



Tuesday, May 23, 2023 at 1:00 PM  
Valley Sanitary District Board Room  
45500 Van Buren Street, Indio, CA 92201

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**BOARD OF DIRECTORS  
REGULAR SESSION  
AGENDA**

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

Zoom link: <https://us06web.zoom.us/j/86091382647>

Meeting ID: 860 9138 2647

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](mailto: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](mailto:hgould@valley-sanitary.org). Written comments must be received by the Clerk of the Board no later than 11:00 a.m. on the day of the meeting.

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT
5. 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.*

5.1 [Approve Minutes of May 9, 2023, Regular Board Meeting and May 16, 2023, Special Meeting](#)  
Recommendation: Approve

5.2 [Approve Warrants for May 23, 2023](#)  
Recommendation: Approve

5.3 [Receive and File Credit Card Report for April 30, 2023.](#)  
Recommendation: Receive and File

5.4 [Monthly Revenue & Expense Report for the Period Ending April 30, 2023](#)  
Recommendation: Approve

## **6. NON-HEARING ITEMS**

6.1 [Authorize the Interim General Manager to Execute an Amendment to the Contract between VSD and Townsend Public Affairs, to Extend the Contract One-Year Until June 30, 2024, at a Cost Not to Exceed \\$60,000](#)  
Recommendation: Action

6.2 [Review and Discussion of Valley Sanitary District Draft Fiscal Year 2023/24 Operating and Capital Budget](#)  
Recommendation: Discussion

6.3 [Set Public Hearing Date for June 13, 2023, to Discuss Fees & Charges for District Services and Establish the Gann Appropriations Limit for the Fiscal Year 2023/24](#)  
Recommendation: Approve

6.4 [Adopt Resolution 2023-1178 Amending Employee Wages & Benefits Effective July 1, 2023, and Rescind Resolution 2022-1171](#)  
Recommendation: Approve

6.5 [Award a Contract for Biosolids Disposal and Hauling Services to Synagro West and Authorize Interim General Manager to Execute the Contract](#)  
Recommendation: Approve

6.6 [Authorize the Interim General Manager to Purchase Twenty-Five \(25\) Communication Radios from BEARCOM to Replace the Current Radios for an Amount not to Exceed \\$25,882.50](#)  
Recommendation: Approve

6.7 [Approve Change Order No. 1 for the Recycled Water Project - Phase 1 for Pavement Improvements Needed to Replace Pavement Sections on the Treatment Plant for a Not to Exceed Cost of \\$23,305 and Authorize the Interim General Manager to Sign the Change Order](#)  
Recommendation: Action

6.8 [Adopt Resolution 2023-1179, a Resolution Authorizing the Execution, Delivery, and Submission of an Application for Grant Funding Through the US Department of the Interior Bureau of Reclamation Water Smart Program for the District's Recycled Water Treatment Project.](#)

Recommendation: Approve

6.9 [Discuss Nominating a Representative from VSD to the Riverside Local Agency Formation Commission \(LAFCO\) Countywide Oversight Board](#)

Recommendation: Approve

**7. GENERAL MANAGER'S REPORT**

**8. COMMITTEE REPORTS**

8.1 [Draft Minutes of the Community Engagement Committee Meeting - May 16, 2023](#)

Recommendation: Discuss

**9. DIRECTOR'S ITEMS**

**10. INFORMATIONAL ITEMS**

**11. PUBLIC COMMENT**

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

**12. CONVENE IN CLOSED SESSION**

*12.1 Public Employment Recruitment Pursuant to Government Code Section 54957 Title: General Manager*

*12.2 Conference with Labor Negotiators Pursuant to Government Code Section 54957.9 Agency Designated Representative: Board President, Unrepresented Employee: General Manager*

**13. CONVENE IN OPEN SESSION**

**14. ADJOURNMENT**

POSTED May 18, 2023  
Holly Gould  
Clerk of the Board  
Valley Sanitary District

**PUBLIC NOTICE**

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



**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Holly Gould, Clerk of the Board  
**SUBJECT:** Approve Minutes of May 9, 2023, Regular Board Meeting and May 16, 2023, Special Meeting

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**Suggested Action**

Approve

**Strategic Plan Compliance**

GOAL 6: Improve Planning, Administration and Governance

**Fiscal Impact**

None

**Environmental Review**

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

**Background**

The meeting minutes for the Board of Directors Regular Meeting held May 9, 2023, and Special Meeting held May 16, 2023.

**Recommendation**

Approve

**Attachments**

[9 May 2023 Meeting Minutes.edited.docx](#)

[16 May 2023 Special Meeting Minutes.docx](#)



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

May 9, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, May 9, 2023, at 45-500 Van Buren St., Indio, CA 92201.

**1. CALL TO ORDER**

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

**2. ROLL CALL**

Directors Present:

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

Staff Present:

Ron Buchwald, Holly Gould, Jeanette Juarez, Anna Bell, Nick Dean, James Mills, and Carlos Campos, Best Best & Krieger

Guests Present:

Hugh Curtis, George Petersen Insurance Agency

**3. PLEDGE OF ALLEGIANCE**

**4. MAY EMPLOYEE ANNIVERSARIES**

- Tino Tijerina, Facilities Maintenance Supervisor – 33 years
- Anna Bell, Lab & Environmental Compliance Supervisor – 10 years
- Nick Dean, Electrical Instrumentation Technician III – 3 years

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The Board recognized and thanked Tino, Anna, and Nick for their hard work and years of service to the Valley Sanitary District.

**5. PUBLIC COMMENT – None.**

**6. CONSENT CALENDAR**

- 6.1 Approve Board Meeting Minutes of April 18, 2023, Special Meeting, April 25, 2023, Regular Meeting, and April 26, 2023, Special Board Meeting

6.2 Approve Warrants for May 9, 2023

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**ACTION TAKEN:**

**MOTION:** Vice President Duran motioned to approve the consent calendar as presented. Director Barnum seconded the motion. Motion carried by the following roll call vote:  
AYES: Barnum, Canero, Duran, Sear, Teague  
NOES: None  
**MINUTE ORDER NO. 2023-3290**

**7. NON-HEARING ITEMS**

7.1 Annual Renewal of the Business Policy and Earthquake Policy for the Fiscal Year 2023/24 in an Amount Not to Exceed \$357,000

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Hugh Curtis from George Petersen Insurance Agency presented the renewal of the Business Package Policy and the Earthquake Policy. The 12-month coverage period is from July 1, 2023, to June 30, 2024. The Business Package Policy includes the Property, General Liability, Management Liability, Inland Marine, Auto, and Umbrella coverage. The proposed renewal for July 1, 2023, is \$147,000. The Earthquake Policy renewal for July 1, 2023, is \$210,000. The earthquake insurance deductible was raised from 10% to 15%.

**ACTION TAKEN:**

**MOTION:** Secretary/Treasurer Sear motioned to delegate authority to the Interim General Manager to negotiate and execute a contract with George Petersen Insurance Agency to purchase the Business Package Policy and the Earthquake Policy in an amount not to exceed \$357,000. Director Teague seconded the motion. Motion carried by the following roll call vote:  
AYES: Barnum, Canero, Duran, Sear, Teague  
NOES: None  
**MINUTE ORDER NO. 2023-3291**

7.2 Authorize the Interim General Manager to Execute an Agreement for Cyber Liability Insurance in an Amount not to Exceed \$10,566

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Hugh Curtis from George Petersen Insurance Agency presented the Cyber Liability insurance coverage. The coverage is through Lloyds and offers protection up to \$2 million. The proposed 12-month is \$10,566.

**ACTION TAKEN:**

**MOTION:** Secretary/Treasurer Sear motioned to authorize the Interim General manager to execute an agreement for Cyber Liability Insurance not exceeding \$10,566. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2023-3292**

7.3 Review and Discussion of Valley Sanitary District Draft Fiscal Year 2023/24 Operating and Capital Budget

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Jeanette Juarez, Chief Administrative Officer, presented the unaudited reserve balances for Fund 11, Fund 12, and Fund 13. She explained that Fund 11 is the operating expenditures and six-month reserve, Fund 12 is the reserve for capital replacement and rehabilitation, and Fund 13 can only be used for expansion or new capital projects. Jeanette stated that the District's policy states that 40% of Fund 11 is deposited into Fund 12 annually. She noted that this policy would not be sustainable and recommended the Board review the policy. Jeanette presented the Draft FY24 Operating & Maintenance (O&M) and Capital Budget to the Board. The proposed operating and capital budget for the fiscal year 2023/24 is \$18,622,984 and \$55,180,000, respectively. The operating budget encompasses such costs as 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 19 capital projects requested in the fiscal year 2023/24. The CIP for the fiscal year 2023/24 includes the Recycled Water Project Phase I, Amendment 1 & 2, Emergency Sewer Siphon Replacement Design and Construction, and the Collection System Sewer Main Rehabilitation and Replacement Program. The Board discussed its goals and achievements for the upcoming budget year. Staff informed the Board that they would bring the draft budget to the May 23 Board meeting for follow-up discussion before it is brought for final approval to the June 13, 2023, Board meeting.

7.4 Authorize the Interim General Manager to Purchase a New Computer Server to Replace an Outdated Server from Southwest Networks for an Amount Not to Exceed \$26,000

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The current computer server is outdated, unreliable, and has reached the end of its service life. This equipment is critical to the ongoing operations and monitoring of the treatment plant SCADA system. It must be replaced as soon as possible. Staff recommends that the Board of Directors authorize the purchase of a new computer server and backup server to replace the outdated servers from Southwest Networks for a not to exceed amount of \$26,600.

**ACTION TAKEN:**

**MOTION:**

Director Barnum motioned to authorize the Interim General Manager to purchase a new computer server to replace the outdated server from Southwest Networks for an amount not exceeding \$26,000. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2023-3293**

7.5 Authorize the Board President to Sign a Letter of Support for AB 759 (Grayson), Which Would allow Sanitary Districts to Establish Their Own Protocols to Authorize Funds and Check Registers

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Eric O'Donnell from Townsend Public Affairs provided a letter in support of AB 759. The current check register approval process, enacted in 1939, requires members of the Board to review and approve all checks. The Board approval process occurs after the checks have been prepared and issued. AB 759 will allow changes to the Sanitary Act provided to other public agencies, namely that the Board is not required to review and approve all checks. Supporting AB 759 does not require the Valley Sanitary District to change the approval process. Still, it allows them if they choose now or in the future.

**ACTION TAKEN:**

**MOTION:** Director Teague motioned to authorize the Board President to sign a letter of support for AB 759 (Grayson) establishing Sanitary Districts to set their own protocol for allowing funds and check registers. Director Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2023-3294**

7.6 Authorize Specific Directors to Attend the CSDA 2023 Special Districts Legislative Days in Sacramento and Reimburse Related Expenses

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Each year the California Special Districts Association holds the Special Districts Legislative Days in Sacramento, CA. It is the only opportunity for all types of special districts, large and small, north and south, rural and urban, to come together with one united voice to discuss issues like revenue, governance, labor, and public works matter to all districts. Staff recommends that the Board of Directors discuss and authorize President Debra Canero, Secretary/Treasurer Scott Sear, and Director Jacky Barnum to attend the CSDA 2023 Special Districts Legislative Days on May 16-17, 2023, and the reimbursement of related expenses.

**ACTION TAKEN:**

**MOTION:** Director Teague motioned to authorize specific Directors to attend the CSDA Legislative Days in Sacramento and reimburse related expenses. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2023-3295**

**8. GENERAL MANAGER'S ITEMS**

8.1 Receive Monthly General Manager's Report – April 2023

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President Canero requested that the employees that attended the CWEA Annual Conference in San Diego make a short presentation of what they learned.

**9. COMMITTEE REPORTS**

9.1 Draft Minutes for the Budget & Finance Committee meeting – May 2, 2023

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President Canero reported on the Budget & Finance Meeting on May 2, 2023. The committee discussed the revised financial plan and the draft FY24 capital budget.

**10. DIRECTOR'S ITEMS**

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Secretary/Treasurer Sear attended the palm tree lighting ceremony at Coachella Valley History Museum. He congratulated the museum on a very nice event. Director Teague will bring a small group for a plant tour on Friday, May 12. President Canero shared that she is receiving thanks from the public for canceling the rate increase. President Canero and Vice President Duran participated in a plant tour with Chesna Foord, field representative from Senator Diane Feinstein's office, on May 8. Vice President Duran suggested getting a picture with the representatives when they visit. He also suggested developing structured questions.

**11. INFORMATIONAL ITEMS**

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Ron Buchwald will contact Gloria Franz for an update on the Coachella Valley History Museum project.

**12. PUBLIC COMMENT – CLOSED SESSION – None**

**President Canero called for a short recess at 2:45 p.m. The Board of Directors reconvened at 2:53 p.m. Roll call was taken. Directors Barnum, Canero, Duran, Sear, and Teague were present.**

**13. CONVENE IN CLOSED SESSION**

Items discussed in Closed Session comply with the Ralph M. Brown Act.

13.1 Conference with Legal Counsel – Anticipated Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 5496.9 (one potential case – circumstances need not be disclosed pursuant to paragraph (1) of subdivision (e) of Government Code Section 5496.9)

13.2 Public Employment Recruitment Pursuant to Government Code Section 54957 Title: General Manager

13.3 Conference with Labor Negotiations Pursuant to Government Code Section 54957.9 Agency Designated Representative: Board President, Unrepresented Employee: General Manager

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The Board adjourned to Closed Session at 2:53 p.m. Director Barnum recused herself from Item 13.1. Director Barnum returned to Closed Session at 3:03 p.m.

**14. CONVENE IN OPEN SESSION**

Report on Closed Session items.

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The Board reconvened in open session at 3:19 p.m. District Counsel stated that the Board received direction and there was no reportable action.

**15. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:20 p.m. The next regular Board meeting will be on May 23, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District

**VALLEY SANITARY DISTRICT  
MINUTES OF SPECIAL BOARD MEETING  
May 16, 2023**

A special Board Meeting of the Governing Board of Valley Sanitary District was at held 1021 O Street, Suite 8120, Sacramento, CA 95814 on Tuesday, May 16, 2023 at 2:30 p.m. PST.

**1. CALL TO ORDER**

President Canero called the meeting to order at 2:30 p.m.

**2. ROLL CALL**

Directors Present:  
Debra Canero, Scott Sear, and Jacky Barnum

**3. NON-HEARING ITEMS**

3.1 Meeting with Assembly Member Greg Wallis  
2:30 p.m. PST

3.2 Meeting with Senator Kelly Seyarto  
3:00 p.m. PST

3.3 Meeting with Assembly Member Eduardo Garcia  
4:00 p.m. PST

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The Directors met with Assembly Member Greg Wallis, Senator Kelly Seyarto , and Assembly Member Eduardo Garcia for a general introduction, whom to contact in their offices that can help with District needs and discussed the importance of funding special districts as essential workers during a crisis.

**4. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 2:30 p.m. PST. The next regular board meeting will be held May 23, 2023.

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



**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Jeanette Juarez, Chief Administrative Officer  
**SUBJECT:** Approve Warrants for May 23, 2023

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**Suggested Action**

Approve

**Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

**Fiscal Impact**

The total charges incurred for the warrants from May 2, 2023, through May 15, 2023, are \$471,143.94.

**Environmental Review**

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

**Background**

The attached warrants list shows all disbursements from May 2, 2023, through May 15, 2023.

**Recommendation**

Staff recommends that the Board of Directors approve the warrants for May 23, 2023.

**Attachments**

[Warrants for May 23, 2023.pdf](#)



**DISBURSEMENTS**  
**Approved at the Board Meeting of**  
**May 23, 2023**

41519 Caltest Analytical Laboratory	Monthly samples - 5/1/2023	\$109.25
41519 Caltest Analytical Laboratory	Weekly samples NPDES - 5/1/2023	\$353.40
41520 Carlos Acevedo	DOT physical reimbursement - 03/27/2023	\$75.00
41521 Cintas Corp	Uniforms, mats, towels etc - 4/27/2023	\$483.59
41521 Cintas Corp	Uniforms, mats, towels etc - 4/20/2023	\$478.59
41522 Fulton Distributing Co.	Lid hot sip, towels, bleach, kresto cleaner	\$497.24
41523 Haaker Equipment Company	BIT inspections - 6 Vehicles	\$1,695.87
41524 Mario Luna	Bioassay sampling event meal reimbursement - May 2023	\$36.00
41525 Parkhouse Tire Services, Inc.	Tire service on vehicle 04B	\$922.15
41526 Polydyne, Inc.	Polymer 2128 - 4/19/2023	\$4,271.63
41527 Signarama	Display signs for CVHM	\$1,525.05
41528 United Way of the Desert	PR 04/14/2023 - 04/27/2023 Pd 05/05/2023	\$20.00
41529 VM Air Mechanical LLC	7.5 ton train airhandler evap coil with TXV - MCC Bldg	\$6,525.00
41530 Yellow Mart	Safety boots - Andrew Sorenson	\$250.00
41531 Best, Best & Krieger	Legal services - April 2023	\$6,472.20
41531 Best, Best & Krieger	Easement access legal services - April 2023	\$1,118.70
41532 Caltest Analytical Laboratory	Weekly samples - 05/03/2023	\$353.40
41533 Carollo Engineering, Inc	RWP EVRA Services - April 2023	\$9,750.70
41534 Carquest Auto Parts	New purchases - April 2023	\$931.16
41535 Charter Communications	Spectrum services - 4/26/2023-5/25/2023	\$1,155.78
41536 Cintas Corp	First aid replenishment - 5/8/2023	\$398.36
41537 Clean Water SoCal	Annual Membership (SCAP) 7/1/2023-6/30/2024	\$5,058.00
41538 CO of RIV - Registrar of Voters	Election services - Nov 2022	\$1,682.60
41539 Daniels Tire Service, Inc.	2 golf cart tires	\$334.95
41540 Dave Commons	CWEA Annual conference reimbursement - April 2023	\$207.00
41541 Desert Arc	Janitorial services - April 2023	\$3,500.36
41541 Desert Arc	Landscaping Services - May 2023	\$840.00
41542 Downing Construction, Inc	IPS Project Progress Payment #18 - April 2023	\$215,201.69
41543 Eisenhower Occupational Health	DOT physicals - 04/04/2023	\$100.00
41544 Environmental Resource Associates	Ready to use 743 Demand	\$215.61
41545 Farwest Hydraulics	Hose end fittings	\$101.14
41545 Farwest Hydraulics	Seals and labor charges	\$331.56
41546 Fiesta Ford	Inspection, oil change and rotate tires	\$66.71
41546 Fiesta Ford	Oil change, rotate tires, inspection F150 hybrid	\$66.71
41547 Gallagher Benefit Services, Inc	Background and reference - GM recruitment services 2023	\$6,250.00
41548 Geotab USA, Inc	Vehicle Telemetrics - April 2023	\$600.75
41549 Innovative Document Solutions	Canon copier maintenance - April 2023	\$60.65
41550 Innovative Federal Strategies LLC	Federal advocacy services - February 2023	\$6,502.70
41550 Innovative Federal Strategies LLC	Federal advocacy - April 2023	\$6,866.90
41551 Master's Refreshment Services LLC	Bottled water	\$185.25
41552 McMaster-Carr Supply Co.	Oil resistant soft buna-N oring cord	\$20.52
41553 Motion Industries, Inc.	V ring - parts for blower 3 motor	\$759.74
41553 Motion Industries, Inc.	Raptor element	\$554.09
41553 Motion Industries, Inc.	Hi-power v belt	\$37.02
41554 Polydyne, Inc.	Polymer delivery - 05/02/2023	\$4,271.63
41555 South Coast A.Q.M.D	AQMD Fee - 7/1/2022-6/30/2023 Hot Spots Program Fee	\$153.23
41556 Southwest Networks, Inc.	Guardian BDR storage - June 2023	\$699.00
41556 Southwest Networks, Inc.	Labor charges - April 2023	\$308.75
41557 Superior Protection Consultants	Security services - April 2023	\$6,136.00
41558 Univar Solutions	Sodium hypo delivery - 05/05/2023	\$13,167.55
41559 USA Blue Book	Tryptic Soy Broth 100ml	\$553.52
41559 USA Blue Book	Single use BOD vials	\$468.32
41560 Walters Wholesale Electric	Parts to fix lights in headworks	\$773.29
41561 White Cap, L.P.	Grade A threaded rod	\$3.74
41561 White Cap, L.P.	Catridge limestone sikaflex	\$602.65
202305101 Burrtec Waste & Recycling Svcs	Trash service - May 2023	\$256.84
202305102 Burrtec Waste & Recycling Svcs	Grit removal - April 2023	\$1,672.51
202305103 SPOK, Inc.	Pagers - May 2023	\$24.73
202305111 City of Coachella	Water - April 2023	\$65.29
202305121 Frontier Communications	Telephone service - May 2023	\$383.08
202305161 FedEx	Shipping charges - 05/02/2023	\$419.24
202305171 SoCal Gas	Gas service - April 2023	\$316.44
202305172 Rudy's Pest Control	General pest - May 2023	\$200.00
202305173 Grainger	Floor squeegee	\$195.17
202305173 Grainger	GHS jumbo tags	\$88.75
202305173 Grainger	Rocker switch dpdt 6 connections	\$29.23
202305173 Grainger	Rust remover 5 gallon	\$172.72
202305173 Grainger	10 piece red tungsten electrode	\$52.94
202305173 Grainger	Sports drink mix	\$182.24
202305173 Grainger	Combo wrench, insulating varnish	\$560.13
202305173 Grainger	Bulb recycling kit	\$393.59

LIST\_OF\_

202305173 Grainger	Eyewash station	\$307.65
202305173 Grainger	Black wrench roll polyester	\$23.30
202305173 Grainger	Ear muffs over ear	\$82.70
202305191 Paychex - Direct Deposit	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$86,115.04
202305192 Paychex - Fee	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$191.58
202305193 Paychex - Garnishment	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$360.46
202305194 Paychex - Tax	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$39,259.57
202305195 CalPERS 457	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$870.00
202305196 Empower (formerly Mass Mutual)	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$10.00
202305197 Mission Square (formerly ICMARC / Vantage Point)	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$1,470.00
202305198 Nationwide Retirement Solution	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$1,975.00
202305199 CalPERS Retirement	PR 04/28/2023 - 05/11/2023 PD 05/19/2023	\$21,361.04
	Total	\$471,143.94



**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Jeanette Juarez, Chief Administrative Officer  
**SUBJECT:** Receive and File Credit Card Report for April 30, 2023.

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**Suggested Action**

Receive and File

**Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

**Fiscal Impact**

The total charges incurred for the credit card statement ending April 30, 2023, are \$13,957.47.

**Environmental Review**

Not applicable, this is not a project as defined by the California Environmental Quality Act (CEQA).

**Background**

The attached report summarizes the District's credit card expenditures for the statement ending April 30, 2023.

**Recommendation**

Staff recommends that the Board of Directors receive the credit card statement for April 30, 2023.

**Attachments**

[10. UMPQUA Credit Card Statement April\\_Redacted.pdf](#)  
[3.4 Attachment A Credit Card Transaction April 2023.xlsx](#)



**IMPORTANT INFORMATION**

Finance Charge Calculation Methods and Computation of Average Daily Balance Subject to Finance Charge: The Finance Charge Calculation Method applicable to your account for Cash Advances and Credit Purchases of goods and services that you obtain through the use of your card is specified on the front side of this statement and explained below:

**Method A - Average Daily Balance (including current transactions):** The Finance Charge on purchases begins on the date the transaction posted to your account. The Finance Charge on Cash Advances begins on the date you obtained the cash advance, or the first day of the billing cycle within which it is posted to your account, whichever is later. There is no grace period.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of your account. To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Method E - Average Daily Balance (excluding current transactions):** To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances if Method E is specified as applicable to cash advances) reflected on your monthly statement, you must pay the New Balance shown on your monthly statement on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day and subtract any payments, credits, non-accruing fees, and unpaid finance charges. We do not add in any new purchases or cash advances. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Method G - Average Daily Balance (including current transactions):** To avoid incurring an additional Finance Charge on the balance of purchases (and cash advances, if Method G is specified as applicable to cash advances) reflected on your monthly statement and, on any new purchases (and if applicable, cash advances) appearing on your next monthly statement, you must pay the New Balance, shown on your monthly statement, on or before the Payment Due Date. The grace period for the New Balance of purchases extends to the Payment Due Date.

The Finance Charges for a billing cycle are computed by applying the Periodic Rate to the "average daily balance" of purchases (and if applicable, cash advances). To get the average daily balance, we take the beginning balance of your account each day, add any new purchases or cash advances, and subtract any payments, credits, non-accruing fees, and unpaid finance charges. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle.

**Payment Crediting and Credit Balance:** Payments received at the location specified on the front of the statement after the phrase "MAKE CHECK PAYABLE TO" will be credited to the account specified on the payment coupon as of the date of receipt. Payments received at a different location or payments that do not conform to the requirements set forth on or with the periodic statement (e.g. missing payment stub, payment envelope other than as provided with your statement, multiple checks or multiple coupons in the same envelope) may be subject to delay in crediting, but shall be credited within five days of receipt. If there is a credit balance due on your account, you may request in writing, a full refund. Submit your request to the Account Inquiries address on the front of this statement.

By sending your check, you are authorizing the use of the information on your check to make a one-time electronic debit from the account on which the check is drawn. This electronic debit, which may be posted to your account as early as the date your check is received, will be only for the amount of your check. The original check will be destroyed and we will retain the image in our records. If you have questions please call the customer service number on the front of this billing statement.

**Closing Date:** The closing date is the last day of the billing cycle; all transactions received after the closing date will appear on your next statement.

**Annual Fee:** If your account has been assessed an annual fee, you may avoid paying this annual fee by sending written notification of termination within 30 days following the mailing date of this bill. Submit your request to the Account Inquiries address on the front of this statement. You may use your card(s) during this 30 day period but immediately thereafter must send your card(s), which you have cut in half, to this same address.

**Negative Credit Reports:** You are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

**BILLING RIGHTS SUMMARY**

**In Case of Errors or Inquiries About Your Bill:** If you suspect there is an error on your account or you need information about a transaction on your bill, send your written inquiry to the Account Inquiries address on the front of this statement within 60 days of the date of the statement containing the transaction in question. You may telephone us, however a written request is required to preserve your rights.

In your letter, give us the following information:

- ◆ Your name and account number.
- ◆ The dollar amount of the suspected error.
- ◆ Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

Please provide a legal document evidencing your name change, such as a court document.

Please use blue or black ink to complete form

**NAME CHANGE**

Last

First  Middle

**ADDRESS CHANGE**

Street

City  State  ZIP Code

Home Phone (  )  -  Business Phone (  )  -

Cell Phone (  )  -  E-mail Address

**SIGNATURE REQUIRED TO AUTHORIZE CHANGES**

Signature \_\_\_\_\_

Cardholder Account Detail Continued					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/18	04/20	PPLN01	24412903109030025024369	AROUND THE CLOCK CALL CTR 888-711-1956 CA	\$128.30
04/26	04/27	PPLN01	24445003117400193988051	WM SUPERCENTER #2181 INDIO CA	\$76.02
04/26	04/28	PPLN01	24744003117900013887720	ROUND TABLE PIZZA 1113 760-3476966 CA	\$10.85

Cardholder Account Summary					
HEBERTO MORENO ### # 6026		Payments & Other Credits \$0.00	Purchases & Other Charges \$333.92	Cash Advances \$0.00	Total Activity \$333.92

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/18	04/19	PPLN01	24692163108107037508531	AMZN Mktp US*HV8SO5JM2 Amzn.com/bill WA	\$38.92
04/24	04/25	PPLN01	24275393114900016838253	NASSCO, INC. 301-6242400 MD	\$295.00

Cardholder Account Summary					
TINO TIJERINA ### # 6034		Payments & Other Credits \$0.00	Purchases & Other Charges \$655.83	Cash Advances \$0.00	Total Activity \$655.83

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/04	04/06	PPLN01	24137463095100459547725	OFFICEMAX/DEPOT 6753 LA QUINTA CA	\$19.48
04/13	04/14	PPLN01	24493983104191000229263	TRADER JOE'S #189 QPS LA QUINTA CA	\$6.98
04/13	04/14	PPLN01	24493983104191000229164	TRADER JOE'S #189 QPS LA QUINTA CA	\$8.87
04/13	04/17	PPLN01	24559163106029011492140	ASPEN MILLS BREAD COMPANY LA QUINTA CA	\$132.80
04/18	04/19	PPLN01	24692163108107017534929	LOWES #00208* LA QUINTA CA	\$474.98
04/26	04/28	PPLN01	24943013117010180617005	THE HOME DEPOT #6874 INDIO CA	\$12.72

Cardholder Account Summary					
EDUARDO LUNA ### # 9557		Payments & Other Credits \$0.00	Purchases & Other Charges \$249.04	Cash Advances \$0.00	Total Activity \$249.04

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/10	04/12	PPLN01	24692163101101299614217	THE HOME DEPOT 6874 INDIO CA	\$249.04

Cardholder Account Summary					
BRANDEN RODRIGUEZ ### # 9565		Payments & Other Credits \$0.00	Purchases & Other Charges \$1,227.32	Cash Advances \$0.00	Total Activity \$1,227.32

Cardholder Account Detail					
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
03/31	04/02	PPLN01	24801973091690149187616	CALIFORNIA WATER ENVIRON 510-382-7800 CA	\$202.00
03/31	04/02	PPLN01	24801973091690149205574	CALIFORNIA WATER ENVIRON 510-382-7800 CA	\$202.00
04/05	04/05	PPLN01	24692163095106443057088	AMZN Mktp US*HS80E88K0 Amzn.com/bill WA	\$35.88
04/05	04/06	PPLN01	24692163095106533977351	AMZN Mktp US*HS2545FJ2 Amzn.com/bill WA	\$6.51
04/07	04/09	PPLN01	24692163097108091960207	AMZN Mktp US*HS9NY1BT1 Amzn.com/bill WA	\$14.10
04/11	04/12	PPLN01	24431063102091616000033	CIRO'S RESTAURANT LLC CHIRIACO SUMM CA	\$110.21
04/18	04/19	PPLN01	24692163108106725707579	ANYPROMO.COM 909-628-9955 CA	\$506.62
04/18	04/19	PPLN01	24426293108018021591805	BASIC 269-488-6773 WI	\$150.00

Cardholder Account Summary						
HOLLY GOULD #### #### #### 7260			Payments & Other Credits \$44.44-	Purchases & Other Charges \$5,169.48	Cash Advances \$0.00	Total Activity \$5,125.04
Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
03/30	04/02	PPLN01	24202983090030038984309	CALIFORNIA SPECIAL DISTRI 916-442-7887 CA	\$300.00	
03/30	04/02	PPLN01	24202983090030038984242	CALIFORNIA SPECIAL DISTRI 916-442-7887 CA	\$300.00	
04/04	04/05		74692163094106152724197	CREDIT VOUCHER AMZN Mktp US Amzn.com/bill WA	\$40.60-	
04/05	04/06	PPLN01	24692163095106537613200	Amazon.com*HS6ZD0FG2 Amzn.com/bill WA	\$14.99	
04/04	04/06	PPLN01	24000973095656300709501	TOWN AND COUNTRY - LOD SAN DIEGO CA	\$736.60	
04/05	04/07	PPLN01	24943013096010185299234	HOMEDEPOT.COM 800-430-3376 GA	\$194.66	
04/06	04/07	PPLN01	24011343096000050138953	SP FTD.COM HTTPSCHECKOUT IL	\$100.69	
04/05	04/07	PPLN01	24202983096030036951775	CALIFORNIA SPECIAL DISTRI 916-442-7887 CA	\$300.00	
04/06	04/07	PPLN01	24116413097400631010727	FD *CA DMV VFC clover.com CA	\$5.00	
04/06	04/07	PPLN01	24116413097400011010701	FD *CA DMV VFC *SVC clover.com CA	\$0.12	
04/11	04/12	PPLN01	24445003102400198283638	WM SUPERCENTER #2181 INDIO CA	\$49.54	
04/12	04/13	PPLN01	24692163102102172858755	AMZN Mktp US*HJ47L1T82 Amzn.com/bill WA	\$141.40	
04/13	04/14	PPLN01	24755423104641040587625	OPC CROS R2 PYMNT FEE 800-4874567 NE	\$19.78	
04/13	04/14	PPLN01	24755423104641040595693	CALIFORNIA DEPARTMENT OF 800-5007115 CA	\$860.00	
04/16	04/17	PPLN01	24692163106105417791232	AMZN Mktp US*HV73T2OH1 Amzn.com/bill WA	\$468.39	
04/17	04/18	PPLN01	24226383108091006429300	WAL-MART #2181 INDIO CA	\$47.61	
04/17	04/18	PPLN01	24692163107106057845576	SQ *TKB BAKERY & DELI gosq.com CA	\$77.19	
04/20	04/21	PPLN01	24692163110108176579776	Amazon.com*HV9S179U0 Amzn.com/bill WA	\$29.78	
04/19	04/23	PPLN01	24228993111018010223493	HANDLERY HOTEL SAN DIE 619-298-0511 CA	\$185.93	
04/21	04/24		74000973113730100421683	CREDIT VOUCHER TOWN AND COUNTRY - LOD 619-2917131 CA	\$3.84-	
04/24	04/25	PPLN01	24226383115091008164930	WAL-MART #2181 INDIO CA	\$27.70	
04/24	04/26	PPLN01	24000973115741006459415	FANTASY SPRINGS RESORT 760-3425000 CA	\$972.71	
04/27	04/30	PPLN01	24240703118900019300457	ANDY'S BURGERS 760-3965792 CA	\$123.39	
04/28	04/30	PPLN01	24801973119690623880130	CALIFORNIA WATER ENVIRON 510-382-7800 CA	\$214.00	

Cardholder Account Summary						
ANNA BELL #### #### #### 7278			Payments & Other Credits \$0.00	Purchases & Other Charges \$757.75	Cash Advances \$0.00	Total Activity \$757.75
Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
04/05	04/06	PPLN01	24801973096690245954237	CALIFORNIA WATER ENVIRON 510-382-7800 CA	\$50.00	
04/25	04/26	PPLN01	24009583115300687396608	WEF MAIN 703-684-2400 VA	\$341.00	
04/25	04/26	PPLN01	24801973116690573752894	CALIFORNIA WATER ENVIRON 510-382-7800 CA	\$175.00	
04/26	04/27	PPLN01	24744003116900010600010	ROUND TABLE PIZZA INDIO CA	\$191.75	

Cardholder Account Summary						
JIMMY GARCIA #### #### #### 7450			Payments & Other Credits \$0.00	Purchases & Other Charges \$230.47	Cash Advances \$0.00	Total Activity \$230.47
Cardholder Account Detail						
Trans Date	Post Date	Plan Name	Reference Number	Description	Amount	
04/14	04/16	PPLN01	24493983105286934200049	SEPULVEDA BLDG INDIO INDIO CA	\$32.03	
04/14	04/16	PPLN01	24231683105837000019466	SMART AND FINAL 718 COACHELLA CA	\$198.44	

**Cardholder Account Summary**

DAVE COMMONS #### #### #### 7327	Payments & Other Credits \$0.00	Purchases & Other Charges \$693.08	Cash Advances \$0.00	Total Activity \$693.08
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/03	04/04	PPLN01	24492153093868134154517	ADOBE *ACROPRO SUBS 408-536-6000 CA	\$14.99
04/04	04/05	PPLN01	24692163094105798767730	AMZN Mktp US*HS2MK3ZW1 Amzn.com/bill WA	\$22.39
04/20	04/21	PPLN01	24692163110108409658256	BJ'S RESTAURANTS 544 SAN DIEGO CA	\$75.48
04/23	04/24	PPLN01	24692163113101128644464	Amazon.com*HF5HQ1PG0 Amzn.com/bill WA	\$110.79
04/21	04/24	PPLN01	24000973113730101591521	TOWN AND COUNTRY - LOD SAN DIEGO CA	\$469.43

**Cardholder Account Summary**

DEBRA CANERO #### #### #### 2806	Payments & Other Credits \$0.00	Purchases & Other Charges \$198.47	Cash Advances \$0.00	Total Activity \$198.47
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/26	04/28	PPLN01	24000973117750009031285	THE POM RESTAURANT 760-3425000 CA	\$198.47

**Cardholder Account Summary**

JACQUELYN BARNUM #### #### #### 8943	Payments & Other Credits \$0.00	Purchases & Other Charges \$206.96	Cash Advances \$0.00	Total Activity \$206.96
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**Cardholder Account Detail**

Trans Date	Post Date	Plan Name	Reference Number	Description	Amount
04/11	04/13	PPLN01	24692163102102161947833	SOUTHWES 5262442057217 800-435-9792 TX BARNUM/JACQUELYN 051523 PSP SMF WN F PSP WN J	\$206.96

**Additional Information About Your Account**

IT IS NOT NECESSARY TO MAIL YOUR PAYMENT. YOUR ACCOUNT WILL BE AUTOMATICALLY PAID THROUGH A DIRECT DEBIT OF YOUR CHECKING OR SAVINGS ACCOUNT ON 05/10/23 PER YOUR AGREEMENT WITH US. THE DEBIT AMOUNT THIS MONTH IS \$13957.47

**Finance Charge Summary / Plan Level Information**

Plan Name	Plan Description	FCM <sup>1</sup>	Average Daily Balance	Periodic Rate *	Corresponding APR	Finance Charges	Effective APR Fees **	Effective APR	Ending Balance
<b>Purchases</b>									
PPLN01 001	PURCHASE	E	\$0.00	0.06024%(D)	21.9900%	\$0.00	\$0.00	0.0000%	\$13,957.47
<b>Cash</b>									
CPLN01 001	CASH	A	\$0.00	0.06572%(D)	23.9900%	\$0.00	\$0.00	0.0000%	\$0.00

\* Periodic Rate (M)=Monthly (D)=Daily  
 \*\* includes cash advance and foreign currency fees  
 Days In Billing Cycle: 30  
 APR = Annual Percentage Rate

<sup>1</sup> FCM = Finance Charge Method  
 (V) = Variable Rate If you have a variable rate account the periodic rate and Annual Percentage Rate (APR) may vary.



