,608	2,427,580	2,555,645	2,768,913
Plan net OPEB liability as a percentage of covered payroll	5.71%	6.57%	25.89%	26.34%	19.69%	18.51%

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17. Additional years of information will be displayed as it become available.

Valley Sanitary District
 Required Supplementary Information
 Schedule of Contributions - Other Postemployment Benefits
 For the year ended June 30, 2023

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2016-17 ¹	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Actuarially determined contribution ²	\$ 15,225	-	-	-	-	-	-
Contribution in relation to the actuarially determined contribution ²	(21,565)	(27,599)	(14,136)	(9,990)	(58,135)	(43,534)	(67,947)
Contribution deficiency/(excess)	<u>\$ (6,340)</u>	<u>(27,599)</u>	<u>(14,136)</u>	<u>(9,990)</u>	<u>(58,135)</u>	<u>(43,534)</u>	<u>(67,947)</u>
Covered payroll	<u>\$ 2,279,280</u>	<u>2,059,259</u>	<u>2,362,608</u>	<u>2,427,580</u>	<u>2,768,913</u>	<u>3,010,687</u>	<u>3,377,894</u>
Contributions as a percentage of covered payroll	<u>0.95%</u>	<u>1.34%</u>	<u>0.60%</u>	<u>0.41%</u>	<u>2.10%</u>	<u>1.45%</u>	<u>2.01%</u>

¹ Historical information is presented only for measurement periods for which GASB 75 is available for periods after GASB 75 implementation in 2016-17. Additional years of information will be displayed as it become available.

² The June 30, 2015 actuarial valuation provided the actuarially determined contributions for fiscal year ended June 30, 2017. There is no actuarially determined contribution for the years ended June 30, 2018, 2019, 2020, and 2021.

Notes to Schedule:

Valuation date:	June 30, 2021
Methods and assumptions used to determine contribution rates:	
Actuarial cost method:	Entry age actuarial cost method
Inflation:	2.75% per year
Investment return/discount rate:	6.75% per year based on assumed long-term return on plan assets assuming 100% funding through CERBT. "Building Block Method" is used.
Healthcare cost trend:	4.00% per year
Payroll increase:	2.75% per year
Mortality:	2017 CalPERS active mortality for miscellaneous employees
Retirement rates:	Hired < 1/1/2013: 2017 CalPERS 2.0%@62 rate for miscellaneous employee Hired > 12/31/12: 2017 CalPERS 2.5%@55 rate for miscellaneous employees adjusted to reflect minimum retirement age of 52



**SUPPLEMENTARY
INFORMATION**

Downtown Indio Sewer Rehabilitation Project

VALLEY SANITARY DISTRICT
Schedule of Operating Expenses
Year ended June 30, 2023
(with comparative totals for the year ended June 30, 2022)

	General and Administrative	Sewage Collection	Sewage Treatment	Total	
				2023	2022
Salaries and wages	\$ 787,919	1,773,132	1,238,798	3,799,849	3,450,575
Employee benefits	614,139	1,118,339	752,450	2,484,928	580,170
Directors' fees	73,336	-	-	73,336	61,068
Insurance	354,287	-	-	354,287	329,747
Memberships	47,905	4,292	2,412	54,609	55,854
Office expenses	15,272	-	-	15,272	21,121
Permits	-	24,661	28,195	52,856	35,183
Operating supplies	35,533	37,291	82,406	155,230	166,460
Professional services	3,982	-	-	3,982	2,050
Repairs and maintenance	14,018	550,436	3,846	568,300	529,560
Travel and seminars	58,579	18,950	12,921	90,450	104,027
Utilities and telephone	32,183	13,874	854,018	900,075	788,450
Chemicals	-	-	596,805	596,805	400,075
Clothing	-	11,947	12,956	24,903	29,014
Certifications	4,292	4,042	2,837	11,171	15,626
Gas, oil and fuel	-	-	55,479	55,479	44,267
County charges	23,439	-	-	23,439	22,537
Contractual services	778,182	171,834	62,252	1,012,268	1,193,573
Publication/legal notices	2,144	-	-	2,144	2,614
Small tools	80,911	12,113	2,549	95,573	98,285
Other expenses	38,226	482	1,486	40,194	22,327
Total	\$ 2,964,347	3,741,393	3,709,410	10,415,150	7,952,583



STATISTICAL SECTION

Valley Sanitary District's Laboratory Testing Samples

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Valley Sanitary District
Statistical Section
(Unaudited)

This part of District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends Information - These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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Operating Information - These schedules contain service and infrastructure data to help the reader understanding how the information in the District's financial report relates to the services the District provides and the activities it performs.

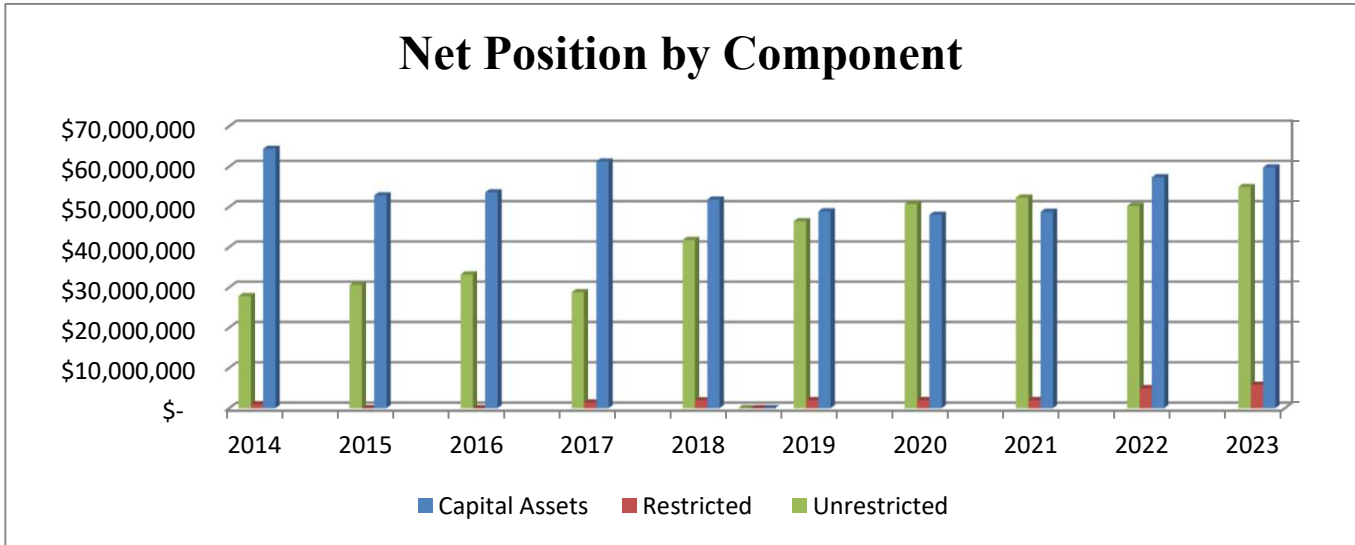
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Valley Sanitary District
Table of Net Position By Component
Last Ten Fiscal Years

	Fiscal Year Ended June 30				2019
	2023	2022	2021	2020	
				<u>As Restated</u>	
<u>NET POSITION:</u>					
Net investment in					
Capital Assets	\$ 59,752,362	\$ 57,312,137	\$ 48,752,135	\$ 48,005,841	\$ 48,843,501
Restricted	5,821,219	4,963,830	2,005,722	2,005,722	2,005,722
Unrestricted	54,898,963	50,199,513	52,284,298	50,689,404	46,401,215
TOTAL NET POSITION	<u>\$ 120,472,544</u>	<u>\$ 112,475,480</u>	<u>\$ 103,042,155</u>	<u>\$ 100,700,967</u>	<u>\$ 97,250,438</u>

Valley Sanitary District
Table of Net Position By Component (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
		<u>As Restated</u>		<u>As Restated</u>	<u>As Restated</u>
<u>NET POSITION:</u>					
Net investment in					
Capital Assets	\$ 51,797,220	\$ 61,242,162	\$ 53,603,070	\$ 52,839,192	\$ 64,388,904
Restricted	1,958,648	1,413,000	-	-	964,900
Unrestricted	41,754,432	28,777,592	33,187,943	30,548,647	27,817,622
TOTAL NET POSITION	<u>\$ 95,510,300</u>	<u>\$ 91,432,754</u>	<u>\$ 86,791,013</u>	<u>\$ 83,387,839</u>	<u>\$ 93,171,426</u>

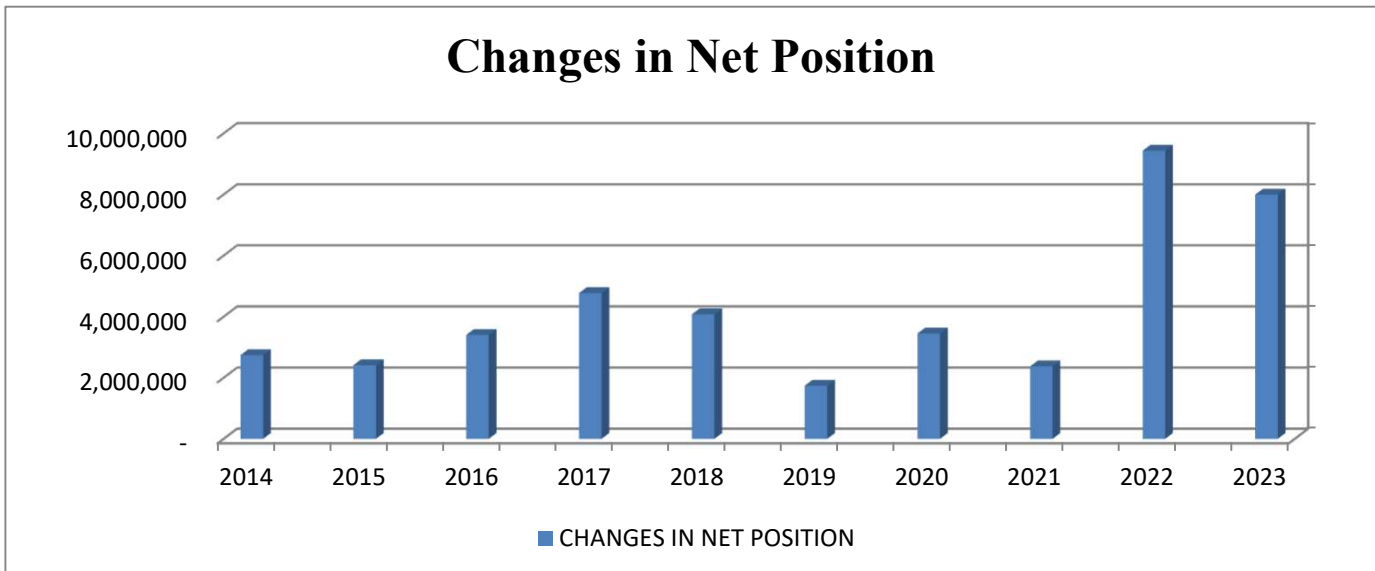


Valley Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position
Last Ten Fiscal Years
Changes in Net Position

	Fiscal Year Ended June 30				
	2023	2022	2021	2020	2019
				<u>As Restated</u>	
OPERATING REVENUES:					
Sewer service charges	\$ 17,466,637	\$ 15,320,784	\$ 11,872,945	\$ 11,198,100	\$ 11,139,580
Connection fees	1,047,104	4,242,643	831,978	832,348	1,010,031
Permits and inspection fees	26,975	44,130	37,270	21,225	25,390
Other services	16,890	18,030	13,275	13,640	10,950
TOTAL OPERATING REVENUES	<u>18,557,606</u>	<u>19,625,587</u>	<u>12,755,468</u>	<u>12,065,313</u>	<u>12,185,951</u>
OPERATING EXPENSES:					
General and administrative	2,964,347	2,435,050	2,276,350	2,270,072	2,089,490
Sewage collection	3,741,393	2,679,819	3,255,445	2,903,125	3,082,175
Sewage treatment	3,709,410	2,837,714	3,091,942	2,792,483	2,361,681
Total administrative and plant	<u>10,415,150</u>	<u>7,952,583</u>	<u>8,623,737</u>	<u>7,965,680</u>	<u>7,533,346</u>
Other Operating Expenses					
Depreciation	2,563,658	2,534,328	2,466,329	2,578,816	2,451,371
TOTAL OPERATING EXPENSES	<u>12,978,808</u>	<u>10,486,911</u>	<u>11,090,066</u>	<u>10,544,496</u>	<u>9,984,717</u>
NET OPERATING INCOME	<u>5,578,798</u>	<u>9,138,676</u>	<u>1,665,402</u>	<u>1,520,817</u>	<u>2,201,234</u>
NON-OPERATING REVENUES (EXPENSES)					
Property taxes	1,399,121	1,125,201	1,018,280	902,875	862,297
Homeowner's tax relief	7,023	6,668	5,669	6,203	5,873
Investment income	3,271,494	(606,284)	32,137	1,143,026	1,193,840
Bond issue cost	-	-	-	-	-
Interest expense	(2,126,849)	(110,823)	(353,399)	(391,814)	(428,612)
Service Grant Charge	(196,365)	(202,332)	-	-	-
Gain (loss) on disposed assets	21,032	17,908	(12,139)	30,170	(2,120,122)
Other revenues	42,810	64,311	18,017	239,253	25,628
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,418,266</u>	<u>294,649</u>	<u>708,565</u>	<u>1,929,712</u>	<u>(461,096)</u>
CHANGES IN NET POSITION	7,997,064	9,433,325	2,373,967	3,450,529	1,740,138
NET POSITION, beginning of the year	112,475,480	103,042,155	100,700,967	97,250,438	95,510,300
Prior period adjustments	-	-	(32,779)	-	-
NET POSITION, end of the year	<u>\$ 120,472,544</u>	<u>\$ 112,475,480</u>	<u>\$ 103,042,155</u>	<u>\$ 100,700,967</u>	<u>\$ 97,250,438</u>

Valley Sanitary District
Statements of Revenues, Expenses, and Changes in Net Position (Continued)
Last Ten Fiscal Years
Changes in Net Position