Diverted From Cardholder Name	Tran Date	Post Date	Merchant Name	MCC Description	Debits	Credits
ANNA BELL	4/26/2023	4/27/2023	ROUND TABLE PIZZA	Eating Places Restaurants	\$191.75	
ANNA BELL	4/25/2023	4/26/2023	CALIFORNIA WATER ENVIRON	Membership Organizations Not Elsewhe	\$175.00	
ANNA BELL	4/25/2023	4/26/2023	WEF MAIN	Membership Organizations Not Elsewhe	\$341.00	
ANNA BELL	4/5/2023	4/6/2023	CALIFORNIA WATER ENVIRON	Membership Organizations Not Elsewhe	\$50.00	
BRANDEN RODRIGUEZ	4/18/2023	4/19/2023	BASIC	Accountants Auditing & Bookkeeping Se	\$150.00	
BRANDEN RODRIGUEZ	4/18/2023	4/19/2023	ANYPROMO.COM	Miscellaneous General Merchandise	\$506.62	
BRANDEN RODRIGUEZ	4/11/2023	4/12/2023	CIRO'S RESTAURANT LLC	Eating Places Restaurants	\$110.21	
BRANDEN RODRIGUEZ	4/7/2023	4/9/2023	AMZN Mktp US*HS9NY1B1	Book Stores	\$14.10	
BRANDEN RODRIGUEZ	4/5/2023	4/6/2023	AMZN Mktp US*HS2545FJ2	Book Stores	\$6.51	
BRANDEN RODRIGUEZ	4/5/2023	4/5/2023	AMZN Mktp US*HS80E8BK0	Book Stores	\$35.88	
BRANDEN RODRIGUEZ	3/31/2023	4/2/2023	CALIFORNIA WATER ENVIRON	Membership Organizations Not Elsewhe	\$202.00	
BRANDEN RODRIGUEZ	3/31/2023	4/2/2023	CALIFORNIA WATER ENVIRON	Membership Organizations Not Elsewhe	\$202.00	
DAVE COMMONS	4/23/2023	4/24/2023	Amazon.com*HF5HQ1PG0	Book Stores	\$110.79	
DAVE COMMONS	4/21/2023	4/24/2023	TOWN AND COUNTRY - LOD	Hotels Motels Resorts - Lodging	\$469.43	
DAVE COMMONS	4/20/2023	4/21/2023	BJ'S RESTAURANTS 544	Eating Places Restaurants	\$75.48	
DAVE COMMONS	4/4/2023	4/5/2023	AMZN Mktp US*HS2MK32W1	Book Stores	\$22.39	
DAVE COMMONS	4/3/2023	4/4/2023	ADOBE *ACROPRO SUBS	Computer Software	\$14.99	
DEBRA CANERO	4/26/2023	4/28/2023	THE POM RESTAURANT	Eating Places Restaurants	\$198.47	
EDUARDO LUNA	4/10/2023	4/12/2023	THE HOME DEPOT 6874	Home Supply Warehouse Stores	\$249.04	
HEBERTO MORENO	4/24/2023	4/25/2023	NASSCO INC.	Charitable And Social Service Organiza	\$295.00	
HEBERTO MORENO	4/18/2023	4/19/2023	AMZN Mktp US*HV8SO5JM2	Book Stores	\$38.92	
HOLLY GOULD	4/28/2023	4/30/2023	CALIFORNIA WATER ENVIRON	Membership Organizations Not Elsewhe	\$214.00	
HOLLY GOULD	4/27/2023	4/30/2023	ANDY'S BURGERS	Eating Places Restaurants	\$123.39	
HOLLY GOULD	4/24/2023	4/26/2023	FANTASY SPRINGS RESORT	Hotels Motels Resorts - Lodging	\$972.71	
HOLLY GOULD	4/24/2023	4/25/2023	WAL-MART #2181	Grocery Stores Supermarkets	\$27.70	
HOLLY GOULD	4/21/2023	4/24/2023	TOWN AND COUNTRY - LOD	Hotels Motels Resorts - Lodging	(\$3.84)	(\$3.84)
HOLLY GOULD	4/19/2023	4/23/2023	HANDLERY HOTEL SAN DIE	Hotels Motels Resorts - Lodging	\$185.93	
HOLLY GOULD	4/20/2023	4/21/2023	Amazon.com*HV9S179U0	Book Stores	\$29.78	
HOLLY GOULD	4/17/2023	4/18/2023	WAL-MART #2181	Grocery Stores Supermarkets	\$47.61	
HOLLY GOULD	4/17/2023	4/18/2023	SO *TKB BAKERY & DELI	Express Payment Services (Fast Food)	\$77.19	
HOLLY GOULD	4/16/2023	4/17/2023	AMZN Mktp US*HV73T20H1	Book Stores	\$468.39	
HOLLY GOULD	4/13/2023	4/14/2023	CALIFORNIA DEPARTMENT OF	Tax Payments	\$860.00	
HOLLY GOULD	4/13/2023	4/14/2023	OPC CROS R2 PYMNT FEE	Government Services Not Elsewhere Clas	\$19.78	
HOLLY GOULD	4/12/2023	4/13/2023	AMZN Mktp US*HJ47L1T82	Book Stores	\$141.40	
HOLLY GOULD	4/11/2023	4/12/2023	WM SUPERCENTER #2181	Grocery Stores Supermarkets	\$49.54	
HOLLY GOULD	4/6/2023	4/7/2023	FD *CA DMV VFC *SVC	Government Services Not Elsewhere Clas	\$0.12	
HOLLY GOULD	4/6/2023	4/7/2023	FD *CA DMV VFC	Government Services Not Elsewhere Clas	\$5.00	
HOLLY GOULD	4/5/2023	4/7/2023	CALIFORNIA SPECIAL DISTRI	Civic Social & Fraternal Associations	\$300.00	
HOLLY GOULD	4/6/2023	4/7/2023	SP FTD.COM	Florists	\$100.69	
HOLLY GOULD	4/5/2023	4/7/2023	HOMEDEPOT.COM	Home Supply Warehouse Stores	\$194.66	
HOLLY GOULD	4/4/2023	4/6/2023	TOWN AND COUNTRY - LOD	Hotels Motels Resorts - Lodging	\$736.60	
HOLLY GOULD	4/5/2023	4/6/2023	Amazon.com*HS6ZD0FG2	Book Stores	\$14.99	
HOLLY GOULD	4/4/2023	4/5/2023	AMZN Mktp US	Book Stores	(\$40.60)	(\$40.60)
HOLLY GOULD	3/30/2023	4/2/2023	CALIFORNIA SPECIAL DISTRI	Civic Social & Fraternal Associations	\$300.00	
HOLLY GOULD	3/30/2023	4/2/2023	CALIFORNIA SPECIAL DISTRI	Civic Social & Fraternal Associations	\$300.00	
JACQUELYN BARNUM	4/11/2023	4/13/2023	SOUTHWES 5262442057217	Southwest	\$206.96	
JEANETTE JUAREZ	4/26/2023	4/28/2023	ROUND TABLE PIZZA 1113	Eating Places Restaurants	\$10.85	
JEANETTE JUAREZ	4/26/2023	4/27/2023	WM SUPERCENTER #2181	Grocery Stores Supermarkets	\$76.02	
JEANETTE JUAREZ	4/18/2023	4/20/2023	AROUND THE CLOCK CALL CTR	Miscellaneous & Specialty Retail Store	\$128.30	
JEANETTE JUAREZ	4/19/2023	4/20/2023	IJ EFAX SERVICES	Continuity/Subscription Merchants	\$18.99	
JEANETTE JUAREZ	4/12/2023	4/16/2023	PAYPAL *CALPEIRA	Civic Social & Fraternal Associations	\$1,362.00	
JEANETTE JUAREZ	4/13/2023	4/13/2023	EXPEDIA 72532958633216	Travel Agencies	\$2,496.54	
JEANETTE JUAREZ	4/3/2023	4/4/2023	ADOBE *ACROPRO SUBS	Computer Software	\$186.89	
JIMMY GARCIA	4/14/2023	4/16/2023	SMART AND FINAL 718	Grocery Stores Supermarkets	\$198.44	
JIMMY GARCIA	4/14/2023	4/16/2023	SEPUVEDA BLDG INDIO	Lumber & Building Materials Storestran	\$32.03	
TINO TIJERINA	4/26/2023	4/28/2023	THE HOME DEPOT #6874	Home Supply Warehouse Stores	\$12.72	
TINO TIJERINA	4/18/2023	4/19/2023	LOWES #00208*	Home Supply Warehouse Stores	\$474.98	
TINO TIJERINA	4/13/2023	4/17/2023	ASPEN MILLS BREAD COMPANY	Bakeries	\$132.80	
TINO TIJERINA	4/13/2023	4/14/2023	TRADER JOE'S #189 OPS	Grocery Stores Supermarkets	\$8.87	
TINO TIJERINA	4/13/2023	4/14/2023	TRADER JOE'S #189 OPS	Grocery Stores Supermarkets	\$6.98	
TINO TIJERINA	4/4/2023	4/6/2023	OFFICEMAX/DEPOT 6753	Stationery Office & School Supply Sto	\$19.48	
	4/10/2023	4/10/2023	AUTO PMT FROM ACCT	Payment Adjustment Fee or Finance Charge		(\$19,410.37)
Total					\$13,957.47	(\$19,454.81)



## Valley Sanitary District

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Jeanette Juarez, Chief Administrative Officer  
**SUBJECT:** Monthly Revenue & Expense Report for the Period Ending April 30, 2023

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### **Suggested Action**

Approve

### **Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

### **Fiscal Impact**

There is no fiscal impact from this report.

### **Environmental Review**

Not applicable, this is not a project as defined by the California Environmental Quality Act (CEQA).

### **Background**

The adopted operating and capital budget for the fiscal year 2022/23 includes \$17,767,816 in revenues and \$16,189,076 in operating expenditures.

The attached Monthly Income Summary (Attachment A) and Budget Variance (Attachment B) report compare revenues and expenses to the respective line-item budgets. The report identifies current monthly revenues and expenses as well as fiscal year-to-date (FYTD) values.

### **Year-to-Date Summary**

- As of April 30, 2023, the District has recorded \$20,368,133 in revenue. The revenues are \$3,178,213 or 18.5% above the annual budget. The variance is attributed to higher than projected interest income earned.
- As of April 30, 2023, the District has incurred \$12,234,437 in expenditures. The District's

expenditures are \$1,256,460 or 9.3% under the FYTD straight-line budget. The Summary of Cash and Investments (Attachment C) report details the changes to the fund balances by fund type.

<b>Fund</b>	<b>Unaudited Fund Balance 04/30/23</b>
Operating Fund (Fund 11)	\$24,199,168
Special Revenue Fund (Fund 11 and Fund 6)	1,072,257
Fiduciary Fund (Fund 4)	471,956
Capital Improvement Fund (Fund 13)	12,213,318
Restricted CIP Fund (Fund 12)	26,159,588
<b>Total</b>	<b>\$64,116,287</b>

### **Recommendation**

Staff recommends that the Board receive and file the Revenue and Expense report for the period ending April 2023.

### **Attachments**

[5.4 Attachment A Monthly Income Summary - April 2023.pdf](#)

[5.4 Attachment B Budget Variance Report.pdf](#)

[5.4 Attachment C Summary of Cash and Investments - April 2023.pdf](#)

# Valley Sanitary District

## Monthly Income Summary

### April 2023 (UNAUDITED)

	<u>Current Month</u>	<u>Fiscal YTD</u>	<u>Annual Projection</u>	<u>% Received</u>	<u>Balance</u>
<b>Revenues</b>					
Sewer Service Chgs-Current	\$120,991	\$16,993,775	\$15,686,490	108 %	(\$1,307,285)
Permit & Inspection Fees	\$1,195	\$21,775	\$35,874	61 %	\$14,099
Saddles/Disconnect Fees	\$80	\$320	\$0	0 %	(\$320)
Plan Check Fees	\$300	\$9,000	\$14,704	61 %	\$5,704
Other Services	\$80	\$1,630	\$3,397	48 %	\$1,767
Sale of Surplus Property	\$0	\$21,032	\$31,818	66 %	\$10,786
Taxes - Current Secured	\$77,990	\$686,739	\$855,412	80 %	\$168,673
Taxes - Current Unsecured	\$0	\$37,165	\$55,294	67 %	\$18,129
Taxes - Prior Secured	\$0	\$8,075	\$0	0 %	(\$8,075)
Supple Prop. Taxes - Current	\$0	\$14,314	\$0	0 %	(\$14,314)
Supple Prop. Taxes - Prior	\$0	\$8,554	\$0	0 %	(\$8,554)
Homeowners Tax Relief	\$0	\$3,511	\$6,090	58 %	\$2,579
Interest Income	\$153,764	\$576,321	\$36,068	1,598 %	(\$540,253)
Unrealized gains (losses)	\$1,092	(\$6,335)	\$0	0 %	\$6,335
Rebate Income	\$0	\$2,252	\$3,836	59 %	\$1,584
Non-Operating Revenues - Fnd 11	\$2,481	\$31,029	\$5,156	602 %	(\$25,873)
Interest Income	\$172,568	\$787,657	\$32,151	2,450 %	(\$755,506)
Connection Fees	\$86,846	\$845,905	\$996,915	85 %	\$151,010
Interest Income	\$79,325	\$325,414	\$4,611	7,057 %	(\$320,803)
<b>Total Revenues</b>	<b>\$696,710</b>	<b>\$20,368,133</b>	<b>\$17,767,816</b>	<b>115 %</b>	<b>(\$2,600,317)</b>

Valley Sanitary District  
Budget Variance Report  
April 2023

Description	FY23 Total Budget	Current Month			Fiscal Year to Date			Percentage Remaining
		Actual	Budget	Favorable (Unfavorable)	FYTD Actual	YTD Budget	Favorable (Unfavorable)	
<b>Revenues:</b>								
Operating Revenue	16,769,198	209,491	1,397,433	(1,187,942)	17,893,437	16,357,739	1,535,698	-6.7%
Non-Operating Revenue	998,618	487,219	83,218	404,001	2,474,696	832,182	1,642,515	-147.8%
<b>Total Operating Revenue</b>	<b>17,767,816</b>	<b>696,710</b>	<b>1,480,651</b>	<b>(783,941)</b>	<b>20,368,133</b>	<b>17,189,920</b>	<b>3,178,213</b>	<b>-14.6%</b>
<b>Operating Expenses:</b>								
Salaries And Wages	3,543,600	240,069	295,300	55,231	2,821,339	2,953,000	131,661	20.4%
Director Fee/Payroll Tax-Board	94,985	6,900	7,915	1,015	58,600	79,154	20,554	38.3%
Bonus, Awards, Recertification	10,300	-	858	858	7,975	8,583	608	22.6%
Overtime	33,100	1,332	2,758	1,426	23,534	27,583	4,049	28.9%
Callout	13,000	626	1,083	458	17,615	10,833	(6,781)	-35.5%
Standby Pay	61,824	4,746	5,152	406	51,336	51,520	184	17.0%
Longevity	43,000	3,415	3,583	168	33,877	35,833	1,956	21.2%
Retirement Contributions	357,077	23,823	29,756	5,934	266,733	297,564	30,831	25.3%
Fica And Medicare	337,615	20,022	28,135	8,112	221,578	281,346	59,768	34.4%
Life Insurance	7,260	581	605	24	6,156	6,050	(106)	15.2%
Health Insurance	625,374	52,777	52,115	(663)	500,235	521,145	20,910	20.0%
Dental Insurance	44,232	3,677	3,686	9	37,096	36,860	(236)	16.1%
Vision Insurance	8,156	575	680	105	6,365	6,797	432	22.0%
Long Term Disability	10,416	831	868	37	8,890	8,680	(210)	14.6%
Accounting Services-Admin	77,771	6,598	6,481	(117)	51,503	64,809	13,306	33.8%
Certifications	24,080	410	2,007	1,597	5,589	20,067	14,477	76.8%
Chemicals	594,240	46,557	49,520	2,963	492,250	495,200	2,950	17.2%
Comprehensive Insurance	371,193	29,438	30,933	1,494	295,411	309,328	13,917	20.4%
Conferences/ Meetings	202,629	7,286	16,886	9,600	78,727	168,858	90,130	61.1%
Contracts	1,396,477	61,211	116,373	55,162	644,399	1,163,731	519,332	53.9%
County Expense	23,100	195	1,925	1,730	21,645	19,250	(2,395)	6.3%
Covid-19 Supplies	15,759	141	1,313	1,172	1,165	13,133	11,967	92.6%
Election Expense	70,000	-	5,833	5,833	-	58,333	58,333	100.0%
Electric	779,920	70,397	64,993	(5,403)	675,568	649,933	(25,634)	13.4%
Gas, Oil & Fuel	66,060	-	5,505	5,505	45,566	55,050	9,484	31.0%
Grit & Screening Removal	40,000	1,929	3,333	1,404	18,393	33,333	14,941	54.0%
Legal Services	70,000	20,526	5,833	(14,693)	59,643	58,333	(1,310)	14.8%
Debt Service	4,412,971	367,748	367,748	-	3,677,476	3,677,476	-	16.7%
Medical Services	32,943	175	2,745	2,570	7,258	27,453	20,194	78.0%
Memberships	60,298	2,926	5,025	2,099	54,792	50,248	(4,544)	9.1%
Misc. Professional Services	109,391	9,030	9,116	86	69,354	91,159	21,805	36.6%
Natural Gas	7,000	316	583	267	6,293	5,833	(460)	10.1%
Office Supplies	26,000	684	2,167	1,483	15,024	21,667	6,643	42.2%
Opeb Contribution	81,719	1,208	6,810	5,602	13,604	68,099	54,495	83.4%
Other Expenses	70,000	5,336	5,833	497	32,421	58,333	25,912	53.7%
Permits & Fees	117,925	8,908	9,827	919	46,385	98,271	51,886	60.7%
Projects	369,000	10,988	30,750	19,762	514,922	307,500	(207,422)	-39.5%
Publications	3,500	(431)	292	723	1,432	2,917	1,484	59.1%
Repairs & Maintenance	650,637	30,839	54,220	23,381	412,960	542,198	129,237	36.5%
Research & Monitoring	97,000	4,942	8,083	3,142	59,923	80,833	20,910	38.2%
Supplies	247,306	9,116	20,609	11,493	117,375	206,088	88,714	52.5%
Telephone/Internet	34,569	3,851	2,881	(970)	27,381	28,808	1,427	20.8%
Tools & Equipment	44,300	1,048	3,692	2,644	5,065	36,917	31,852	88.6%
Tuition Reimbursement	12,000	-	1,000	1,000	4,292	10,000	5,708	64.2%
Uniform Services	45,620	1,514	3,802	2,287	20,228	38,017	17,789	55.7%
Unfunded Accrued Liability	736,606	61,384	61,384	-	613,838	613,838	-	16.7%
Water	27,500	1,887	2,292	405	18,928	22,917	3,989	31.2%
Workers Compensation	81,623	5,896	6,802	906	64,298	68,019	3,721	21.2%
<b>Total Operating Expenses (Before Depreciation)</b>	<b>16,189,076</b>	<b>1,131,426</b>	<b>1,349,090</b>	<b>217,664</b>	<b>12,234,437</b>	<b>13,490,897</b>	<b>1,256,460</b>	<b>24.4%</b>
<b>Operating Expenses in Excess of Operating Revenue</b>				<b>(434,716)</b>		<b>8,133,696</b>		

Valley Sanitary District  
Budget Variance Report  
April 2023

Description	FY23 Total Budget	Current Month			Fiscal Year to Date			
		Actual	Budget	Favorable (Unfavorable)	FYTD Actual	FY23 YTD Budget	Favorable (Unfavorable)	Percentage Remaining
<b>Operating Expenses:</b>								
Wages	3,756,809	253,673	313,067	59,395	2,980,399	3,130,674	150,275	20.7%
Fringe Benefits	1,433,130	105,701	119,428	13,726	1,080,930	1,194,275	113,345	24.6%
Services	1,851,990	103,681	154,333	50,651	894,802	1,543,325	648,523	51.7%
Supplies and Materials	1,675,242	93,327	139,604	46,277	1,103,762	1,396,035	292,273	34.1%
Fuels and Lubricants	66,060	-	5,505	5,505	45,566	55,050	9,484	31.0%
Comprehensive Insurance	452,816	35,334	37,735	2,400	359,709	377,347	17,637	20.6%
Projects	369,000	10,988	30,750	19,762	514,922	307,500	(207,422)	-39.5%
Utilities	854,420	74,529	71,202	(3,327)	719,182	712,017	(7,165)	15.8%
Debt Service	4,412,971	367,748	367,748	-	3,677,476	3,677,476	-	16.7%
Permits and Fees	141,025	9,103	11,752	2,649	68,030	117,521	49,491	51.8%
Unfunded Accrued Liability	736,606	61,384	61,384	-	613,838	613,838	-	16.7%
Other	439,007	15,958	36,584	20,626	175,822	365,839	190,018	60.0%
<b>Total Operating Expenses (Before Depreciation)</b>	<b>16,189,076</b>	<b>1,131,426</b>	<b>1,349,090</b>	<b>217,664</b>	<b>12,234,437</b>	<b>13,490,897</b>	<b>1,256,460</b>	<b>24.4%</b>
<b>Revenues:</b>								
Operating Revenue	16,769,198	209,491	1,397,433	(1,187,942)	17,893,437	16,357,739	1,535,698	-6.7%
Non-Operating Revenue	998,618	487,219	83,218	404,001	2,474,696	832,182	1,642,515	-147.8%
<b>Total Revenue</b>	<b>17,767,816</b>	<b>696,710</b>	<b>1,480,651</b>	<b>(783,941)</b>	<b>20,368,133</b>	<b>17,189,920</b>	<b>3,178,213</b>	<b>-14.6%</b>
<b>Net Operating Gain (Loss)</b>		<b>(434,716)</b>			<b>8,133,696</b>			

**VALLEY SANITARY DISTRICT**  
SUMMARY OF CASH AND INVESTMENTS

FOR THE PERIOD: 04/01/2023 TO 04/30/2023 (UNAUDITED)

Agenda Item No. \_\_\_\_\_

**INVESTMENTS**

LAIF Fund 4 - Agency Fund		
Beginning Balance (Fund 4)	468,868	
Net Transfer from (to) Fund 11	0	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	3,088	
<b>Fund 04 Ending Balance</b>		<u>471,956</u>
LAIF Fund 6 - Wastewater Revenue Refunding Bonds		
Beginning Balance (Fund 6)	755	
Net Transfer from (to) Fund 11	0	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	5	
<b>Fund 06 Ending Balance</b>		<u>760</u>
LAIF Fund 10 - Recycled Water Project		
Beginning Balance (Fund 10)	0	
Net Transfer from (to) Fund 11	0	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	0	
<b>Fund 10 Ending Balance</b>		<u>0</u>
LAIF Fund 11 - Operating Fund		
Beginning Balance (Fund 11)	22,931,305	
Net Transfer from (to) Fund 04	0	
Net Transfer from (to) Fund 06	0	
Net Transfer from (to) Fund 12	221,001	
Net Transfer from (to) Fund 13	(86,845)	
Fund Transfer from (to) LAIF - WF	(1,150,000)	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	150,991	
<b>Fund 11 Ending Balance</b>		<u>22,066,452</u>
LAIF Fund 12 - Reserve Fund		
Beginning Balance (Fund 12)	26,208,021	
Net Transfer from (to) Fund 11	(221,001)	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	172,568	
<b>Fund 12 Ending Balance</b>		<u>26,159,588</u>
LAIF Fund 13 - Capital Improvement Fund		
Beginning Balance	12,047,148	
Connection Fees	86,845	
(Disbursements) or Reimbursements	<u>0</u>	
Net Transfer from (to) Fund 11	86,845	
Fair Value Factor for quarter ending 03/31/2023	0	
Interest (Pd quarterly - Int. Rate 2.74%)	79,325	
<b>Fund 13 Ending Balance</b>		<u>12,213,318</u>
<b>TOTAL LAIF INVESTMENTS: FUNDS 04, 06, 11, 12 AND 13</b>		<u>60,912,074</u>

**CASH IN CHECKING ACCOUNT**

**WELLS FARGO - FUND 11**

Beginning Balance	2,365,113	
Deposits	355,278	
Fund Transfer from (to) LAIF (net)	1,150,000	
Disbursements and Payroll	<u>(1,737,674)</u>	
<b>Wells Fargo Ending Balance</b>		<u>2,132,717</u>

**CALTRUST - FUND 11**

Beginning Balance	1,067,634	
Interest Income	2,772	
Unrealized Gain / <Loss>	<u>1,091</u>	
<b>CalTRUST Ending Balance</b>		<u>1,071,497</u>

<b>TOTAL WELLS FARGO AND CALTRUST CHECKING</b>		<u>3,204,214</u>
<b>TOTAL CASH AND INVESTMENTS</b>		<u>64,116,287</u>

The Board certifies the ability of the District to meet its expenditure requirements for the next six (6) months, as per Government Code 53646(b)(3).

This report is in compliance with the District's Investment Policy under Government Code 53646(b)(2).



## Valley Sanitary District

**DATE:** May 23, 2023

**TO:** Board of Directors

**FROM:** Ron Buchwald, Interim General Manager

**SUBJECT:** Authorize the Interim General Manager to Execute an Amendment to the Contract between VSD and Townsend Public Affairs, to Extend the Contract One-Year Until June 30, 2024, at a Cost Not to Exceed \$60,000

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### **Suggested Action**

Action

### **Strategic Plan Compliance**

GOAL 6: Improve Planning, Administration and Governance

### **Fiscal Impact**

The fiscal impact of this report is \$60,000 and is included in the proposed fiscal year 2023/24 budget.

### **Environmental Review**

Not applicable, this item is not a project as defined by the California Environmental Quality Act (CEQA).

### **Background**

The District's contract with Townsend Public Affairs will expire on June 30, 2023. The agreement states that two (2) one-year extensions can extend the contract term. Townsend Public Affairs agrees to the one-year extension at the exact annual cost as last year (\$60,000). An amendment to the contract reflects the one-year extension at the agreed-upon price.

### **Recommendation**

Staff recommends that the Board of Directors authorize the Interim General Manager to execute an amendment to the contract between VSD and Townsend Public Affairs, extending the contract by one (1) year through June 30, 2024, at a cost not to exceed \$60,000.

### **Attachments**





**VALLEY SANITARY DISTRICT  
PROFESSIONAL SERVICES AGREEMENT  
For  
State Legislative Advocacy Services**

This Agreement is made and entered into as of July 1, 2022, by and between the Valley Sanitary District, a California Special District ("District"), and Townsend Public Affairs, Inc., a corporation, with its principal place of business at 1401 Dove Street, Suite 330, Sacramento, CA 92660 ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

**RECITALS**

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

**AGREEMENT**

The Parties agree as follows:

- 1. Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the necessary professional consulting services. Consultant shall provide the District with the services described in the scope of services attached hereto as Exhibit "A" attached to, and by this reference incorporated into, this Agreement.
- 2. Compensation.
  - a. The District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A". In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of sixty thousand dollars (\$60,000). This amount is to cover all printing and related costs, and the District will not pay any additional fees for printing expenses.
  - b. Periodic payments shall be made within 30 days of receipt of an undisputed invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis. The District may withhold a portion of an application for payment because of defective work not remedied or unsatisfactory prosecution of the work by the Consultant. The District will release any withheld funds upon Consultant satisfactorily remedying the issue that

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

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

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

4. Term of Agreement.

a. The term of this Agreement shall be from July 1, 2022, to June 30, 2023, unless earlier terminated as provided in this Agreement. The District shall have the unilateral option, at its sole discretion, to renew this Agreement automatically for no more than two additional one-year terms. Consultant shall complete the services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement, if necessary, to complete the services.

b. Consultant shall complete the services within the term of this Agreement and in accordance with the schedule set forth in Exhibit "A".

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

5. Delays in Performance.

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

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

6. Consultant's Books and Records.

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

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

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

7. Compliance with Law.

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

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

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

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

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

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

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

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

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

a. Commercial General Liability

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

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

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

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

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

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

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

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions

insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

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

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

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

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

f. Evidence Required

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

g. Policy Provisions Required

(i) Consultant shall provide the District at least 30 days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least 10 days prior written notice of cancellation of any such

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

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

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

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

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

h. Qualifying Insurers

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

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



i. Additional Insurance Provisions

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

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

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

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

j. Subconsultant Insurance Requirements. Consultant shall not allow

any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the District that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the District as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

14. Indemnification.

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

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required

by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

15. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations Title 8, Section 16000, et seq. ("Prevailing Wage Laws), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

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

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

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

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

18. Termination

a. The District may terminate the Agreement, in whole or in part, with or without cause, upon 10 days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event the District renders such written notice to Consultant, Consultant shall be entitled to compensation for all services properly rendered prior to the effective date of the notice and all further services set forth in the notice. The District shall be entitled to reimbursement for any compensation paid in excess of services rendered and shall be entitled to withhold compensation for defective work or other damages caused by Consultant's services.

Consultant acknowledges the District's right to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might arise from the District's termination of this Agreement. Consultant shall deliver to the District and transfer title (if necessary) to all completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The District shall not be liable for any costs other than the charges or portions thereof which are specified in this Agreement. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

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

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

completion, expiration or termination of this Agreement, Consultant shall turn over to the District all such original Work Product in Consultant's possession or control.

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

21. Organization. Consultant shall assign Eric O'Donnell as Project Manager. The Project Manager shall not be removed from the Services or reassigned without the prior written consent of the District.