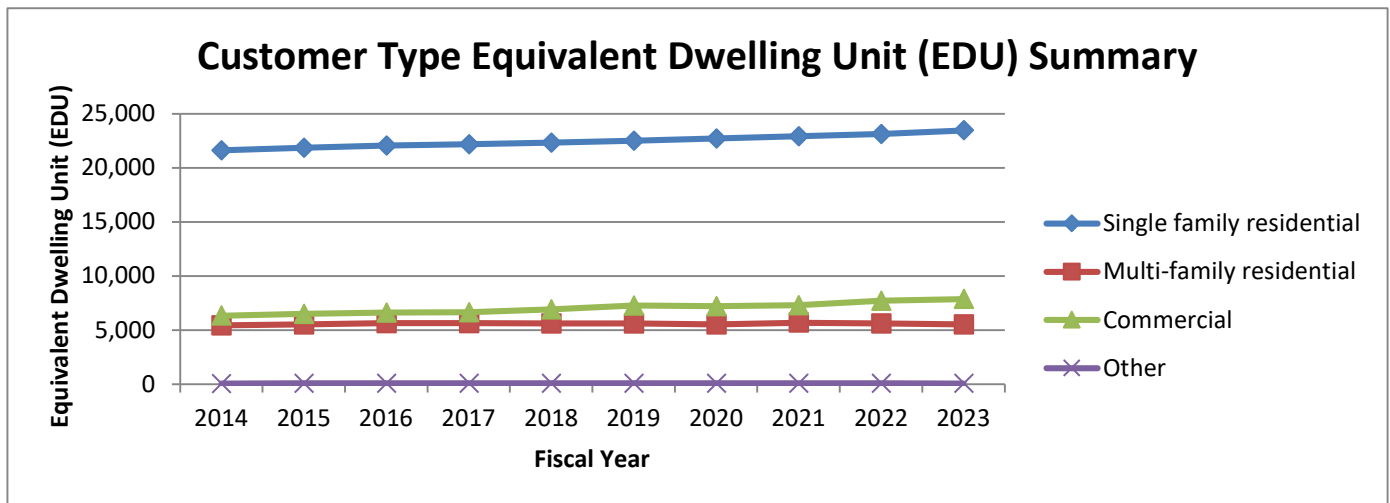
	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
		<u>As Restated</u>		<u>As Restated</u>	<u>As Restated</u>
OPERATING REVENUES:					
Sewer service charges	\$ 11,004,428	\$ 10,846,682	\$ 9,347,928	\$ 9,218,538	\$ 9,187,360
Connection fees	1,272,580	791,280	1,446,315	897,863	1,998,788
Permits and inspection fees	17,885	22,442	21,735	17,264	40,202
Other services	10,139	11,300	7,495	27,425	46,100
TOTAL OPERATING REVENUES	<u>12,305,032</u>	<u>11,671,704</u>	<u>10,823,473</u>	<u>10,161,090</u>	<u>11,272,450</u>
OPERATING EXPENSES:					
General and administrative	1,652,714	1,297,345	1,744,274	1,819,626	1,997,332
Sewage collection	2,604,267	2,091,041	856,871	866,622	855,884
Sewage treatment	2,413,567	2,048,207	3,104,860	3,140,480	3,631,992
Total administrative and plant	<u>6,670,548</u>	<u>5,436,593</u>	<u>5,706,005</u>	<u>5,826,728</u>	<u>6,485,208</u>
Other Operating Expenses					
Depreciation	2,444,764	1,980,043	2,309,350	2,334,398	2,335,264
TOTAL OPERATING EXPENSES	<u>9,115,312</u>	<u>7,416,636</u>	<u>8,015,355</u>	<u>8,161,126</u>	<u>8,820,472</u>
NET OPERATING INCOME	<u>3,189,720</u>	<u>4,255,068</u>	<u>2,808,118</u>	<u>1,999,964</u>	<u>2,451,978</u>
NON-OPERATING REVENUES (EXPENSES)					
Property taxes	794,367	761,756	709,233	745,800	605,711
Homeowner's tax relief	5,978	6,203	6,343	6,461	6,604
Investment income	479,862	170,869	142,649	75,611	52,007
Bond issue cost	-	-	-	(193,516)	-
Interest expense	(412,602)	(267,220)	(279,125)	(175,454)	(402,257)
Service Grant Charge	-	-	-	-	-
Gain (loss) on disposed assets	19,976	(160,033)	12,188	(46,408)	14,176
Other revenues	245	6,565	3,768	310	14,735
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>887,826</u>	<u>518,140</u>	<u>595,056</u>	<u>412,804</u>	<u>290,976</u>
CHANGES IN NET POSITION	4,077,546	4,773,208	3,403,174	2,412,768	2,742,954
NET POSITION, beginning of the year	91,564,221	86,791,013	83,387,839	94,251,725	92,945,089
	(131,467)	-	-	(13,276,654)	(1,436,318)
NET POSITION, end of the year	<u>\$ 95,510,300</u>	<u>\$ 91,564,221</u>	<u>\$ 86,791,013</u>	<u>\$ 83,387,839</u>	<u>\$ 94,251,725</u>



Valley Sanitary District Customer Type Equivalent Dwelling Unit (EDU) Summary Last Ten Fiscal Years

Customer Type	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Single family residential	23,473	23,142	22,908	22,704	22,516	22,321	22,180	22,061	21,863	21,623
Multi-family residential	5,532	5,612	5,685	5,521	5,613	5,623	5,635	5,643	5,513	5,431
Commercial	7,882	7,725	7,289	7,209	7,267	6,913	6,633	6,629	6,504	6,344
Other	70	67	67	67	67	66	63	62	62	59
Total	36,957	36,546	35,949	35,501	35,463	34,923	34,511	34,395	33,942	33,457

Source: Valley Sanitary District



Valley Sanitary District
Annual Sewer Use Fee
Last Ten Fiscal Years

Fixed Service Charge Per Equivalent

Dwelling Unit (EDU) (1)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Single Family Home	\$ 385.56	\$ 342.72	\$ 330.00	\$ 313.00	\$ 313.00	\$ 313.00	\$ 313.00	\$ 270.00	\$ 270.00	\$ 270.00
Multi Family Home	168.75	150.00	330.00	313.00	313.00	313.00	313.00	270.00	270.00	270.00
Mobile Home	203.94	181.28	330.00	313.00	313.00	313.00	313.00	270.00	270.00	270.00
RV Park	158.91	141.25	330.00	313.00	313.00	313.00	313.00	270.00	270.00	270.00
Commercial - Low/ Med Strength	223.91	199.03	330.00	313.00	313.00	313.00	313.00	270.00	270.00	270.00
Commercial - High Strength	682.88	607.00	330.00	313.00	313.00	313.00	313.00	270.00	270.00	270.00

Volumetric Rate \$ per Hundred

Cubic Feet (HCF) average winter water consumption (1)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Single Family Home	\$ 1.10	\$ 0.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Multi Family Home	1.10	0.98	-	-	-	-	-	-	-	-
Mobile Home	1.10	0.98	-	-	-	-	-	-	-	-

Volumetric Rate \$ per Hundred

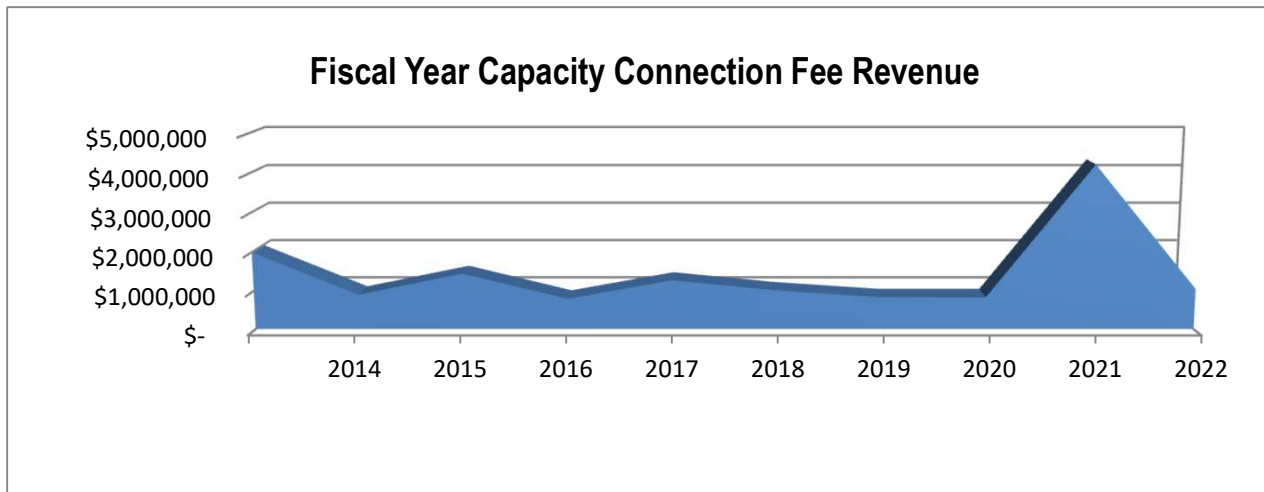
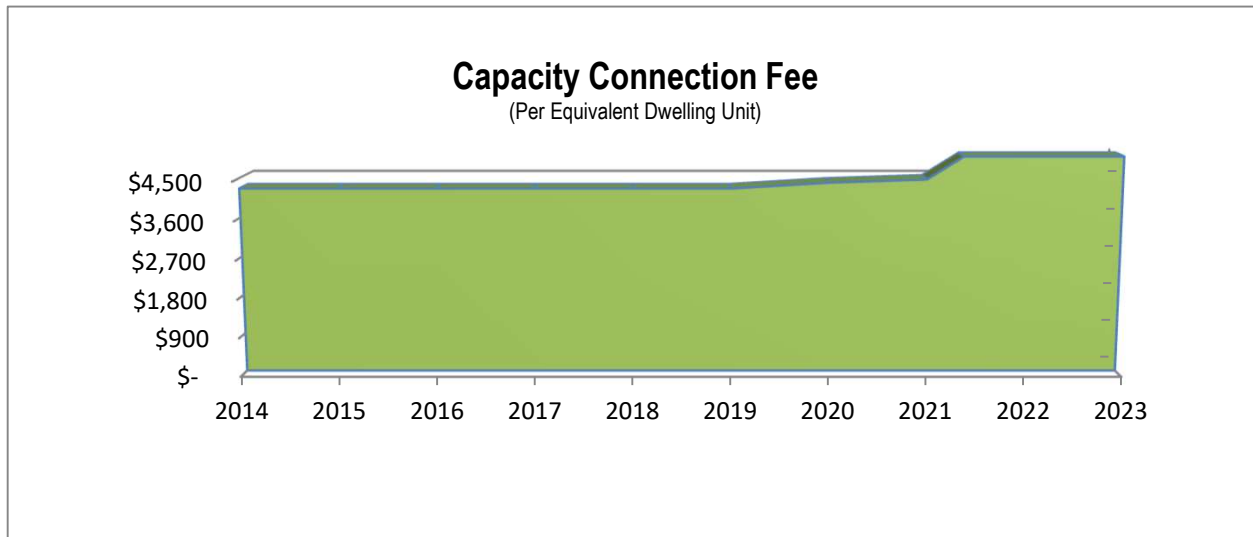
Cubic Feet (HCF) annualized water consumption (1)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
RV Park	\$ 1.23	\$ 1.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial - Low/ Med Strength	0.99	0.88	-	-	-	-	-	-	-	-
Commercial - High Strength	2.25	2.00	-	-	-	-	-	-	-	-

(1) In the fiscal year 2020/21 the District completed a rate study and proposed a new rate schedule commencing fiscal year 2021/22 through 2025/26. The district published the required public hearing notices and Prop 218 notice 45 days in advance as required. The Board of Directors held a public hearing as mandated by Prop 218 requirements and implemented the new rates commencing July 1, 2021.

Valley Sanitary District Capacity Connection Fee and Fiscal Year Revenue Last Ten Fiscal Years

Fiscal Year Ended June 30	Fee / EDU	Revenue
2023	\$ 6,353	\$ 1,047,104
2022	5,883	4,242,643
2021	4,473	831,978
2020	4,400	832,348
2019	4,265	1,010,031
2018	4,265	1,272,500
2017	4,265	791,280
2016	4,265	1,446,315
2015	4,265	897,863
2014	4,265	1,998,788

Source: Valley Sanitary District



**Valley Sanitary District
Principal Users
Current Year and Nine Years Ago**

Principal Users	Year Ended June 30 2023			Year Ended June 30 2014		
	Amount Billed	Rank	Percent of District Total \$	Amount Billed	Rank	Percent of District Total \$
Forager Project Inc	\$ 603,154	1	3.45%	\$ -		0.00%
Desert Sands Unified School District	267,806	2	1.53%	220,050	1	2.40%
Fantasy Springs Casino	185,877	3	1.06%	76,680	4	0.83%
Smoketree Polo Club Apartments	84,918	4	0.49%	77,760	3	0.85%
The Wells Mobile Home Association	72,028	5	0.41%	81,000	2	0.88%
Sunrise Point Apartments	67,772	6	0.39%	73,440	5	0.80%
Del Mar Apartments	66,437	7	0.38%	50,760	9	0.55%
Arabian Gardens Mobile Estates	60,962	8	0.35%	50,220	10	0.55%
Pueblo Del Sol Mobile Home Park	59,960	9	0.34%	-	-	0.00%
City of Indio	50,865	10	0.29%	-	-	0.00%
Casa Monroe Apartments	-	-	0.00%	61,020	8	0.66%
Indio Palms Apartments	-	-	0.00%	62,910	7	0.68%
Fred Young Housing	-	-	0.00%	70,470	6	0.77%
Bermuda Palms Mobile Estates	-	-	0.00%			
Total	\$ 1,519,779		8.70%	\$ 824,310		8.97%
District total customer charges	\$ 17,466,637			\$ 9,187,360		

Source: Valley Sanitary District

Valley Sanitary District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-Type Activities					Total			
	Certificates of Participation (1) (net of amortization)	Wastewater Revenue Refunding Bonds Series 2015 (2) (net of amortization)	State Water Resource Control Board Revolving Fund Loan	Bank of America Co Loan		Debt	Population (3)	Personal Income (3)	Percentage of Personal Income
2023	\$ -	\$ 2,708,161	\$ 11,193,860	\$ 70,079,704	\$ 83,981,725	90,974	\$ 28,771	3.21%	923
2022	-	3,558,673	11,550,856	71,000,000	86,109,529	89,498	28,763	3.35%	962
2021	-	4,374,185	11,901,885		16,276,070	89,551	24,604	0.74%	182
2020	-	5,159,697	12,247,046		17,406,743	90,387	25,143	0.77%	193
2019	-	5,910,209	12,586,437		18,496,646	89,863	24,398	0.84%	206
2018	-	6,630,721	12,920,155		19,550,876	89,127	24,994	0.88%	219
2017	-	7,321,233	7,643,459		14,964,692	88,485	23,103	0.73%	169
2016	-	7,986,745	-		7,986,745	86,544	22,336	0.41%	92
2015	-	8,637,257	-		8,637,257	84,201	20,607	0.50%	103
2014	9,379,080	-	-		9,379,080	82,398	21,702	0.52%	114

Sources: (1) Valley Sanitary District
(2) Valley Sanitary District - Refinancing of Certificates of Participation
(3) U.S. Bureau of Labor Statistics

**Valley Sanitary District
Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Revenue & Expenses			Debt Service			Coverage Ratio (3)
	Net Revenues	Operating Expenses (1)	Net Available Revenues	Principal (2)	Interest	Total	
2023	\$ 20,975,872	\$ 10,415,150	\$ 10,560,722	\$ 2,027,292	\$ 2,383,177	\$ 4,410,469	2
2022	19,920,236	7,952,583	11,967,653	1,066,029	374,769	1,440,798	8
2021	13,464,033	8,623,737	4,840,296	1,030,161	414,888	1,445,049	3
2020 As Restated	13,995,025	7,965,680	6,029,345	989,391	453,157	1,442,548	4
2019	14,273,589	7,533,346	6,740,243	953,718	489,831	1,443,549	5
2018	13,192,858	6,670,548	6,522,310	590,000	299,688	889,688	7
2017 As Restated	12,189,844	5,436,593	6,753,251	565,000	327,938	892,938	8
2016	11,418,529	5,706,005	5,712,524	550,000	338,653	888,653	6
2015 As Restated	10,573,894	5,826,728	4,747,166	-	415,378	415,378	11
2014 As Restated	11,563,426	6,485,208	5,078,218	570,000	402,257	972,257	5

Notes:

(1) Excludes Depreciation

(2) Due to refinancing of the COPs, no principal payment was due in fiscal year 2014/2015. Costs to refinance are included in interest.

(3) The coverage ratio is a measure of the District's liquidity and how many times the District's revenues will cover their annual bond/loan expense.