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

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

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

CONSULTANT:  
Townsend Public Affairs  
1401 Dove Street, Suite 330  
Newport Beach, CA 92660  
Attn:

and shall be effective upon receipt of the notice.

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

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

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

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

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

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

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

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

32. District's Right to Employ Other Consultants. District reserves its right to employ other consultants, including engineers, in connection with the Services or other services.

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

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

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

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

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

**VALLEY SANITARY DISTRICT**

By: 

Its: General Manager

Printed Name: Beverli A. Marshall

Date: July 8, 2022

**TOWNSEND PUBLIC AFFAIRS**

By: 

Its: President

Printed Name: Christopher Townsend

Date: July 7, 2022

**EXHIBIT A**  
**Consulting Proposal**

Exhibit A-1

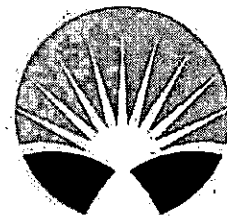
TOWNSEND

PUBLIC AFFAIRS

EST TPA 1998

[WWW.TOWNSENDPA.COM](http://WWW.TOWNSENDPA.COM)

SACRAMENTO • WASHINGTON, DC  
NORTHERN CALIFORNIA • CENTRAL CALIFORNIA  
SOUTHERN CALIFORNIA



VSD

Proposal for  
Legislative Advocacy Services

March 4, 2022



**T****OWNSE****N****D**  
PUBLIC AFFAIRS  
EST **TPA** 1998

March 4, 2022

Beverli A. Marshall, General Manager  
Valley Sanitary District  
45-500 Van Buren  
Indio, CA 92201

Dear Ms. Marshall:

Thank you for the opportunity for Townsend Public Affairs, Inc. ("TPA") to submit our proposal for Legislative Advocacy Services to the Valley Sanitary District ("District").

Since its inception in 1998, TPA has earned the reputation as ***Champions for Better Communities*** by providing the experience, resources, and relationships expected from a premier legislative advocacy and grant writing firm while also giving clients the unique brand of customer service they deserve: personal attention, maximum accessibility, and passion for their mission. TPA maintains five offices located in Newport Beach, Sacramento, Washington DC, Oakland, and Fresno.

Our strategic approach to advocacy and funding is tailored to meet the individual needs of each client by leveraging the breadth and depth of our team as well as our vast network of relationships with key stakeholders and decision makers.

***Utilizing this method on behalf of our clients, TPA has shepherded over 100 legislative and regulatory proposals into law, and secured over \$2.2 billion in grants from state, federal, and local government agencies as well as nonprofit foundations and private companies.***

Thank you again for your interest in our firm and your consideration of this proposal. If selected, TPA will provide the insurance and indemnification required per the Professional service agreement attached to this RFP. This proposal is firm for 90 days after March 4, 2022. Please contact us if you have any questions or need additional information. We would be honored to serve the Valley Sanitary District.



# TOWNSEND

PUBLIC AFFAIRS

EST **TPA** 1998

For any questions or follow up regarding this proposal please contact:

Cori Takkinen, Vice President  
1401 Dove Street, Suite 330,  
Newport Beach, CA 92660  
(949) 623-2565  
ctakkinen@townsendpa.com

Yours truly,



Christopher Townsend  
President  
1401 Dove Street, Suite 330,  
Newport Beach, CA 92660  
(949) 399-9050  
christophertownsend@townsendpa.com



# ABOUT TPA

TPA is a state legislative advocacy and grant writing firm that provides lobbying and funding services to public agencies and nonprofit organizations throughout California.

- Founder/Owner/President: Christopher Townsend
- Advocacy Success: Shepherded **over 100** client-sponsored legislative proposals into law
- Funding Success: Over **\$2.2 billion** in state, federal, and local government grants as well as grants from nonprofit organizations and private companies
- Longevity: 24 years (founded in 1998)
- Number of Employees: 17
- Number of Registered State and Federal Lobbyists and Grant Writers: 14
- Number of Offices: Five
  - TPA State Capitol Office, Sacramento
  - TPA Federal Office, Washington, DC
  - TPA Northern California Office, Oakland
  - TPA Central California Office, Fresno
  - TPA Southern California Office, Newport Beach
- Types of Clients:
  - Water and Sanitation Districts
  - City Governments
  - County Governments
  - Transportation Districts
  - K-12 School Districts
  - Community College Districts
  - Parks and Recreation Districts
  - Fire Protection Districts
  - Museums, Science Centers, and Cultural Facilities
- Areas of Specialization:
  - Water and Sanitation Policy and Infrastructure
  - Local Governance (Cities, Counties, Special Districts)
  - Transportation Policy and Infrastructure
  - Education Policy and Infrastructure
  - Housing and Economic Development
  - Parks and Community Facilities (Recreational, Cultural, Historical)
  - Energy, Environment, and Natural Resources
  - Public Safety
  - Budget and Finance
- Ranking by Revenue Reported to the California Secretary of State:
  - 8<sup>th</sup> of 486 Firms Registered for the 2021 Calendar Year
  - 98<sup>th</sup> Percentile



**LEGISLATIVE ADVOCACY ACHIEVEMENTS**

<b>Policy Sector</b>	<b>Issue</b>	<b>Description</b>
<b>Water and Sanitation</b>	<b>Water Quality</b>	<ul style="list-style-type: none"> <li>• Drinking Water Public Health Regulations</li> <li>• Groundwater Pollution Liability</li> <li>• Groundwater Management Plans</li> <li>• Direct/Indirect Potable Reuse</li> </ul>
	<b>Water Infrastructure</b>	<ul style="list-style-type: none"> <li>• State Bond Funding for Water Projects</li> <li>• Local Reliability Projects</li> <li>• Water Conservation Programs</li> </ul>
	<b>Sanitation Infrastructure</b>	<ul style="list-style-type: none"> <li>• Integrated Regional Watershed Projects</li> <li>• Advanced Water Treatment Facilities</li> </ul>
<b>Local Governance</b>	<b>Local Control and Finance</b>	<ul style="list-style-type: none"> <li>• Public Facilities and Finance</li> <li>• Public Employee Programs</li> <li>• Contractual Assessment Programs</li> <li>• Infrastructure Financing Opportunities</li> </ul>
	<b>Public Employee Benefits</b>	<ul style="list-style-type: none"> <li>• PEPRA Compliance</li> <li>• JPA Benefits</li> <li>• Medical Benefits Vesting</li> </ul>
	<b>Cannabis</b>	<ul style="list-style-type: none"> <li>• Drafting Local and State Cannabis Regulations</li> <li>• Local Control</li> </ul>
<b>Transportation</b>	<b>Local Streets and Roads</b>	<ul style="list-style-type: none"> <li>• State Highway Relinquishments</li> <li>• Local Venue Signage on State Highways</li> </ul>
	<b>State Highway System</b>	<ul style="list-style-type: none"> <li>• State Bond Funding for Highway Projects</li> <li>• Expansion of Toll Lanes/Toll Roads</li> </ul>
<b>Housing and Community Development</b>	<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>• Developing Funding for Affordable Housing</li> <li>• Expanding Affordable Housing Eligibility</li> </ul>
	<b>Economic Development</b>	<ul style="list-style-type: none"> <li>• Capital Investment Incentive Program Expansion</li> <li>• Enterprise Zone Program Regulations</li> <li>• Military Base Re-Use Land Planning</li> </ul>
	<b>Redevelopment</b>	<ul style="list-style-type: none"> <li>• Agency Dissolution Process</li> <li>• Developing Post-RDA Funding Sources</li> <li>• State Liability Reduction</li> </ul>
<b>Recreation and Natural Resources</b>	<b>Park Facilities</b>	<ul style="list-style-type: none"> <li>• Joint-Use Projects with Schools Districts</li> <li>• State Bond Funding for Local Park Projects (Propositions 11, 68, and 84)</li> </ul>
	<b>Greenhouse Gas Reduction</b>	<ul style="list-style-type: none"> <li>• TOD Housing to Support Cap and Trade Objectives</li> <li>• Increase Transit Accessibility for Active Transportation</li> </ul>
<b>Cultural and Historical Resources</b>	<b>Cultural Facilities</b>	<ul style="list-style-type: none"> <li>• CA Cultural and Historical Endowment</li> <li>• CA Nature Education Facilities Program</li> </ul>
<b>Public Safety</b>	<b>Public Health</b>	<ul style="list-style-type: none"> <li>• Air Pollution Reduction Methods</li> <li>• Treatment of the Remains of a Deceased</li> <li>• Veteran Resources</li> </ul>
	<b>Crime Reduction</b>	<ul style="list-style-type: none"> <li>• Sex Trafficking Control</li> <li>• Gun Control</li> </ul>
	<b>Local Law Enforcement</b>	<ul style="list-style-type: none"> <li>• Increasing Local Police Presence/COPS</li> <li>• Police Body Cameras</li> <li>• Regional Public Safety Task Force Initiatives</li> </ul>
<b>Education</b>	<b>Community College Districts</b>	<ul style="list-style-type: none"> <li>• Veterans Resources</li> <li>• Alternative Energy Job Training</li> <li>• ADA Reform</li> </ul>
	<b>K-12 School Districts</b>	<ul style="list-style-type: none"> <li>• K-12 Safety Planning Programs</li> <li>• Joint Use Projects with Civic Agencies</li> </ul>
	<b>School Facilities</b>	<ul style="list-style-type: none"> <li>• Charter School Facilities Funding</li> <li>• Community College Facilities Funding</li> <li>• K-12 School District Facilities Funding</li> </ul>

***A DETAILED SCHEDULE OF OUR STATE LEGISLATIVE ADVOCACY ACHIEVEMENTS CAN BE PROVIDED UPON REQUEST***



**FY 2021-22 STATE BUDGET EARMARKS**

This table provides an overview of the budget earmarks that TPA secured on behalf of our clients in the State Budget for FY 2021-22. TPA strategized with our clients to identify priority projects and transform them into budget requests. TPA then worked closely and diligently with Members of the Assembly and Senate, their Budget Committees, the Governor's Administration, and other key stakeholders to ensure our client projects were included in the final official budget.

Client Name	Project	Amount Awarded
City of Costa Mesa	Regional Fire and Rescue Facility Improvements	\$2,500,000
City of Del Mar	Del Mar Fairgrounds Operating Shortfall	\$3,500,000
City of Emeryville	Affordable Housing Site Remediation	\$2,500,000
City of Farmersville	Fire Engine Acquisition	\$750,000
City of Fremont	Mission Blvd Interchange Modernization Project	\$7,200,000
City of Fullerton	Hunt Library Restoration	\$2,750,000
	Homelessness Recuperative Center	\$4,000,000
City of Half Moon Bay	Carter Park Renovation Project	\$4,750,000
City of Hayward	Hayward Navigation Center	\$662,000
	South Hayward Youth Family Center Project	\$1,000,000
City of Irvine	Bommer Canyon Fire Prevention Efforts	\$1,000,000
City of Lafayette	Safe Pathway for Children Trail	\$238,000
City of Modesto	Infrastructure Improvements to County Islands	\$5,000,000
City of Oakland	Oakland Fund for Public Innovation for the California Entrepreneurship Capital in the Community Initiative	\$8,000,000
	Local Jurisdiction Assistance for Cannabis Equity Program	\$9,905,020
	Oakland MACRO Project	\$10,000,000
	Port of Oakland Freight and Passenger Infrastructure Enhancements	\$280,000,000
City of Pismo Beach	Public Safety Communications Equipment	\$470,000
City of Reedley	Olson/Kings River Sewer Main Replacement	\$2,800,000
City of San Leandro	Memorial Park Rehabilitation Project	\$2,750,000
City of San Pablo	Alternative Policing and Mental Health Program	\$2,000,000
City of Santa Ana	Youth Facilities Improvements	\$4,000,000
City of South San Francisco	Vehicle License Fee Adjustment	\$3,000,000
City of Tracy	Multi-Generational Recreation Center	\$5,000,000
City of Tustin	New Emergency Backup Generator	\$1,500,000
Discovery Science Foundation	Discovery Cube of Orange County Re-Opening Operating Expenses	\$2,040,000
	Discovery Cube of Los Angeles Re-opening Operating Expenses	\$2,600,000
North Orange County Public Safety Task Force	North Orange County Public Safety and Homelessness Task Force Program Extension	\$7,800,000
<b>TOTAL FY 2021-22 STATE BUDGET EARMARKS</b>		<b>\$377,715,020</b>



**FY 2019-20 STATE BUDGET EARMARKS**

This table provides an overview of the budget earmarks that TPA secured on behalf of our clients in the State Budget for FY 2019-20. TPA strategized with our clients to identify priority projects and transform them into budget requests. TPA then worked closely and diligently with Members of the Assembly and Senate, their Budget Committees, the Governor's Administration, and other key stakeholders to ensure our client projects were included in the final official budget.

Client Name	Project	Amount Awarded
Discovery Cube of Orange County	Property Acquisition/Parking Structure	\$10,000,000
City of Selma	Storm Drain, Storage, and Recharge	\$1,500,000
City of Dinuba	Water Well Replacement	\$1,000,000
City of Agoura Hills	Stormwater Treatment Project	\$1,000,000
City of Avalon	Underground Fuel Tank Removal and Replacement	\$500,000
City of Buena Park	Historical Facilities Renovations	\$500,000
City of Costa Mesa	Lions Community Park	\$1,000,000
City of Huntington Beach	Multi-Use Blufftop Path	\$1,700,000
City of Laguna Beach	Laguna Canyon Road Fuel Modification	\$1,000
City of Oakland	Public Safety Projects	\$4,000,000
	Bus Services	\$1,000,000
Discovery Cube of Los Angeles	Natural Resources Pavilion	\$5,000,000
East Contra Costa Fire Protection District	Equipment, Vehicles, and Facilities Acquisitions and Improvements	\$500,000
North County Transit District	Del Mar Bluffs Stabilization Project	\$6,130,000
Tri-Valley Cities Coalition	Dublin Sports Grounds All-Abilities Playground	\$1,400,000
<b>TOTAL FY 2019-20 STATE BUDGET EARMARKS</b>		<b>\$36,230,000</b>

**CUMULATIVE TOTAL OF STATE BUDGET EARMARKS FOR FY 2019-20 AND FY 2021-22:**

**\$413,945,020**

# PROJECT TEAM INFORMATION

TPA uses a strategic and comprehensive approach to legislative advocacy that will be tailored to meet the specific needs of the District. With a team of 14 registered lobbyists, TPA has the breadth and depth of experience AND the ability to deploy as many lobbyists as needed to maximize success for the District. The proposed team for this engagement:

Christopher Townsend  
**Strategic Advisor**

Cori Takkinen  
**Project Support**

Casey Elliott  
**Project Support**

Eric O'Donnell  
**Project Manager**

Carly Shelby  
**Legislative Support**

The resumes for the proposed team are on the following pages.





**Christopher Townsend, President:** Christopher founded TPA in 1998 and has 40 years of experience in public affairs, legislative advocacy, and grant writing. Christopher and TPA have represented over 315 clients, including 235 local public agencies, such as cities, counties, transportation agencies, water and sanitation districts, elementary and secondary school districts, community college districts; park and recreation districts, and other special districts, as well as nonprofit organizations.

**Townsend Public Affairs, Inc.**

*President*

*1998-Present*

Christopher provides leadership to a team of 14 advocates and grant writers while managing the development and implementation of strategies for the agendas of each client. His achievements include:

- Under Christopher's leadership, TPA has become one of the most successful advocacy firms in California (and is continually recognized as a "top ten" firm registered with the California Secretary of State) while still providing the personalized attention and focus of a small boutique firm.
- Under Christopher's leadership, TPA has shepherded **over 100** legislative and regulatory proposals into law over a wide range of policy areas, including local governance, water and sanitation, transportation, housing and economic development, parks and natural resources, historical and cultural resources, elementary and secondary education, higher education, and public safety. The bipartisan capabilities of the firm are evidenced by legislative and funding successes over the tenure of several federal and state administrations, including: President Bill Clinton, George W. Bush, Barack Obama, Donald Trump, and Governors Pete Wilson, Gray Davis, Arnold Schwarzenegger, Jerry Brown, and Gavin Newsom.
- Christopher and his team have secured over **\$2.2 billion** in local, regional, state, and federal government grants as well as private and nonprofit grants for a multitude of legacy projects in the policy sectors of water and sanitation, transportation, education, housing and economic development, parks and natural resources, historical and cultural resources, and public safety.
- Christopher and TPA have participated in the development and implementation of several California bond propositions for the statewide ballot to provide capital funding for major infrastructure projects, including water and sanitation, transportation, education, housing and economic development, parks and natural resources, and historical and cultural resources, including Propositions 1, 1B, 1C, 1D, 1E, 12, 13, 14, 40, 47, 50, 55, 68 and 84. Most recently, Christopher worked closely with the State Legislature and the Governor's office on the drafting of SB 5 (De Leon), which authorized a **\$4 billion** park and water bond that was approved on the November 2018 statewide ballot as Proposition 68.
- In 1999, Christopher was appointed by Assembly Speaker Antonio Villaraigosa to serve on the Speaker's Commission on State and Local Government Finance.





**PROJECT TEAM**

- In 1997, Christopher was appointed by Assembly Speaker Cruz Bustamante to serve on the California Film Commission.

**PepsiCo/Taco Bell Corp., Irvine, CA**

*Senior Director, Government & Community Affairs*

1992-1998

Christopher managed and directed government and media relations, crisis management, internal communications, and marketing publicity. Christopher also managed the political action committee for state and federal political races. Additionally, Christopher managed community relations initiatives, corporate philanthropy, and the Taco Bell Foundation.

**Stein-Brief Group, Inc., Dana Point, CA**

*Vice President, Public Affairs*

1982-1992

Christopher directed government, community, and media relations at the level, state, and federal levels, including the management of all political, civic, charitable, and cultural activities. Christopher provided land-use planning and entitlement process analysis for domestic and international projects. Christopher also managed activities with numerous state and federal agencies to ensure compliance with all applicable laws and regulations governing land use. Finally, Christopher created and directed a political action committee that supported various local, state, and federal candidates and ballot initiatives.

**JFK School of Government, Harvard University, Cambridge, MA**

*Master of Public Administration*

1991

**Claremont McKenna College, Claremont, CA**

*Bachelor of Arts, Political Science, Magna cum Laude, Political Science Honors Prize*

1982

**Coro Fellow**

*Southern California*

1981

**Harry S Truman Scholar**

*California*

1980



**Casey Elliott, Vice President:** Casey brings 20 years of legislative and public policy experience to TPA. Casey develops and implements legislative strategies for local public agency clients throughout California. Casey maintains relationships with key members and staff of the State Legislature, the Administration, and select state agencies. Casey has expertise in the policy sectors of municipal finance, budget, redevelopment, education, local governance, water resources, parks and recreation, and cultural resources.

**Townsend Public Affairs, Inc.**  
Vice President

2006-Present

As Vice President, Casey oversees a team of 13 TPA lobbyists registered with the California Secretary of State. Casey provides timely expert analysis of legislative and budget proposals introduced each legislative session for their potential effect on TPA clients. Some of Casey's accomplishments include:

- Working with the City of Oakland and the City of Santa Ana, Casey helped advance legislation and state budget requests to secure funding for California's largest cities to help address issues surrounding homelessness. These efforts culminated in the creation of the Homeless Emergency Aid Program (HEAP). Approved as part of the 2018 state budget, HEAP provided a \$500 million block grant program designed to provide direct assistance to cities and counties to address the homelessness crisis. HEAP contained a specific pot of funding for large cities, including a **combined \$12.3 million for Oakland and Santa Ana.**

Building on the success of the HEAP program, in 2019 the State Budget created the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, a \$650 million grant that provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. The HHAP program maintained dedicated funding for California's largest cities, including a **combined \$28.1 million for the cities of Oakland and Santa Ana.**

- Casey worked closely with the City of Lafayette to establish a small business assistance program to help local businesses and non-profits lessen the economic impacts from the coronavirus. Casey was able to work with the City to promote the program, work directly with program participants to connect them with available state and federal resources, and work with businesses to secure funding. Ultimately, the small business assistance program worked with nearly 100 small businesses, which employed nearly 400 workers, and were able to secure **over \$1.5 million in direct funding for the businesses.**
- Through his work with the Department of Finance, the Legislature, and the Office of the Governor, Casey has been able to lessen the impact of RDA dissolution on TPA clients. Specific outcomes include: having over **\$35 million** in projects in Santa Ana, Lafayette, Brea, and Hayward recognized as enforceable obligations; facilitating accelerated transfer of former RDA assets in Buena Park to allow for new development; and the passage of legislation to allow expenditure of certain development agency bond proceeds.
- Casey helped the Newhall County Water District co-sponsor SB 634 (Wilk) which established a new water district to serve as the primary water wholesaler and retailer for the Santa Clarita Valley. Casey coordinated efforts with the other impacted water



agencies and stakeholders to develop a coalition of local support for the legislation. The legislation, which contained the enabling act for the new district as well as provisions that allowed for a modified LAFCO process, was approved by the Legislature and signed into law by Governor Brown.

- Casey helped the Rancho Santiago Community College District and Coast Community College District secure over **\$68 million** in funding through the State Budget for three capital outlay facilities projects. Casey worked with the districts' legislative delegation, budget committee staff, and the Community College Chancellor's Office to advocate for the priority budget items, including having the projects recommended for funding by the Board of Governors of the California Community Colleges. The funding for these three projects will allow for the design and construction of three new buildings that will provide state of the art learning environments for community college students in Orange County.

#### **Assemblyman Tom Umberg**

*Legislative Assistant*

2006

Casey managed legislation for the Member, including education, workers' compensation, and school facilities measures. Casey staffed the Member on the Assembly Education committee. He also worked closely with legislative staff, committee consultants, state agencies, and interested parties on legislation. In addition, he advised the Member and Chief of Staff on pending legislation.

#### **Secretary of State**

*Legislative Coordinator*

2005-2006

Casey briefed the Secretary of State and senior staff members on legislation affecting the agency. Casey worked with Division Chiefs, senior staff members, and the Secretary of State to develop legislative positions for the agency. Casey also worked with Department of Finance, state agencies, and other interested parties on issues that affected the Secretary of State. In addition, he researched and drafted legislative proposals for the agency.

#### **Secretary of State**

*Legislative Analyst*

2003-2005

Casey assisted in the research and development of legislation. In addition, Casey worked closely with the State Legislature, Governor's Office staff, committee consultants, Department of Finance, state agencies, and other interested parties on issues that affected the Secretary of State. Some of Casey's special projects included staffing various taskforces, assisting in the development of spending plans for legislatively mandated programs, and election-night support.

#### **Office of the Governor**

*Senior Legislative Assistant*

2000-2003

Casey chaptered all bills that the Governor signed and he processed all vetoed measures. Casey worked closely with the Secretary of State, Chief Clerk of the Assembly, and the Secretary of the Senate throughout the bill chaptering process. Casey also supervised a staff of 10 personnel during the creation and assembly of up to 1500 bill files presented to the Governor.

#### **University of California, Davis**

*Bachelor of Arts, Political Science*

2000





**Cori Takkinen, Vice President:** Cori brings 12 years of legislative advocacy and public policy experience to TPA. Cori has extensive experience writing grants for various local, regional, state, and federal opportunities. Cori has expertise in the policy sectors of transportation, water resources, infrastructure, sanitation, local governance, parks and recreation, and economic development.

**Townsend Public Affairs, Inc.**

*Vice President*

*2011-Present*

Throughout her tenure at TPA, Cori has been responsible for securing millions in competitive grant funds for local public agency clients. In addition to her expertise on municipal and water infrastructure issues, Cori has a strong network of relationships with State Legislators, key staff, and various state agencies. Some of Cori's accomplishments include the following:

- Cori worked with the City of Santa Ana to secure a direct funding allocation in the FY 2018-19 State Budget in the amount of **\$4 million** to upgrade water infrastructure within the City. TPA worked with the City's legislative delegation, staff from the Assembly and Senate Budget Committees, and the Department of Finance to ensure funding was included in the State Budget for this critical project to allow the City's water customers to have real-time access to their water usage, which will help facilitate water conservation and reduce customers' utility bills.
- Cori worked with the Orange County Water District and the Orange County Sanitation District to sponsor AB 2022 (Gordon). The bill allowed for limited bottling of the highly treated and recycled GWRS water for educational purposes. The bill was the first legislation in the nation that allowed for the direct bottling of advanced treated recycled water. TPA secured bi-partisan support for the legislation and it was signed into law.
- In the FY 2019-20 State Budget, Cori worked with 5 municipal clients and 1 nonprofit client to secure **\$20.2 million** in budget earmarks for priority projects, including funding for a stormwater treatment facility, historical renovations, park and trail improvements, fire prevention, and children's science education.
- Leveraging relationships with the State Legislature, Cori secured an earmark in the FY17-18 State Budget in the amount of **\$20 million** to form the North Orange County Public Safety Task Force. This Task Force will serve six TPA clients: the cities of Anaheim, Brea, Buena Park, Fullerton, Placentia, and Stanton. These cities will be able to facilitate regional collaborative efforts to combat homelessness, youth violence, and other critical public safety issues in the region.
- Worked closely with the State Legislature and Administration on the development and implementation of **Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018**. Cori worked in support of a variety of clients to create specific funding opportunities to achieve desired results. In addition to securing funding opportunities for municipalities, Cori's efforts with Proposition 68 resulted in **\$4.8 million** to fund a conservation program at West Coyote Hills in Fullerton as well as **\$3.46 million** to fund science education at the Discovery Cube Orange County.

- Cori has been actively engaged in State fire prevention legislation to reduce the risk of fires caused by above ground utilities as well as to provide opportunities for local jurisdictions located in high fire hazard severity zones to receive priority for fire mitigation measures.
- Cori worked with the City of Brea to secure over **\$10 million** from local, state, and federal sources for the Tracks at Brea project. The project is a four-mile multi-use rail to trail project that will traverse the City. Funding sources include: the US Environmental Protection Agency, California Natural Resources Agency, Strategic Growth Council, California Transportation Commission, and the Southern California Association of Governments.

**County of Orange, Board of Supervisors**

*Policy Advisor for Supervisor John Moorlach*

2010

Cori served as a policy advisor for, then-County of Orange Supervisor (and who is now a Senator in the State Legislature). Cori was responsible for research, analysis, and subsequent recommendations of all policy issues relating to Orange County Public Works as well as state and federal legislation. Cori served as a liaison between the Supervisor and County staff, constituents, and community groups.

**Tom Campbell for US Senate Campaign**

2010

**Chapman University, Orange, CA**

*Master of Public Administration*

2014

**Claremont McKenna College, Claremont, CA**

*Bachelor of Arts Economics and Government with Leadership Sequence*

2011





**Eric O'Donnell, Senior Associate:** Eric brings six years of experience in local governance and grant writing to TPA. Eric has been responsible for major grant awards on behalf of public agency clients. Eric has a strong network with both staff and members of the state and federal legislatures as well as relationships with local Southern California municipalities. Eric has expertise in the policy sectors of wastewater, water resources, natural resources, local governance, parks and recreation, and transportation.

**Townsend Public Affairs, Inc.**  
Senior Associate

2015-Present

Since joining TPA, Eric has worked with numerous public agencies to secure grant funding for water and sanitation policy and infrastructure, natural resources, and parks and recreation. Some of his accomplishments include:

- Possesses Drinking Water Distribution Operator (D1) and Drinking Water Treatment Operator (T1) certifications from the State Water Resources Control Board.
- Eric worked with the Orange County Sanitation District to secure a **\$1 million** grant award from the Department of Water Resources' Integrated Regional Water Management Grant Program to replace a critical sewer line. Eric worked closely with staff at the Orange County Sanitation District, the Department of Water Resources, and the Santa Ana Watershed Project Authority throughout the development and implementation of the grant program.
- Eric worked with the City of Avalon to secure a direct funding allocation in the FY 2019-20 State Budget in the amount of **\$500,000** to remove and replace single-walled underground fuel storage tanks with safer and more durable double-walled underground fuel storage tanks. Eric worked closely with the City's legislative delegation as well as legislative staff from the Assembly and Senate Budget Committees as well as the Speaker and Senate Pro Tem's offices to ensure that the funding was included in the FY 19-20 State Budget for the City of Avalon to complete this critical environmental protection project. This funding will allow the City's marine fuel dock in the harbor to continue operating and will provide a critical resource for the community.
- Eric helped the East Orange County Water District secure a **\$500,000** grant from the Drought Response Program, administered by the U.S. Bureau of Reclamation. The funding allowed East Orange County Water District to construct a new drinking water well in order to provide safe, clean, and affordable drinking water to the District's retail customers. Due to the prevalence of PFAS/PFOA in existing groundwater resources, the District needed new sources of reliable and affordable drinking water.
- Eric was critical in facilitating a resolution to a Redevelopment Dissolution related issue for the City of Stanton that resulted in the City receiving **over \$2.1 million** in loan repayment. Eric worked closely with the City, the City's legislative delegation, and executive staff from the Department of Finance to identify a solution. The favorable resolution resulted in the Department of Finance approving a previously denied line item on the City's Recognized Obligation Payments Schedule (ROPS), thus awarding the City a loan repayment.



- Eric helped the City of Fountain Valley secure a **\$226,000** grant from the Active Transportation Program, administered by the Southern California Association of Governments and the California Transportation Commission. The funding allowed the City to build ADA accessible pedestrian curb ramps within neighborhoods that are located near five elementary and middle schools in the Fountain Valley School District and the Ocean View School District. The project will provide greater mobility for the public and improve the safety of the City's routes to local schools.

**City of Brea**

*Community Services Senior Leader*

*2009-2015*

**Chapman University, Orange, CA**

*Masters of Public Administration*

*2020*

**California State University, Fullerton**

*Bachelor of Arts, Business Administration, General Management*

*2014*





**Carly Shelby, Legislative Associate:** Carly brings over three years of government affairs experience to TPA. Carly has state legislative experience in areas such as water, solid waste and recycling, revenue and taxation, housing and land use, community services, pension reform, and budget. Carly has strong relationships with legislative committee staff, members of the legislature, and cities.

**Townsend Public Affairs, Inc.**  
*Legislative Associate*

*2021 – Present*

Since joining TPA, Carly has worked with clients to develop their legislative advocacy agenda in Sacramento. Some of her work includes:

- Carly has worked to build advocacy tools for clients such as legislative tracking matrices, policy issue summaries, and fact sheets. These tools allow clients to develop a successful advocacy strategy to achieve positive government actions in Sacramento.
- Carly has provided expert analysis and feedback on a variety of policy issues for our clients. She has written letters and official correspondence to bring client concerns to the attention of decision makers in Sacramento while helping navigate the legislative process.

**League of California Cities**  
*Legislative and Policy Development Assistant*

*2017-2020*

Carly was responsible for analyzing legislation and developing strategic policy positions to benefit cities throughout California. Carly also maintained stakeholder relations with various government agencies and government-proxy organizations to implement policy agendas crucial to local government clients.

**Press Office of Assembly Speaker Anthony Rendon**  
*Press Intern*

*2017*

Carly worked for Assembly Speaker Anthony Rendon and was responsible for maintaining communications between the legislature and major news outlets as well as communicating the Speaker and Democratic Caucus' policy agendas.

**The California Building Industry Association (CBIA)**  
*Government Affairs Intern*

*2016*

Carly worked to implement CBIA's policy agenda with emphasis on the issue areas of housing and land use. Carly also provided strategic campaign support on the CBIA sponsored school bond initiative.

**California State University, Sacramento**  
*Bachelor of Arts, Political Science*

*2021*





# PROJECT UNDERSTANDING & INNOVATION

TPA's lobbying philosophy is centered around three essential characteristics. We believe these characteristics are key to successfully advancing the policy issues of local public agencies. These characteristics are at the center of our approach to providing legislative advocacy services:

## **1. Strong Partnership Between Client and Advocate**

Strong working partnerships between an advocate and their client is essential to successful advocacy. In a strong working partnership, the advocate understands the client's goals and priorities, and the client understands their advocate's abilities. In working together, the client can be confident their advocate will develop and implement a strategy that will accomplish their goals, while working as an extension of their staff, minimizing the burden on the client and maximizing success.

## **2. Proactive, Not Reactive**

TPA believes in strategic planning to best achieve the objectives of the client. Strategic planning also allows for the client and advocate to work "as one," in order to be nimble and efficient to seize new opportunities that present themselves throughout the process.

## **3. Continuous Contact and Education**

TPA strives to continually educate our extensive network of key stakeholders and decision makers regarding our client's agendas. TPA develops quick briefing documents, that are easy to digest, with graphics and photos, explaining our client's priorities and identifying key support for these priorities across various constituencies. This continuing education all is essential in securing support to transform our client's vision into legacy.

TPA has the knowledge and experience necessary to represent the VSD in Sacramento. Specifically, TPA's experience representing wastewater agencies in Sacramento as well as other public utility agencies and municipalities makes us uniquely qualified to advocate on priority issues for VSD including but not limited to: wastewater collection and treatment, water recycling, environmental stewardship, environmental review (CEQA), occupational health and safety, finance, and related state budget and funding issues. TPA also works closely with major statewide associations of interest to VSD to advance legislative and regulatory items throughout the legislative session including but not limited to the California Association of Sanitation Agencies (CASA), the California Special District's Association (CSDA), and the Association of California Water Agencies (ACWA).

Every legislative session, TPA is on the front lines of major wastewater, water, climate change, and other relevant issues through advocating for the reduction of redundant or burdensome directives, the increase of funding opportunities, and common-sense approaches to implementing the State's water and wastewater management and climate change priorities. TPA has been successful in achieving legislative victories for our clients in these realms throughout our 24 years.



# WORK PLAN/SCOPE OF WORK

TPA will utilize the following strategic and comprehensive approach to provide legislative advocacy services to the District:

- **Conduct Detailed Orientation:** TPA utilizes a comprehensive onboarding process that includes extensive meetings with various relevant members of District leadership and key District departments to help develop a strategic plan that is carefully tailored to satisfy the needs of the District, as well as designed for maximum success in the current political climate and funding environment.
- **Develop Legislative Strategy:** Utilizing the information gathered during the onboarding process, TPA will coordinate with the District to develop an official legislative platform and strategy that represents the District's priorities in Sacramento. This blueprint will be shared with key stakeholders in the State Legislature and Governor's Administration:
- **Implement the Legislative Strategy:** TPA will advocate for the District's legislative agenda utilizing the following methods:
  - **Build and Strengthen Relevant Relationships:** TPA has cultivated a network of valuable relationships that will be leveraged to promote the District's legislative agenda. (RFP Section 2 – Scope of Services, Page 4, Bullet 5)
  - **Leverage Relationships for Strategic Advocacy Plan:** TPA will engage various techniques to leverage our network of key relationships on behalf of the District (RFP Section 2 – Scope of Services, Page 4, Bullet 4):
    - Schedule meetings for the District to discuss relevant legislation
    - Prepare all briefing materials and talking points for the District
    - Brief legislative offices and stakeholders on the District's legislative agenda
    - Follow-up on meetings to ensure commitments and deliverables are being met
  - **Coordinate Advocacy Trips:** TPA will work with the District to coordinate advocacy trips to Sacramento to meet with the District's legislative delegation, as well as legislators that serve on committees relevant to the District's agenda. Furthermore, whenever possible, TPA will also schedule site visits by legislators to the District.
  - **Track Legislation:** TPA will identify, analyze, and monitor all bill introductions and amendments relevant to the District's legislative platform and assess their potential impact on the District. (RFP Section 2 – Scope of Services, Page 4. Bullet 1 & 2)
  - **Craft Testimony and Position Letters:** TPA will prepare and submit written and verbal testimony regarding legislation relevant to the District. TPA will also draft and deliver position letters to legislators and key officials on specific bill language.



- **Draft Bill Language:** TPA will draft language and amendments for relevant legislation, as required to protect and promote the District's agenda.
- **State Budget Funding Opportunities:** In an effort to maximize state funding, TPA will work with the District to identify projects and other funding priorities that may be suitable for funding through the State Budget. TPA will coordinate with the District to develop supporting materials for the budget request. TPA will also work with members of the District's state legislative delegation, along with the Assembly and Senate Budget Committees, to gain support for the inclusion of the District's project in the final State Budget approved by the Legislature. **(RFP Section 2 – Scope of Services, Page 4, Bullet 3)**
- **Provide Progress Reports:** TPA will confer regularly with the District on our activities. TPA will provide timely electronic reports on the status of all legislative activity, such as bill language, amendments, and committee analyses. In addition to written reports, TPA will be available to the District for conference calls, in-person briefings, and meetings.
- **Prepare and File Lobbying Disclosure Reports:** TPA will prepare and file, on behalf of the District, all applicable state lobbying disclosure reports.



# SUB-CONSULTANT & WORK BY OTHERS

TPA does not use sub-consultants and will not utilize anyone outside of the firm for work on this project.



# RELEVANT EXPERIENCE AND REFERENCES

## Client: Orange County Sanitation District

**Contact:** Jim Herberg

**Phone Number:** (714) 593-7110

**Address:** 10844 Ellis Ave, Fountain Valley, CA 92708

**Project Description:** TPA sponsored AB 2022 (Gordon) on behalf of the Orange County Water District and the Orange County Sanitation District to promote the Groundwater Replenishment System (GWRS) project. The bill allowed for limited bottling of the highly treated and recycled GWRS water for educational purposes. The bill was the first legislation in the nation that allowed for the direct bottling of advanced treated recycled water. TPA worked closely with the Governor's Office, Assembly and Senate policy committees, and the State Water Resources Control Board to address many concerns with the direct bottling of GWRS water. TPA was ultimately able to secure bi-partisan support for the legislation and it was signed into law.

**Description Of Services:** TPA provides State advocacy services for the Orange County Sanitation District, which includes running sponsored bills like AB 2022 (Gordon, 2016) in Sacramento. Ongoing retainer from 2001 to present - \$6000 per month.

**Total Value Of Services Provided:** TPA has secured over \$2.2 million on their behalf.

**Consultant's Project Manager:** Cori Takkinen and Eric O'Donnell

**Key Personnel Involved:** Cori Takkinen, Eric O'Donnell, Casey Elliott

**Sub Consultant Employed:** None

## Client: Santa Clarita Valley Water Agency (Formerly Newhall County Water District)

**Contact:** Steve Cole

**Phone Number:** (661) 297-1600

**Address:** 23780 Pine Street, Newhall, CA 91321

**Project Description:** TPA helped the Newhall County Water District co-sponsor SB 634 (Wilk) which established a new water district to serve as the primary water wholesaler and retailer for the Santa Clarita Valley. TPA coordinated efforts with then-Newhall County Water District, other impacted water agencies, and stakeholders to develop a coalition of local support for the legislation. The legislation, which contained the enabling act for the new district (Santa Clarita Valley Water Agency) as well as provisions that allowed for a modified LAFCO process, was approved by the Legislature, and signed into law by Governor Brown.

**Description Of Services:** TPA provided State advocacy services to Newhall County Water District until the signing of SB 634 (Wilk) in 2018 which dissolved them as an agency. Ongoing retainer from 2012 - 2018 - \$4000 per month.

**Total Value Of Services Provided:** TPA worked with the District to consolidate Newhall County Water District into Santa Clarita Valley Water District. The legislation was signed into law the first year it was introduced.

**Consultant's Project Manager:** Casey Elliott



**Key Personnel Involved:** Casey Elliott, Eric O'Donnell

**Sub Consultant Employed:** None

**Client: City of Santa Ana**

**Contact:** Rudy Rosas

**Phone Number:** (714) 647-3379

**Address:** 20 Civic Center Plaza, Santa Ana, CA 92701

**Project Description:** TPA worked with the City of Santa Ana to secure a direct funding allocation in the FY 2018-19 State Budget in the amount of \$4 million to upgrade water infrastructure within the City. TPA worked with the City's legislative delegation, staff from the Assembly and Senate Budget Committees, and the Department of Finance to ensure funding was included in the State Budget for the City of Santa Ana to install advanced water metering infrastructure in the City. This funding will allow the City's water customers to have real-time access to their water usage, which will help facilitate water conservation and reduce customers' utility bills.

**Description Of Services:** TPA provides State advocacy services for the City of Santa Ana, which includes securing State Budget Earmark funding for priority projects. Ongoing retainer from 1999 to present - \$5000 per month.

**Total Value Of Services Provided:** TPA has secured over \$83.4 million on their behalf.

**Consultant's Project Manager:** Cori Takkinen

**Key Personnel Involved:** Cori Takkinen

**Sub Consultant Employed:** None

# FEE SCHEDULE

TPA proposes the following all-inclusive fee schedule for the district:

DESCRIPTION OF SERVICES	FEE
<b>State Legislative Advocacy Services</b>	<b>\$5,000 Per Month*</b>
• Conduct Detailed Orientation	Included
• Develop Legislative Strategy	Included
• Implement the Legislative Strategy	Included
• Build and Strengthen Relevant Relationships	Included
• Leverage Relationships for Strategic Advocacy Plan	Included
• Coordinate Advocacy Trips	Included
• Track Legislation	Included
• Craft Testimony and Position Letters	Included
• Draft Bill Language	Included
• State Budget Funding Opportunities	Included
• Provide Progress Reports	Included
• Prepare and File Lobbying Disclosure Reports	Included
<i>*The monthly fee includes all reasonable business and travel expenses</i>	



**AMENDMENT #1 TO  
PROFESSIONAL SERVICES AGREEMENT**

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT ("Amendment") is made and entered into this \_\_\_\_ day of May 2023 by and between Valley Sanitary District ("Client") and Townsend Public Affairs, Inc., a California corporation ("Consultant").

**RECITALS**

- A. Client and Consultant have entered into that certain Professional Services Agreement dated as of July 1, 2022 ("Contract")
- B. The parties to this Amendment desire to change the term of the Contract as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto supplement and amend the Contract as hereinafter set forth.

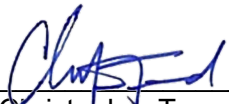
- 1. The term is extended from July 1, 2023 to June 30, 2024.
- 2. All other terms and conditions of the Contract, except as set forth herein, including without limitation the Compensation set forth in Section 2 of the Contract, shall remain in full force and effect.

WHEREFORE, this Amendment is executed by the parties as of the date set forth above.

CLIENT: Valley Sanitary District

By: \_\_\_\_\_  
Ron Buchwald  
Interim General Manager

CONSULTANT: TOWNSEND PUBLIC AFFAIRS, INC.  
a California corporation

By:  \_\_\_\_\_  
Christopher Townsend  
President and Secretary





## Valley Sanitary District

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Jeanette Juarez, Chief Administrative Officer  
**SUBJECT:** Review and Discussion of Valley Sanitary District Draft Fiscal Year 2023/24 Operating and Capital Budget

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### **Suggested Action**

Discussion

### **Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

### **Fiscal Impact**

There is no fiscal impact from this report.

### **Environmental Review**

Not applicable, this is not a project as defined by the California Environmental Quality Act (CEQA).

### **Background**

The action for approval and adoption of the annual budget is completed in June of each calendar year. In preparation for the fiscal year 2023/24 budget, staff has prepared a presentation for the Board of Directors to review.

The proposed operating and capital budget for the fiscal year 2023/24 is \$18,622,984 and \$57,565,000 respectively. The operating budget encompasses such costs as 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 further advance the District's Capital Improvement Program (CIP). There are 21 capital projects requested in the fiscal year 2023/24. The CIP for the fiscal year 2023/24 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.

This discussion item allows the Board of Directors to review the draft budget and allow for modifications.

**Recommendation**

Recommend that the Board of Directors receive this report for information.

**Attachments**

[Technical Memo Budget Variance FY 2023-24.docx](#)

[Variance Overview.docx](#)

[Budget in Brief.docx](#)

[CIP Revision 3.pptx](#)

[7.3 Attachment F Draft Book.pdf](#)



# Technical Memo Budget Variance FY 2023/24

April 18, 2023

**To: Honorable Directors**

**From: Jeanette Juarez, Chief Administrative Officer**



The purpose of this technical memo is for the Board of Directors to review the operating budget variances between the fiscal years 2022/23 and 2023/24. Attached to this memo is a breakdown of the budget variances by category. The proposed annual budget for the fiscal year 2023/24 is \$18,622,894. The operating budget encompasses such costs as 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.

This discussion item allows the Board of Directors to review the draft budget and allow for modifications.

Expense	FY23 Budget	FY24 Budget	Budget Change	Percentage Change
Wages	3,756,809	4,192,639	\$ 435,830	11.6%
Services	1,851,990	2,242,542	\$ 390,552	21.1%
Supplies and Materials	1,675,242	1,828,990	\$ 153,748	9.2%
Fringe Benefits	1,433,130	1,682,004	\$ 248,874	17.4%
Utilities	854,420	1,051,000	\$ 196,580	23.0%
Comprehensive Insurance	452,816	525,926	\$ 73,110	16.1%
Projects	369,000	464,000	\$ 95,000	25.7%
Other	439,007	394,443	\$ (44,564)	-10.2%
Permits and Fees	141,025	148,870	\$ 7,845	5.6%
Fuels and Lubricants	66,060	70,000	\$ 3,940	6.0%
<b>Subtotal</b>	<b>11,039,499</b>	<b>12,600,414</b>	<b>\$ 1,560,915</b>	<b>14.1%</b>
Debt Service	\$ 4,412,971	\$ 5,270,359	\$ 857,388	19.4%
CalPERS UAL	736,606	752,121	\$ 15,515	-
<b>Total</b>	<b>\$ 16,189,076</b>	<b>\$ 18,622,894</b>	<b>\$ 2,433,818</b>	<b>15.0%</b>

As always, please feel free to contact me should you have any questions or require anything further.

Jeanette Juarez  
Chief Administrative Officer

 760-238-5415 |  760-625-2378

 [jj Suarez@valley-sanitary.org](mailto:jj Suarez@valley-sanitary.org)

Valley Sanitary District  
45500 Van Buren Street, Indio, CA 92201  
[www.valley-sanitary.org](http://www.valley-sanitary.org)

Budget Variance Overview

Expense	FY23 Budget	FY24 Budget	Budget Change	Percentage Change
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<b>Total</b>	<b>\$ 16,189,076</b>	<b>\$ 18,622,894</b>	<b>\$ 2,433,818</b>	<b>15.0%</b>

Wages:

Wages	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	614,801	675,473	60,672
410-1 Collections	431,584	463,892	32,308
411-1 Operations	902,931	984,735	81,804
412-1 Maintenance	626,374	702,073	75,699
414-2 Laboratory	292,672	393,597	100,925
414-3 Administration	793,462	859,469	66,007
Dept 20 Board	94,985	113,400	18,415
<b>Grand Total</b>	<b>3,756,809</b>	<b>4,192,639</b>	<b>435,830</b>

The change to the wages is attributed to a Cost-of-Living Adjustment (COLA) of 7.5% as per the Consumer Price Index, Riverside November 2022. Also, there are the projected positions that will be promoted to the next classification due to certification (e.g. Wastewater Operator II will promote to Wastewater Operator III). Additionally, the lab has one FTE fully funded for the year that was approved last year but not funded.

## Budget Variance Overview

### Services:

Services	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	8,700	8,700	-
410-1 Collections	118,283	120,920	2,637
411-1 Operations	258,722	679,700	420,978
412-1 Maintenance	195,140	213,590	18,450
414-2 Laboratory	93,000	44,163	(48,837)
414-3 Administration	1,109,545	1,096,869	(12,676)
Dept 20 Board	68,600	78,600	10,000
<b>Grand Total</b>	<b>1,851,990</b>	<b>2,242,542</b>	<b>390,552</b>

the increase in services is attributed to increases in legal costs \$10K, Roach Control \$2K, Janitorial Services, Lucy, Uniforms \$18K, and sludge disposal and transportation \$401K

### Supplies and Materials:

Supplies and Materials	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	1,000	1,000	-
410-1 Collections	161,500	166,000	4,500
411-1 Operations	781,740	926,700	144,960
412-1 Maintenance	503,821	517,615	13,794
414-2 Laboratory	170,806	160,800	(10,006)
414-3 Administration	53,875	53,875	-
Dept 20 Board	2,500	3,000	500
<b>Grand Total</b>	<b>1,675,242</b>	<b>1,828,990</b>	<b>153,748</b>

Operations Chemical expenditures had an increase of \$105K, Ammonia probes \$17K, and Polymers \$8K. Maintenance had increased to repairs and maintenance for \$35K due to aging equipment. Collections had an increase in their rental budget of \$4K.

### Fringe Benefits:

Fringe	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	192,642	221,913	29,271
410-1 Collections	207,564	222,211	14,647
411-1 Operations	349,050	404,652	55,602
412-1 Maintenance	280,893	335,627	54,734
414-2 Laboratory	101,800	143,504	41,704
414-3 Administration	286,101	334,831	48,730
Dept 20 Board	15,080	19,266	4,186
<b>Grand Total</b>	<b>1,433,130</b>	<b>1,682,004</b>	<b>248,874</b>

## Budget Variance Overview

Fringe benefits had an increase due to a budgeted 8% increase in health insurance contributions, a 3% increase in PEMCHA contributions, and an 8% in vision and dental contributions. Additionally, more employees are enrolled than in previous years.

### Utilities:

Utilities	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	-	-	-
410-1 Collections	13,500	17,000	3,500
411-1 Operations	840,920	1,034,000	193,080
412-1 Maintenance	-	-	-
414-2 Laboratory	-	-	-
414-3 Administration	-	-	-
Dept 20 Board	-	-	-
<b>Grand Total</b>	<b>854,420</b>	<b>1,051,000</b>	<b>196,580</b>

Utilities had an increase due to increased usage and costs and usage for electricity, natural gas, trash removal, and water.

### Comprehensive Insurance:

Casualty and Liability	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	-	-	-
410-1 Collections	-	-	-
411-1 Operations	-	-	-
412-1 Maintenance	-	-	-
414-2 Laboratory	-	-	-
414-3 Administration	452,816	525,926	73,110
Dept 20 Board	-	-	-
<b>Grand Total</b>	<b>452,816</b>	<b>525,926</b>	<b>73,110</b>

Insurance premiums increased for general liability by \$52K due to CPI and an increase in assets. The earthquake insurance increased by \$12K due to the insurance pool increase. Workers' compensation insurance increased \$6K due to an increase in projected wages and insurance pool x mod.

Earthquake Insurance	\$ 202,902	\$ 215,000	\$ 12,098
Umbrella Business Insurance (e.g., Liability, Auto, and General)	133,798	186,000	52,202
Environmental Pollution	23,993	25,433	1,440
Cyber Insurance	10,500	11,130	630
<b>Subtotal</b>	<b>\$ 371,193</b>	<b>\$ 437,563</b>	<b>\$ 66,370</b>

Workers Compensation Insurance Premium	\$ 81,623	\$ 88,363	\$ 6,740
<b>Subtotal</b>	<b>\$ 81,623</b>	<b>\$ 88,363</b>	<b>\$ 6,740</b>

## Budget Variance Overview

### Projects:

Projects	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	-	-	-
410-1 Collections	-	-	-
411-1 Operations	-	-	-
412-1 Maintenance	-	-	-
414-2 Laboratory	-	-	-
414-3 Administration	369,000	464,000	95,000
Dept 20 Board	-	-	-
<b>Grand Total</b>	<b>369,000</b>	<b>464,000</b>	<b>95,000</b>

Project costs increased due to a \$100K increase in projected EVRA contributions.

### Other Costs:

Other	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	11,831	11,831	-
410-1 Collections	27,170	27,170	-
411-1 Operations	50,480	53,510	3,030
412-1 Maintenance	33,860	37,590	3,730
414-2 Laboratory	20,450	21,785	1,335
414-3 Administration	167,912	182,917	15,005
Dept 20 Board	127,304	59,640	(67,664)
<b>Grand Total</b>	<b>439,007</b>	<b>394,443</b>	<b>(44,564)</b>

Other costs decreased primarily due to a decrease in election contribution of \$70K. No election costs are projected for FY 2023/24.

### Permits and Fees

Permits and Fees	FY23 Budget	FY 24 Budget	Variance
414-1 Engineering	1,000	1,000	-
410-1 Collections	23,600	24,200	600
411-1 Operations	77,025	85,260	8,235
412-1 Maintenance	2,100	2,310	210
414-2 Laboratory	11,200	10,000	(1,200)
414-3 Administration	26,100	26,100	-
Dept 20 Board			-
<b>Grand Total</b>	<b>141,025</b>	<b>148,870</b>	<b>7,845</b>

Permits and fees in operations increased \$8K, and Collections increased \$600 due to the Annual Encroachment Permit (City Of Indio).



Budget Variance Overview

Annual NPDES Permit Fee (SWRCB)	\$ 52,000	\$ 57,500	\$ 5,500
South Coast Air Quality Management District (SCAQMD) Facility Permits	17,000	18,700	1,700
Dept of Environmental Health	3,900	4,300	400
Fire Service Permit (City of Indio)	2,200	2,500	300
Alarm System Permit (City of Indio)	550	650	100
Occupational Lead Poisoning Prevention/Toxic Substance	550	650	100
Miscellaneous	550	650	100
Hot Spot Program (SCAQMD)	275	310	35
<b>Subtotal</b>	<b>\$ 77,025</b>	<b>\$ 85,260</b>	<b>\$ 8,235</b>

**Fuels and Lubricants:**

<b>Fuels and Lubricants</b>	<b>FY23 Budget</b>	<b>FY 24 Budget</b>	<b>Variance</b>
414-1 Engineering	-	-	-
410-1 Collections	-	-	-
411-1 Operations	66,060	70,000	3,940
412-1 Maintenance	-	-	-
414-2 Laboratory	-	-	-
414-3 Administration	-	-	-
Dept 20 Board	-	-	-
<b>Grand Total</b>	<b>66,060</b>	<b>70,000</b>	<b>3,940</b>

Fuels and lubricants increased due to increased fuel costs.

**Debt Service:**

<b>Debt Service</b>	<b>FY23 Budget</b>	<b>FY24 Budget</b>	<b>Variance</b>
Principal and Interest Payment for State Revolving Fund (SRF)	553,361.00	553,361.00	-
Principal and Interest Payment for Revenue Refunding Bonds, 2015	886,688.00	885,750.00	(938.00)
Annual Administrative Expenses for Revenue Refunding Bonds, 2015	2,500.00	2,500.00	-
Principal and Interest Payment for Recycled Water Project Phase 1	2,970,422.00	3,828,748.00	858,326.00
<b>Total</b>	<b>4,412,971.00</b>	<b>5,270,359.00</b>	<b>857,388.00</b>

The increase in debt service is attributed to having a year's worth of payments to the Banc of America loan. The payments are made bi-annually. In the fiscal year 2023, only one payment was made.

## Budget Variance Overview

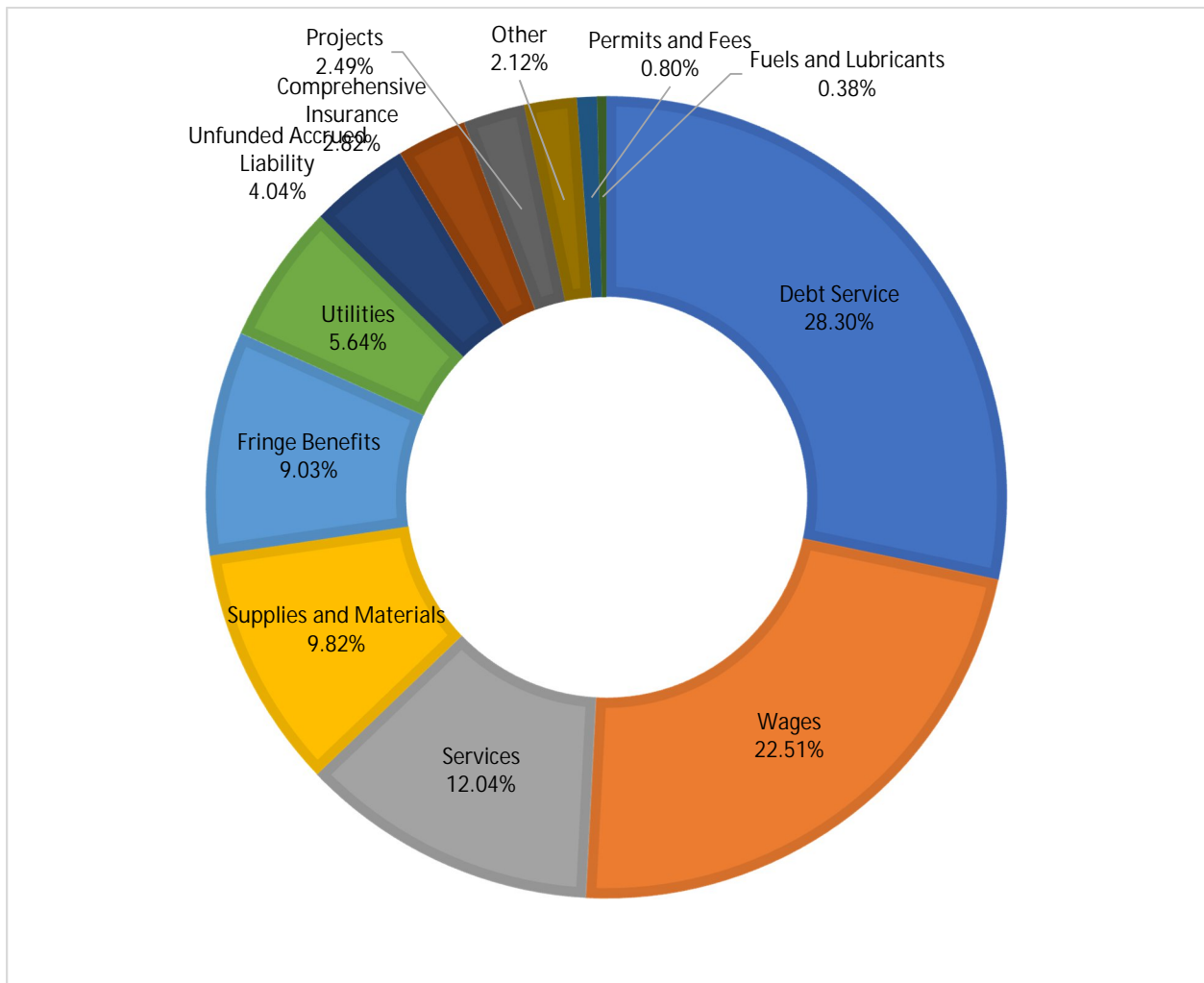
### CalPERS UAL:

Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date.	\$ 736,606	\$ 752,121	\$ 15,515
<b>Subtotal</b>	<b>\$ 736,606</b>	<b>\$ 752,121</b>	<b>\$ 15,515</b>

The increase in the CalPERS UAL is attributed to a projected escalator in the plan. Final figures will be posted in June.

## Expense by Category

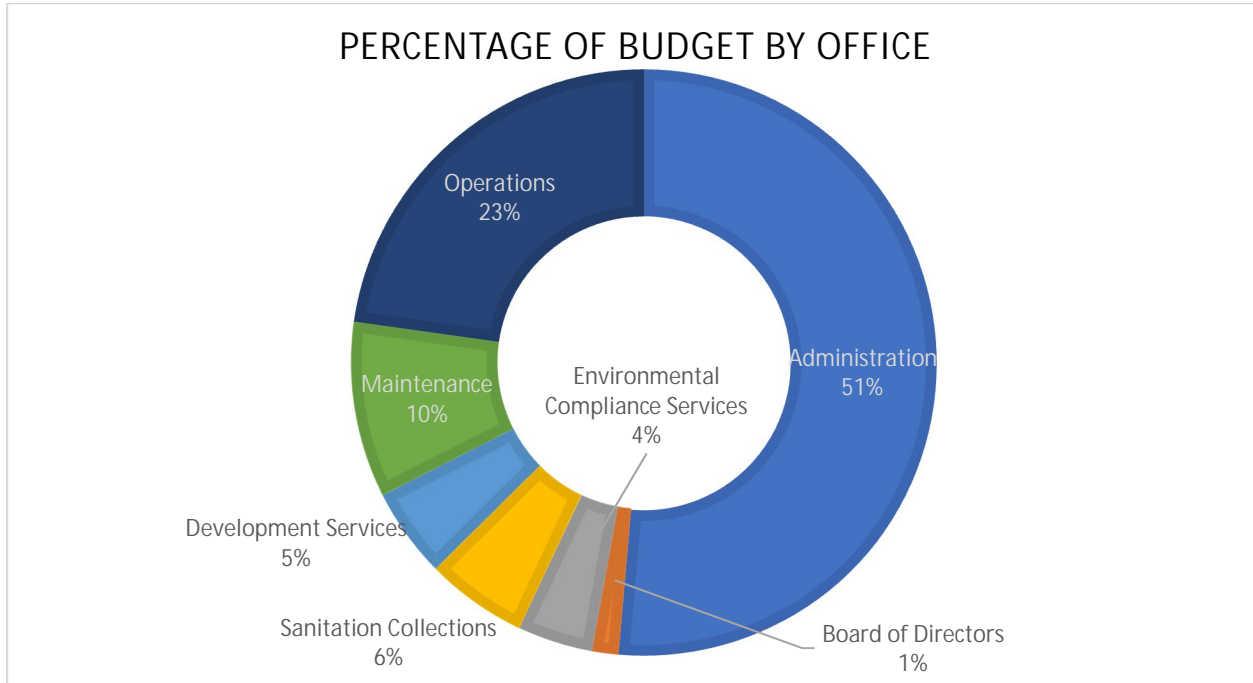
Expense	FY22	FY23	FY23	FY24	Budget	Percentage Change
	Actual	Budget	Projected	Budget	Change	
Wages	\$ 3,158,780	\$ 3,756,809	\$ 3,621,362	\$ 4,192,639	\$ 435,830	11.6%
Fringe Benefits	1,130,355	1,433,130	1,294,736	1,682,004	248,874	-
Services	1,181,047	1,851,990	947,403	2,242,542	390,552	21.1%
Supplies and Materials	1,200,601	1,675,242	1,362,399	1,828,990	153,748	9.2%
Fuels and Lubricants	44,267	66,060	61,351	70,000	3,940	6.0%
Comprehensive Insurance	407,825	452,816	433,680	525,926	73,110	16.1%
Projects	313,389	369,000	735,243	464,000	95,000	25.7%
Utilities	758,223	854,420	868,203	1,051,000	196,580	23.0%
Debt Service	1,018,873	4,412,971	4,412,971	5,270,359	857,388	19.4%
Permits and Fees	57,370	141,025	73,333	148,870	7,845	5.6%
Unfunded Accrued Liability		736,606	736,606	752,121	15,515	2.1%
Other	196,297	439,007	210,036	394,443	(44,564)	-10.2%
<b>Total</b>	<b>\$ 9,467,026</b>	<b>\$ 16,189,076</b>	<b>\$ 14,757,323</b>	<b>\$ 18,622,894</b>	<b>\$ 2,433,818</b>	<b>15.0%</b>



## Budget Comparison

	FY23 Budget	FY24 Budget	Budget Change	Percentage Change
Operating Budget	\$ 16,189,077	\$ 18,622,894	\$ 2,433,817	15.0%
Capital Budget	\$ 33,195,633	\$ 61,477,311	\$ 28,281,678	85.2%

## Expense Summary by Department



Department	FY23 Budget	FY24 Budget	Variance
<b>ADMINISTRATION</b>			
Administration	\$ 8,408,388	\$ 9,566,467	51%
Board of Directors	308,469	273,906	1%
Environmental Compliance Services	689,928	773,849	4%
Subtotal	\$ 9,406,785	\$ 10,614,222	57%
<b>ENGINEERING</b>			
Sanitation Collections	\$ 983,201	\$ 1,041,393	6%
Development Services	829,974	919,917	5%
Subtotal	\$ 1,813,175	\$ 1,961,310	11%
<b>OPERATIONS</b>			
Maintenance	\$ 1,642,188	\$ 1,808,805	10%
Operations	3,326,928	4,238,557	23%
Subtotal	\$ 4,969,116	\$ 6,047,362	32%
Total Expenses	\$ 16,189,076	\$ 18,622,894	100%

# CIP Revision 2

System	Recurring Project	Project Number	Project	Carryover					Total
				Fund 12	Fund 12	Fund 13	FEMA	B of A Loan	
Plant Facility	✓	21-0001	Vehicle and Equipment Replacement Fund	\$ 825,000	\$ 809,000	\$ -	\$ -	\$ -	\$ 1,634,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000	-	-	-	-	50,000
Sewage Collection	✓	21-0003	Sewer Repairs and/or Rehabilitation	120,000	-	-	-	-	120,000
Sewage Collection	✓	21-0004	Contingency for Emergency Repairs	100,000	-	-	-	-	100,000
Sewage Collection		21-0005	Sewer Main Rehabilitation or Replacement Design	365,000	-	-	-	-	365,000
Plant Facility		21-0007	Recycled Water Project Phase 1 (Amend #1 & #2)	-	-	4,200,000	-	35,700,000	39,900,000
Sewage Collection		21-0008	Emergency Sewer Siphon Replacement Design/CM	1,392,750	-	-	7,892,250		9,285,000
Sewage Collection		21-0009	Emergency Sewer Siphon Replacement Construction	215,400	-		1,220,600		1,436,000
Plant Facility		21-0013	Laboratory Information Management System (LIMS)	70,000	-	-	-	-	70,000
Plant Facility		23-0002	Concrete Repairs to ASP Plant	100,000	-	-	-	-	100,000
Plant Facility		23-0003	Electrical Control Panel Replacements Blower Building	120,000	-	-	-	-	120,000
Plant Facility		23-0005	Trimax PLC Upgrades SCADA	70,000	-	-	-	-	70,000
Plant Facility		23-0006	Water Reclamation Facility Master Plan	400,000	-	-	-	-	400,000
Plant Facility		24-0001	Repairs to two (2) Primary Clarifiers	130,000	-	-	-	-	130,000
Plant Facility		24-0002	Plant Instrumentation Upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0003	Nitrification Reduction ASP upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0004	Bathroom Upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0005	Upgrade District Security Cameras	100,000	-	-	-	-	100,000
Plant Facility		24-0006	Biosolids Conversion Project	-	-	1,000,000	-	-	1,000,000
			Total	\$ 4,358,150	\$ 809,000	\$ 5,200,000	\$ 9,112,850	\$ 35,700,000	\$ 55,180,000