Source: Valley Sanitary District

**Valley Sanitary District
Principal Employers
Current Year and Ten Years Ago**

Employer (1)	Fiscal Year Ended June 30 2023			Fiscal Year Ended June 30 2014		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
County of Riverside	1,211	1	2.95%	1,247	1	4.81%
Fantasy Springs Casino	1,148	2	2.80%	1,200	2	4.63%
Desert Sands Unified School District	975	3	2.38%	860	3	3.32%
John F. Kennedy Memorial Hospital	728	4	1.78%	577	4	2.23%
Walmart Supercenter	404	5	0.99%	-	-	-
City of Indio	245	6	0.60%	225	5	0.87%
Granite Construction	-	-	-	180	6	0.69%
Riverside Superior Court	156	7	0.38%	159	7	0.61%
Indio Nursing and Rehab Center	146	8	0.36%	-	-	-
Fiesta Forn Lincoln	140	10	0.34%	-	-	-
Mathis Brothers	-	-	-	115	10	0.44%
Cardena's Market	-	-	-	-	-	-
Home Depot	-	-	-	132	9	0.51%
Ralphs	146	9	0.36%	-	-	-
Super Target	-	-	-	150	8	0.58%
Total Employment Listed	5,299		12.92%	4,845		18.71%
Total City Employment (1)	41,000			25,900		

"Total Employment" as used above represents the total employment of all employers located within the District.

Sources: (1) City Indio 2022 ACFR

Valley Sanitary District
Total Customers and Number of Permits Issued
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Customers	Number of Permits Issued
2023	28,754	63
2022	28,478	84
2021	28,239	75
2020	28,028	67
2019	27,849	67
2018	27,668	71
2017	27,535	87
2016	27,417	86
2015	27,164	69
2014	26,908	83

Source: Valley Sanitary District

Valley Sanitary District
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population (1)	Median Age (2)	Average Household Size (1)	Median Household Income (1)	Per Capita Personal Income (1)	Unemployment Rate (3)
2023	90,974	42.90	3.04	\$ 60,734	\$ 28,771	5.40%
2022	89,498	42.50	3.05	63,198	28,763	4.80%
2021	89,551	42.50	3.16	58,132	246,040	8.70%
2020	90,387	44.70	3.18	57,645	25,143	17.80%
2019	89,863	43.50	3.19	56,961	24,398	5.40%
2018	89,127	40.50	3.19	56,571	24,994	5.80%
2017	88,485	35.90	3.30	54,179	23,103	5.10%
2016	86,544	34.00	3.25	53,183	22,336	7.20%
2015	84,201	32.70	3.25	50,068	20,607	6.50%
2014	82,398	34.10	3.25	50,528	21,702	10.70%

Sources: (1) Home Town Locator
(2) City of Indio 2022 ACFR
(3) U.S. Bureau of Labor Statistics

**Valley Sanitary District
Operating Indicators
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	2023	2022	2021	2020	2019
Equivalent Dwelling Units (EDU)	36,957	36,546	35,949	35,501	35,463
Rainfall (inches) (1)	3.16	1.22	0.62	5.42	6.14
Flow (MGD) (2)	5.95	5.40	5.70	5.60	5.49
CBOD (mg/L)	270.00	281.10	280.10	256.50	280.00
CBOD (PE) (3)	78,792	74,468	78,326	70,468	75,413
Suspended solids (mg/L)	325.00	266.50	252.80	252.30	279.00
Suspended solids (PE) (4)	80,735	60,010	60,088	58,917	63,872
Tonnage of biosolids produced	1,109	1,181	1,278	853	805
Tonnage of biosolids applied to land	0	718	934	950	1,438
Total waste treated (million gallons/year)	2,204	2,113	2,210	2,211	2,169

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

(2) Million gallons per day

(3) Carbonaceous Biochemical Oxygen Demand (CBOD) Population Equivalent (PE) based on a conversion factor of 0.17

(4) Suspended solids population equivalent based on a conversion factor of 0.20

Source: Valley Sanitary District

**Valley Sanitary District
Operating Indicators (Continued)
Last Ten Fiscal Years**

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Equivalent Dwelling Units (EDU)	34,923	34,511	34,395	33,942	33,457
Rainfall (inches) (1)	2.19	6.46	2.90	2.70	0.92
Flow (MGD) (2)	5.44	5.31	5.30	5.57	5.97
CBOD (mg/L)	281.00	289.00	257.40	246.92	219.75
CBOD (PE) (3)	74,993	75,285	66,928	68,446	63,706
Suspended solids (mg/L)	266.00	262.00	234.2	192.08	188.25
Suspended solids (PE) (4)	60,342	68,252	51,755	45,096	47,083
Tonnage of biosolids produced	1,411	1,362	468	1,440	1,505
Tonnage of biosolids applied to land	0	1,162	0	1,440	1,200
Total waste treated (million gallons/year)	2,081	2,080	2,022	2,034	2,254

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

(2) Million gallons per day

(3) Carbonaceous Biochemical Oxygen Demand (CBOD) Population Equivalent (PE) based on a conversion factor of 0.17

(4) Suspended solids population equivalent based on a conversion factor of 0.20

Source: Valley Sanitary District

Valley Sanitary District
Capital Assets and Operating Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2023	2022	2021	2020	2019
Sanitary Sewer Service Operations					
Equivalent Dwelling Units (EDUs)	36,957	36,546	35,949	35,501	35,463
Treatment Plant Operations					
Plant flow (Units = Million Gallons Per Day (mgd))					
Monthly average	181	164.3	173	170	167
Permit limitation (dry weather)	13.50	12.50	12.50	12.50	12.50
Annual rainfall (inches) (1)	3.16	1.22	0.62	5.42	6.14
Collection System Operations					
Sewer lines					
Length (ft)	1,372,800	1,341,120	1,341,120	1,341,120	1,341,120
Inspected (ft)	142,991	159,128	245,652	167,913	158,940
Cleaned (ft)	660,377	596,717	697,896	610,629	741,600

Notes:

(1) Annual rainfall for the Coachella Valley from www.desertweather.com

Source: Valley Sanitary District

Valley Sanitary District
Capital Assets and Operating Information (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Sanitary Sewer Service Operations					
Equivalent Dwelling Units (EDUs)	34,923	34,511	34,395	33,942	33,457
Treatment Plant Operations					
Plant flow (Units = Million Gallons Per Day (mgd))					
Monthly average	165	161	161	170	182
Permit limitation (dry weather)	12.50	12.50	12.50	13.50	13.50
Annual rainfall (inches) (1)	2.19	6.46	2.90	2.70	0.92
Collection System Operations					
Sewer lines					
Length (ft)	1,351,680	1,335,840	1,336,682	1,323,035	1,298,880
Inspected (ft)	174,030	135,472	175,178	136,838	106,350
Cleaned (ft)	728,314	731,159	796,840	708,071	562,472

Notes:

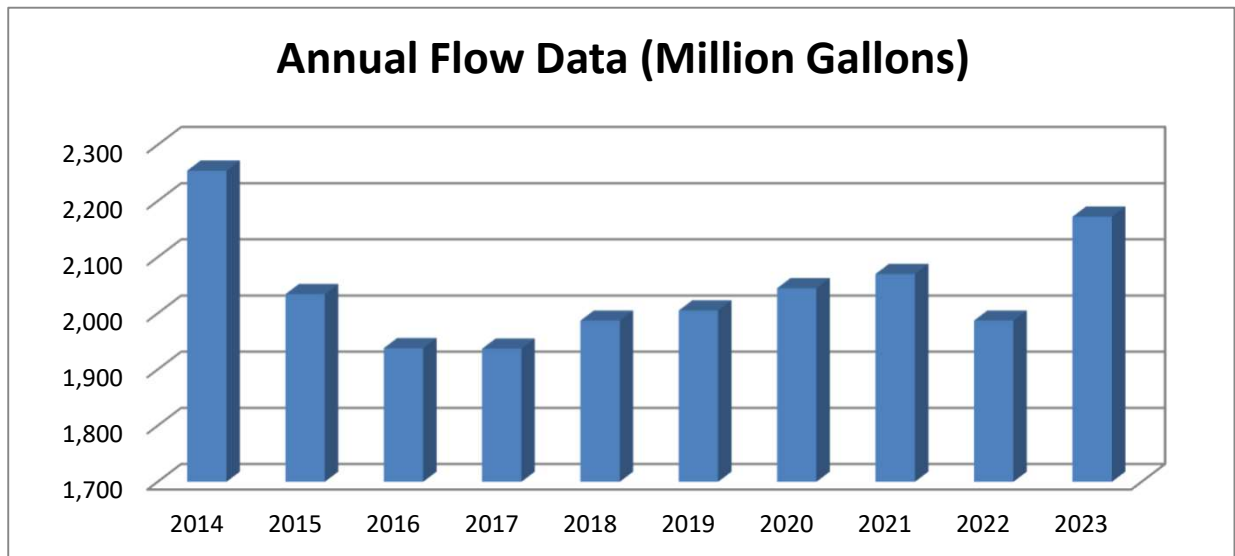
(1) Annual rainfall for the Coachella Valley from www.desertweather.com

Source: Valley Sanitary District

Valley Sanitary District
Annual Flow Data (Million Gallons)
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended</u> <u>30-Jun</u>	<u>Annual Flow</u>
2023	2,172
2022	1,987
2021	2,070
2020	2,045
2019	2,005
2018	1,987
2017	1,937
2016	1,938
2015	2,034
2014	2,254

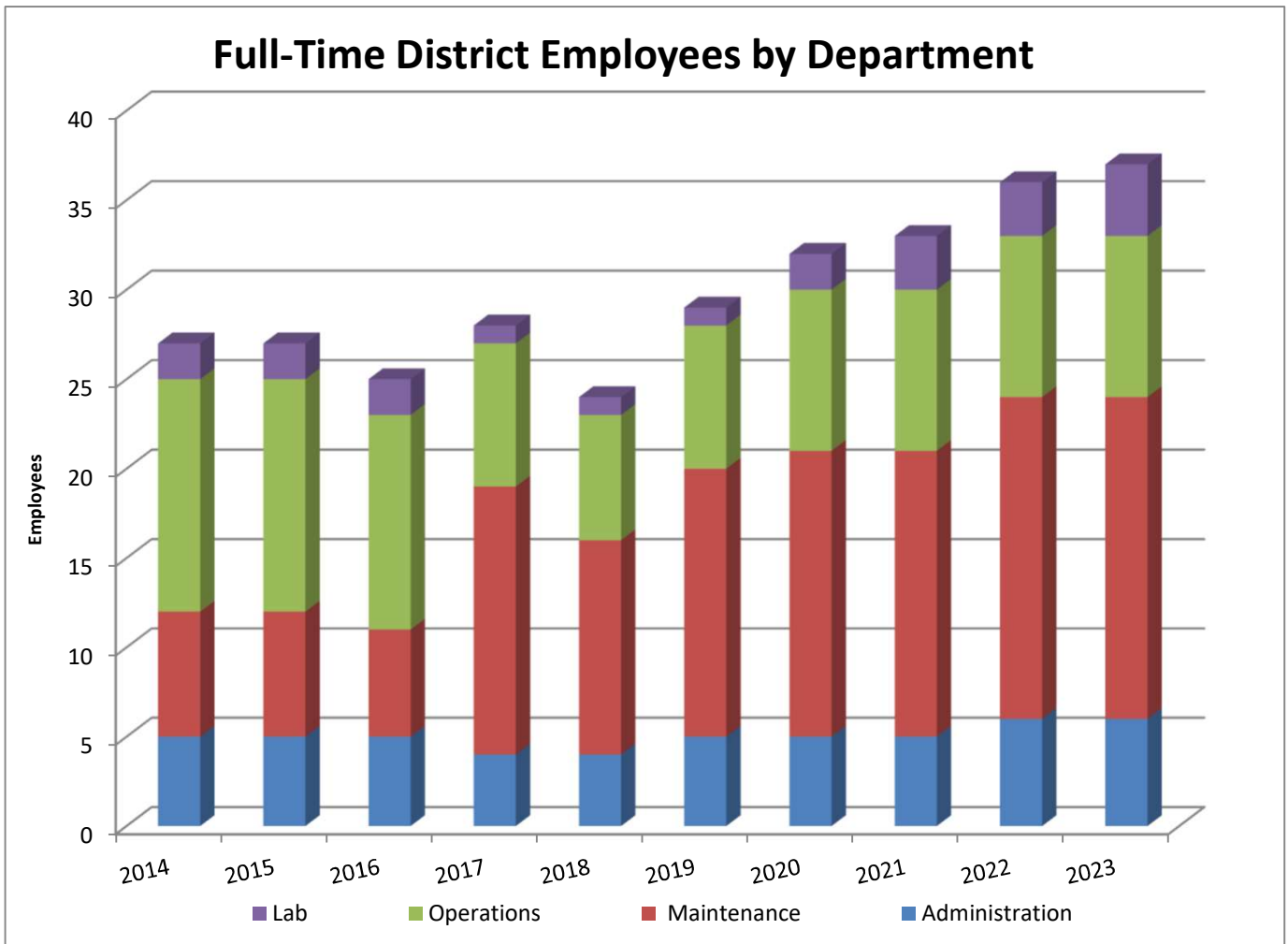
Source: Valley Sanitary District



Valley Sanitary District Full-Time District Employees by Department Last Ten Fiscal Years

Fiscal Year Ended June 30	Administration	Engineering & Maintenance	Operations	Lab	Total
2023	6	18	9	4	37
2022	6	18	9	3	36
2021	5	16	9	3	33
2020	5	16	9	2	32
2019	5	15	8	1	29
2018	4	12	7	1	24
2017	4	15	8	1	28
2016	5	6	12	2	25
2015	5	7	13	2	27
2014	5	7	13	2	27

Source: Valley Sanitary District



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Valley Sanitary District

“Safeguarding community health and sustainability, as we have done for nearly 100 years.”



(760) 238-5400



45500 Van Buren Street Indio, CA 92201



www.valley-sanitary.org





Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jeanette Juarez, Chief Administrative Officer
SUBJECT: REVIEW THE ANNUAL DEBT TRANSPARENCY REPORT SUBMITTED TO THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION (CDIAC) FOR THE 2022 INSTALLMENT SALE AGREEMENT \$71,000,000 RECYCLED WATER PROJECT PHASE 1

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

All California state and local issuers of public debt are required to submit an annual debt transparency report to the California Debt and Investment Advisory Commission (“CDIAC”). The report is due no later than January 31 of each year for any debt outstanding at any point during the prior fiscal year.

The report needs to contain the following information:

- Debt authorized during the fiscal year, including:
 - Debt authorized at the beginning of the fiscal year;
 - Debt authorized and incurred during the fiscal year;
 - Debt authorized but not incurred at the end of the fiscal year;
 - Authorized debt that lapsed during the fiscal year.
- Debt outstanding during the fiscal year, including:
 - Outstanding principal balance at the beginning of the fiscal year;
 - Principal amount paid off during the fiscal year;
 - Outstanding principal balance at the end of the fiscal year.

- Information on the use of debt proceeds during the fiscal year, including:
 - Available unspent debt proceeds amount at the beginning of the fiscal year;
 - Debt proceeds amount spent during the fiscal year and the purposes for which it was spent;
 - Unspent debt proceeds amount remaining at the end of the fiscal year.

Recommendation

Receive and file this report as information.