# CIP Revision 3

System	Recurring Project	Project Number	Project	Carryover					Total
				Fund 12	Fund 12	Fund 13	FEMA	B of A Loan	
Plant Facility	✓	21-0001	Vehicle and Equipment Replacement Fund	\$ 825,000	\$ 809,000	\$ -	\$ -	\$ -	\$ 1,634,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000	-	-	-	-	50,000
Sewage Collection	✓	21-0003	Sewer Repairs and/or Rehabilitation	120,000	-	-	-	-	120,000
Sewage Collection	✓	21-0004	Contingency for Emergency Repairs	100,000	-	-	-	-	100,000
Sewage Collection		21-0005	Sewer Main Rehabilitation or Replacement Design	2,200,000	-	-	-	-	2,200,000
Plant Facility		21-0007	Recycled Water Project Phase 1 (Amend #1 & #2)	-	-	4,200,000	-	35,700,000	39,900,000
Sewage Collection		21-0008	Emergency Sewer Siphon Replacement Design/CM	1,392,750	-	-	7,892,250		9,285,000
Sewage Collection		21-0009	Emergency Sewer Siphon Replacement Construction	215,400	-		1,220,600		1,436,000
Plant Facility		21-0013	Laboratory Information Management System (LIMS)	70,000	-	-	-	-	70,000
Plant Facility		23-0002	Concrete Repairs to ASP Plant	100,000	-	-	-	-	100,000
Plant Facility		23-0003	Electrical Control Panel Replacements Blower Building	120,000	-	-	-	-	120,000
Plant Facility		23-0005	Trimax PLC Upgrades SCADA	70,000	-	-	-	-	70,000
Plant Facility		23-0006	Water Reclamation Facility Master Plan	400,000	-	-	-	-	400,000
Plant Facility		23-0008	Steel Waterline Replacement - Phase 2	450,000	-	-	-	-	450,000
Plant Facility		24-0001	Repairs to two (2) Primary Clarifiers	130,000	-	-	-	-	130,000
Plant Facility		24-0002	Plant Instrumentation Upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0003	Nitrification Reduction ASP upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0004	Bathroom Upgrade	100,000	-	-	-	-	100,000
Plant Facility		24-0005	Upgrade District Security Cameras	100,000	-	-	-	-	100,000
Plant Facility		24-0006	Biosolids Conversion Project	-	-	1,000,000	-	-	1,000,000
Plant Facility		24-0007	Turblex Blowers Maintenance and Repairs	100,000	-	-	-	-	100,000
Total				\$ 6,743,150	\$ 809,000	\$ 5,200,000	\$ 9,112,850	\$ 35,700,000	\$ 57,565,000





Fiscal Year  
2023 / 2024



# OPERATING AND CAPITAL BUDGET

PREPARED BY  
THE ADMINISTRATION DEPARTMENT





Wastewater Facility Maintenance Bay



# OVERVIEW





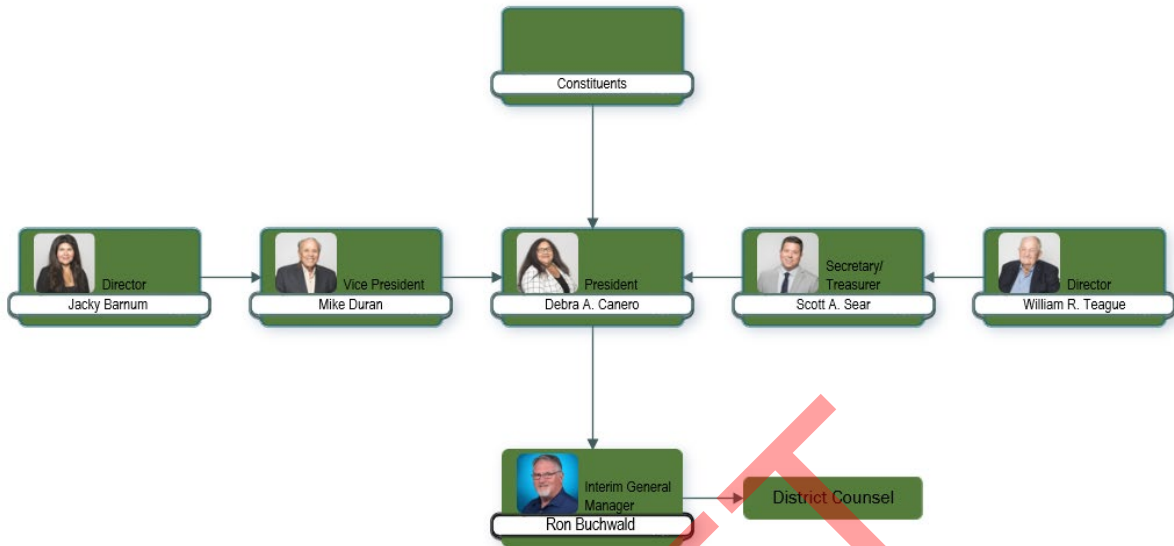


Wastewater Facility Grit Hoppers

# BOARD OF DIRECTORS







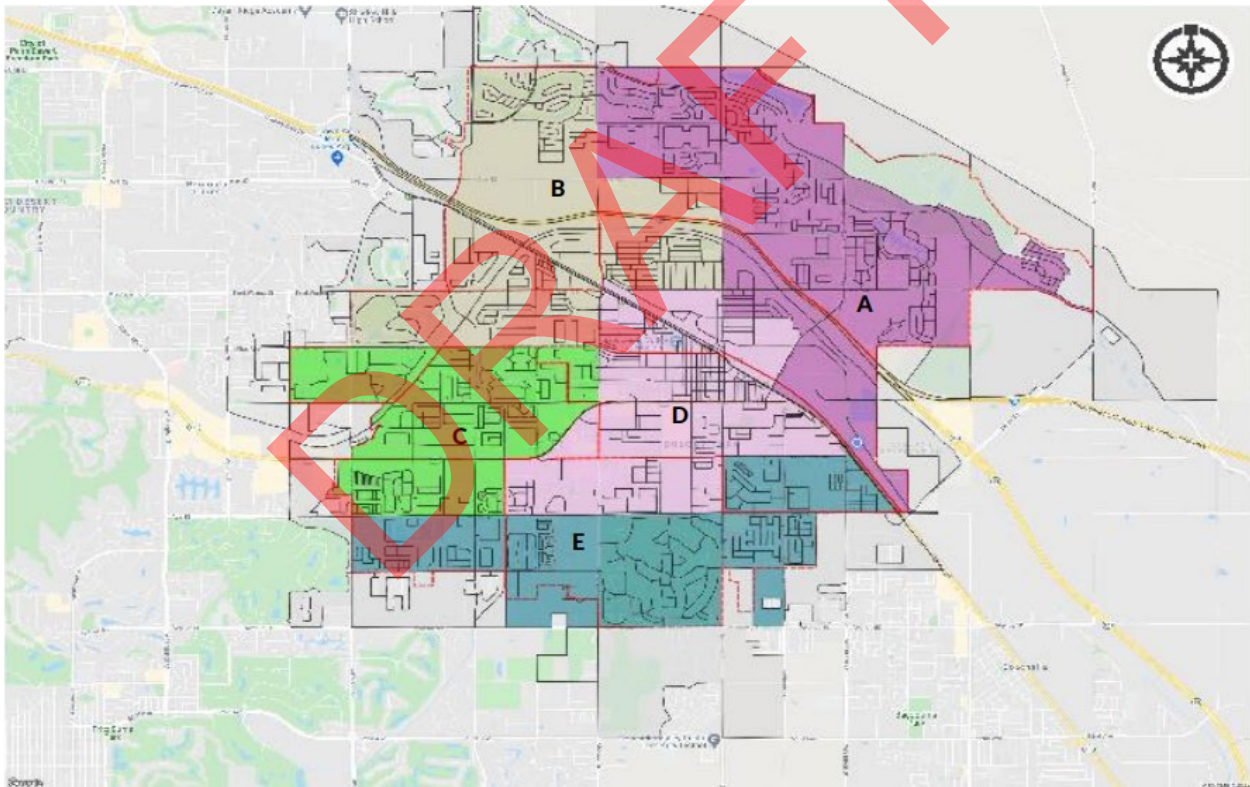
## THE VALLEY SANITARY DISTRICT BOARD OF DIRECTORS



## DESCRIPTION

Valley Sanitary District is governed by a five (5) member Board of Directors elected by ward from within the District's service area. Each Director represents a specific geographic area known as a ward. 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 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.

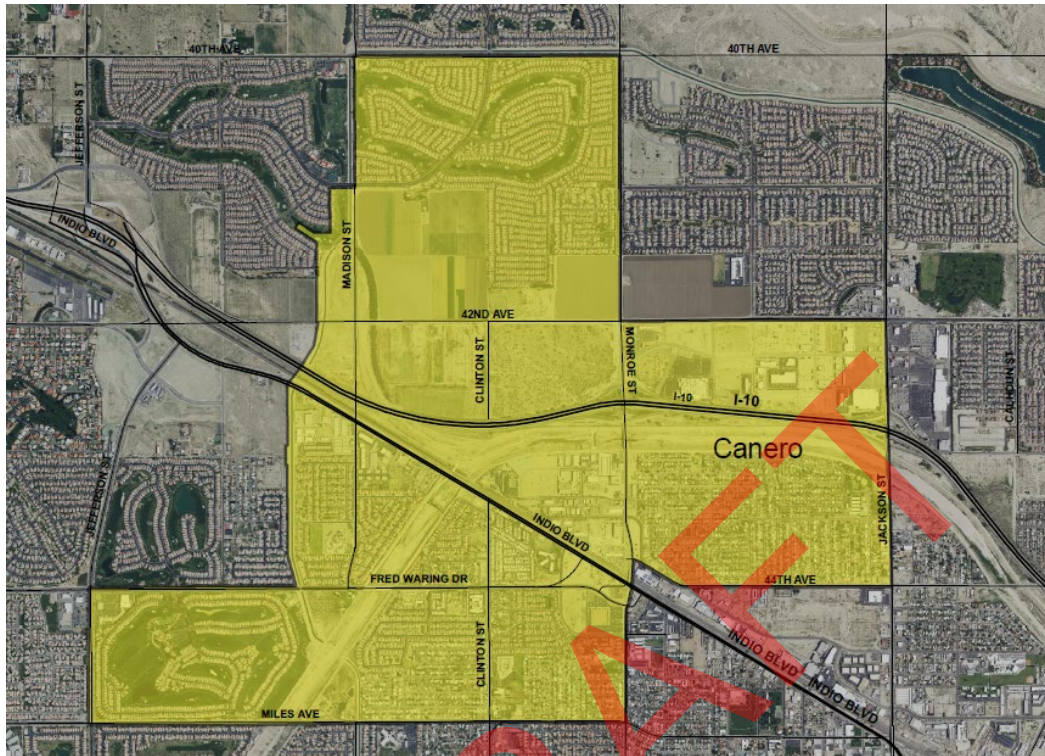
## DISTRICT DIVISIONS MAP



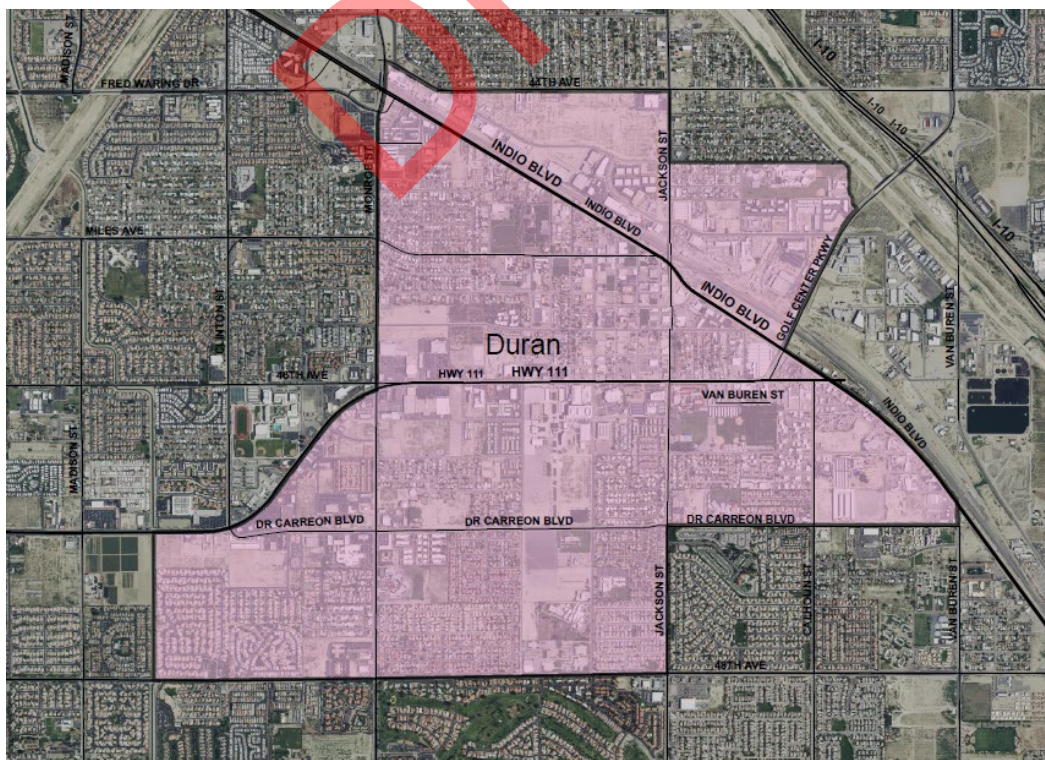


# DIVISION MAPS PER BOARD MEMBER

## Ward B – President Debra Canero

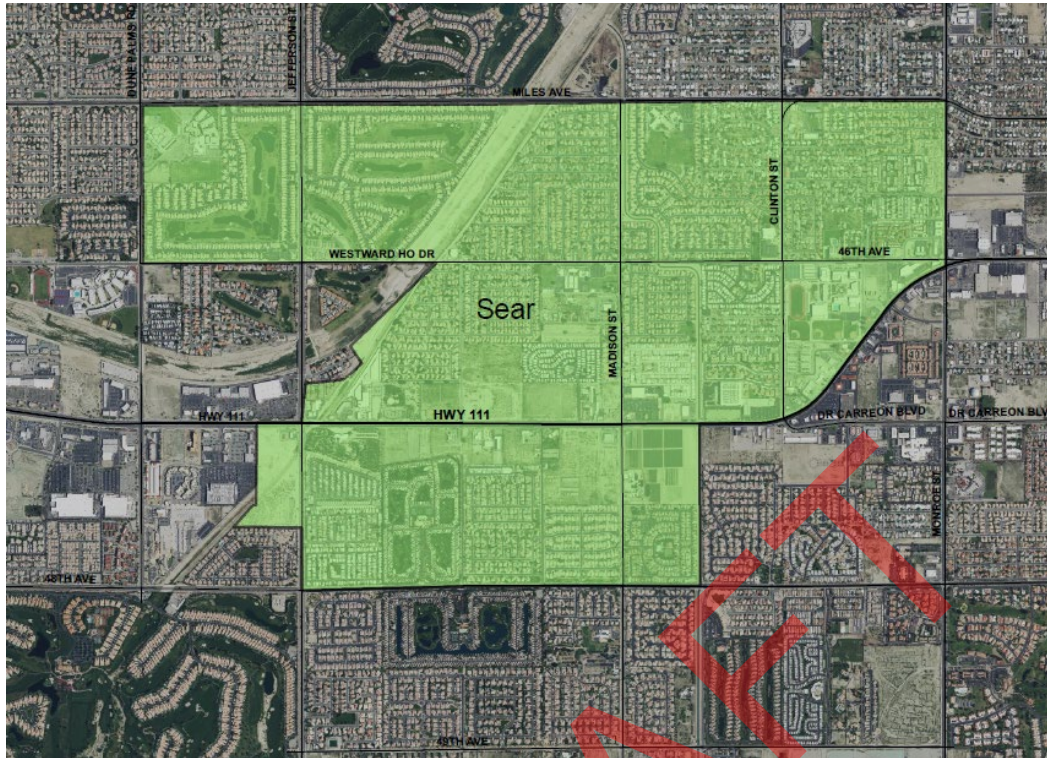


## Ward D – Vice President Mike Duran

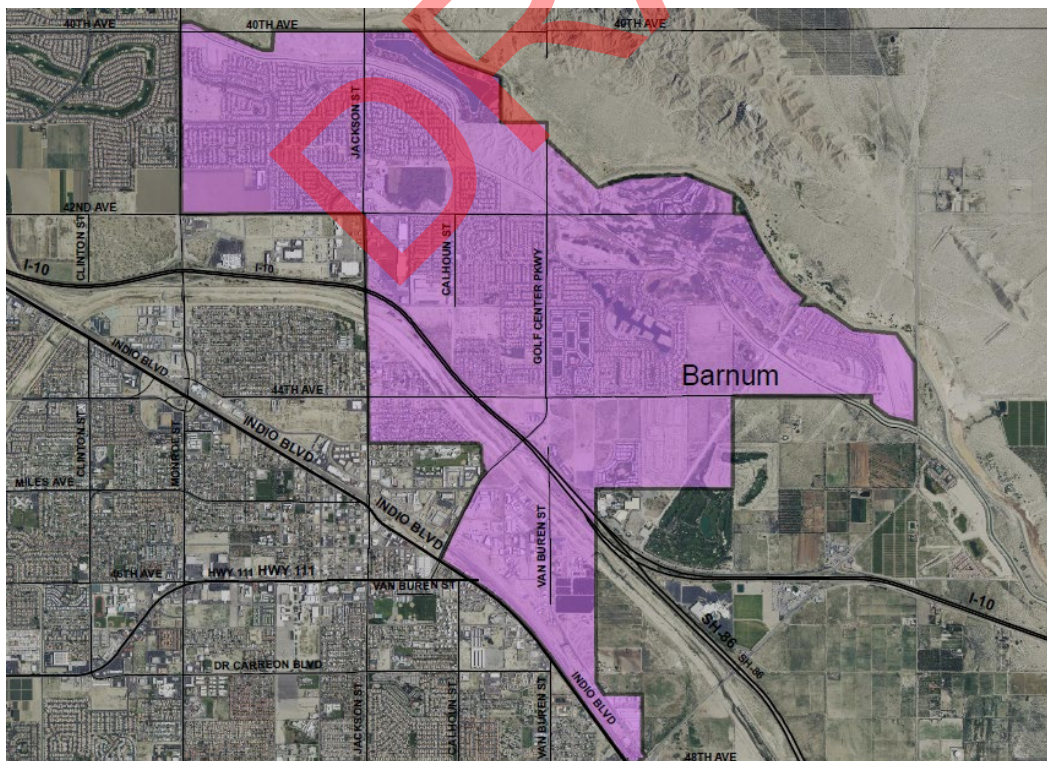




Ward C – Secretary/Treasurer Scott Sear

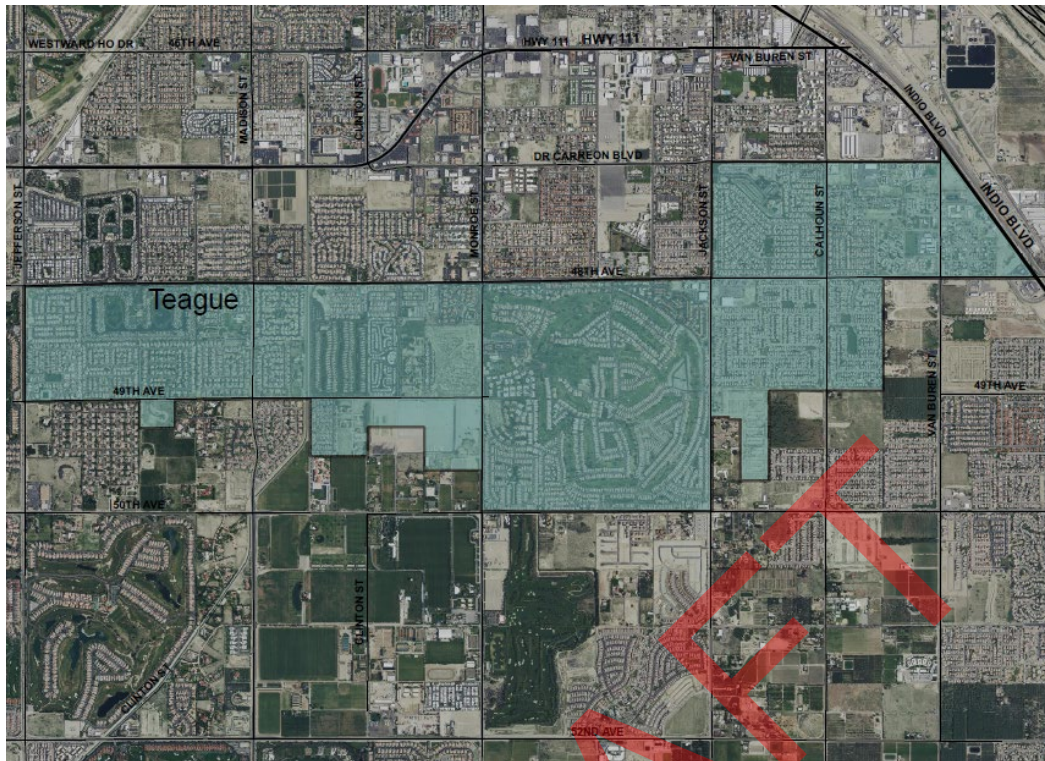


Ward A – Director Jacky Barnum





Ward E – Director Bill Teague



METRICS

MEETINGS AND RECORDS

	FY2019/20	FY 2020/21	FY 2021/22	YTD-April FY2022/23
Regular Board Meetings	21	23	22	16
Special Board Meetings	7	4	3	10
East Valley Reclamation Authority Meetings	4	4	3	2
Budget & Finance Committee Meetings	0	7	5	3
Operations Committee Meetings	0	5	6	4
Community Engagment Committee Meetings	0	0	4	4
Board/Committee Minutes Compiled	32	43	43	41
General Manager's Reports	6	12	12	10
Documents Notarized	4	5	5	10
Public Records Requests	1	3	4	11



## CONFERENCES ATTENDED

Conferences	FY 2021/22	YTD-April FY2022/23
CASA Annual Conference	X	X
CSDA Annual Conference	X	X
CASA Winter Conference	X	X
CSDA Leadership Conference	X	X
CASA DC Forum	X	X
CSDA Legislative Days		X

## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- On April 19, 2023, VSD received notice from Innovative Federal Strategies that Senators Feinstein and Padilla have submitted the District's request to the Senate Appropriations Committee for consideration in the Interior Appropriations bill.
- On April 12, 2023, conducted a tour of the plant facility with Congressman Ruiz's Director of Stakeholder Engagement to discuss infrastructure needs and active projects.

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 4: Increase Community Understanding and Support
- GOAL 5: Long-Term Financial Strength
- GOAL 6: Improve Planning, Administration, and Governance

### Goals

- Continue lobbying efforts at both the state and federal levels to obtain grant funding for the Recycled Water Project and the Biosolid Conversion Project.
- Advance public outreach to increase public awareness and engagement of Valley Sanitary District through an increase in web-based impressions.

- Continue to promote the Send Agenda feature of Peak that enables constituents to subscribe and get emailed the District’s meeting agendas once they are posted.

## PERSONNEL SUMMARY

FY24 Physical Count	Classification	FY23 Base	FY24 Base	Variance
5	Director	5.00	5.00	0.00
5	<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-5030414-4 SALARIES AND WAGES	-	57,000	\$ 94,985	\$ 66,150	\$ 113,400	\$ 18,415	19.4%
11-5116414-4 FICA AND MEDICARE	-	4,058	4,180	5,044	10,206	6,026	144.2%
11-5126414-4 HEALTH INSURANCE	-	9,615	10,900	2,940	9,060	(1,840)	(0.17)
11-5225414-3 ELECTION	-	-	70,000	-	-	(70,000)	-
11-5500414-4 CONTRACTS	-	14,500	35,000	9,375	35,000	-	0.0%
11-5552414-4 LEGAL SERVICES	-	25,326	30,000	32,076	40,000	10,000	33.3%
11-5400414-4 OFFICE SUPPLIES	-	833	2,500	894	3,000	500	20.0%
11-5950414-4 OTHER EXPENSES	-	6,624	10,000	2,534	10,000	-	-
11-5901414-4 TELEPHONE AND INTERNET	-	1,231	3,600	1,240	3,600	-	-
11-5800414-4 CONFERENCES AND MEETINGS	-	34,990	47,304	31,457	49,640	2,336	4.9%
<b>Total Expenses</b>	-	<b>154,177</b>	<b>308,469</b>	<b>151,711</b>	<b>\$ 273,906</b>	<b>\$ (34,563)</b>	<b>-11.2%</b>

## BOARD OF DIRECTOR'S BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030414-4 SALARIES AND WAGES</b>		\$ 94,985	\$ 113,400	\$ 18,415
<b>11-5116414-4 FICA AND MEDICARE</b>		4,180	10,206	6,026
<b>11-5126414-4 HEALTH INSURANCE</b>		10,900	9,060	(1,840)
<b>Subtotal</b>		<b>\$ 110,065</b>	<b>\$ 132,666</b>	<b>\$ 22,601</b>
<b>11-5225-414-4 ELECTION</b>				
A governing board member election shall be held biennially on the first Tuesday after the first Monday in November of each succeeding odd-numbered year to fill the offices of members whose terms expire on the first Friday in December next succeeding the election.		\$ 70,000	\$ -	\$ (70,000)
<b>Subtotal</b>		<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ (70,000)</b>
<b>11-5500414-4 CONTRACTS</b>				
Professional and Technical Services		\$ 35,000	\$ 35,000	\$ -
<b>Subtotal</b>		<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ -</b>
<b>11-5552414-4 LEGAL SERVICES</b>				
Costs Associated with General Legal Counsel		\$ 30,000	\$ 40,000	\$ 10,000
<b>Subtotal</b>		<b>\$ 30,000</b>	<b>\$ 40,000</b>	<b>\$ 10,000</b>
<b>11-5400414-4 OFFICE SUPPLIES</b>				
Postage, Courier, Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils, Pads, Mailing Labels, Etc.		\$ 2,500	\$ 3,000	\$ 500
<b>Subtotal</b>		<b>\$ 2,500</b>	<b>\$ 3,000</b>	<b>\$ 500</b>
<b>11-5950414-4 OTHER EXPENSES</b>				
Miscellaneous Expense Contingency Fund		\$ 10,000	\$ 10,000	\$ -
<b>Subtotal</b>		<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>

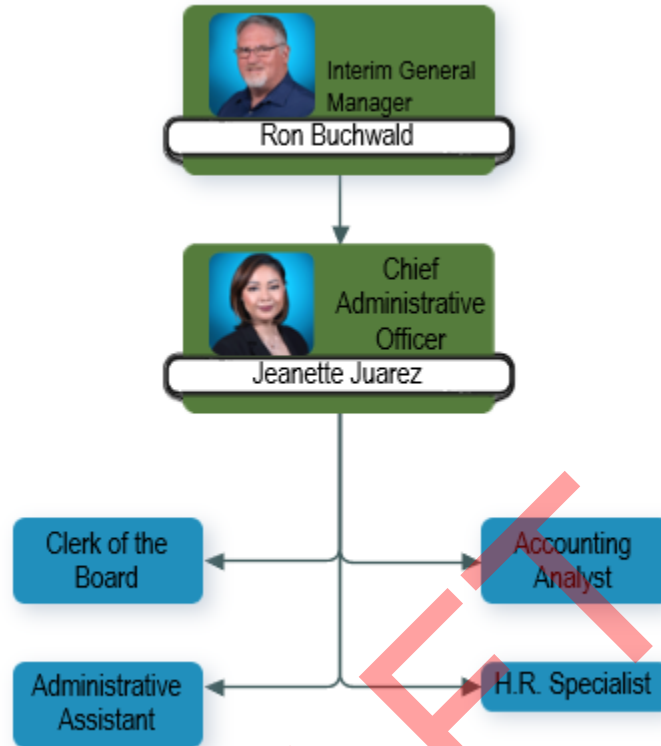
General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5901414-4 TELEPHONE AND INTERNET</b>				
	Cell Phones-4 Board Members	\$ 3,600	\$ 3,600	\$ -
	<b>Subtotal</b>	<b>\$ 3,600</b>	<b>\$ 3,600</b>	<b>\$ -</b>
<b>11-5800414-4 CONFERENCES AND MEETINGS</b>				
	Expenses Incurred for Attending the California Association of Sanitation Agencies (CASA) and or California Special Districts Association (CSDA) Conferences Held Three (3) Times a Year, Including Hotel and Travel Expenses Incurred While Attending Meetings, Conferences, and Various Educational Seminars.	\$ 47,304	\$ 49,640	\$ 2,336
	<b>Subtotal</b>	<b>\$ 47,304</b>	<b>\$ 49,640</b>	<b>\$ 2,336</b>
	<b>Total Expenses</b>	<b>\$ 308,469</b>	<b>\$ 273,906</b>	<b>\$ (34,563)</b>

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# ADMINISTRATION





## DESCRIPTION

The Administration Department includes Human Resources, Finance, Clerk of the Board as well as functional areas including Media Relations, Safety, Drug and Alcohol, and Compliance.

Human Resources manages the recruiting and hiring of qualified talent, onboarding, training, benefits administration, and maintenance of employee records. Human Resources helps employees thrive by managing programs geared toward career growth, continuing education, training and support, and championing health and wellness initiatives.

Finance is responsible for financial accounting and reporting, cash management, payroll, investment portfolio, debt financing structure, contracts, procurement, and materials management. Finance is also responsible for all financial statements, coordination of financial audits, grant management, development and maintenance of the operating and capital budget, and preparation of long and short-term financial plans.

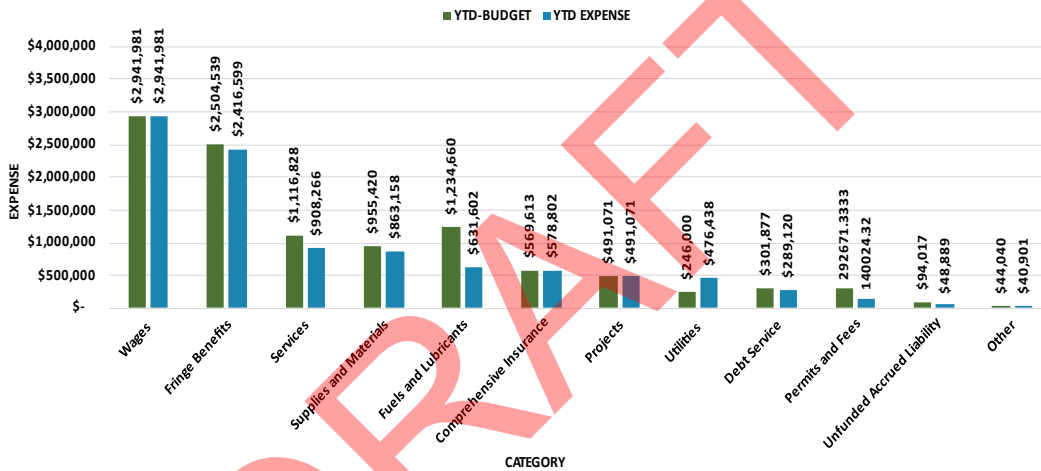
The Clerk of the Board is responsible for preparing and publishing postings, maintaining records of Board actions, processing public records requests, providing administrative support to the Board of Directors, and coordinating required legal filings.

The Administration Department provides the overall management and implementation of policies, goals, and strategic plans for the District.