Attachments

[8.2 2022-23 Annual Debt Transparency Report.pdf](#)



Information as of Reporting Year End: 06/30/2023

Issuance Information

Issuer Name:	Valley Sanitary District
Issue Name:	2022 Installment Sale Agreement
Project Name:	Water Systems
Actual Sale Date:	05/13/2022
Settlement Date:	05/13/2022
Original Principal Amount:	\$71,000,000.00
Net Original Issue Premium/Discount:	\$0.00
Proceeds Used to Acquire Local Obligations (Marks-Roos Only):	\$0.00
Total Reportable Proceeds:	\$71,000,000.00
Total cost of issuance from Report of Final Sale:	\$35,000.00

Issuance Authorization

Authorization (1):	
Authorization Name:	Resolution No 2022-1160
Original Authorized Amount:	\$71,000,000.00
Authorization Date:	05/10/2022
Amount Authorized - Beginning of the Reporting Period:	\$0.00
Amount Authorized - During the Reporting Period:	\$0.00
Total Debt Authorized:	\$0.00
Debt Issued During the Reporting Period:	\$0.00
Replenishment Reported During the Reporting Period:	\$0.00
Total Debt Authorized but Unissued:	\$0.00
Authorization Lapsed:	\$0.00
Total Authorization Remaining - End of Reporting Period:	\$0.00

Principal Outstanding



ANNUAL DEBT TRANSPARENCY REPORT
 California Debt and Investment Advisory Commission, 915 Capitol Mall,
 Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
 94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0620
 Status: Submitted
 02/05/2024

Principal Balance Upon Sale or at Beginning of the Reporting Period:	\$71,000,000.00
Accreted Interest – During Reporting Period:	\$0.00
Total Principal and Accreted Interest:	\$71,000,000.00
Principal Paid with Proceeds from Other Debt Issues – During the Reporting Period:	\$0.00
Principal Payments - During the Reporting Period (not reported as payments above):	\$920,296.26
Principal Outstanding – End of Reporting Period:	\$70,079,703.74

Refunding/Refinancing Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Use of Proceeds

Report End Date	Begin Amount	Spent Amount	Remain Amount
06/30/2022	\$71,000,000.00	\$0.00	\$71,000,000.00
06/30/2023	\$71,000,000.00	\$16,676,074.45	\$54,323,925.55

Proceeds Spent/Unspent (Fund Level)

Fund Category	Total Reportable Proceeds Available	Proceeds Spent Current Reporting Period	Proceeds Spent Prior Reporting Period(s)	Proceeds Unspent / Remaining
	\$0.00	\$0.00	\$0.00	\$0.00
CONSTRUCTION FUND	\$70,965,000.00	\$16,641,074.45	\$0.00	\$54,323,925.55
COST OF ISSUANCE	\$35,000.00	\$35,000.00	\$0.00	\$0.00
TOTAL:	\$71,000,000.00	\$16,676,074.45	\$0.00	\$54,323,925.55

Expenditures of Current Reporting Period

Fund Category	Purpose	Expenditure Amount
CONSTRUCTION FUND	CDIAC FEE	\$5,000.00
CONSTRUCTION FUND	PROJECT DESIGN, EQUIPMENT AND CONSTRUCTION	\$16,636,074.45



ANNUAL DEBT TRANSPARENCY REPORT
 California Debt and Investment Advisory Commission, 915 Capitol Mall,
 Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA
 94209-0001 Tel.: (916) 653-3269 Fax: (916) 654-7440

CDIAC # : 2022-0620
 Status: Submitted
 02/05/2024

COST OF ISSUANCE	BOND COUNSEL	\$35,000.00
TOTAL:		\$16,676,074.45

Expenditure Summary

Fund Category	Purpose	Expenditure In Current Reporting Period	Expenditure In Prior Reporting Period(s)	Total Expenditure All Periods
CONSTRUCTION FUND	CDIAC FEE	\$5,000.00	\$0.00	\$5,000.00
CONSTRUCTION FUND	PROJECT DESIGN, EQUIPMENT AND CONSTRUCTION	\$16,636,074.45	\$0.00	\$16,636,074.45
COST OF ISSUANCE	BOND COUNSEL	\$35,000.00	\$0.00	\$35,000.00
TOTAL:		\$16,676,074.45	\$0.00	\$16,676,074.45

Refunded/Refinanced Issues

CDIAC #	Refunding/refinancing Amount	Redemption/Payment Date
No data available to display.		

Filing Contact

Filing Contact Name: Dmitry Semenov

Agency/Organization Name: Ridgeline Municipal Strategies, LLC

Address: 2213 Plaza Drive

City: Rocklin

State: CA

Zip Code: 95765

Telephone: 916-250-1590

Fax Number:

E-mail: dsemenov@ridgelinemuni.com

Comments



Issuer Comments:

ADTR Reportable

Principal Outstanding – End of Reporting Period:	\$70,079,703.74
Proceeds Unspent – End of Reporting Period:	\$54,323,925.55
ADTR Reportable Next Reporting Year:	Yes



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: ELECTION OF VICE PRESIDENT FOR THE CALENDAR YEAR 2024

Suggested Action

Approve

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact to this report.

Environmental Review

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

Background

Due to the resignation of Jacky Barnum the office of Vice President is vacant. The purpose of this election is for the Board of Directors to elect a Vice President for the calendar year 2024.

Recommendation

Approve the election of Board Officers for the calendar year 2024.



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECIEVE UPDATE ON BOARD OF DIRECTOR RECRUITMENT

Suggested Action

Discuss

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact associated with this report.

Environmental Review

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

Background

Due to a recent vacancy in Division A (Ward A), the District is proceeding with an appointment of a new representative within the vacated Division.

Recommendation

Staff will provide an update on the recruitment process and discuss upcoming milestone dates:

Feb 8th – Request for application go live on Facebook, Website, LinkedIn, Instagram

Feb 22nd – Optional tour of facility for interested parties (9am-11am)

March 6th – Applications due by 4:00 pm

March 7th – Applications delivered to BOD

March 7th – Applications included in the Board Packet for March 12

March 12th – Interview candidates and Board appointment



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Jason Dafforn, General Manager
SUBJECT: RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR JANUARY 2024

Suggested Action

Review

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

The following data represents the activities and metrics for the month of January 2024.

Administrative Services

- Held one (1) Budget & Finance Committee Meeting
- Held one (1) Community Engagement Committee Meeting
- Held two (2) Regular Board Meetings
- Held one (1) Special Meeting – Board Strategic Plan Workshop
- Held one (1) EVRA Meeting
- Hosted Congressman Ruiz’s staffer for a plant tour
- Posted Board of Directors vacancy
- Administrative Assistant attend California Association of Public Procurement Officials (CAPPO) Conference 2024 in Palm Springs, CA
- Accounting Analyst and Chief Administrative Officer attended the California Society of Municipal

Finance Officers (CSMFO) Annual Conference in Anaheim, CA

- The District will be closed on Monday, February 19, 2024, in observance of President's Day

Environmental Compliance Services

- Lab staff trained and completed Demonstrations of Capability (IDC) for Operations crew members: Andrew Sorensen and Victoria Nelson on weekend laboratory methods.
- Rebecca Salas completed the annual Demonstrations of Capability (IDC) on regulatory and process control laboratory methods.
- Completed January set of 3rd-party proficiency testing (PTs) to maintain compliance with Environmental Laboratory Accreditation Program (ELAP) requirements.

Operations & Maintenance

- Put Primary Clarifier #3 online and took Primary Clarifier #4 offline.
- Put Secondary Clarifier #2 online and took Secondary Clarifier #1 offline.
- Assisted with Design Build Recycle Work Project.
- Condensate drain trap #1 & #2 repaired.
- Gallery #3 & #4 exhaust fans repaired.
- SCADA phone line repair.
- Barscreen conveyor aligned.
- Lighting in Operations' restroom replaced.
- Front gate issues worked on but gate not totally repaired yet.
- BFP polymer pump system rebuilt.
- Influent Pump #4 failure, removed from service.
- Pura-fil filters replaced on Hypo Bldg. A/C system.
- Adjusted Primary Clarifier weir level.
- Back pressure valve Hypo skid 1 replaced.
- Ferric pump at Digester rebuilt.
- Fire Alarm Panel replaced at Admin. Bldg.
- Gantry Crane inspected by Konacrane.
- BFP horizontal conveyor gear box serviced. Broken roller replaced.
- Explorer vehicle battery replaced
- House Aerator #3 coupler replaced.
- Barscreen #2 brakes adjusted Broken outlet at Pond #2 replaced.

Development Services

- Demolition has begun on the Indio Library to make room for the first phase of the new City of Indio civic center.
- Construction has begun on the new Pacific Indio Retail Center on the Southeast corner of Monroe Street and Avenue 42. The project will include multiple retail lots. Raising Cane's Chicken and In-N-Out Burger are planned to build at this project.
- Construction has begun on Gabino's Creperie near the corner of Miles Avenue and Towne Street.
- Construction has begun on the Tower Market convenience store and gas station on the northwest corner of Dr. Carreon and Monroe Street.
- Construction has begun on the Indio Tap House on the southwest corner of Miles Avenue and

Towne Street.

Collection Services

- No-Spill report for the month of January will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program. Due by the end of the month.
- Category 4 Spill annual report will be submitted by February 1st, under the newly adapted Statewide Sanitary Sewer Systems General Order requirements, submitted in the California Integrated Water Quality System. Valley Sanitary District did have Category 4 spills to report.
- Monthly preventative maintenance service of lift stations is scheduled for the month.
- The North pump from Calhoun lift station was sent into Swains for diagnostics and assessment. Required a complete overhaul due to seal leak and water intrusion. Pump was returned, installed, and fully operational.
- CCTV inspections are currently being conducted in the area of Avenue 49 and Hjorth.
- Field Vactor crew is scheduled to clean the sewer main easement that crosses through the fair ground's, in preparation of the National Date Festival. Upon completion they will continue working in the area of Avenue 44 and Palo Verde.

Capital Improvement Program

- The Reclaimed Water Project - Phase 1 was awarded to Schneider Electric / Stantec in June 2020. This project will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include replacement of the Main Switch Control Panel and the addition of a sludge thickener unit. *Update: Walsh is currently working on duct banks for the new grit chamber, excavating and installing pipe for the rotary screw thickener, and preparing for the steel wire wrapping and spraying shotcrete on the new digester.*
- The Westward Ho Drive Sewer Siphon Replacement Project is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Permitted plans have been signed by CVWD and have been approved by the City of Indio and La Quinta. CEQA documentation for this project has been completed. *Update: This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with bidding and construction which was expected by February 2023.*
- The Downtown Indio Rehabilitation Project is currently under construction and covers the rehabilitation of existing sewer mains and manholes in a portion of the downtown area, the upsizing of two existing sewer mains between Grace and Salton Street, several point repairs, and the installation of new public sewer in the Indio Motor Machine property. The project was awarded to GRBCON Inc. *Update: The contractor has completed all the rehabilitation and the sewer construction. Now that final paving is complete, only punch list items remain.*
- The Calhoun Lift Station Improvement Project is currently in design and will address issues with the Calhoun Lift Station observed during the lift station evaluation project from last fiscal year. They will address the bubbling wet well lining, aging discharge piping, and deficient electrical equipment. *Update: Harris has completed and provided 95% plans and specifications. VSD is currently reviewing the plans and specification for any final revisions.*
- The Southeast Indio Sewer Improvement Project is currently in design and will include the rehabilitation of existing sewer mains and manholes in a portion of the downtown area and the realignment of a sewer main located in the backyards of residences between Marshall and Grace

Street. Update: VSD staff have reviewed the 65% plans and have sent back comments for incorporation.

Recommendation

Staff recommends that the Board receive the General Manager’s Report for activities during the month of January 2024.

Attachments

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

[Attachment B NPDES Report for Dec 2023.pdf](#)

[Attachment C Collection Services Report 2024.pdf](#)

[Attachment D Development Services Report January 2024.pdf](#)

[Attachment E Capital Improvement Program Report February 2024.pdf](#)

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

[Attachment G Wastewater Surveillance Newsletter Jan 2024.pdf](#)

[Attachment G WBE - Biobot Certificate of Participation.pdf](#)

Administrative Services - Task Summary 2024

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Active Litigation Filed	-												-
Board Meeting	3												3
Budget/Finance Committee Meeting	1												1
Operations Committee Meeting	-												-
Commuity Engagement Committee Meeting	1												1
Employee Anniversaries	1												1
Employee Promotions	-												-
Facebook Postings	7												7
Instagram Postings	8												8
Insurance Claims Initiated	-												-
Lost Time Work Incidents	-												-
Media Coverage Items	-												-
New Hires	-												-
Press Release	-												-
Public Records Request	2												2
Resignations	-												-
Retirements	-												-

December 2023	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	TSS
1								
2								
3								
4	250	348		16.0	6.60			
5								
6								
7								
8								
9								
10								
11								
12								
13								
14	313	264		13.4	9.88			
15								
16								
17								
18								
19								
20								
21	353	220		8.30	5.00			
22								
23								
24								
25								
26								
27								
28	316	222		9.00	5.30			
29								
30								
31			5.94			0.000		
Average	308	264	5.94	11.68	6.70	0.000		
Minimum	250	220	5.94	8.30	5.00	0.000		
Maximum	353	348	5.94	16.0	9.88	0.000		
Exceedences	0	0	0	0	0	0	0	0
Permit LIMITS				25	30		40.0	49.0

Total Plant Discharge (Outfall) Grab								
EColi (MPN/100ml)	Oil and Grease (mg/L)	Copper (ug/L)	Di(2-ethylhexyl)phthalate (ug/L)	Cyanide (total) (ug/L)	Ammonia (total, as N) (mg/L)	Nitrate (as N) (mg/L)	Nitrite (as N) (mg/L)	Total Nitrogen (mg/L)
5.20	< 1.40	3.30	< 0.500	< 0.00430	8.30	2.40	0.290	12.0
4.10								
1.00								
1.00								
21.1								
3.39*	1.40	3.30	0.500	0.00430	8.30	2.40	0.290	12.0
1.00	< 1.40	3.30	< 0.500	< 0.00430	8.30	2.40	0.290	12.0
21.1	< 1.40	3.30	< 0.500	< 0.00430	8.30	2.40	0.290	12.0
0	0	0	0	0	0	0	0	0
126(mo) / 400 (max)	25	9.0	5.9	4.3				

Collection Services Task Summary Report for 2024

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Customer Service Calls	3												3
F.O.G. Inspection - Completed													-
F.O.G. Inspection - Fail													-
F.O.G. Inspection - Pass													-
Hot spot cleaning (total)*	26												26
Lift station inspection	19												19
Manhole inspection	47												47
Sewer line CCTV (feet)	8,475												8,475
Sewer line cleaning (feet)	30,105												30,105
SSO Response - Cat 1	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 2	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 3	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 4	0	0	0	0	0	0	0	0	0	0	0	0	0
USA Markings	115												115
*Note: Hot spot cleaning is performed quarterly													



VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

13-Feb-24

Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
83041 Indio Blvd Brown Jug G.I.	83041 Indio Blvd	Plans submitted and deposit paid for G.I. installation for future tenant use. Completed 1st plan check and returned to the applicant 12/20/23.	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. Permit 3967 7/26/2021	Inspect work improvements as scheduled.
Arroyo Crossing Phase 1 architectural plans	47555 Jefferson Steel/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 12/22/21. Permit 3998 issued 1/6/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 1 civil plans	47555 Jefferson Steel/Highway 111	Civil plans submitted for new apartment complex. Plan review completed. Plans approved and returned to applicant 12/22/21. Permit 3998	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 architectural plans	47777 Jefferson Steel/Highway 111	Architectural plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22 Permit 4005 on 2/7/22.	Inspect work improvements as scheduled.
Arroyo Crossing Phase 2 civil plans	47777 Jefferson Steel/Highway 111	Civil plans submitted for new apartment complex. Plans approved and notified applicant 1/21/22. Permit 1005	Inspect work improvements as scheduled.
Autozone Jackson Street	41850 Jackson Street/aAvenue 42	Plans submitted for plan check. Sewer main relocation. Plans approved 1/21/21. Waiting for engineer to finalize easements docs. Permit 3954 issued 5/13/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 1/1/2023
Ave 42 Self Storage	82815 Ave 42/Showcase Blvd	Plans submitted, fee paid. Plans approved and notified applicant 3/2/23. Permit 4110 5/24/2023	Inspect work improvements as scheduled.
Bliss & Oasis Apts Sewer Improv. Plan	NW Corner of Bliss Ave and Oasis St	Plans submitted for Civil Plans, fee paid with check. Completed 1st plan check and returned to the applicant 12/15/22.	Perform 2nd plan check upon plan resubmittal.
Buzzbox	42625 Jackson Street #112	Plans submitted existng building TI. Completed 1st plan check and returned to the City 2/22/19.	Perform 2nd plan check upon plan resubmittal.
Castro 80501 lot 50	Motorcoach CC 80501 Ave 48 Lot 50	Plans submitted, Permit 4056	Inspect work improvements as scheduled.
Chandi Plaza Building "B" Shell	81-971 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st check and returned to the applicant 10/13/20. Issued permit 3963 on 6/29/21.	Inspect work improvements as scheduled.
Chick-fil-A	NEC of Jackson St and Ave 42	Plans submitted and deposit paid for a fast food restaurant	Plans In Queue
City Hall and Public Library Project	100/200 Civic Center Drive	Plans submitted and plan fee paid. Completed 1st plan check and notified applicant 9/29/23.	Perform 2nd plan check upon plan resubmittal.
Coco Palms Tract 38072-2	South East Corner of Avenue 49 and Jackson St	Plans submitted and plan check fee paid for phase 2 of housing tract. Lateral Resubmission for 38072-1/38072-2 were picked up	Waiting for owner to submit Bonds and Development agreement paperwork.
Coco Palms Tract 38072-3	South East Corner of Avenue 49 and Jackson St	Plans submitted for phase 3 of Coco Palms. Plan Check Fee Paid. Plans were resubmitted for 2nd Plan Check.	Plans In Queue
COD Child Development Center	45742 Oasis Street	Plans submitted for child development center. Plans approved and notified applicant 1/25/22. Permit 4025 4/21/22	Inspect work improvements as scheduled.
College of the Desert	45524 Oasis Street	Plans submitted for campus expansion. Plan review completed, plan approved and notified applicant 1/25/22. Permit 4026 4/22/22	Inspect work improvements as scheduled.
Dollar Tree #39612	44105 Jackson St Ste 100	Plans submitted and deposit paid for Dollar Tree. Completed 1st plan check and returned to applicant 1/24/24.	Perform 2nd 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. Permit 4049	Waiting for Development Agreement and Bonds before owner can process permit paperwork.
Gabino's Creperie	82862 Miles Ave	Plans submitted, fee paid with credit card. Completed 2nd plan check and returned to the applicant 6/28/23. Permit #4120 on 08/09/23	Inspect work improvements as scheduled.
Gallery at Indian Springs	Jefferson St/Westward Ho Drive	Tract is Complete. Warranty Bond received 8/25/2021.	Notice of acceptance after 12 month warranty bond release.
Hampton Inn Sewer Main Extension	North West Corner of Spectrum St and Atlantic Ave	Plans submitted for the extension of a public sewer main for Hampton Inn at Atlantic Ave. Plan check fees paid 7/11/18. Completed 2nd plan check and returned plans to the engineer 8/9/18. Plans approved and returned to enginner 8/27/18. Sewer Finald 5/12/20.	Waiting for owner to submit Warranty Bond
Homes 2 Suites Architectural Plans	80653 Hwy 111	Plans submitted for Hotel Homes2Suites. 2nd Plan Check In queue 10/30/23	Plans In Queue
Homes 2 Suites Sewer Improvement Plan	80653 Hwy 111	Plans submitted for Sewer Improvement Plans, plan check fee paid. Plans ready for pick up. MSA Consultants was emailed 10/04/23	Perform 3rd plan check upon plan resubmittal.
I-10 Monroe Conceptual Site Plans	SE Corner of Monroe and Ave 42	The Palms at Indio Sewer Plans submitted (Fee paid 8/19/22) Approved 6/8/23	Waiting for owner to submit Bonds and Development agreement paperwork.
I-10 Monroe Conceptual Site Plans Pt. 2	SE Corner of Monroe and Ave 42	Plans Submitted and fee paid for Sewer Development. Aproved 6/8/23	Waiting for owner to submit Bonds and Development agreement paperwork.
Indian Palms 32	Cochran Drive & Garland Road	Civil plans submitted for public sewer for 32 unit condo complex. 2nd plan check complete. 9/1/21. Plans approved 9/17/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 10/1/2024
Indian Palms Interval Pool Cabana Remodel	82954 Stewart Dr	Plans submitted and deposit paid for pool cabana remodel. Completed 1st plan check and returned to applicant 1/16/24.	Perform 2nd plan check upon plan resubmittal.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Indio Behavioral Health Hospital	81655 JFK Court	Civil plans submitted for new mental health facility. Completed 1st plan check and returned to the engineer 12/2/19. Plans approved 6/24/20. Issued permit 3900 on 8/29/20.	Inspect work improvements as scheduled.
Indio Brewery And Restaurant	82921 Indio Blvd	Plans submitted and deposit paid for a Brewery and Restaurant	Plans In Queue
Indio Juvenile Court	47671 Oasis St/ Ave 48	Plans submitted to demo existing juvenile court building and construct new building on the same site. Plans approved, notified applicant project ready to permit 9/30/21. Permit # 4004 1/25/22	Inspect work improvements as scheduled.
Indio Marketplace Architectural	82227 Highway 111/Rubidoux	Plans submitted for mall TI. Completed 2nd check and notified applicant 8/2/22.	Waiting for owner to process permit paperwork.
Indio Marketplace Civil	82227 Highway 111/Rubidoux	Plans submitted for mall TI, Completed second plan check and returned to the applicant 11/12/21.	Waiting for owner to process permit paperwork.
Indio Plaza Sewer Relocation	82126 Hwy 111/Monroe St.	Plans submitted for sewer line and manhole relocation. Plans approved and notified applicant 7/28/22.	Waiting for owner to process permit paperwork.
Indio Public Safety Center	46867 Bristol Street/Dr Carreon	Plans submitted for public safety center. Plans approved and returned to applicant 4/12/22. Permit 4052	Inspect work improvements as scheduled.
Indio Self Storage	81161 Indio Blvd	Plans submitted and fee paid for sewer improvement plans. Completed 3rd plan check and returned to the applicant 8/24/23.	Plans In Queue
Indio Sports Park	82600 Market St	Plans submitted for a sports park with concession stand. Emailed Deborah from Webb Associates that plans ar ready for pickup	Perform 4th plan check upon plan resubmittal.
Indio Taphouse TI	82851 & 82867 Miles Ave	Plans submitted for Taproom in Oldtown Indio, fee paid with check. Plans approved and notified applicant 1/26/23. Permit 4083 Finaled 1/10/24	No further action required.
Indio Towne Center Sewer Improvement Plan	42270 & 42290 Jackson St	Plans Submitted for Indio Towne Center sewer improvement plan.	Perform 3rd plan check upon plan resubmittal.
Jersey Mike's	42211 Jackson St Ste. 102 / Corner of Ave 42	Plans Submitted and fee paid for Sandwich Restaurant. Plans approved and notified applicant 2/17/23. Permit 4088	Inspect work improvements as scheduled.
JFM Senior Villas	83801 / 83285 Dr Carreon	Plans Submitted for Senior Villa Apts, plan check deposit paid. Adriana from MSA will resend plans that just arrived	Plans In Queue
John Nobles Apts civil plans	John Nobles Avenue/Rubidoux Street	Plans submitted for on-site private sewer. Completed 1st plan check and returned to applicant 7/12/22.	Perform 2nd plan check upon plan resubmittal.
Jones Residence	49131 Ridgeback Ct	Plans submitted for single family residence, plan check fee paid	Plans In Queue
Kings Castle Taco Architectural	82991 Bliss Avenue	Plans submitted for building TI for taco shop. Completed 2nd plan check. Civil plans submitted for review 7/21/22.	Waiting for owner to process permit paperwork.
Kings Castle Taco Civil Plans	82991 Bliss Avenue	Plans submitted for building TI for taco shop 7/21/22. Plans approved and notified the applicant 9/7/22.	Waiting for owner to process permit paperwork.
Las Plumas/Coco Palm Tract 38072-1	South East Corner of Avenue 49 and Jackson St	Plans submitted for 173 lot housing tract. Completed first plan check 4/27/21.	Waiting for owner to submit Bonds and Development agreement paperwork.
Magical Estates Tenant Spaces	82490 Highway 111/Arabia Street	Plans submitted for tenant suite TI's. Completed 1st plan check and returned to applicant 4/28/22.	Perform 2nd plan check upon plan resubmittal.
Motorcoach CC Lot 119	Motorcoach CC 80501 Ave 48 Lot 119	Plans submitted for casita/shade structure. Plans approved. Permit 4115 7/20/23	Inspect work improvements as scheduled.
Nelson Chavez Accessory Dwelling Unit	43163 Deglet Noor	Plan submitted for new accessory dwelling unit, Plan approved and notified applicant 8/30/22 Permit 4113 7/5/23	Inspect work improvements as scheduled.
Outdoor Resorts CC - Casita Addition	80394 Avenue 48, Lot 182	Plans submitted for casita addition and storage building. Plans approved and notified applicant 9/30/21	Waiting for owner to process permit paperwork.
Outdoor Resorts Lot 307	80394 Ave 48 Lot 307	Plans submitted for casita addition and outdoor BBQ. Permit 4112	Inspect work improvements as scheduled.
Palmera Apartments Civil	NE Corner of Monroe and Requa	Plans submitted for Sewer Developmet, fee paid. Completed 2nd plan check and returned to the applicant 3/9/23	Perform 3rd plan check upon plan resubmittal.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Palmera Project Arc	Requa Ave West of Monroe PM 38493	Plans Submitted for Apt Homes with Clubhouse. Completed 1st plan check and returned to the applicant 9/11/23.	Perform 2nd plan check upon plan resubmittal.
Paradiso Tract 31815	East of Monroe North of Ave 41	New model homes under construction. Warranty Bond received 3/2/2023.	Notice of acceptance after 12 month warranty bond release.
Paradiso Tract 31815 & 31815-3	East of Monroe North of Ave 41	Plans submitted for new housing tract phases. Completed first plan check 2/25/21. Plans Approved 3/25/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 3/1/2024
Parcel Map 36215	Dr. Carreon west of Van Buren	Civil plans submitted for 1st plan check. Plans approved and returned to the Engineer 1/18/18. Issued permit 3718 on 1/23/18. Finald 1/3/24	No further action required.
Pawley Pool Aquatic Facility	46350 Jackson Street/Date Ave.	Plans submitted for new Aquatic Center on existing public pool site. Project Expired in 2020. Resbmitted 10/25/21. Plans approved and notified applicant 10/12/23. Permit #4131 11/06/23	Inspect work improvements as scheduled.
Private residence for Cristina Ayon	49115 Ridgeback Ct	Plans submitted, fee paid. Plans approved and notified applicant project ready to permit 12/22/22. Permit 4071 1/12/23	Inspect work improvements as scheduled.
Raising Canes Restaurant	Monroe Street/Showcase Parkway	Plans submitted for new restaurant building. Plans approved and notified the applicant 12/6/22.	Waiting for owner to process permit paperwork.
Ramon Chavez Accessory Dwelling Unit	43737 Oasis St / Ave 44	Plans submitted for plan check. Plans approved and notified applicant 10/13/20. Issued permit 3908 on 10/13/20.	Inspect work improvements as scheduled.
Ranch RV & self Storage	83734 Dr Carreon	Plans submitted, fee paid with check. Completed 2nd plan check and notified applicant 12/14/22. Permit 4090 2/28/2023	Inspect work improvements as scheduled.
Residence for Mr and Mrs Job Lopez	49-134 Ridgeback Ct	Plans Submitted and fee paid for private residence. Plans approved and notified applicant 3/16/23. Permit 4093	Inspect work improvements as scheduled.
Ridgeback Ct Family Residence	49128 Ridgeback Ct	Plans submitted for single family residence, plan check fee paid. Plans approved. Permit 4114 7/20/23	Inspect work improvements as scheduled.
Robert Henry Bootsma Casita	80469 Jasper Park Ave	Plans submmited for a detached Casita, Plan Check Deposit paid. Permit paid #4132	Inspect work improvements as scheduled.
Rolled Ice Shop	45127 Towne St #B	Plans submitted and deposit paid for Rolled Ice Cream T.I. Completed 1st plan check and notified applicant 1/4/24.	Perform 2nd plan check upon plan resubmittal.
Rosa Rebolgar Accessory Dwelling Unit	81179 Helen Ave/Swingle Ave	Plan submitted for new accessory dwelling unit. Project built, notified applicant project ready to permit 6/22/23.	Waiting for owner to process permit paperwork.
Salad and Go	82051 Ave 42	Plans submitted for a Restaurant. Completed 1st plan check and notified applicant 10/27/22.	Perform 2nd plan check upon plan resubmittal.
Saphire Apartments	45733 Oasis St	Plans submitted for 30 unit Mixed-Use Apartment Complex, Plan Check Deposit paid	Perform 2nd plan check upon plan resubmittal.
Starbucks Oasis and Hwy 111	82710 Hwy 111	Plans submitted and deposit paid for a Drive-thru coffee shop	Plans In Queue
Terra Lago 32341-12	North of Avenue 44 & East of Harrison	First Plan Complete 12/16/20. Plans Approved 2/19/21.Maintenance Bond in place 8/16/22.	10% warrenty bond in place Reinspect and notice of acceptance Due 8/16/2023
Terra Lago Four Seasons Tract 32287	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Plans Approved 4/26/21.	10% warrenty bond in place Reinspect and notice of acceptance Due 8/1/2024
Terra Lago Four Seasons Tract 32288-1	North of Via Terra Lago and East of Golf Cente	Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 11/24/21 2nd plan check complete 1/18/22.	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32288-F	North of Via Terra Lago and East of Golf Cente	Civil plans submitted for Public Sewer. 1st plan check complete and returned redlines 3/29/22 Approved 7/1/23	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32288-F	North of Via Terra Lago and East of Golf Cente	Civil plans submitted for Public Sewer. Plans Approved 7/1/22	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32341-F	North of Avenue 44 & East of Harrison	Civil plans submitted for plan check. Completed 1st plan check and notified applicant 5/1/20. Plans Approved 8/15/20.Maintenance Bond in place 8/16/22	Inspect work improvements as scheduled.
Terra Lago Four Seasons Tract 32462-2	North of Avenue 44 & East of Harrison	Plans approved from previous developer. Development agreement has been recorded. Bonds have been submitted. Construction work is in progress.	Inspect work improvements as scheduled.
Tim & Lois Eklund Site 105	Motorcoach CC 80501 Ave 48 Lot 105	Plans submitted, Permit 4068	Inspect work improvements as scheduled.
Tower Market #965	Intersection Monroe Street/Dr Carreon	Plans submitted for Convienient Store/Gas Station, fee paid with check. Plans approved nd notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023	Inspect work improvements as scheduled.
Tower Market #965 Architectural	Intersection Monroe Street/Dr Carreon	Plans Submitted and fee paid for architectural plans for a gas station. Plans approved and notified applicant project ready to permit 6/5/23. Permit 4111 6/9/2023	Inspect work improvements as scheduled.
West Coast Self Storage	NE Corner of Van Buren and Dr Carreon	Plans submitted for Self Storage, plan check deposit paid. Completed 1st plan check and notified applicant 12/14/23.	Perform 2nd plan check upon plan resubmittal.
Woodsprings Suites Ext Stay Hotel	42-425 Jackson St.	Civil plans submitted for Public Sewer & Plan Fee Paid. Plans approved 2/14/23 and notified applicant. Fees Paid and Permit issued #4138	Waiting for owner to process permit paperwork.