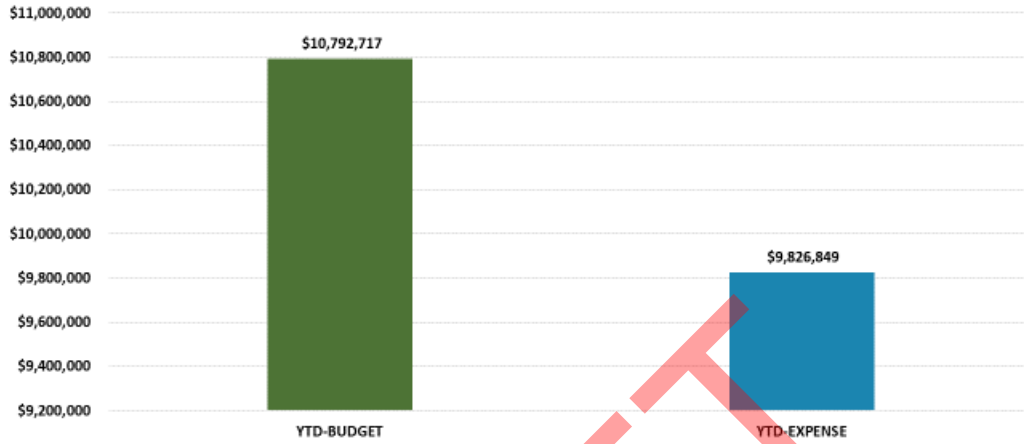
## METRICS

### FINANCE

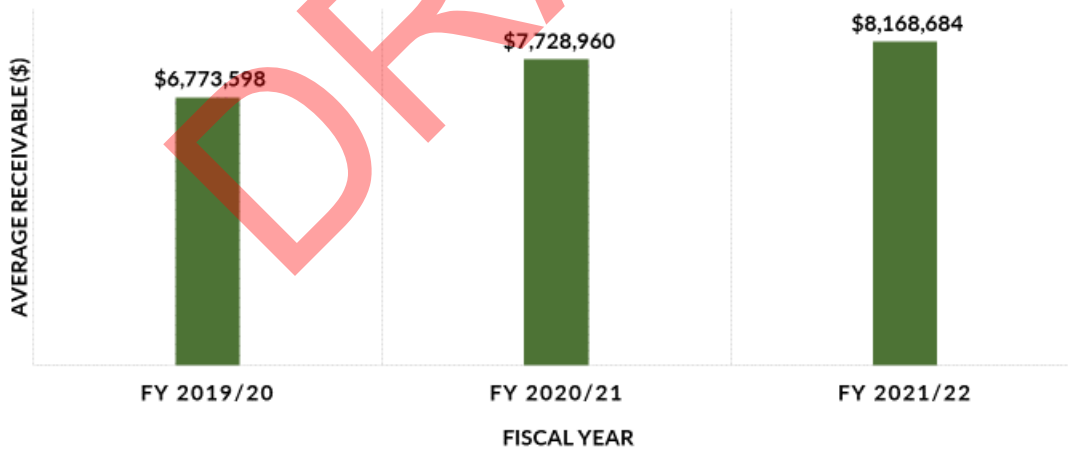
# YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE FEBRUARY 2023



## YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE FEBRUARY 2023

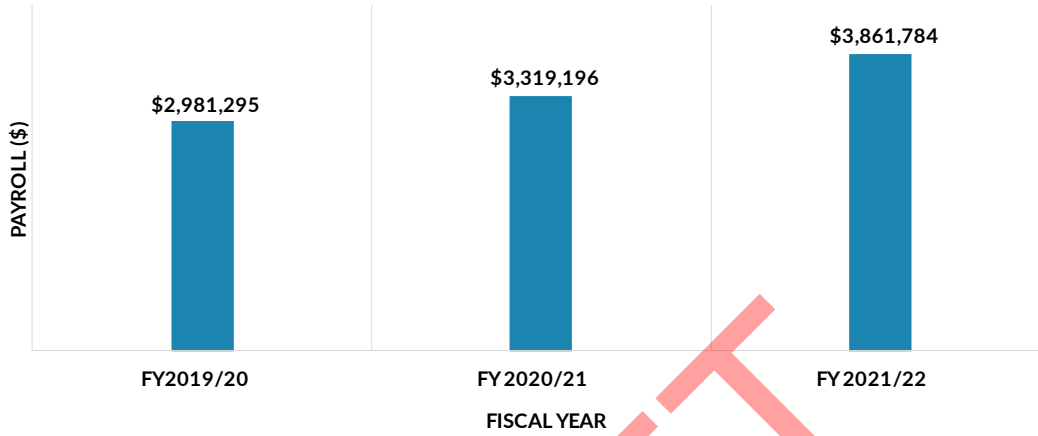


## AVERAGE ACCOUNTS RECEIVABLE

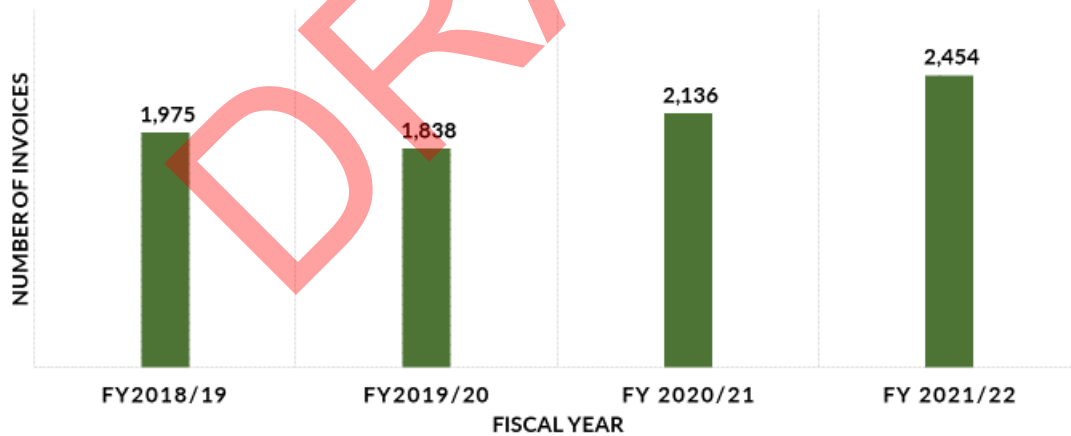




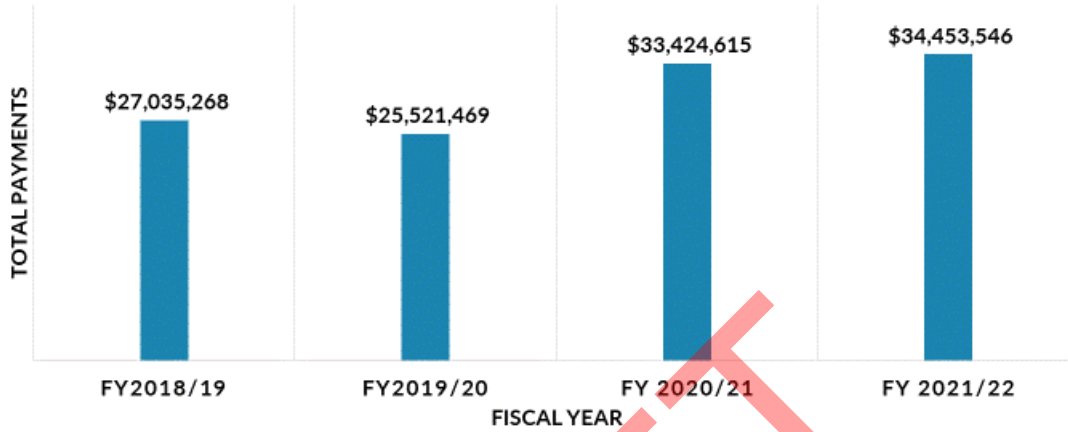
# PAYROLL



# NUMBER OF INVOICES PROCESSED



## TOTAL PAYMENTS



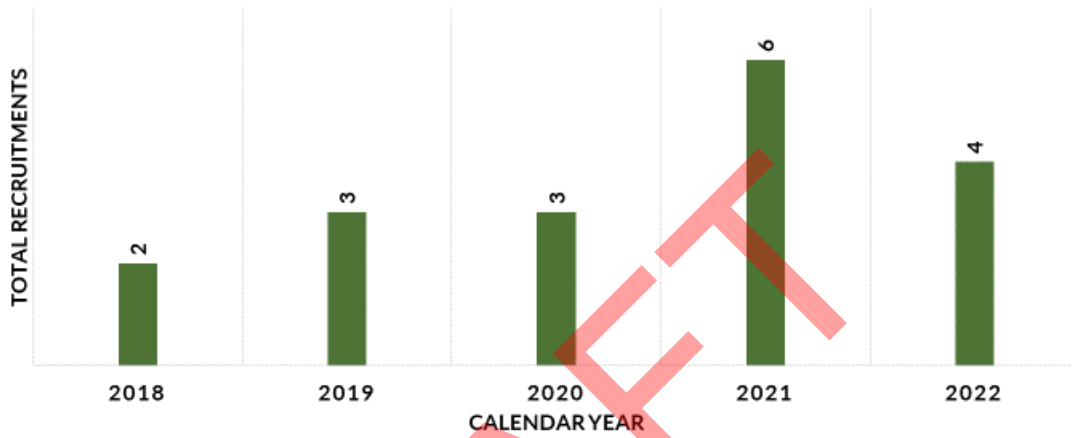
### CLERK OF THE BOARD

## MEETINGS AND RECORDS

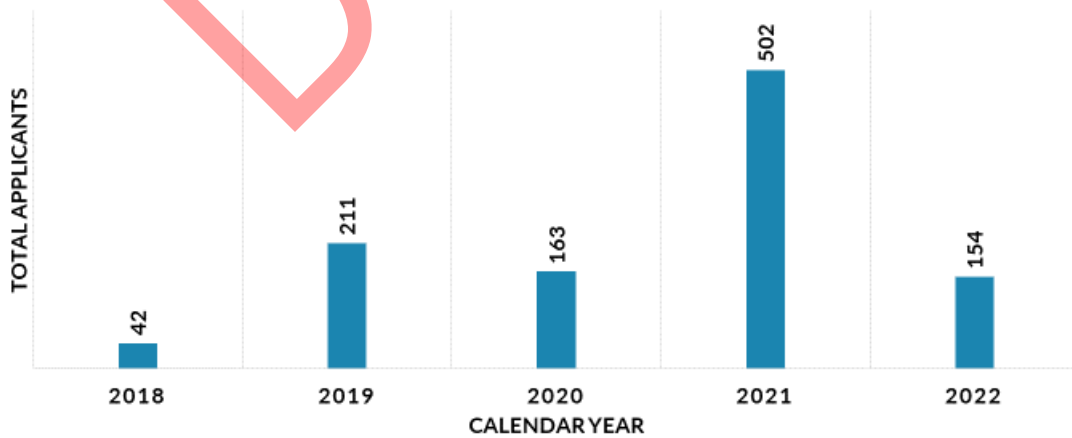
Board Items	FY20	FY21	FY22	YTD-April FY23
Regular Board Meetings	21	23	22	16
Special Board Meetings	7	4	3	10
East Valley Reclamation Authority Meetings	4	4	3	2
Budget & Finance Committee Meetings	0	7	5	3
Operations Committee Meetings	0	5	6	4
Community Engagment Committee Meetings	0	0	4	4
Board/Committee Minutes Compiled	32	43	43	41
General Manager's Reports	6	12	12	10
Documents Notarized	4	5	5	10
Public Records Requests	1	3	4	11

HUMAN RESOURCES

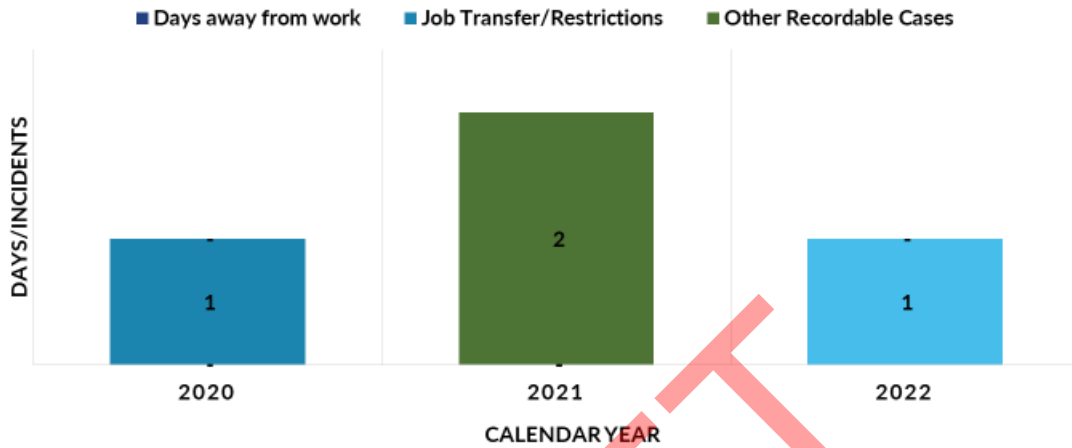
# RECRUITMENTS



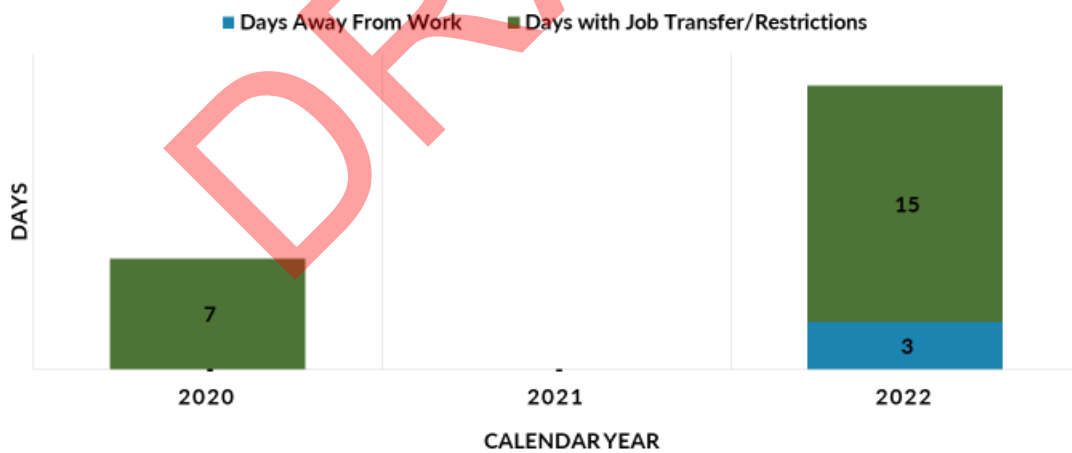
# APPLICANTS



## WORK-RELATED INJURIES NUMBER OF CASES



## WORK-RELATED INJURIES - DAYS AWAY FROM WORK



## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

### Finance

- Received Government Finance Officers Association (GFOA)'s Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2022.
- Received California Society of Municipal Finance Officers (CSMFO)'s Operating Budget Meritorious Award for the fiscal year 2021/22
- Completed an updated rate study to include major Capital Improvement Projects (CIP), including Phases 2 and 3 of the Recycled Water Project, a biosolid conversion project, and rehabilitation and replacement of the sewer main.
- Completed the implementation of a new procurement software, OpenGov.
- Successfully billed and updated direct billing reports using the new rate information per Resolution 2021-1142.
- Continued to increase and streamline the number of vendors paid electronically for faster payment.

### Clerk of the Board

- Continued publishing public information regarding COVID-19 surveillance in wastewater information on the District website.
- Revised the Election Division Boundaries to align with 2020 Census Data.
- Received the Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence.
- Completed District-wide implementation of the Peak Agenda software.

### Human Resources

- In October 2022 held an Employee Benefits Fair, with health screenings for employees.
- Joined Coachella Valley Human Resources Group.
- Migrated to online enrollment for employee benefits and coordinated benefit deductions to a semi-monthly plan.
- Update of the District's background/reference checks procedures.

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 4: Increase Community Understanding and Support
- GOAL 5: Long-Term Financial Strength

- GOAL 6: Improve Planning, Administration, and Governance

**Finance Goals**

- Complete accounting software upgrades and train staff on the procurement process and requisition entries.
- Continue training and utilization of OpenGov for all Request for Proposals (RFP), and contact management.
- Implement new elements of the Credit Card Policy to increase efficiency in the purchasing and accounts payable process.
- Conduct quarterly meetings with Chiefs and their selected staff to review the status of capital project funding to further advance the Capital Improvement Program.
- Analyze revenue streams and diversify revenue sources for the Agency. Greater emphasis on submissions for various grant funding opportunities.

**Clerk of the Board Goals**

- Continue to promote the send agenda feature of Peak that enables constituents to subscribe and get emailed the District’s meeting agendas once they are posted.

**Human Resources Goals**

- Update and consolidate Human Resources Policies
- Complete a classification study of District positions as well as a comprehensive salary survey.

**PERSONNEL SUMMARY**

FY24 Physical Count	Classification	FY23 Base FTEs	FY24 Base FTEs	Variance
1	General Manager	1.00	1.00	0.00
1	Chief Administrative Officer	1.00	1.00	0.00
1	Accounting Analyst	1.00	1.00	0.00
1	Administrative Assistant	1.00	1.00	0.00
1	Clerk of the Board	1.00	1.00	0.00
1	Human Resources Specialist	1.00	1.00	0.00
6	<b>Total FTEs</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-3650000-0 CSWRCB RESERVE FUND	\$ 553,361	\$ 553,361	\$ 553,361	\$ 553,361	\$ 553,361	\$ -	0.0%
11-9160000-0 TRANSFER TO FUND 6	467,729	465,512	889,188	889,188	888,250	(938)	-0.1%
11-5030414-3 SALARIES AND WAGES	604,533	684,035	785,662	759,747	851,769	66,107	8.4%
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATION	1,300	2,440	2,800	2,600	2,700	(100)	-3.6%
11-5110414-3 LONGEVITY	1,823	3,185	3,600	3,531	3,600	-	0.0%
11-5070414-3 OVERTIME	4,359	1,179	5,000	24	5,000	-	0.0%
11-5116414-3 FICA AND MEDICARE	44,007	42,806	71,736	47,348	77,677	5,941	8.3%
11-5112414-3 RETIREMENT CONTRIBUTIONS	291,402	65,942	82,778	77,282	99,438	16,660	20.1%
11-5118414-3 UNEMPLOYMENT PAYMENTS	(142)	-	-	-	-	-	0.0%
11-5128414-3 VISION INSURANCE	-	1,589	1,416	1,521	1,404	(12)	-0.8%
11-5122414-3 WORKERS' COMPENSATION	8,483	78,078	81,623	78,878	88,363	6,740	8.3%
11-5124414-3 LIFE INSURANCE	1,186	1,408	1,488	1,567	1,668	180	12.1%
11-5126414-3 HEALTH INSURANCE	90,323	97,148	115,435	115,860	138,636	23,201	20.1%
11-5129414-3 DENTAL INSURANCE	16,999	7,774	7,548	9,257	10,056	2,508	33.2%
11-5132414-3 LONG TERM DISABILITY	1,592	1,966	2,100	2,218	2,352	252	12.0%
11-5554414-3 ACCOUNTING SERVICES	-	78,031	77,771	63,148	81,761	3,990	5.1%
11-5300414-3 COMPREHENSIVE INSURANCE	309,876	329,747	371,193	354,802	437,563	66,370	17.9%
11-5500414-3 CONTRACTS	197,377	409,397	733,252	460,799	707,829	(25,423)	-3.5%
11-5410414-3 COUNTY EXPENSE	20,521	22,186	23,100	30,947	23,100	-	0.0%
11-5225414-3 ELECTION EXPENSE	6,470	-	-	-	-	-	0.0%
11-5552414-3 LEGAL SERVICES	294,241	37,129	40,000	26,600	45,000	5,000	12.5%
11-5555414-3 MEDICAL SERVICES	-	18,653	32,943	10,625	3,843	(29,100)	-88.3%
11-5350414-3 MEMBERSHIPS	34,957	48,168	48,148	67,520	53,153	5,005	10.4%
11-5553414-3 MISC. PROFESSIONAL SERVICES	-	75,515	109,391	81,816	138,483	29,092	26.6%
11-5400414-3 OFFICE SUPPLIES	16,427	16,697	23,500	11,543	23,500	-	0.0%
11-5450414-3 SUPPLIES	10,775	5,306	11,000	3,009	11,000	-	0.0%
11-5545414-3 OPEB HEALTH INSURANCE	-	56,493	81,719	16,782	82,119	400	0.5%
11-5950414-3 OTHER EXPENSES	32,800	8,979	10,000	32,355	20,000	10,000	100.0%
11-5420414-3 PERMITS AND FEES	2,957	325	3,000	-	3,000	-	0.0%
11-5600414-3 PUBLICATIONS	3,673	2,614	3,500	2,149	3,500	-	0.0%
11-5700414-3 REPAIRS AND MAINTENANCE	2,651	15,631	19,375	10,692	19,375	-	0.0%
11-5810414-3 TUITION REIMBURSEMENT	-	4,772	12,000	6,437	12,000	-	0.0%
11-5901414-3 TELEPHONE AND INTERNET	20,911	28,996	30,969	30,170	34,334	3,365	10.9%
11-5800414-3 CONFERENCES AND MEETINGS	25,008	40,927	97,764	25,910	97,764	-	0.0%
11-8680000-0 ADMINISTRATIVE FACILITIES	40,019	22,970	60,000	60,000	55,000	(5,000)	-8.3%
11-5150414-4 DIRECTOR FEE	48,350	-	-	-	-	-	0.0%
11-8660000-0 GENERAL PLANT FACILITIES	46,115	290,419	309,000	675,243	409,000	100,000	32.4%
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS	482,379	-	736,606	736,606	752,121	15,515	0.0%
11-9190000-0 BANK OF AMERICA LOAN	-	-	2,970,422	2,970,422	3,828,748	858,326	0.0%
<b>Total Expenses</b>	<b>\$ 3,682,462</b>	<b>\$ 3,519,377</b>	<b>\$ 8,408,388</b>	<b>\$ 8,219,955</b>	<b>\$ 9,566,467</b>	<b>\$ 1,158,079</b>	<b>13.8%</b>

## ADMINISTRATION BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030414-3 SALARIES AND WAGES</b>		\$ 785,662	\$ 851,769	\$ 66,107
<b>11-5060414-3 BONUS, AWARDS, AND RECERTIFICATION</b>		2,800	2,700	(100)
<b>11-5070414-3 OVERTIME</b>		5,000	5,000	-
<b>11-0000414-3 TOTAL FRINGE BENEFITS</b>		286,101	334,831	48,730
<b>Subtotal</b>		<b>\$ 1,079,563</b>	<b>\$ 1,194,300</b>	<b>\$ 114,737</b>
<b>11-3650000-0 CSWRCB RESERVE FUND</b>				
Principal and Interest Payment for State Revolving Fund (SRF)		\$ 553,361	\$ 553,361	\$ -
<b>Subtotal</b>		<b>\$ 553,361</b>	<b>\$ 553,361</b>	<b>\$ -</b>
<b>11-9160000-0 TRANSFER TO FUND 6</b>				
Principal and Interest Payment for Revenue Refunding Bonds, 2015		\$ 886,688	\$ 885,750	\$ (938)
Annual Administrative Expenses for Revenue Refunding Bonds, 2015		2,500	2,500	-
<b>Subtotal</b>		<b>\$ 889,188</b>	<b>\$ 888,250</b>	<b>\$ (938)</b>
<b>10-2650000-0 BANK OF AMERICA LOAN</b>				
Principal and Interest Payment for Recycled Water Project Phase 1		\$ 2,970,422	\$ 3,828,748	\$ 858,326
<b>Subtotal</b>		<b>\$ 2,970,422</b>	<b>\$ 3,828,748</b>	<b>\$ 858,326</b>
<b>11-5122414-3 WORKERS' COMPENSATION</b>				
Workers Compensation Insurance Premium		\$ 81,623	\$ 88,363	\$ 6,740
<b>Subtotal</b>		<b>\$ 81,623</b>	<b>\$ 88,363</b>	<b>\$ 6,740</b>
<b>11-5554414-3 ACCOUNTING SERVICES</b>				
Annual Audit		\$ 31,105	\$ 31,610	\$ 505
Annual Sewer Service Charge Administration Services (NBS)		18,000	19,800	1,800
Annual Software Support (Blackbaud)		17,502	18,521	1,019
Payroll Processing		5,444	6,000	556
Timekeeping System (CTE)		3,600	3,710	110
Annual Report Submittal To GFOA/CSMFO		1,120	1,120	-
Budget Report Submittal To GFOA/CSMFO		1,000	1,000	-
<b>Subtotal</b>		<b>\$ 77,771</b>	<b>\$ 81,761</b>	<b>\$ 3,990</b>



General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5300414-3 COMPREHENSIVE INSURANCE</b>				
	Earthquake Insurance	\$ 202,902	\$ 215,000	\$ 12,098
	Umbrella Business Insurance (e.g., Liability, Auto, and General)	133,798	186,000	52,202
	Environmental Pollution	23,993	25,433	1,440
	Cyber Insurance	10,500	11,130	630
	<b>Subtotal</b>	<b>\$ 371,193</b>	<b>\$ 437,563</b>	<b>\$ 66,370</b>
<b>11-5500414-3 CONTRACTS</b>				
	Plant Security (Superior Protection Consultants)	\$ 134,004	\$ 147,404	\$ 13,400
	Public Relations (e.g., Outreach, Social Media, and Advertising)	117,416	117,416	-
	Federal Advocacy	85,000	90,000	5,000
	State Advocacy	86,071	90,000	3,929
	Grant Assistance	80,000	80,000	-
	Computer Maintenance (Southwest Networks)	41,196	42,987	1,791
	Other IT Support	36,256	36,256	-
	Coachella Valley History Museum	30,000	30,000	-
	Outreach Newsletter	23,392	24,000	608
	General Consulting for Human Resource Training and Development, Benefits, and Legal Compliance	22,278	22,278	-
	Temporary Help Services	9,108	10,000	892
	Services Related to the Shadow Hills and Indio Terrace Assessment Districts (Willdan)	8,911	10,000	1,089
	CalPERS Actuarial Study for GASB 68 Requirements	2,216	2,500	284
	Section 125 Plan	1,604	1,604	-
	CalPERS Health Plan Annual Fee	1,247	1,247	-
	Paper Shredding (Desert Arc)	891	891	-
	Postage Meter Lease (Pitney Bowes)	623	623	-
	CalPERS 218 Fee (Social Security Agreement)	623	623	-
	Sewer Rate and Capacity Fee Study (NBS)	44,557	-	(44,557)
	Backup/Disaster Recovery Storage (Southwest Networks)	7,859	-	(7,859)
	<b>Subtotal</b>	<b>\$ 733,252</b>	<b>\$ 707,829</b>	<b>\$ (25,423)</b>
<b>11-5410414-3 COUNTY EXPENSE</b>				
	County Auditor Fees Special Assessments to the Tax Roll	\$ 11,550	\$ 11,550	\$ -
	County Treasurer Fees for Collection of Special Assessments	\$ 11,550	\$ 11,550	\$ -
	<b>Subtotal</b>	<b>\$ 23,100</b>	<b>\$ 23,100</b>	<b>\$ -</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5552414-3 LEGAL SERVICES</b>				
	Costs Associated with General Legal Counsel	\$ 40,000	\$ 45,000	\$ 5,000
	<b>Subtotal</b>	<b>\$ 40,000</b>	<b>\$ 45,000</b>	<b>\$ 5,000</b>
<b>11-5555414-3 MEDICAL SERVICES</b>				
	Medical Exams-DMV & Pre-Employment	\$ 1,243	\$ 1,243	\$ -
	Background Checks	1,000	1,200	200
	First Aid Medical	700	700	-
	Drug/Alcohol Testing Five (5) Employees	500	700	200
	Wellness Program	\$ 29,500	\$ -	\$ (29,500)
	<b>Subtotal</b>	<b>\$ 32,943</b>	<b>\$ 3,843</b>	<b>\$ (29,100)</b>
<b>11-5350414-3 MEMBERSHIPS</b>				
	California Association of Sanitation Agencies (CASA)	\$ 14,000	\$ 18,000	\$ 4,000
	California Special Districts Association (CSDA)	7,805	8,810	1,005
	National Association Clean Water Agency (NACWA)	7,680	7,680	-
	Liebert Cassidy Whitmore (LCW)	5,625	5,625	-
	Southern California Allowance of Publicly Owned Treatment Works (SCAP)	5,100	5,100	-
	WateReuse Membership	3,418	3,418	-
	California Society of Municipal Finance Officers (CSMFO)	800	800	-
	Greater Coachella Valley Chamber of Commerce	760	760	-
	California Public Employer Labor Relations Association (CalPERLA)	740	740	-
	Government Finance Officers Association (GFOA)	480	480	-
	American Water Works Association (AWWA)	300	300	-
	California Clerk of The Board of Supervisors Association (CCBSA)	300	300	-
	California Association of Public Procurement Officials (CAPPO)	225	225	-
	Society for Human Resource Management (SHRM)	219	219	-
	California Water Environment Association (CWEA)	200	200	-
	International Public Management Association for Human Resources (IPMA-HR)	156	156	-
	Professionals In Human Resources Association (PIHRA)	150	150	-
	Palm Springs Desert Sun Subscription	100	100	-
	Municipal Management Association of Southern California (MMASC)	90	90	-
	<b>Subtotal</b>	<b>\$ 48,148</b>	<b>\$ 53,153</b>	<b>\$ 5,005</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5553414-3 MISC. PROFESSIONAL SERVICES</b>				
	Computer Consulting	\$ 70,000	\$ 70,000	\$ -
	OpenGov Procurement	-	15,588	\$ 15,588
	Government Job Listing Service (NeoGov)	8,139	9,770	1,631
	Website Annual Service (CivicPlus)	2,199	7,250	5,051
	AP Automation Software		7,200	7,200
	Office 365 Annual Billing	5,670	5,670	-
	CART Captioning Services for Board Meeting Live Stream	4,800	4,800	-
	Peak Agenda Management (Granicus)	4,305	4,521	216
	Civic Plus	3,500	3,500	-
	Body Temperature Scanner (Turing Video)	3,234	3,234	-
	Board Meeting Software	3,150	3,150	-
	Video Conferencing	3,000	3,000	-
	e skill	450	450	-
	Canva Pro	200	200	-
	Grammarly PRO	144	150	6
	Flipping Book	600	-	(600)
	<b>Subtotal</b>	<b>\$ 109,391</b>	<b>\$ 138,483</b>	<b>\$ 29,092</b>
<b>11-5400414-3 OFFICE SUPPLIES</b>				
	General Office Supplies (e.g., Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils)	\$ 17,500	\$ 17,500	\$ -
	Printed Employee Handbook	2,000	2,000	-
	Printed Budget Book	2,000	2,000	-
	Postage	2,000	2,000	-
	<b>Subtotal</b>	<b>\$ 23,500</b>	<b>\$ 23,500</b>	<b>\$ -</b>
<b>11-5450414-3 SUPPLIES</b>				
	Office Software Upgrades	\$ 7,000	\$ 7,000	\$ -
	Computer Supplies-Printer Cartridges and Toner	4,000	4,000	-
	<b>Subtotal</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>	<b>\$ -</b>
<b>11-5545414-3 OPEB HEALTH INSURANCE</b>				
	OPEB Annual Required Contribution (ARC)	\$ 68,000	\$ 68,000	\$ -
	CalPERS OPEB Health Insurance fees	10,119	10,119	-
	Biennial OPEB Actuarial Study (Due in 2023/2024)	3,600	4,000	400
	<b>Subtotal</b>	<b>\$ 81,719</b>	<b>\$ 82,119</b>	<b>\$ 400</b>
<b>11-5950414-3 OTHER EXPENSES</b>				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 20,000	\$ 10,000
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 20,000</b>	<b>\$ 10,000</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS</b>				
	Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date.	\$ 736,606	\$ 752,121	\$ 15,515
	<b>Subtotal</b>	<b>\$ 736,606</b>	<b>\$ 752,121</b>	<b>\$ 15,515</b>
<b>11-5420414-3 PERMITS AND FEES</b>				
	The Cortese Knox-Hertzberg Local Government Reorganization Act Of 2000 States that Special Districts are Responsible for Paying One-Third of the Cost of LAFCO.	\$ 3,000	\$ 3,000	\$ -
	<b>Subtotal</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ -</b>
<b>11-5600414-3 PUBLICATIONS</b>				
	Costs For Publication of Official Notices and Bid Requests in Online Platforms	\$ 3,500	\$ 3,500	\$ -
	<b>Subtotal</b>	<b>\$ 3,500</b>	<b>\$ 3,500</b>	<b>\$ -</b>
<b>11-5700414-3 REPAIRS AND MAINTENANCE</b>				
	Replacement Computers	\$ 12,000	\$ 12,000	\$ -
	Copier II Lease & Maintenance	3,875	3,875	-
	Innovative Document Solutions - Monthly Maintenance Costs For Copier	2,000	2,000	-
	Miscellaneous	1,500	1,500	-
	<b>Subtotal</b>	<b>\$ 19,375</b>	<b>\$ 19,375</b>	<b>\$ -</b>
<b>11-5810414-3 TUITION REIMBURSEMENT</b>				
	Tuition Assistance Program	\$ 12,000	\$ 12,000	\$ -
	<b>Subtotal</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ -</b>
<b>11-5901414-3 TELEPHONE AND INTERNET</b>				
	VOIP Main Telephone System (Spectrum)	\$ 14,000	\$ 14,000	\$ -
	Cell Phones Employee (Verizon Wireless)	13,314	13,950	636
	Fire Control Alarms (Frontier)	3,655	3,884	229
	EPIC IPO (Scada Wireless)	-	2,500	2,500
	<b>Subtotal</b>	<b>\$ 30,969</b>	<b>\$ 34,334</b>	<b>\$ 3,365</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5800414-3 CONFERENCES AND MEETINGS</b>				
	Leadership Academy	\$ 25,000	\$ 25,000	\$ -
	ARC Flash Training (Electrical Safety)	25,000	25,000	-
	Costs Associated with Employee Travel and Training	14,302	14,302	-
	Harassment Training	5,000	5,000	-
	Confined Space & Temporary Traffic Control	5,000	5,000	-
	DFK Solutions Group	4,740	4,740	-
	Association of California Water Agencies (ACWA)	4,709	4,709	-
	California Association of Sanitation Agencies (CASA)	4,709	4,709	-
	Government Finance Officers Association (GFOA) Conference	2,500	2,500	-
	CPR Training	2,500	2,500	-
	CalPERLA	2,130	2,130	-
	Government Finance Officers Association (GFOA)	575	575	-
	Fire Extinguisher Training	500	500	-
	Procurement Uniform Guidance Training	500	500	-
	California Society of Municipal Finance Offices (CSMFO)	400	400	-
	Pryor Learning	199	199	-
	<b>Subtotal</b>	<b>\$ 97,764</b>	<b>\$ 97,764</b>	<b>\$ -</b>
<b>11-8680000-0 ADMINISTRATIVE FACILITIES</b>				
	New Time Keeping System	\$ 30,000	\$ 30,000	\$ -
	SCADA Server Replacement (2)	-	25,000	25,000
	Procurement Software	30,000	-	(30,000)
	<b>Subtotal</b>	<b>\$ 60,000</b>	<b>\$ 55,000</b>	<b>\$ (5,000)</b>
<b>11-8660000-0 GENERAL PLANT FACILITIES</b>				
	Water Reuse Project (EVRA JPA)	\$ 200,000	\$ 300,000	\$ 100,000
	Coachella Valley Integrated Regional Water Management Plan (IRWMP)	50,000	50,000	-
	Salt and Nutrient Management Plan (SNMP)	50,000	50,000	-
	Phase 1 Gap Monitoring Well Plan	9,000	9,000	-
	Telemetric for District Vehicles	-	-	-
	District Building Alarm System Replacement	-	-	-
	<b>Subtotal</b>	<b>\$ 309,000</b>	<b>\$ 409,000</b>	<b>\$ 100,000</b>
	<b>Total Expense</b>	<b>\$ 8,408,388</b>	<b>\$ 9,566,467</b>	<b>\$ 1,158,079</b>



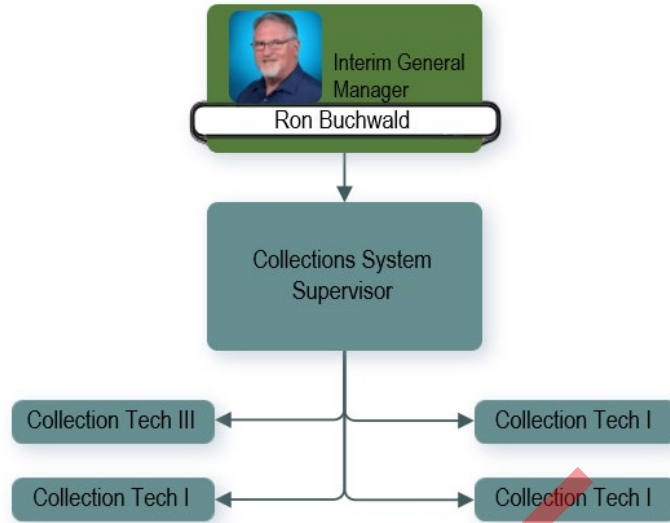


Wastewater Facility Recycled Water Project Sewer Piping



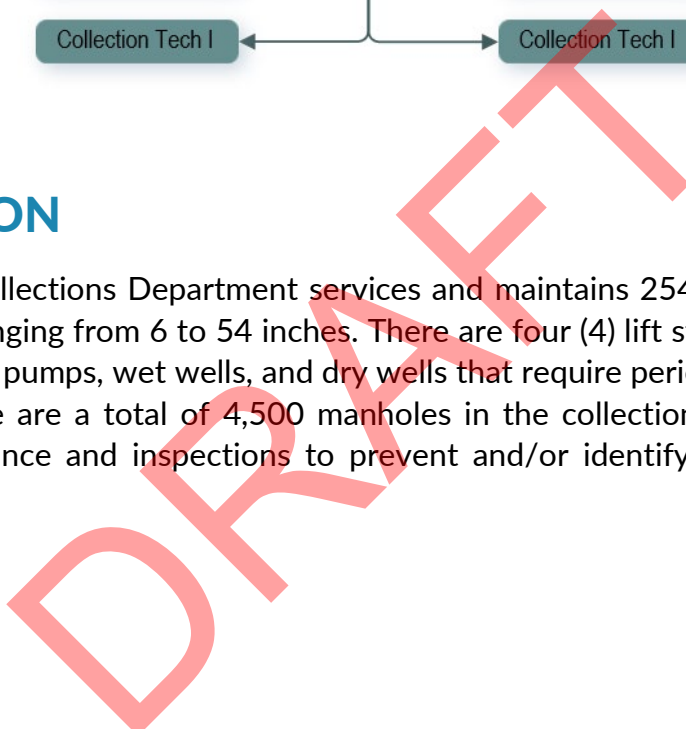
# SANITATION COLLECTIONS





## DESCRIPTION

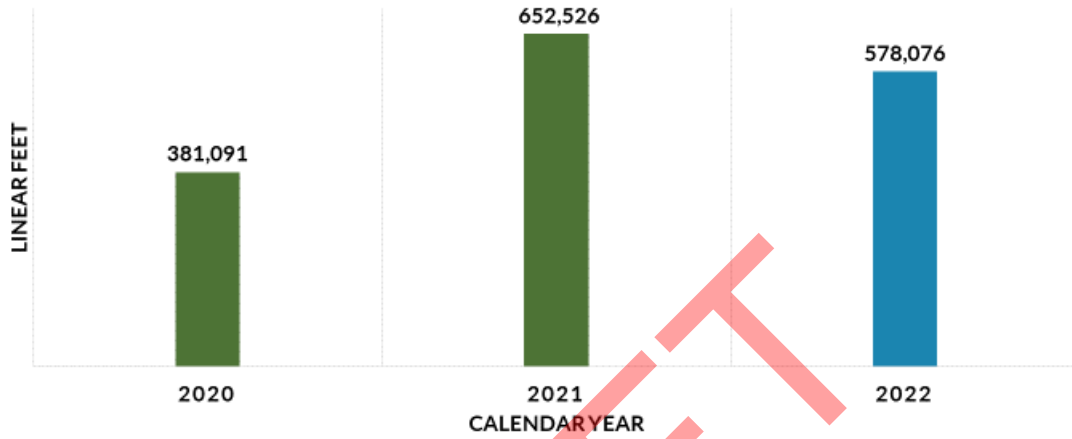
The Sanitation Collections Department services and maintains 254 miles of sewer main with pipe sizes ranging from 6 to 54 inches. There are four (4) lift stations that consist of a total of eight (8) pumps, wet wells, and dry wells that require periodic maintenance and inspection. There are a total of 4,500 manholes in the collection system that require periodic maintenance and inspections to prevent and/or identify deterioration of the structures.