	January	Fiscal Year
New Projects	4	17
Projects Permitted	1	5
Projects Finald	1	15

Monthly Capital Improvement Project Update - February 2024				
Project Title	Project Description	Current Status	Fiscal Year Budget	Total Spent to Date
Reclaimed Water Project Phase 1	The contract for this project was awarded to Schneider Electric / Stantec. The project design cost was \$2,200,000 and the project schedule was approximately 460 days. The Reclaimed Water Project – Phase 1 will replace an aging and capacity restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project will also include adding a biofilter and a sludge thickener unit. The Guaranteed Maximum Price (GMP) has been approved by the Board. 100% design plans have been approved by staff.	Walsh is currently working on duct banks for the new grit chamber, excavating and installing pipe for the rotary screw thickener, and preparing for the steel wire wrapping and spraying shotcrete on the new digester.	\$39,900,000.00	\$17,004,723.87
Collections System Rehabilitation Design Projects	There are currently two projects in the design phase for the Collections System Rehabilitation program. The first is the Calhoun Lift Station Improvement Project which will address issues with the Calhoun Lift Station observed during the lift station evaluation project from last fiscal year. They will address the bubbling wet well lining, aging discharge piping, and deficient electrical equipment. The second project is the Southeast Indio Sewer Improvement Project which will include the rehabilitation of existing sewer mains and manholes in another portion of the downtown area and the realignment of a sewer main located in the backyards of residences between Marshall and Grace Street.	Harris has completed and provided 95% plans and specifications for the Calhoun Lift Station rehabilitation project. VSD is currently reviewing the plans and specifications for any final revisions. VSD staff have reviewed the 65% plans and have sent back comments for the next downtown rehab project.	\$400,000.00	\$316,607.75
Downtown Indio Rehabilitation Project	The Downtown Indio Rehabilitation Project is currently under construction and covers the rehabilitation of existing sewer mains and manholes in a portion of the downtown area, the upsizing of two existing sewer mains between Grace and Salton Street, several point repairs, and the installation of new public sewer in the Indio Motor Machine property. The project was awarded to GRBCON Inc.	The contractor has completed all the rehabilitation and the sewer construction. Now that final paving is complete, only punch list items remain.	\$2,200,000.00	\$1,869,735.22
Westward Ho Sewer Siphon Replacement Design and Construction	Westward Ho Drive Sewer Siphon Replacement project. This is a FEMA funded project to replace the damaged sewer siphon from the February 2019 storm. Permitted Plans have been signed by CVWD and have been approved by the City of Indio and La Quinta. Staff is waiting for a contractor to be awarded the project to finish filing an encroachment permit application as required by CVWD for the permanent pipeline crossing of the channel. 95% Plans and specifications have been sent to FEMA for their review and approval.	This project is currently being held up by FEMA. VSD needs FEMA approval before proceeding with bidding and construction which was expected by February 2023.	\$10,721,000.00	\$0.00
New Training and Office Building and Laboratory Building	VSD has chosen SGH Architects as the architectural firm for the preliminary design of a new single-story training/office building and new laboratory building. Staff have selected a new location for the training/office building that will allow the single-story building with minimal demolition. The architect has completed the schematic design and cost estimate for both the training/office building and laboratory building. An onsite survey was conducted on July 7th. SGH Architects is continuing with the final design of both the Office & Training and Laboratory Buildings. SGH has submitted 50% design plans which include both buildings for staff review and comment in December 2021.	This project is being delayed for a year or two to allow other priority projects to proceed and maintain our debt coverage.	\$0.00	\$0.00
Additional Parking and Landscaping	The District is need of additional parking for employees and customers. Staff proposes to remove the lawn at the front of the property and replace it with parking and drought tolerant landscaping.	A preliminary design of the Project has been completed. In que for the next steps.	\$0.00	\$0.00

Environmental Compliance Summary Report for 2023

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Pretreatment													
Customer Service Calls	11	10	2			5	6	9	6	4	5	6	64
Commercial Approval Letters	4	3	1			7	1	2	4	5	4	3	34
Change of Ownership Inspection	3					4	3	5	3	4	3	4	29
SIU Permit Compliance	3	3	3	3			2	1	2	4	6	3	30
FOG-FSE Inspections Completed	22	14	12	6	14	31	23	56	43	49	35	47	352
Commercial Inspections Completed	4	5	1	1		9	3	4	3	4	2	5	41
Environmental & Collections investigations	3	4					1		3				11
Failed Inspections or NOV									1				1
Total # of Inspections	32	26	16	10	14	40	29	61	51	57	43	55	434
Laboratory													
# of Collected Samples	266	266	327	255	296	258	277	260	240	262	249	298	3,254
# of Tests (Analyses)	548	537	618	514	574	534	591	628	591	610	572	591	6,908
# of Samples sent to Contract Labs	40	41	36	32	55	31	28	29	23	28	23	27	393
# of Contracted Tests (Analyses)	73	142	62	63	149	46	38	41	35	58	38	45	790
% of Samples performed In-House	85.0%	84.6%	89.0%	87.5%	81.4%	88.0%	89.9%	88.8%	90.4%	89.3%	90.8%	90.9%	88.0%

Wastewater Surveillance News



Giving Water Another Chance

JANUARY 2024

**Your Guide to
VSD & Pathogens**

IN THIS ISSUE

Program & Pathogen
Information

Program Timeline

Data Infographics &
Trends

Program Highlights

Valley Sanitary District (VSD) participates in 4 Wastewater Surveillance Programs:

- WastewaterScan
- Biobot Analytics – Pathogens
- National Institute on Drug Abuse (NIDA) Program
- CDC – National Wastewater Surveillance System (NWSS)

Wastewater surveillance is utilized to monitor the presence of pathogens and elements of concern within VSD's service community by monitoring trends in data.

Public health officials can utilize the data to prevent and control contaminants & pathogens of concern within our service area.

Websites VSD Program data shared with:

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

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

Program Information

National Institute for Drug Abuse (NIDA)

VSD is a participant in the Biobot Analytics Phase III contract from the National Institute on Drug Abuse (NIDA) of the National Institutes of Health (NIH). The NIDA funded wastewater-based monitoring program is a collective effort to address substance use, misuse, and related impacts on public health and safety. More information can be found [here](#).

The 12-month NIDA grant funds the collection and analysis of population level substance data by providing wastewater analysis of substances and their metabolites to help inform future research endeavors, improve public health responses, and allow policymakers to make data-driven decisions.



National Institute
on Drug Abuse



NATIONAL™
WASTEWATER
SURVEILLANCE
SYSTEM



WASTEWATER
SCAN
Collect. Detect. Inform.

CDC - NWSS

CDC executed a Wastewater-based epidemiology (WBE) contract with Verily Life Sciences for pathogens of concern.

Biobot

The Biobot Analytics program is pathogen surveillance for one (1) Influent composite sample weekly for 12-month duration. Data includes Flu & RSV in addition to the Covid-19 data. More information can be found [here](#).

WastewaterScan

The WastewaterScan program monitors a suite of Respiratory, Gastrointestinal and Outbreak Pathogens of Concern. More information can be found [here](#).

Pathogen Information

Click on the Pathogen name for more information on the CDC website.

Respiratory Pathogens

SARS-CoV-2 +Variants	Severe Acute Respiratory Syndrome; spread through droplets from coughs, sneezes, or talking.
Influenza A & B	Seasonal respiratory viruses can cause flu pandemics.
Respiratory Syncytial Virus (RSV)	Common respiratory virus causing mild, cold-like symptoms. RSV can be serious for infants and older adults. Cause Bronchiolitis (infection of small airways) and pneumonia (infection of lungs).
Metapneumovirus (hMPV)	Seasonal respiratory virus related to RSV.
Parainfluenza	Cause different types of upper and lower respiratory illnesses most common in infants and young children, and in adults.
Enterovirus (EVD68)	Causes common cold, asthma-like symptoms, wheezing, difficulty breathing and in rare cases the polio-like disorder, acute flaccid myelitis (AFM).

Gastrointestinal Pathogens

Adenovirus Group	Targets the GI tract to cause gastroenteritis with symptoms like rotavirus and norovirus. Identified mostly in small children with hepatitis symptoms.
Rotavirus	Major cause of GI illness (diarrheal disease) among infants and young children, vaccine preventable.
Human Norovirus GI1	Leading cause of GI illness

Other Pathogens of Concern

Candida auris	Global health threat, emerging fungus resistant to all 3 major antifungal medicines. Infection can vary from superficial (skin) infections to more severe, life-threatening infections.
Hepatitis A	Contaminated food or water or contact with infected; symptoms include fatigue, nausea, abdominal pain, loss of appetite and low-grade fever. Inflames the liver to cause mild to sever illness. Vaccine preventable.
Mpox	Symptoms like smallpox but milder, rarely fatal.

Substance Information

**Substances are measured as the amount of the metabolite detected in the wastewater. The metabolite is the body's main metabolic product of the parent substance. The parent substance is the amount of unmetabolized portions, which may not fully reflect the actual consumption of the drug.*

Substance & Metabolite

Cocaine	White crystalline powder derived from coca leaves. It is an intense, euphoria-producing stimulant drug with strong addictive potential.
Benzoylcegonine	Body's main metabolic product ("metabolite") of cocaine ("parent" substance).
Fentanyl	Potent synthetic opioid drug approved for use as an analgesic and anesthetic. It is approximately 100 times more potent than morphine and 50 times more potent than heroin as an analgesic and is often illegally manufactured.
Norfentanyl	Body's main metabolic product ("metabolite") of fentanyl ("parent" substance).
Methamphetamine	Stimulant that speeds up the body's system. It comes in a pill, powder or crystal form made illegally in meth labs.
Amphetamine	Body's main metabolic product ("metabolite") of methamphetamine ("parent" substance).
Naloxone	Medication approved by the FDA is designed to rapidly reverse and treat narcotic overdose from opioids in emergency situations.
6a-Naloxol	Body's main metabolic product ("metabolite") of methamphetamine ("parent" substance).
Xylazine	Also known as "tranq", is a non-opioid sedative or tranquilizer used by veterinarians and is an emerging threat. Other illegal drugs can be mixed with xylazine, to enhance drug effects or increase its street use. DEA reports that approx. 23% of fentanyl powder and 7% of fentanyl pills seized by the DEA in 2022 contained xylazine. Usage may cause skin infections and tissue death.
4-hydroxy xylazine	Body's main metabolic product ("metabolite") of methamphetamine ("parent" substance).



Program Timeline

Jun – Oct 2021	US Dept. Health & Human Services (HHS) partnered with Biobot Analytics (12-week fully Funded Program)
Oct – Dec 2021	GTmolecular Labs (VSD sponsored)
Jan – Apr 2022	CDC NWSS partnership with LuminUltra (12-week fully Funded Program)
Jan – Jul 2022	Biobot Network (6-month fully Funded Program)
Apr 2022 – Sep 2023	CDC NWSS Partnership with Biobot Analytics (fully Funded Program)
Aug 2022 – ongoing	WastewaterScan: Stanford Initiative partnered with Verily Life Sciences (18-month Stipend funded program) – extended to May 2024
Oct 2023 – ongoing	CDC NWSS Partnership with Verily Life Sciences (fully Funded Program) -Temporary program started Dec 2023 until contract dispute resolved
Oct 2023 – ongoing	NIDA partnership with BioBot Network (12-month fully Funded Program)

Data Trends

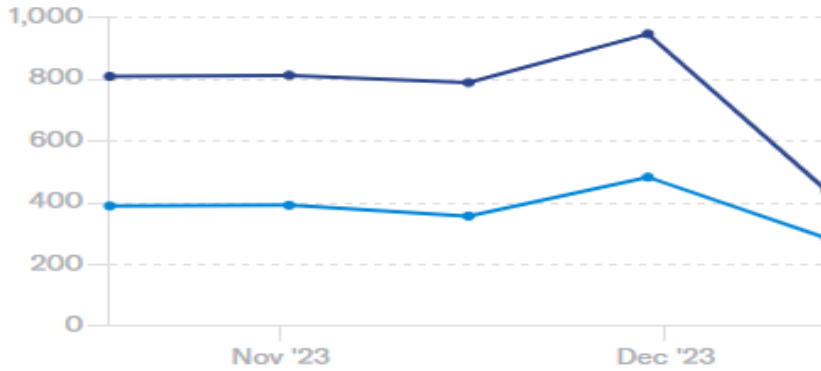
NIDA Substances

Select Date Range

Start date → End date

- Cocaine Benzoylecgonine

Valley Sanitary District INF-001_Infl...

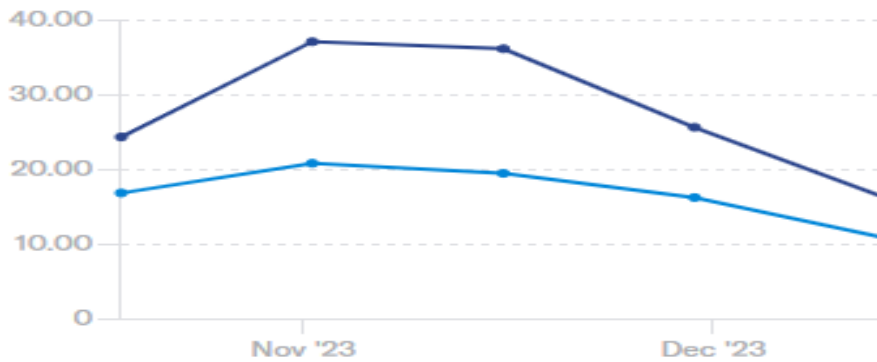


Select Date Range

Start date → End date

- Fentanyl Norfentanyl

Valley Sanitary District INF-001_Infl...

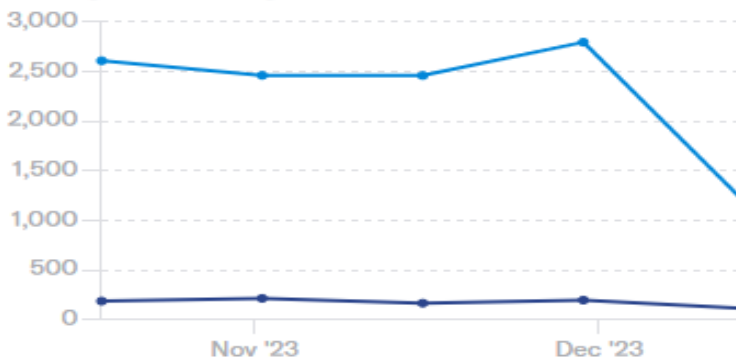


Select Date Range

Start date → End date

- Methamphetamine Amphetamine

Valley Sanitary District INF-001_Infl...



Select Date Range

Start date → End date

Naloxone 6α-Naloxol

Valley Sanitary District INF-001_Infl...

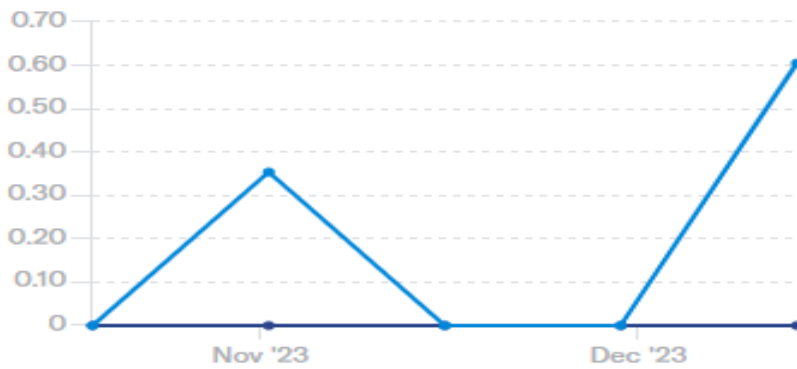


Select Date Range

Start date → End date

Xylazine 4-hydroxy xylazine

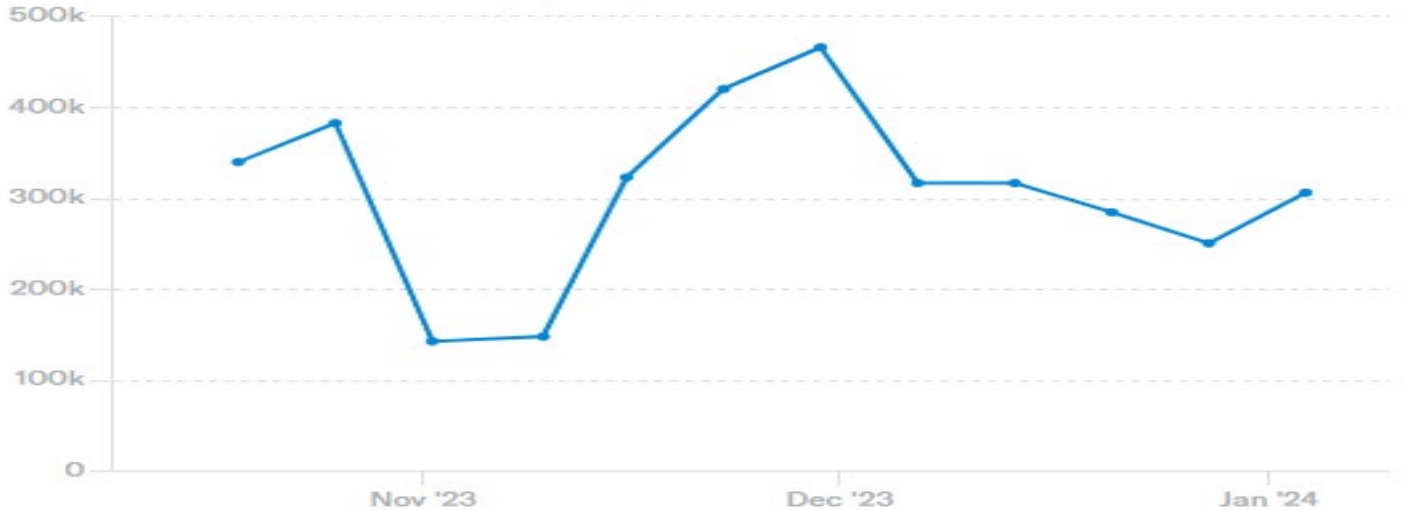
Valley Sanitary District INF-001_Infl...



BioBot Pathogens

SARS-CoV-2 (COVID-19)

Wastewater Effective Concentration (copies/L)



RSV

Wastewater Effective Concentration (copies/L)



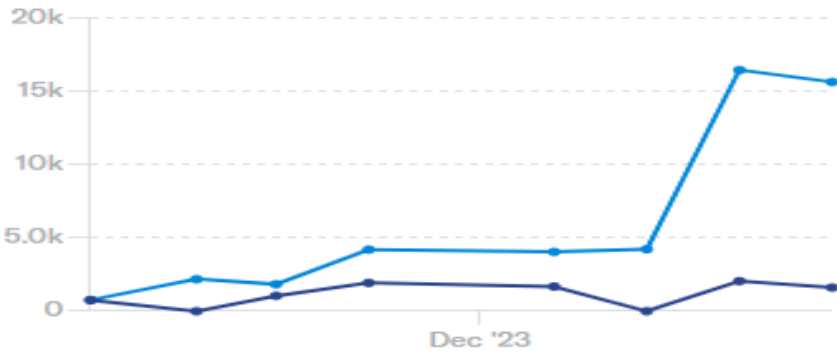
Influenza A & B

Select Date Range

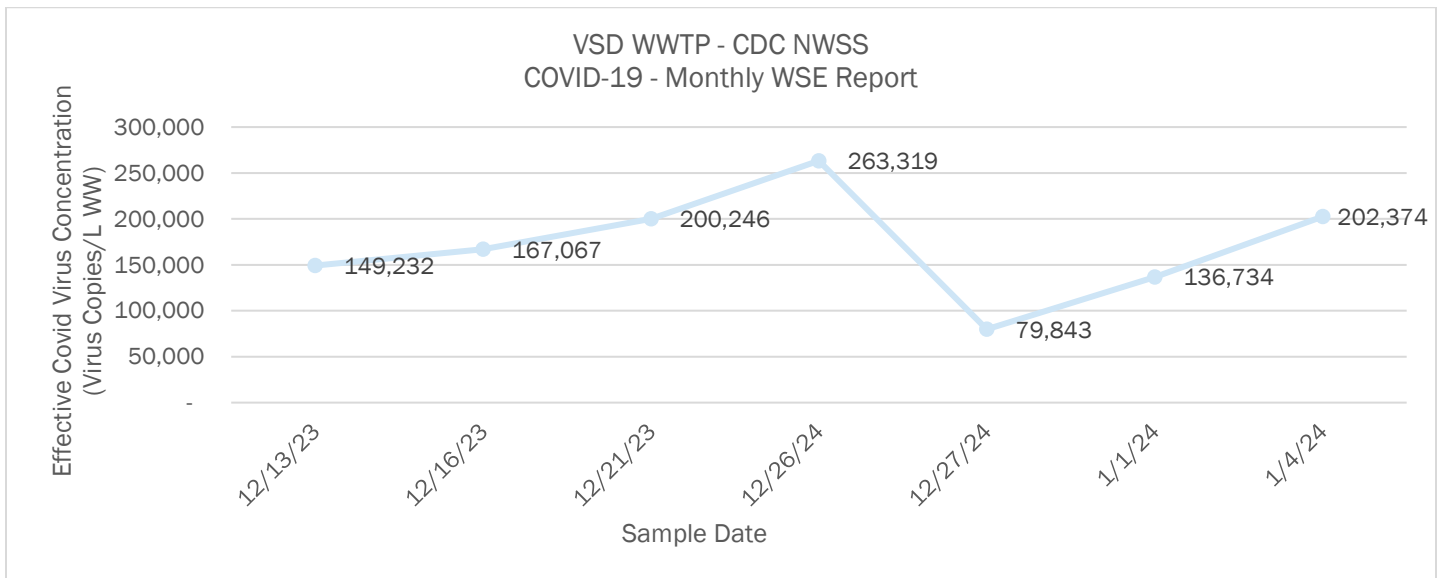
Start date → End date

Influenza A Influenza B

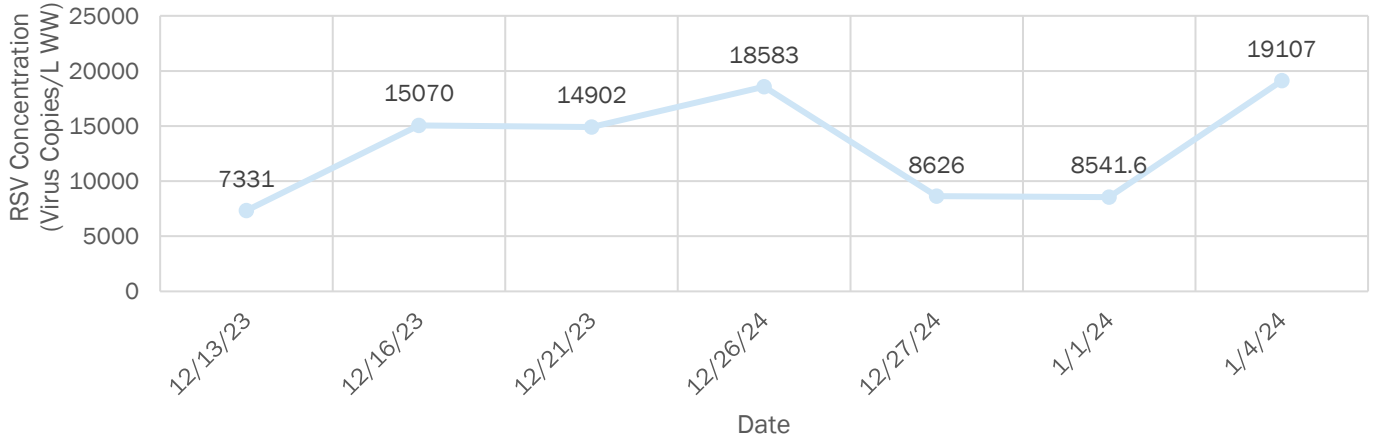
Valley Sanitary District INF-001_Infl...



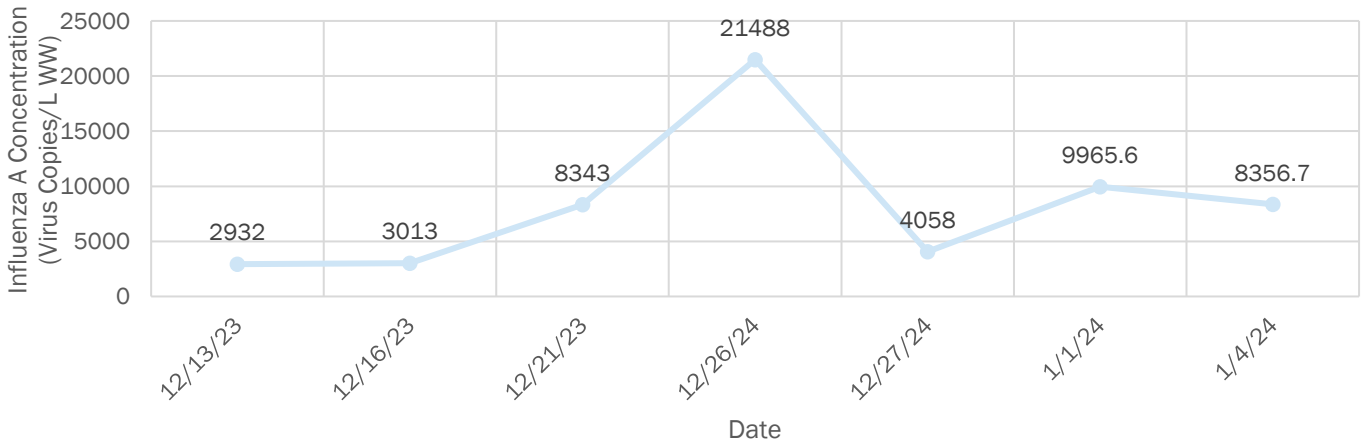
CDC – NWSS



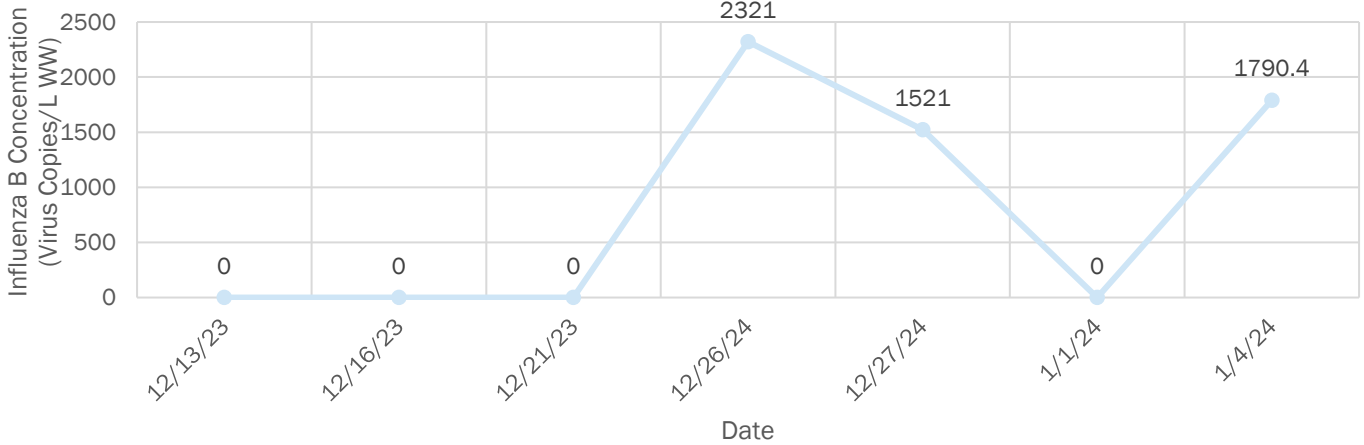
VSD WWTP - CDC NWSS
RSV - Monthly WSE Report



VSD WWTP - CDC NWSS
Influenza A - Monthly WSE Report



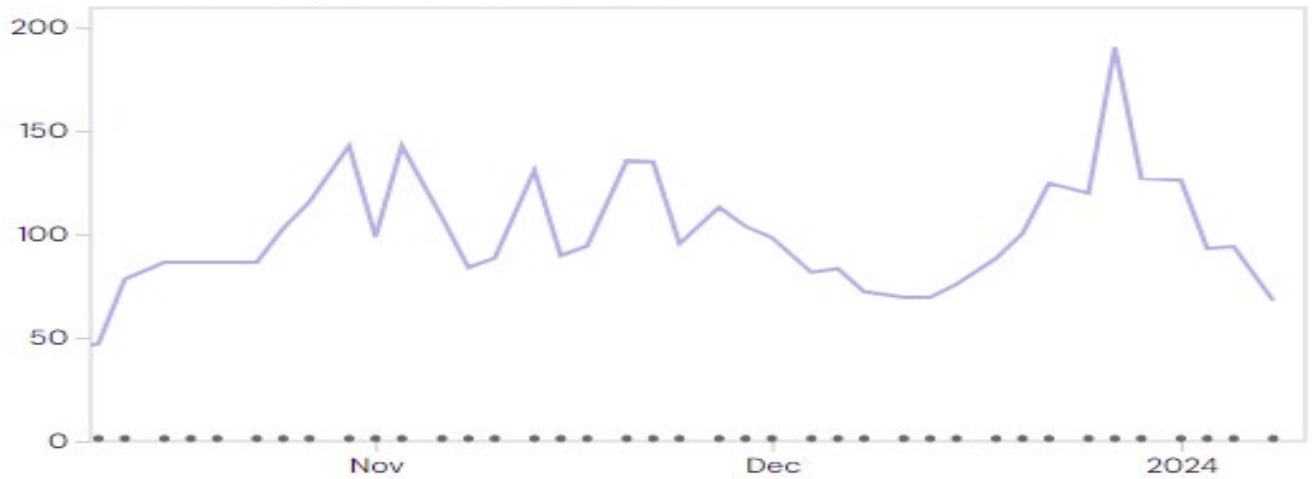
VSD WWTP - CDC NWSS
Influenza B - Monthly WSE Report



WastewaterSCAN

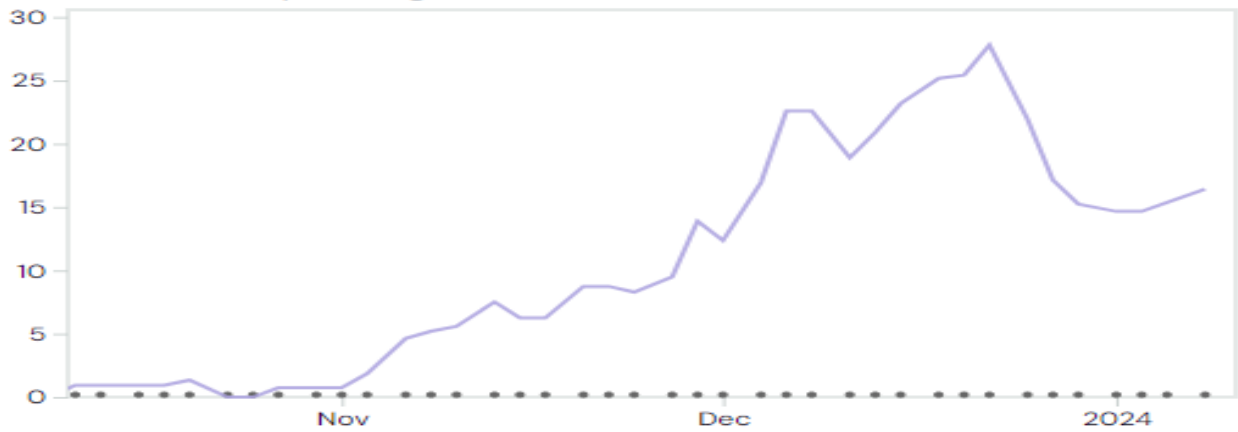
SARS-CoV-2 Low

No trend in the last 21 days and low concentration



Respiratory syncytial virus (RSV) High

No trend in the last 21 days and high concentration

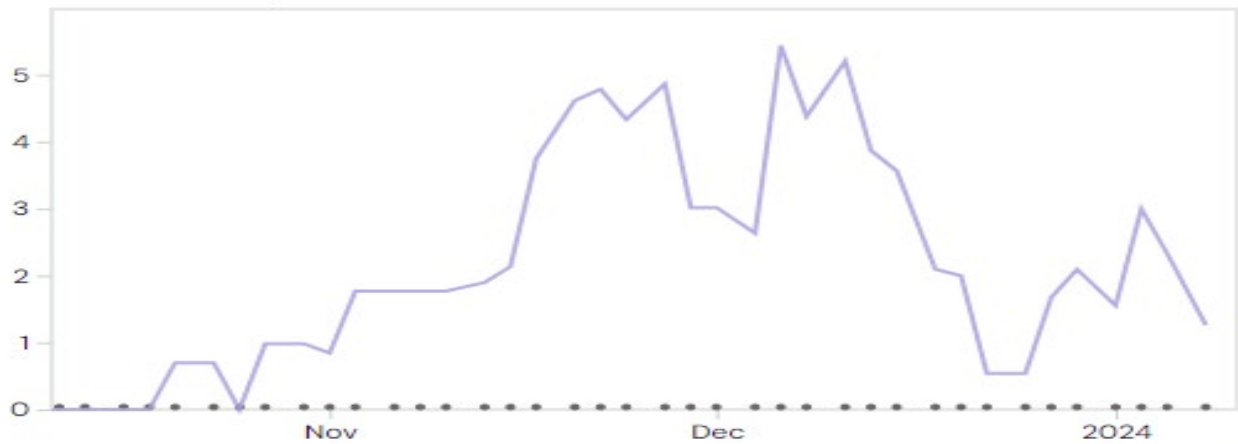


• Sample collected — RSV

[See details >](#)