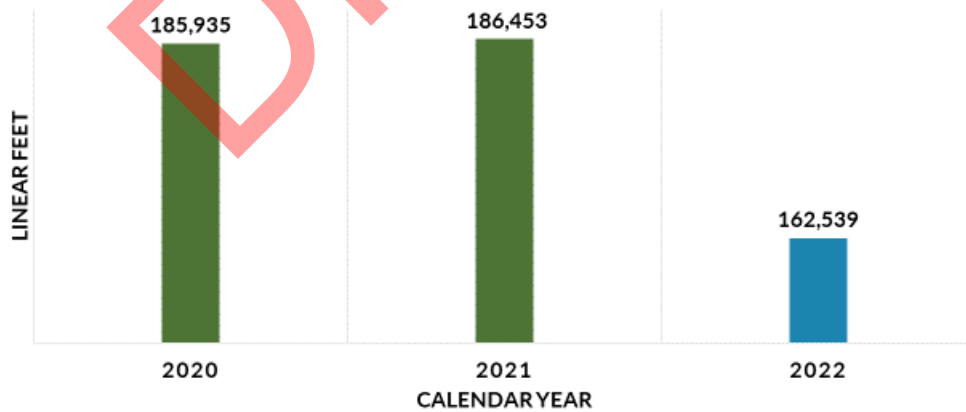


## METRICS

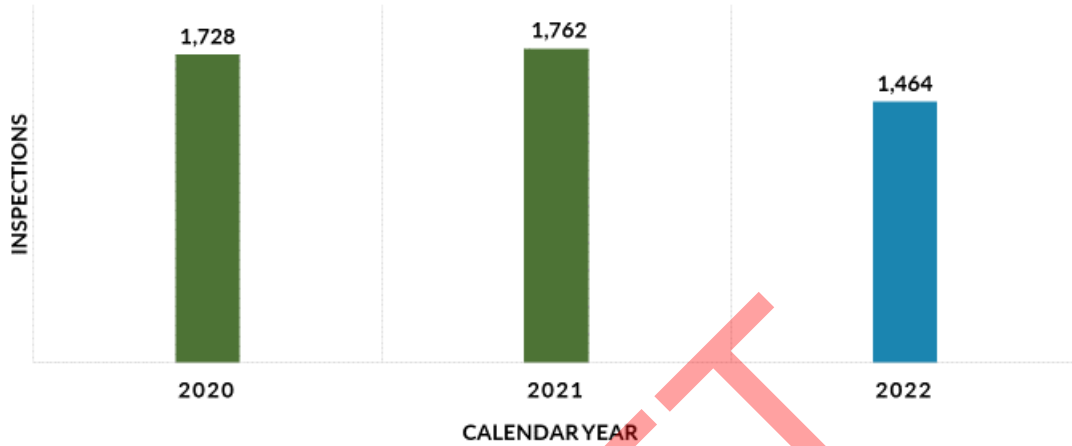
### VACTOR/ JETTING OF LINES



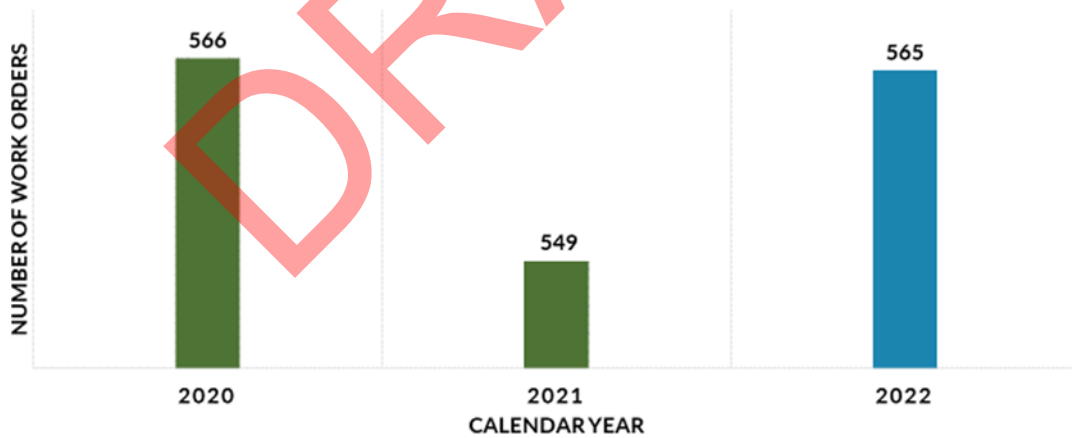
### PIPE ASSESSMENT INSPECTION



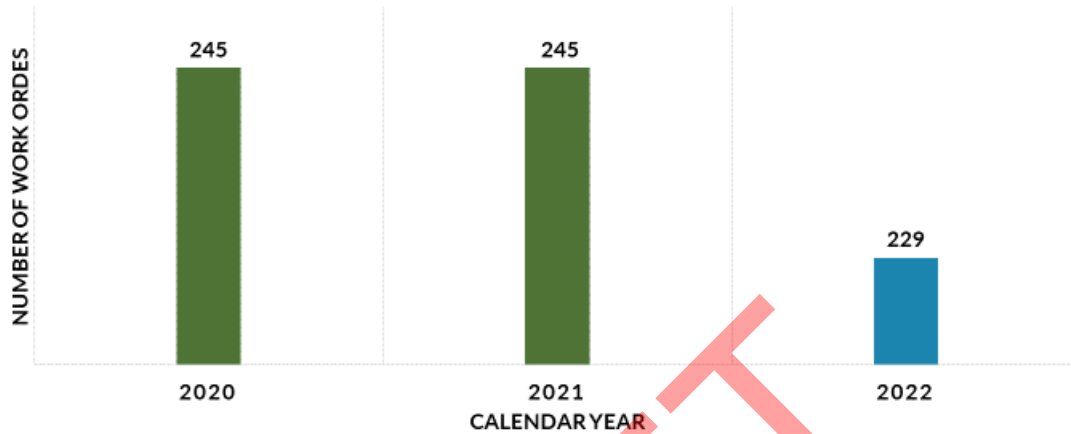
## MANHOLES INSPECTED



## UNDERGROUND SERVICE ALERT MARKINGS



## LIFT STATION MAINTENANCE



## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- Completed the collection system annual pipeline assessment inspection benchmark.
- Assisted with the design and planning of the collections system rehabilitation program.
- Completed an assessment of all lift stations that provided the development of a recommended rehabilitation program.
- Attended workshops for upcoming revisions and adoption of new statewide general waste discharge requirements.
- Team members accomplished acquiring in-vocation certifications.

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 3: Excellent Facilities
- GOAL 6: Improve Planning, Administration, and Governance

**Goals**

- Meet or exceed annual sewer main cleaning production of 130 miles per year.
- Meet the 2-year benchmark for cleaning the entire sewer system.
- Meet or exceed annual CCTV production of 30 miles per year.
- Meet the 10-year benchmark of inspecting the entire system.
- Meet and exceed the requirements of the statewide general Waste Discharge Requirements (WDR), Sewer System Management Plan (SSMP) to prevent Sanitary Sewer Overflows (SSO).
- Update the Sewer System Management Plan (SSMP) as required by the newly adopted Statewide general WDR.
- Assist in the design and planning of the collection system rehabilitation program. A 10-year project focusing on lift stations, manholes, and sewer main infrastructure.
- Continue to develop staff through training and professional development.

**PERSONNEL SUMMARY**

FY24 Physical Count	Classification	FY23 Base FTEs	FY24 Base FTEs	Variance
1	Collection System Supervisor	1.00	1.00	0.00
3	Collection System Technician I	2.00	3.00	1.00
0	Collection System Technician II	2.00	0.00	(2.00)
1	Collection System Technician III	0.00	1.00	1.00
5	<b>Total FTEs</b>	<b>5.00</b>	<b>5.00</b>	<b>(1.00)</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-5030410-1 SALARIES AND WAGES	368,024	329,082	382,518	361,758	410,150	27,632	7.2%
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATION	-	1,111	1,250	800	1,250	-	0.0%
11-5080410-1 CALLOUT	2,950	3,232	5,000	5,468	6,000	1,000	20.0%
11-5110410-1 LONGEVITY	2,308	3,969	5,200	4,708	4,800	(400)	-7.7%
11-5070410-1 OVERTIME	697	509	1,600	326	1,600	-	-
11-5090410-1 STANDBY PAY	18,794	30,885	41,216	40,605	44,892	3,676	8.9%
11-5116410-1 FICA AND MEDICARE	13,886	28,306	39,311	32,574	42,093	2,782	7.1%
11-5112410-1 RETIREMENT CONTRIBUTIONS	493,724	29,278	40,900	32,159	47,818	6,918	16.9%
11-5128410-1 VISION INSURANCE	-	1,153	1,392	1,181	1,344	(48)	-3.4%
11-5122410-1 WORKERS' COMPENSATION	8,723	-	-	-	-	-	-
11-5124410-1 LIFE INSURANCE	785	787	912	808	984	72	7.9%
11-5126410-1 HEALTH INSURANCE	84,940	86,735	110,153	99,196	114,732	4,579	4.2%
11-5129410-1 DENTAL INSURANCE	7,082	6,636	8,448	7,043	9,048	600	7.1%
11-5132410-1 LONG TERM DISABILITY	1,108	1,067	1,248	1,157	1,392	144	11.5%
11-5801410-1 CERTIFICATIONS	2,716	3,707	5,120	2,460	5,120	-	0.0%
11-5500410-1 CONTRACTS	74,767	80,337	112,583	8,366	115,220	2,637	2.3%
11-5350410-1 MEMBERSHIPS	1,647	1,483	2,050	1,492	2,050	-	0.0%
11-5450410-1 SUPPLIES	5,400	3,688	5,000	6,109	5,000	-	-
11-5950410-1 OTHER EXPENSES	3,129	-	10,000	-	10,000	-	-
11-5420410-1 PERMITS AND FEES	16,998	18,975	23,600	21,757	24,200	600	2.5%
11-5700410-1 REPAIRS AND MAINTENANCE	51,484	137,947	154,500	89,297	159,000	4,500	2.9%
11-5720410-1 TOOLS AND EQUIPMENT	292	1,619	2,000	1,089	2,000	-	-
11-5152410-1 UNIFORM SERVICES	6,798	5,126	5,700	4,146	5,700	-	0.0%
11-5902410-1 ELECTRICITY	4,429	5,264	6,000	7,050	9,000	3,000	50.0%
11-5905410-1 WATER	5,849	6,776	7,500	7,129	8,000	500	6.7%
11-5800410-1 CONFERENCES AND MEETINGS	7,327	3,815	10,000	3,924	10,000	-	-
<b>Total Expenses</b>	<b>\$ 1,183,857</b>	<b>\$ 791,488</b>	<b>\$ 983,201</b>	<b>\$ 740,602</b>	<b>\$ 1,041,393</b>	<b>\$ 58,192</b>	<b>5.9%</b>

## SANITATION COLLECTIONS BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030410-1 SALARIES AND WAGES</b>		\$ 382,518	\$ 410,150	\$ 27,632
<b>11-5060410-1 BONUS, AWARDS, AND RECERTIFICATION</b>		1,250	1,250	-
<b>11-5080410-1 CALLOUT</b>		5,000	6,000	1,000
<b>11-5070410-1 OVERTIME</b>		1,600	1,600	-
<b>11-5090410-1 STANDBY PAY</b>		41,216	44,892	3,676
<b>11-0000410-1 TOTAL FRINGE BENEFITS</b>		207,564	222,211	14,647
<b>Subtotal</b>		<b>\$ 639,148</b>	<b>\$ 686,103</b>	<b>\$ 46,955</b>
<b>11-5801410-1 CERTIFICATIONS</b>				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	\$ 3,000	\$ 3,000	\$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	1,400	1,400	-
	CWEA Technical Certification Programs Collection System Technician I and III (5)	600	600	-
	CWEA Technical Certification Programs Collection System Supervisor	120	120	-
<b>Subtotal</b>		<b>\$ 5,120</b>	<b>\$ 5,120</b>	<b>\$ -</b>
<b>11-5500410-1 CONTRACTS</b>				
	Roach Control Program (Golden Bell)	\$ 51,300	\$ 53,320	\$ 2,020
	Emergency Contingency Service (Rain for Rent)	16,383	16,500	117
	Root Control Program (Duke's Root Control)	15,000	15,000	-
	Emergency Response Consultant	10,000	10,000	-
	ERICA Radio Member Fee (City of Indio)	6,000	6,000	-
	Dig Alerts and Board Fees (Underground Dig Alert)	4,000	4,000	-
	Annual Monitoring Fee/Pump Stations (2 yr Service Discount Rate)	3,500	3,500	-
	Software Support Fee (Pipelogix)	3,000	3,000	-
	After Hours Answering Service (Around the Clock)	2,000	2,500	500
	Miscellaneous Contractual Services	1,000	1,000	-
	Wireless Beepers (SPOK)	400	400	-
<b>Subtotal</b>		<b>\$ 112,583</b>	<b>\$ 115,220</b>	<b>\$ 2,637</b>

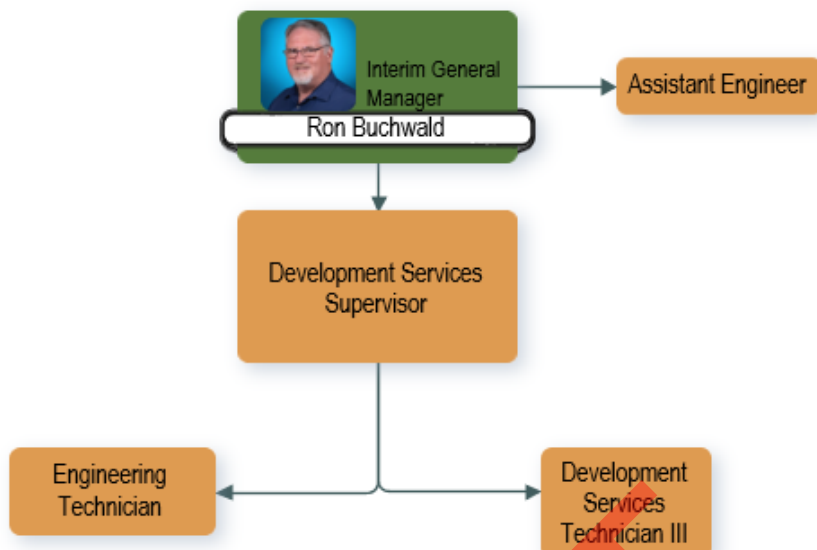
General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5350410-1 MEMBERSHIPS</b>				
	CWEA Membership Renewal	\$ 1,650	\$ 1,650	\$ -
	National Association of Sewer Service Companies; Updates New Criteria Related to PACP Inspection Standards	400	400	-
	<b>Subtotal</b>	<b>\$ 2,050</b>	<b>\$ 2,050</b>	<b>\$ -</b>
<b>11-5450410-1 SUPPLIES</b>				
	Traffic Control Signs/Cones/Safety Equipment	\$ 3,000	\$ 3,000	\$ -
	Miscellaneous Supplies	2,000	2,000	-
	<b>Subtotal</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ -</b>
<b>11-5950410-1 OTHER EXPENSES</b>				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 10,000	\$ -
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>
				\$ -
<b>11-5420410-1 PERMITS AND FEES</b>				
	State General Waste Discharge Annual Permit Fee (SWRCB)	\$ 21,000	\$ 21,000	\$ -
	Annual Encroachment Permit (City Of Indio)	1,600	2,200	600
	Miscellaneous Permits and/or Fees	1,000	1,000	-
	<b>Subtotal</b>	<b>\$ 23,600</b>	<b>\$ 24,200</b>	<b>\$ 600</b>
<b>11-5700410-1 REPAIRS AND MAINTENANCE</b>				
	Vactor Parts/Repairs/Planned Expenditures	\$ 80,500	\$ 80,500	\$ -
	Mainline Repair	20,000	20,000	-
	TV Van Parts and Repair	16,500	16,500	-
	Manhole Covers	15,000	15,000	-
	Pump Station Repairs And Parts	12,000	12,000	-
	Equipment Rentals	8,500	13,000	4,500
	Equipment Repairs	2,000	2,000	-
	<b>Subtotal</b>	<b>\$ 154,500</b>	<b>\$ 159,000</b>	<b>\$ 4,500</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5720410-1 TOOLS AND EQUIPMENT</b>				
	Miscellaneous Small Tool Acquisition and Replacement	\$ 2,000	\$ 2,000	\$ -
	<b>Subtotal</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ -</b>
<b>11-5152410-1 UNIFORM SERVICES</b>				
	Uniforms-Five (5) Employees (Cintas)	\$ 2,700	\$ 2,700	\$ -
	PPE Gloves/Clothing/Gear	1,500	1,500	-
	Boots-Five (5) Employees	1,500	1,500	-
	<b>Subtotal</b>	<b>\$ 5,700</b>	<b>\$ 5,700</b>	<b>\$ -</b>
<b>11-5902410-1 ELECTRICITY</b>				
	Imperial Irrigation District (IID)	\$ 6,000	\$ 9,000	\$ 3,000
	<b>Subtotal</b>	<b>\$ 6,000</b>	<b>\$ 9,000</b>	<b>\$ 3,000</b>
<b>11-5905410-1 WATER</b>				
	Hydrant Water (Indio Water Authority)	\$ 7,500	\$ 8,000	\$ 500
	<b>Subtotal</b>	<b>\$ 7,500</b>	<b>\$ 8,000</b>	<b>\$ 500</b>
<b>11-5800410-1 CONFERENCES AND MEETINGS</b>				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	\$ 10,000	\$ 10,000	\$ -
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>
				-
	<b>Total Expenses</b>	<b>\$ 983,201</b>	<b>\$ 1,041,393</b>	<b>\$ 58,192</b>



# ENGINEERING





## DESCRIPTION

The Engineering Department is responsible for Development Services and the Capital Improvement Program.

Development Services is responsible for tracking new development within the District's service area to ensure that all District development standards are being followed. It conducts plan checks for new developments and provides permitting and inspection services for new construction and/or remodeling/tenant improvements involving commercial, industrial, and residential properties.

The District has a robust Capital Improvement Program including the Reclaimed Water Phase 1 Treatment Upgrade project, the Influent Pump Station Rehabilitation project, and the Collection System Sewer Main Rehabilitation and Replacement Program as well as many smaller projects.

## METRICS

### DEVELOPMENT SERVICES TASKS

	FY21	FY22	FY23
New Projects	32	56	42
Projects Permitted	37	28	35
Projects Finaled	31	28	40
Single Family Finaled	208	160	285
Development Review Comments	31	16	20
Request for Sewer location	19	15	50

### FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- Provided a high-quality and customer-friendly plan check process.
- Provided high-quality and developer-friendly inspection services.
- Returned plan check comments within 30 days.
- Completed new employee training for the Engineering Technician position.
- Commenced Phase 1 of the Recycled water project.

### FISCAL YEAR 2023/24 GOALS

#### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 3: Excellent Facilities
- GOAL 4: Increase Community Understanding and Support
- GOAL 6: Improve Planning, Administration, and Governance

#### Goals

- To provide a high-quality and customer-friendly plan check process.
- To provide high-quality and developer-friendly inspection services.
- To return plan check comments within 30 days.

- To coach employees within the department to become fully trained and capable of helping each other in their job duties.
- Continue to develop leadership within the department through coaching and training.

## PERSONNEL SUMMARY

FY24 Physical Count	Classification	FY23	FY24	Variance
		Base FTEs	Base FTEs	
1	District Engineer	1.00	1.00	0.00
1	Assistant Engineer	1.00	1.00	0.00
1	Development Services Supervisor	1.00	1.00	0.00
1	Development Services Technician III	1.00	1.00	0.00
1	Engineering Technician	1.00	1.00	0.00
5	<b>Total FTEs</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-5030414-1 SALARIES AND WAGES	\$ 485,492	\$ 534,496	\$ 612,551	\$ 640,545	\$ 673,223	\$ 60,672	9.9%
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATION	-	1,072	1,250	1,000	1,250	-	0.0%
11-5070414-1 OVERTIME	-	40	1,000	278	1,000	-	-
11-5110414-1 LONGEVITY	5,769	6,600	7,500	7,061	9,500	2,000	26.7%
11-5116414-1 FICA AND MEDICARE	46,951	38,228	56,007	44,231	61,648	5,641	10.1%
11-5112414-1 RETIREMENT CONTRIBUTIONS	61,221	55,900	68,485	66,683	84,180	15,695	22.9%
11-5128414-1 VISION INSURANCE	-	792	932	896	933	1	0.1%
11-5122414-1 WORKERS' COMPENSATION	1,789	-	-	-	-	-	-
11-5124414-1 LIFE INSURANCE	1,000	1,129	1,248	1,330	1,452	204	16.3%
11-5126414-1 HEALTH INSURANCE	27,183	37,235	51,774	51,436	56,328	4,554	8.8%
11-5129414-1 DENTAL INSURANCE	2,822	3,819	4,896	4,947	5,844	948	19.4%
11-5132414-1 LONG TERM DISABILITY	1,469	1,637	1,800	1,896	2,028	228	12.7%
11-5801414-1 CERTIFICATIONS	-	96	3,870	315	3,870	-	0.0%
11-5500414-1 CONTRACTS	-	3,178	4,000	5,851	4,000	-	0.0%
11-5350414-1 MEMBERSHIPS	-	600	1,200	909	1,200	-	-
11-5950414-1 OTHER EXPENSES	-	-	-	135	-	-	-
11-5420414-1 PERMITS AND FEES	-	-	1,000	-	1,000	-	-
11-5720414-1 TOOLS AND EQUIPMENT	-	-	1,000	-	1,000	-	-
11-5152414-1 UNIFORM SERVICES	-	2,499	4,700	1,811	4,700	-	-
11-5800414-1 CONFERENCES AND MEETINGS	-	4,116	6,761	5,619	6,761	-	0.0%
<b>Total Expenses</b>	<b>\$ 633,696</b>	<b>\$ 691,437</b>	<b>\$ 829,974</b>	<b>\$ 834,944</b>	<b>\$ 919,917</b>	<b>\$ 89,943</b>	<b>10.8%</b>

## ENGINEERING BUDGET DETAIL

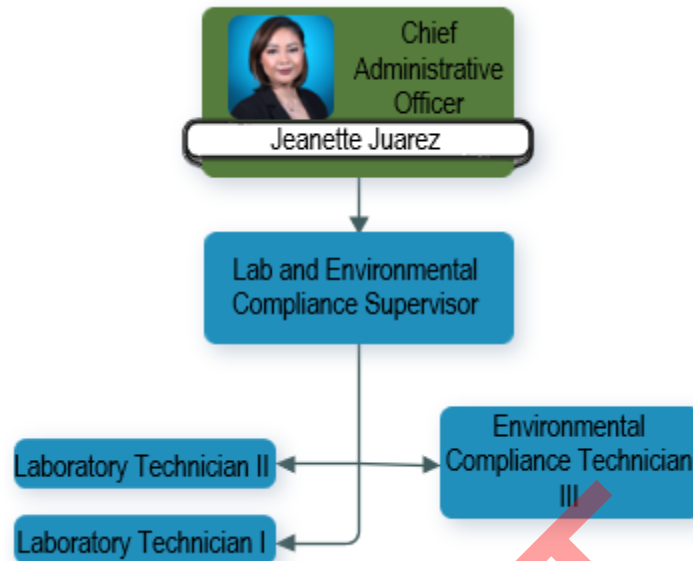
General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030414-1 SALARIES AND WAGES</b>		\$ 612,551	\$ 673,223	\$ 60,672
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATION		1,250	1,250	-
11-5080414-1 CALLOUT		-	-	-
11-5070414-1 OVERTIME		1,000	1,000	-
11-5090414-1 STANDBY PAY		-	-	-
<b>11-0000414-1 TOTAL FRINGE BENEFITS</b>		<b>192,642</b>	<b>221,913</b>	<b>29,271</b>
<b>Subtotal</b>		<b>\$ 807,443</b>	<b>\$ 897,386</b>	<b>\$ 89,943</b>
<b>11-5801414-1 CERTIFICATIONS</b>				
Pipe Assessment Certification Program (PACP) for Two (2)		\$ 2,400	\$ 2,400	\$ -
California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)		450	450	-
American Water Works Association (AWWA) Grade D4/T3		300	300	-
State Water Resource Control Board (SWRCB) Operator Certification Programs Operator TI		170	170	-
SWRCB Board Operator Certification Programs Operator DI		170	170	-
Professional Engineer (PE) (District Engineer and Associate		150	150	-
CWEA Technical Certification Programs Development Services Supervisor (CST IV)		120	120	-
CWEA Technical Certification Programs Development Service Technician III (CST II)		110	110	-
<b>Subtotal</b>		<b>\$ 3,870</b>	<b>\$ 3,870</b>	<b>\$ -</b>
<b>11-5500414-1 CONTRACTS</b>				
ESRI ARCVIEW 10.0 Annual Renewal		\$ 3,000	\$ 3,000	\$ -
Autocad Annual Maintenance and Helpdesk		1,000	1,000	-
<b>Subtotal</b>		<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ -</b>



General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5350414-1 MEMBERSHIPS</b>				
	California Water Environment Association (CWEA) Membership Renewal	\$ 1,200	\$ 1,200	\$ -
	<b>Subtotal</b>	<b>\$ 1,200</b>	<b>\$ 1,200</b>	<b>\$ -</b>
<b>11-5420414-1 PERMITS AND FEES</b>				
	Miscellaneous Permits and/or Fees	\$ 1,000	\$ 1,000	\$ -
	<b>Subtotal</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>
<b>11-5720414-1 TOOLS AND EQUIPMENT</b>				
	Small Tool Acquisition and Replacement	\$ 1,000	\$ 1,000	\$ -
	<b>Subtotal</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>
<b>11-5152414-1 UNIFORM SERVICES</b>				
	Uniforms-Three (4) employees (Cintas)	\$ 2,700	\$ 2,700	\$ -
	Boots-Three (4) Employees	1,000	1,000	-
	Gloves	1,000	1,000	-
	<b>Subtotal</b>	<b>\$ 4,700</b>	<b>\$ 4,700</b>	<b>\$ -</b>
<b>11-5800414-1 CONFERENCES AND MEETINGS</b>				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	\$ 6,761	\$ 6,761	\$ -
	<b>Subtotal</b>	<b>\$ 6,761</b>	<b>\$ 6,761</b>	<b>\$ -</b>
	<b>Total Expenses</b>	<b>\$ 829,974</b>	<b>\$ 919,917</b>	<b>\$ 89,943</b>

# ENVIRONMENTAL COMPLIANCE AND LAB





## DESCRIPTION

The Environmental Compliance Services Department is comprised of the Laboratory Division and the Pretreatment Division. The focus of the divisions is to develop and implement programs to comply with local, state, and federal regulations protecting water quality and environmental resources.

### LABORATORY

Maintains a state-certified laboratory to perform timely and high-quality sample analysis and reporting needed to determine compliance with water quality regulations.

Implements a Laboratory Information Management System (LIMS) needed to meet state and federal electronic reporting requirements and prove an effective data storage system for performing water quality evaluations.

Trains District staff to perform sample collection and water quality analysis.

### PRETREATMENT

Evaluates, inspects, and permits the commercial use of District wastewater collection and treatment facilities.

Develops and implements programs that enforce sanitation regulations protecting District wastewater collection and treatment facilities.

Inspects manufacturing processes as sources of industrial waste and their effects on wastewater treatment processes by monitoring sample handling and preservation, field

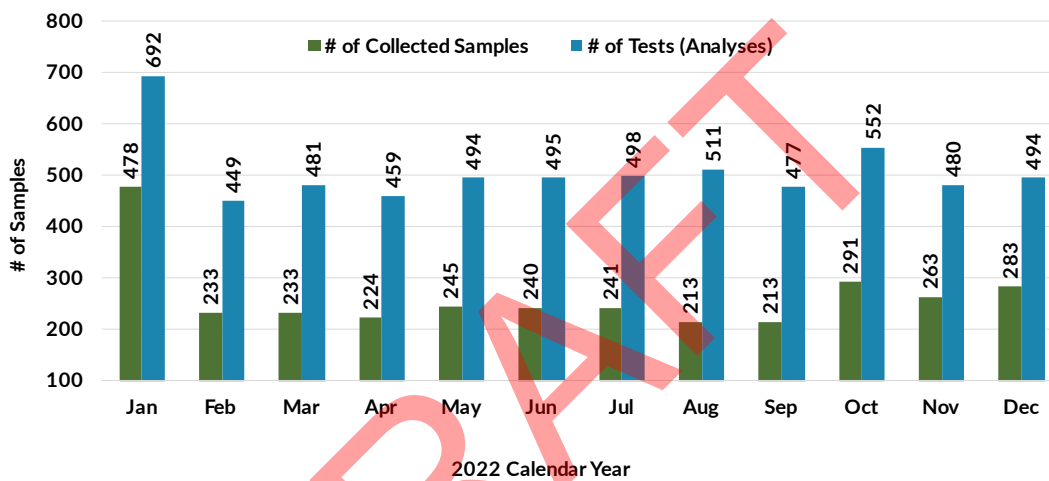


testing equipment and procedures, and documentation of the sample chain of custody (COC).