Influenza A Medium

No trend in the last 21 days and medium concentration

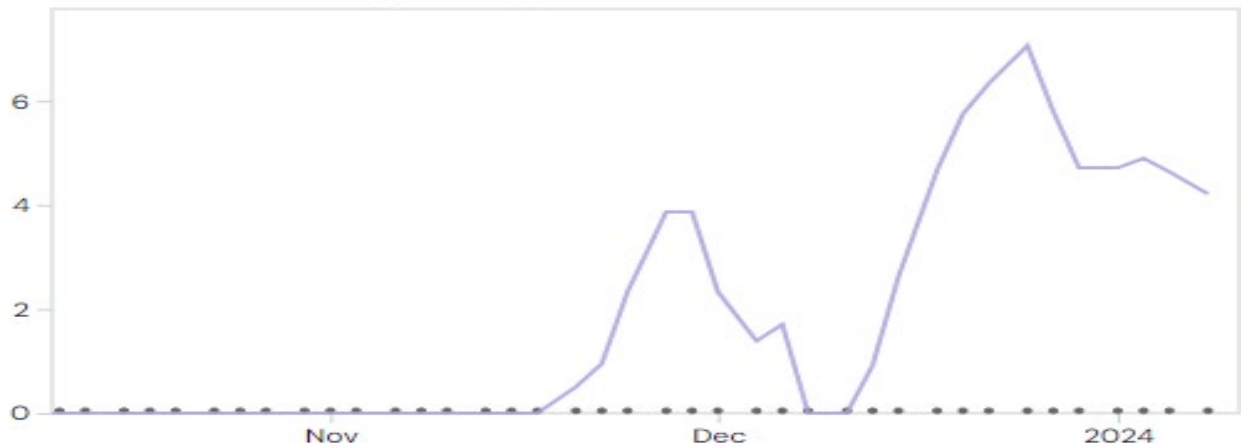


• Sample collected — Influenza A

[See details >](#)

Influenza B High

Downward trend in the last 21 days and high concentration

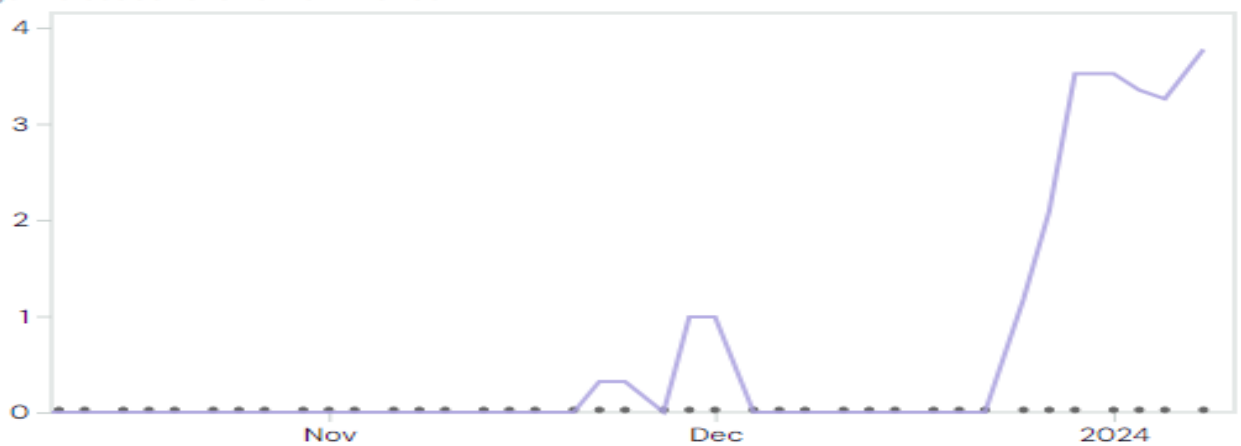


• Sample collected — Influenza B

[See details >](#)

Human Metapneumovirus Low

Pathogen is seasonal and not in onset

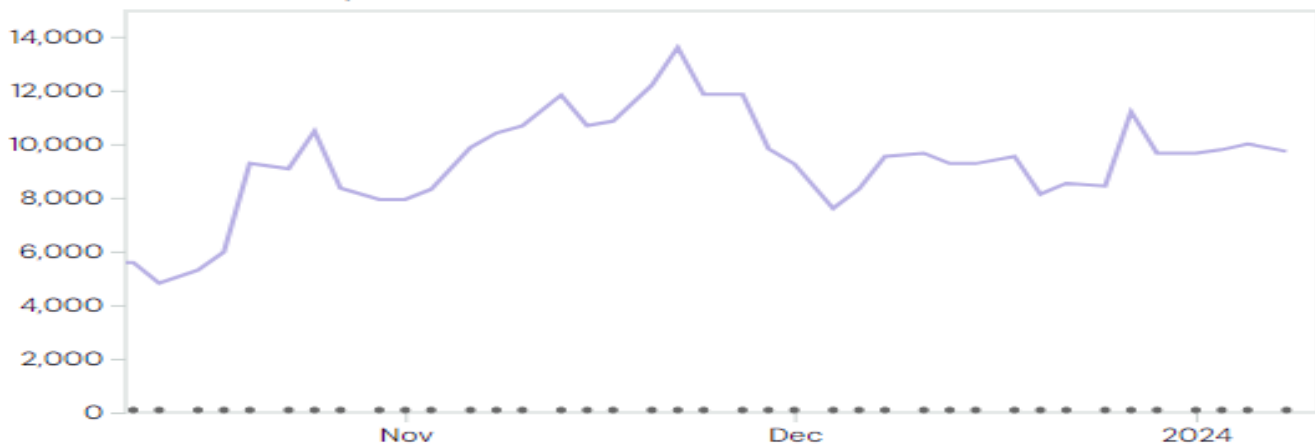


• Sample collected — Human Metapneumovirus

[See details >](#)

Norovirus Medium

No trend in the last 21 days and medium concentration



• Sample collected — Norovirus

[See details >](#)

Hepatitis A Not Calculated

A category was not calculated for this pathogen

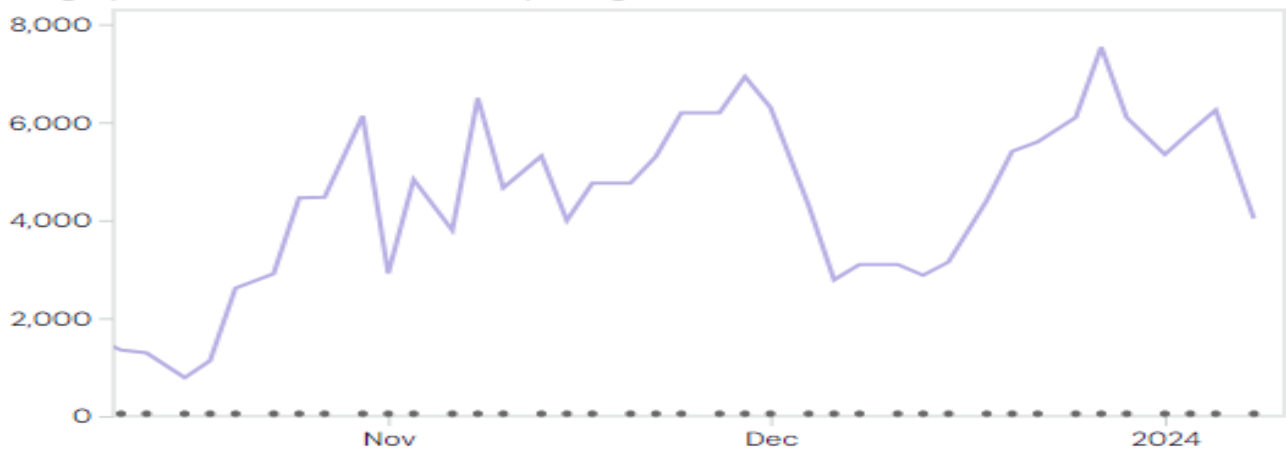


Level: ■ Not detected ■ Detected

[See details >](#)

Human Adenovirus Group F Not Calculated

A category was not calculated for this pathogen

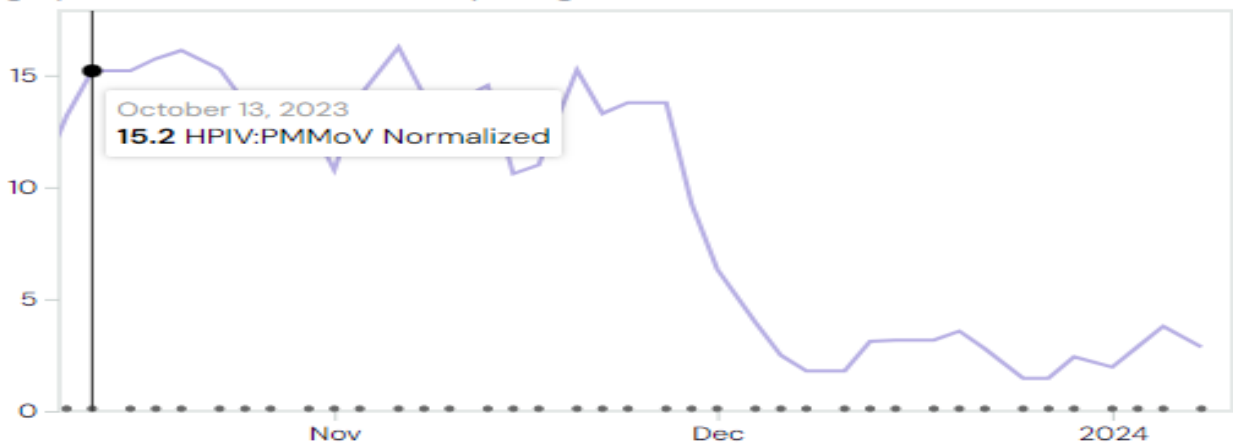


● Sample collected — Human Adenovirus Group F

[See details >](#)

Parainfluenza Not Calculated

A category was not calculated for this pathogen

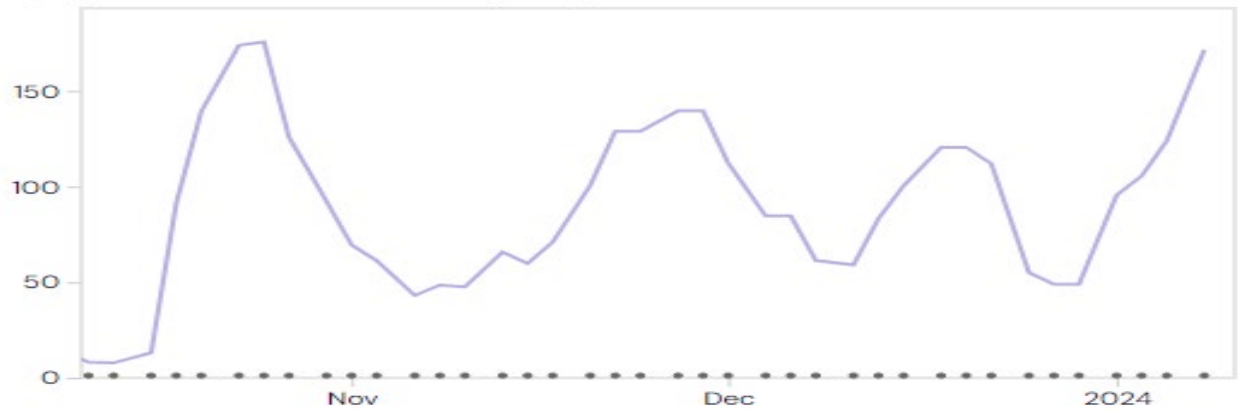


● Sample collected — Parainfluenza

[See details >](#)

Rotavirus Not Calculated

A category was not calculated for this pathogen



• Sample collected — Rotavirus

[See details >](#)

All charts show quantity of nucleic-acids, PMMoV Normalized (x1 million)



Biobot Analytics

CERTIFICATE OF PARTICIPATION

This certificate is proudly presented to

Valley Sanitary District

in recognition of outstanding partnership and contribution to the field of wastewater-based epidemiology, and the betterment of public health.

Samples Collected in 2023: 83

Thank you to the operators who collected these wastewater samples, and to all of the staff who have supported this work to provide consistent, reliable samples to enable analysis for infectious disease and high-risk substance targets.

We look forward to our continued partnership!

January 2024

ISSUED DATE

NEWSHA GHAELI
PRESIDENT & COFOUNDER



Valley Sanitary District

DATE: February 20, 2024
TO: Board of Directors
FROM: Holly Gould, Clerk of the Board
SUBJECT: DRAFT MINUTES OF THE OPERATIONS COMMITTEE MEETING -
FEBRUARY 6, 2024

Suggested Action

Discuss

Strategic Plan Compliance

GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact

There is no fiscal impact from this report.

Environmental Review

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

Background

Attached are the draft minutes of the Operations Committee meeting held on February 6, 2024.

Recommendation

Staff recommends that the Board receive an update from the Operations Committee members.

Attachments

[06 Feb 2024 Meeting Minutes.edited.doc](#)

**VALLEY SANITARY DISTRICT
OPERATIONS COMMITTEE
REGULAR MEETING MINUTES**

February 6, 2024

A meeting of the Valley Sanitary District (VSD) Operations Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, February 6, 2024.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:
Committee Member William Teague

Staff Present:
Jason Dafforn, General Manager; Ron Buchwald, District Engineer; James Mills, Operations Supervisor; and Holly Gould, Clerk of the Board

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

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

None.

5. DISCUSSION / ACTION ITEMS

5.1 Presentation of Process Modification for Ammonia Removal Pilot Project Results Given at the Tri-State Seminar on August 8, 2023

Dave Commons, Chief Operating Officer, and James Mills, Operations Supervisor, presented at the Tri-State Seminar in Las Vegas in August 2023. James shared the presentation with the Committee. He explained the pilot study process and its results. The Committee discussed permit limitations for ammonia.

5.2 Capital Improvement Projects Updates

Ron Buchwald, District Engineer, gave an update on the Capital Improvement projects. The update included the status of projects, what projects will be carried over to the next fiscal year,

and new projects being added. The Committee discussed the Downtown Sewer Rehabilitation Project. Ron stated that the project should be complete by March 2024.

6. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 1:36 p.m. The next regular committee meeting will be on April 2, 2024.

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