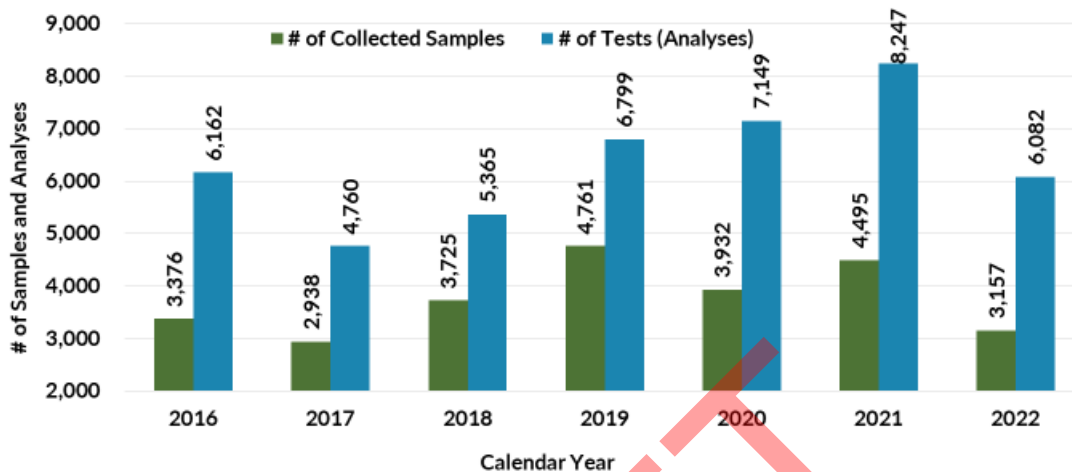
## METRICS

### LABORATORY

# LABORATORY SAMPLE WORKLOAD



## LABORATORY WORKLOAD

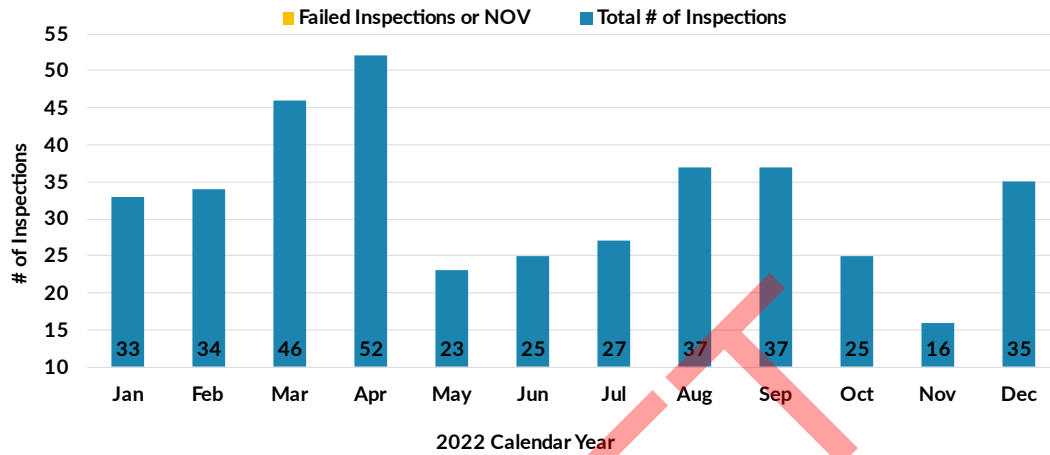


## LABORATORY TASKS CY22

Laboratory	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
# of Collected Samples	478	233	233	224	245	240	241	213	213	291	263	283	3,157
# of Tests (Analyses)	692	449	481	459	494	495	498	511	477	552	480	494	6,082
# of Samples sent to Contract Labs	41	21	13	17	19	31	30	33	26	42	40	44	357
# of Contracted Tests (Analyses)	79	46	19	31	49	63	78	58	58	73	73	75	702
% of Samples performed In-House	91.4%	91.0%	94.4%	92.4%	92.2%	87.1%	87.6%	84.5%	87.8%	85.6%	84.8%	84.5%	88.6%

PRETREATMENT

## PRETREATMENT INSPECTIONS



## PRETREATMENT WORKLOAD



## PRETREATMENT TASKS CY22

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Pretreatment Customer Service Calls	5	6	11	8	5	3	9	14	8	8	10	12	99
Commercial Approval Letters	0	1	1	2	0	2	1	4	1	1	2	0	15
Change of Ownership Inspection	1	1	0	1	0	0	0	2	0	1	2	0	8
SIJ Permit Compliance	3	3	4	7	4	5	4	3	3	3	3	3	45
FOG-FSE Inspections Completed	23	24	25	17	8	10	15	6	22	14	8	25	197
Commercial Inspections Completed	4	6	16	27	9	9	6	25	8	5	3	3	121
Environmental & Collections investigations	3	1	1	1	2	1	2	3	4	3	2	4	27
Failed Inspections or NOV	0	0	0	0	0	0	0	0	0	0	0	0	0
Total # of Inspections	33	34	46	52	23	25	27	37	37	25	16	35	390

## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

### Laboratory

- Participant in stipend funded, Stanford-Emory Collaboration with Verily Life Sciences for increased Wastewater Based Epidemiology. Surveillance includes: Covid-19, Monkeypox (Mpox), Influenza A and B, Respiratory Syncytial Virus (RSV), Human Metapneumovirus (hMPV), Norovirus
- Continued participation in CDC – National Wastewater Surveillance Survey (NWSS) Program for Covid-19 and Monkeypox (Mpox) surveillance.
- Completed acquisition of LIMS, RFP awarded to Promium, LLC.
- Increased laboratory staffing with an additional laboratory technician, staffing now includes 1 Laboratory Supervisor and 2 Laboratory Technicians to handle the unexpected and assist with succession planning.

### Pretreatment

- Update the Sewer Use Ordinance (SUO), Enforcement Response Plan (ERP) and Local Limit documents to maintain NPDES State regulatory compliance.
- Improved Key Performance Indicator (KPI) metrics to evaluate the successes of the division.
- Presentations at Career Day events given at two (2) Middle Schools in Indio and La Quinta

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 6: Improve Planning, Administration, and Governance

### Laboratory Goals

- Complete onsite assessment and renewal of laboratory accreditation per new State Board Environmental Laboratory Accreditation Program (ELAP) regulations
- Complete installation and configuration of the new Laboratory Information Management System (LIMS)
- Review 10% of operating procedures, policies, and documents and update as needed.

### Pretreatment Goals

- Update Significant Industrial User (SIU) permits to reflect the updates to the Sewer Use Ordinance (SUO), Enforcement Response Plan (ERP) and Local Limit documents to maintain NPDES State regulatory compliance.
- Review 10% of operating procedures, policies, and documents and update as needed.
- Train interdepartmental personnel to prepare for unexpected events, timely completion of tasks and projects, and succession planning.

## PERSONNEL SUMMARY

FY24		FY23	FY24	
Physical Count	Classification	Base FTEs	Base FTEs	Variance
1	Environmental Compliance Technician III	1.00	1.00	0.00
1	Laboratory and Environmental Compliance Supervisor	1.00	1.00	0.00
1	Laboratory Technician I	1.00	1.00	0.00
1	Laboratory Technician II	1.00	1.00	0.00
4	<b>Total FTEs</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-5030414-2 SALARIES AND WAGES	\$ 208,272	\$ 245,233	\$ 289,422	\$ 249,299	\$ 390,097	\$ 100,675	34.8%
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATION	-	570	750	800	1,000	250	33.3%
11-5080414-2 CALLOUT	560	-	-	-	-	-	-
11-5110414-2 LONGEVITY	1,108	738	1,200	1,177	1,200	-	-
11-5070414-2 OVERTIME	469	186	2,500	645	2,500	-	0.0%
11-5090414-2 STANDBY PAY	1,840	-	-	-	-	-	-
11-5116414-2 FICA AND MEDICARE	20,269	17,013	26,448	19,819	35,532	9,084	34.3%
11-5112414-2 RETIREMENT CONTRIBUTIONS	18,974	15,102	22,552	19,672	31,304	8,752	38.8%
11-5128414-2 VISION INSURANCE	-	494	612	654	840	228	37.3%
11-5122414-2 WORKERS' COMPENSATION	6,089	-	-	-	-	-	-
11-5124414-2 LIFE INSURANCE	552	503	648	688	924	276	42.6%
11-5126414-2 HEALTH INSURANCE	31,196	26,957	45,840	46,674	67,092	21,252	46.4%
11-5129414-2 DENTAL INSURANCE	2,976	2,499	3,576	3,915	5,304	1,728	48.3%
11-5132414-2 LONG TERM DISABILITY	756	698	924	946	1,308	384	41.6%
11-5801414-2 CERTIFICATIONS	283	501	1,350	519	1,510	160	11.9%
11-5500414-2 CONTRACTS	9,096	69,978	87,600	54,276	40,300	(47,300)	-54.0%
11-5350414-2 MEMBERSHIPS	4,828	2,084	3,100	1,404	2,275	(825)	(0.27)
11-5450414-2 SUPPLIES	25,091	36,756	45,806	26,820	29,300	(16,506)	-36.0%
11-5950414-2 OTHER EXPENSES	611	-	10,000	68	10,000	-	-
11-5420414-2 PERMITS AND FEES	5,902	4,848	11,200	7,377	10,000	(1,200)	-10.7%
11-5700414-2 REPAIRS AND MAINTENANCE	11,443	21,402	20,000	4,971	20,000	-	0.0%
11-5750414-2 RESEARCH AND MONITORING	54,698	68,056	97,000	72,622	101,500	4,500	4.6%
11-5720414-2 TOOLS AND EQUIPMENT	4,020	2,722	8,000	165	10,000	2,000	0.25
11-5152414-2 UNIFORM SERVICES	2,650	3,457	5,400	2,491	3,863	(1,537)	-28.5%
11-5800414-2 CONFERENCES AND MEETINGS	2,937	1,531	6,000	4,317	8,000	2,000	33.3%
<b>Total Expenses</b>	<b>\$ 414,620</b>	<b>\$ 521,327</b>	<b>\$ 689,928</b>	<b>\$ 519,319</b>	<b>\$ 773,849</b>	<b>\$ 83,921</b>	<b>12.2%</b>

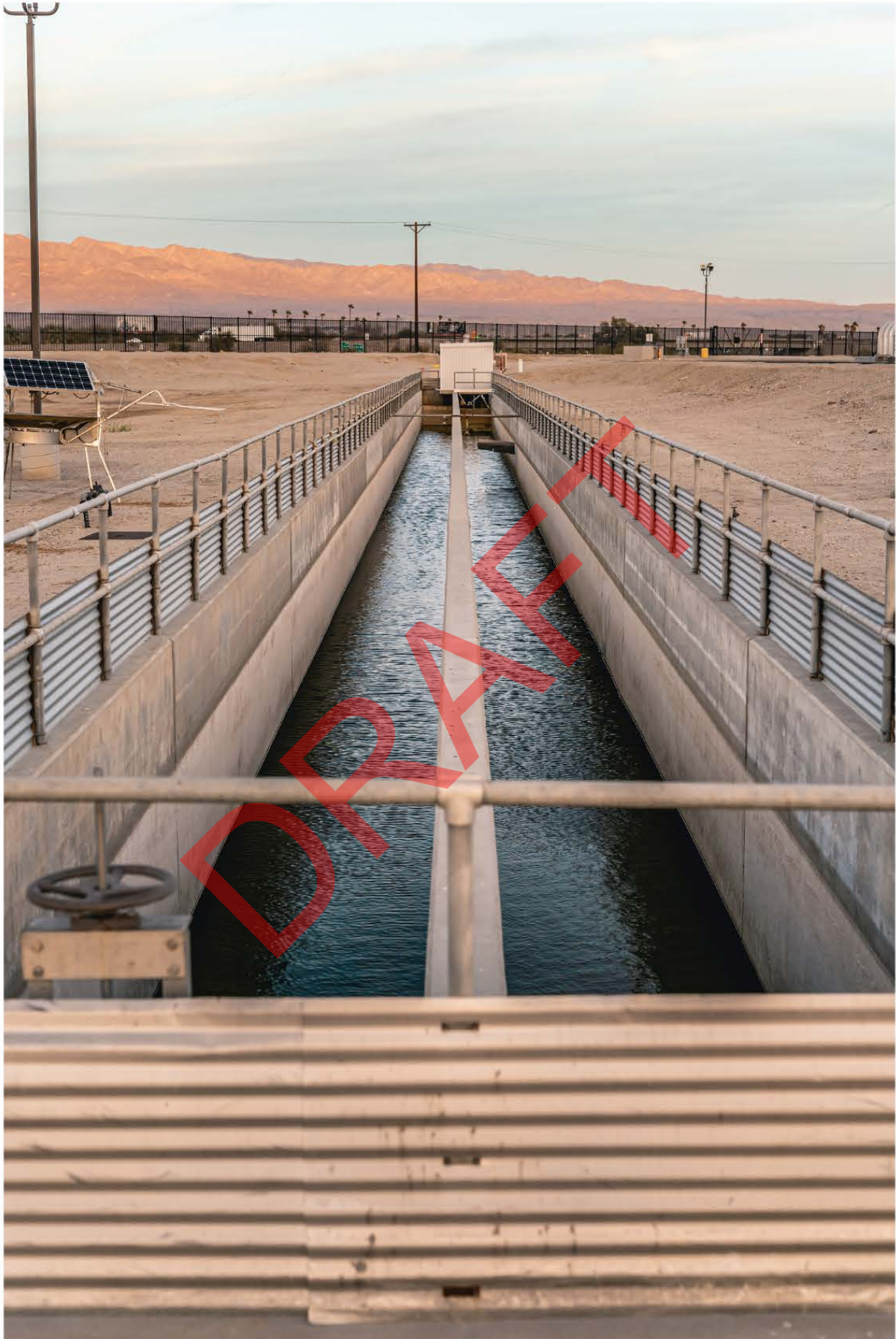
## ENVIRONMENTAL COMPLIANCE BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030414-2 SALARIES AND WAGES</b>		\$ 289,422	\$ 390,097	\$ 100,675
<b>11-5060414-2 BONUS, AWARDS, AND RECERTIFICATION</b>		750	1,000	250
<b>11-5070414-2 OVERTIME</b>		2,500	2,500	-
<b>11-0000414-2 TOTAL FRINGE BENEFITS</b>		101,800	143,504	41,704
<b>Subtotal</b>		<b>\$ 394,472</b>	<b>\$ 537,101</b>	<b>\$ 142,629</b>
<b>11-5801414-2 CERTIFICATIONS</b>				
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	\$ 800	\$ 920	\$ 120
	State Water Resources Control Board (SWRCB) Wastewater Operator V	150	150	-
	CWEA Lab Analyst (Supervisor)	100	110	10
	CWEA Lab Analyst (Lab)	100	110	10
	CWEA Lab Analyst (Lab)	100	110	10
	Environmental Compliance Inspector	100	110	10
	<b>Subtotal</b>	<b>\$ 1,350</b>	<b>\$ 1,510</b>	<b>\$ 160</b>
<b>11-5500414-2 CONTRACTS</b>				
	Laboratory Information Management System (LIMS) Annual Support	\$ -	\$ 18,000	\$ 18,000
	Third Party Assessor Authority (TPAA) for On-Site Assessment (OSAs)	5,000	7,000	2,000
	Information Management System (IMS) Annual Support	6,000	5,500	(500)
	Hazardous Waste Disposal	1,000	5,000	4,000
	Calibration/Replacement of Class I Scale Weights	1,300	1,300	-
	Scale Calibration Service (2 Balances)	500	1,300	800
	Calibration/Certification of Fume Hood	1,000	1,200	200
	Calibration of NIST Certified Thermometer	500	1,000	500
	National Pollutant Discharge Elimination System (NPDES) Permit Implementation Consulting Services	37,300	-	(37,300)
	Temporary Laboratory Analyst (4 month assignment)	35,000	-	(35,000)
	<b>Subtotal</b>	<b>\$ 87,600</b>	<b>\$ 40,300</b>	<b>\$ (47,300)</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5350414-2 MEMBERSHIPS</b>				
	Coalition of Accredited Laboratories (CAL)	\$ 2,000	\$ 1,000	\$ (1,000)
	California Water Environment Association (CWEA) Membership Renewal	600	775	175
	Water Environment Federation	400	400	-
	TNI (NELAC) Association	100	100	-
	<b>Subtotal</b>	<b>\$ 3,100</b>	<b>\$ 2,275</b>	<b>\$ (825)</b>
<b>11-5450414-2 SUPPLIES</b>				
	Laboratory Chemicals, Reagents, Detergents, Filters, Glassware, Instrument Batteries, Dissolved Oxygen (DO) Probe Modules, Buffers, Storage Solutions, Medias, Quality Controls and Miscellaneous Supplies	\$ 18,806	\$ 18,800	\$ (6)
	Distilled Water for Laboratory	5,000	4,000	(1,000)
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, etc.	2,000	3,000	1,000
	Outreach Materials for Distribution for Public Relations Efforts	1,600	2,000	400
	Office supplies (i.e. Computer, Printer, etc.)	1,500	1,500	-
	Field Ammonia Sensors and DO Sensor Probe Replacements	16,900	-	(16,900)
	<b>Subtotal</b>	<b>\$ 45,806</b>	<b>\$ 29,300</b>	<b>\$ (16,506)</b>
<b>11-5950414-2 OTHER EXPENSES</b>				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 10,000	\$ -
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>
<b>11-5420414-2 PERMITS AND FEES</b>				
	Environmental Laboratory Certification Program (ELAP) + Onsite Assessment (OSA)	\$ 10,000	\$ 8,500	\$ (1,500)
	Quality Assurance Proficiency Testing Required by the Health and Safety Code §100870	1,000	1,300	300
	Contingency	200	200	-
	<b>Subtotal</b>	<b>\$ 11,200</b>	<b>\$ 10,000</b>	<b>\$ (1,200)</b>



General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5700414-2 REPAIRS AND MAINTENANCE</b>				
	Laboratory Instrument Replacement	\$ 10,000	\$ 10,000	\$ -
	Contingency for Instrument Repairs and Maintenance	5,000	5,000	-
	Meter and Probe Replacement	5,000	5,000	-
	<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>
<b>11-5750414-2 RESEARCH AND MONITORING</b>				
	Contingency for Two (2) Toxicity Identification Evaluation Ph. I, Ph. II and III Base Line, Estimated Ten (10) Accelerated Monitoring of Bioassays, and Grit/Screening Samples	\$ 35,000	\$ 35,000	\$ -
	Additional Testing - Laboratory Reserve	10,000	20,000	10,000
	Monthly EFF-001C Plant Effluent Testing	15,000	15,000	-
	Delivery for Lab Samples (Courier Service)	10,000	10,000	-
	Biosolids Testing for Sludge 12 Samples	10,000	8,000	(2,000)
	Bioassay Monitoring (Nautilus Environmental)	5,000	5,000	-
	California Toxics Rule (CTR) Annually	5,000	3,500	(1,500)
	Pretreatment IU Sampling Requirements	5,000	3,000	(2,000)
	Quarterly Testing (RSW-002, EFF-001C, INF)	2,000	2,000	-
	<b>Subtotal</b>	<b>\$ 97,000</b>	<b>\$ 101,500</b>	<b>\$ 4,500</b>
<b>11-5720414-2 TOOLS AND EQUIPMENT</b>				
	Composite Sampler Supplies	\$ 5,000	\$ 6,000	\$ 1,000
	Sampling Bottles	2,000	3,000	1,000
	Sampling Equipment Acquisition and Replacement	1,000	1,000	-
	<b>Subtotal</b>	<b>\$ 8,000</b>	<b>\$ 10,000</b>	<b>\$ 2,000</b>
<b>11-5152414-2 UNIFORM SERVICES</b>				
	Uniforms-Four (4) Employees (Cintas)	\$ 4,000	\$ 2,463	\$ (1,537)
	Boots-Four (4) Employees	1,000	1,000	-
	Gloves, Ear Plugs, Safety Items-Four (4) Employees	400	400	-
	<b>Subtotal</b>	<b>\$ 5,400</b>	<b>\$ 3,863</b>	<b>\$ (1,537)</b>
<b>11-5800414-2 CONFERENCES AND MEETINGS</b>				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	\$ 6,000	\$ 8,000	\$ 2,000
	<b>Subtotal</b>	<b>\$ 6,000</b>	<b>\$ 8,000</b>	<b>\$ 2,000</b>
	<b>Total Expenses</b>	<b>\$ 689,928</b>	<b>\$ 773,849</b>	<b>\$ 83,921</b>

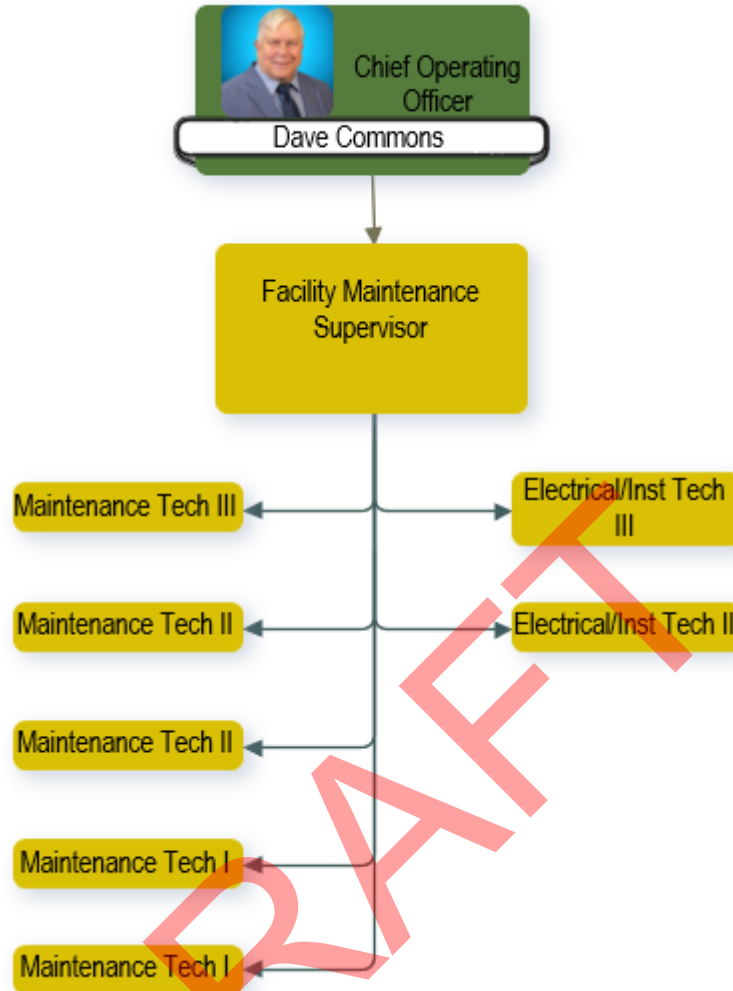


Wastewater Facility Pond Contact Chamber



# MAINTENANCE





## DESCRIPTION

The Maintenance Department is responsible for all mechanical, electrical, and instrumentation equipment at the District's main plant and assists with the four (4) lift stations located throughout the District service area. The department performs necessary preventative maintenance on all equipment located throughout the facility including office and plant buildings. The department is also responsible for the maintenance of all fleet and construction equipment such as trucks, tractors, and heavy-duty equipment. The department also installs new equipment including pumps, meters, and electrical switchgear. The department works closely with all departments and outside contractors to ensure safety and compliance with all federal, state, and local regulatory agencies.

The Maintenance department will be working closely with Schneider Electric, Walsh Construction, and Southern Electric on the Plant upgrade, Water Recycle Phase 1 project.

## METRICS

### MAINTENANCE TASKS

		FY22	FY23
Maintained	Fleet Vehicles	40	41
Replaced	Vehicles	2	-
Replaced	Backhoe	1	-
New	EV Carts	4	-
Replaced	Flow Meters	3	4
Replaced/ Repair	Pumps	4	10
Replaced/Repair	Motors	5	10
Completed	Projects	42	37
Maintained	Buildings	20	21
Maintained	Assets	1,356	1,470
Completed	Work orders	520	1,187

### FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- The Maintenance team trained on the water utility location of the District’s four (4) Indio Water Authority (IWA) water meters and the Secondary Plant water system.
- The team added two (2) Electrical/ Instrumentation Grade 1 certifications by cross-training the maintenance and electrical staff.
- One (1) team member achieved a Grade 3 Mechanical Technician Certification, and another earned a Grade 2 Electrical/Instrumentation Technician certification.
- Lawn water usage was reduced in compliance with IWA water restrictions. No overseeding took place this season.
- The maintenance team completed the following projects related to Excellent Facilities,
  - Belt Press #1 had four (4) rollers and two (2) gearboxes replaced.
  - The belt press had five (5) rollers and two (2) gearboxes replaced.
  - The team installed a new office with power, air conditioning, and data for the belt press operator.
  - PLC 460, PLC 600, and Blower MCP, LCP PLC controllers were contracted for replacement.
  - The team also completed a project at the Coachella Valley History Museum highlighting the evolution of the water treatment process. The exhibit showcases a timeline from the outhouse to recycled water.

- Staff participated in the Headworks rehabilitation and Recycled Water Project Phase 1 construction projects.
- The replacement Generator #1 was ordered using Source Well Government pricing, which resulted in savings to the District of \$78K.
- The secondary water pumps had significant repairs completed.
- One Major event tested the skills and training of the Maintenance staff. During the cleaning and testing of Switch Board “S,” our plant’s primary power Switch Board. Generator #2 failed to serve most buildings and plant equipment during power outages. The team took action to restore Imperial Irrigation District (IID) power and make repairs to Generator #2.
- Annual flow meter calibrations were conducted along with boiler and flame arrester service.
- The Hot water Heat Exchanger was replaced due to excessive wear.
- The 30-inch influent flow meter was replaced, and the 24-inch bypass meter was ordered.
- The team was tasked with researching and locating equipment for the Ammonia reduction pilot study. We could use pumps, controllers, and wiring from the equipment stored in previous treatment processes. The cost was minimal since we only needed the PVC pipe and strapping materials. Once again, the skill and talent of the Team made a big difference in completing this project which had tremendous results.
- A booster pump system for the Belt Press water system was installed and put into service.
- Pump Station #2 was updated with two (2) new sump pumps.
- The scum pit sump pumps were approved and ordered.
- The new fuel dispensing system and diesel tank were approved and ordered.
- The plant natural gas emergency valve was replaced and tested.

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 2: Increase Recycling, Reuse, and Sustainability
- GOAL 3: Excellent Facilities

### Goals

- Train the Maintenance and Electrical staff on plant processes and locations of utilities, cross-train, and work toward learning and using the Excel program through online courses.

- Continue to use and improve the District's asset management database.
- Develop an Emergency Action Plan for utilities, supplies, and plant processes.

## PERSONNEL SUMMARY

FY24 Physical Count	Classification	FY23 Base FTEs	FY24 Base FTEs	Variance
0	Electrician/Instrumentation Technician I	1.00	0.00	(1.00)
1	Electrician/Instrumentation Technician II	1.00	1.00	0.00
1	Electrician/Instrumentation Technician III	0.00	1.00	1.00
1	Facilities Maintenance Supervisor	1.00	1.00	0.00
2	Maintenance Technician I	3.00	2.00	(1.00)
2	Maintenance Technician II	2.00	2.00	0.00
1	Maintenance Technician III	0.00	1.00	1.00
8	<b>Total FTEs</b>	<b>8.00</b>	<b>8.00</b>	<b>0.00</b>

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## EXPENSE BUDGET SUMMARY

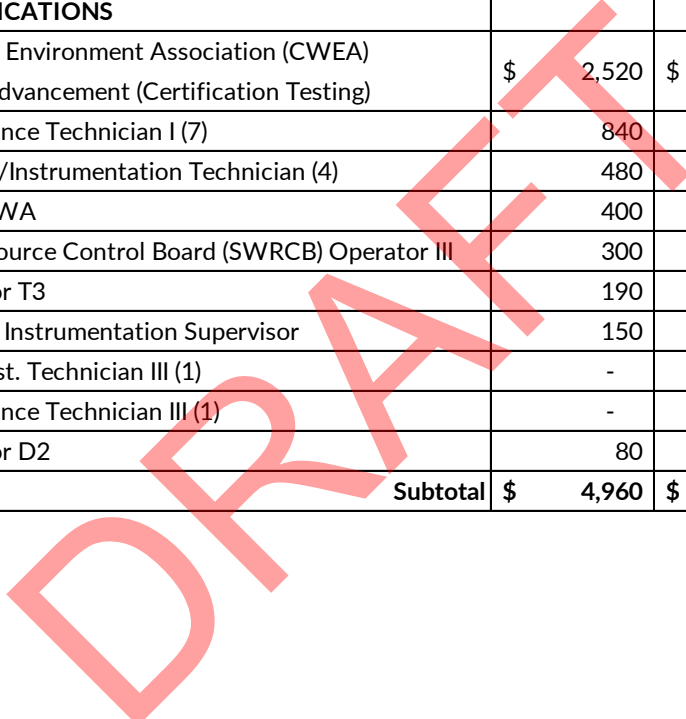
General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
11-5030412-1 SALARIES AND WAGES	\$ 554,920	\$ 510,192	\$ 615,401	\$ 604,672	\$ 687,379	\$ 71,978	11.7%
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATION	-	1,869	2,000	1,475	2,000	-	0.0%
11-5080412-1 CALLOUT	807	1,031	1,500	4,484	5,000	3,500	233.3%
11-5110412-1 LONGEVITY	9,046	8,492	9,700	9,415	10,200	500	0.05
11-5070412-1 OVERTIME	4,125	1,759	5,000	5,430	5,000	-	-
11-5090412-1 STANDBY PAY	3,316	3,696	2,473	3,719	2,694	221	8.9%
11-5116412-1 FICA AND MEDICARE	49,305	40,697	57,247	48,413	64,105	6,858	12.0%
11-5112412-1 RETIREMENT CONTRIBUTIONS	55,964	41,914	52,577	49,799	61,606	9,029	17.2%
11-5128412-1 VISION INSURANCE	-	1,795	2,100	1,978	2,328	228	10.9%
11-5122412-1 WORKERS COMPENSATION	12,692	-	-	-	-	-	-
11-5124412-1 LIFE INSURANCE	1,240	1,303	1,380	1,419	1,656	276	20.0%
11-5126412-1 HEALTH INSURANCE	107,903	129,478	144,797	141,394	178,488	33,691	23.3%
11-5129412-1 DENTAL INSURANCE	9,330	9,098	11,232	11,160	15,000	3,768	33.5%
11-5132412-1 LONG TERM DISABILITY	1,691	1,753	1,860	1,932	2,244	384	20.6%
11-5801412-1 CERTIFICATIONS	960	2,226	4,960	1,742	5,800	840	16.9%
11-5500412-1 CONTRACTS	105,911	130,120	180,520	109,622	197,510	16,990	9.4%
11-5350412-1 MEMBERSHIPS	1,327	1,915	2,900	1,448	3,190	290	10.0%
11-5450412-1 SUPPLIES	36,937	39,482	63,000	34,695	64,820	1,820	2.9%
11-5950412-1 OTHER EXPENSES	9,665	42	10,000	203	11,000	1,000	0.10
11-5420412-1 PERMITS AND FEES	2,103		2,100		2,310	210	10.0%
11-5700412-1 REPAIRS AND MAINTENANCE	345,680	284,594	392,762	394,424	427,795	35,033	8.9%
11-5720412-1 TOOLS AND EQUIPMENT	10,155	24,749	32,300	71	14,000	(18,300)	-56.7%
11-5152412-1 UNIFORM SERVICES	6,524	8,145	14,620	5,378	16,080	1,460	10%
11-5650412-1 COVID-19 SUPPLIES	-	3,591	15,759	1,536	11,000	(4,759)	-30.2%
11-5800412-1 CONFERENCES AND MEETINGS	6,074	8,691	16,000	7,129	17,600	1,600	10.0%
<b>Total Expenses</b>	<b>\$ 1,335,676</b>	<b>\$ 1,256,630</b>	<b>\$ 1,642,188</b>	<b>\$ 1,441,534</b>	<b>\$ 1,808,805</b>	<b>\$ 166,617</b>	<b>10.1%</b>





## MAINTENANCE BUDGET DETAIL

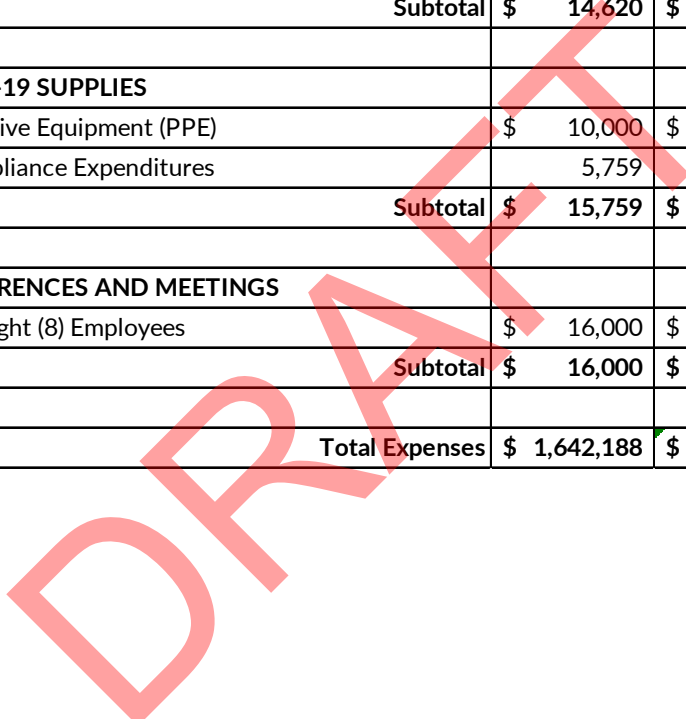
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030412-1 SALARIES AND WAGES		\$ 615,401	\$ 687,379	\$ 71,978
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATION		2,000	2,000	-
11-5080412-1 CALLOUT		1,500	5,000	3,500
11-5070412-1 OVERTIME		5,000	5,000	-
11-5090412-1 STANDBY PAY		2,473	2,694	221
11-0000412-1 TOTAL FRINGE BENEFITS		280,893	335,627	54,734
<b>Subtotal</b>		<b>\$ 907,267</b>	<b>\$ 1,037,700</b>	<b>\$ 130,433</b>
11-5801412-1 CERTIFICATIONS				
	California Water Environment Association (CWEA) Allowance For Advancement (Certification Testing)	\$ 2,520	\$ 2,770	\$ 250
	CWEA Maintenance Technician I (7)	840	920	80
	CWEA Electrical/Instrumentation Technician (4)	480	530	50
	AWWA/Ca AWWA	400	440	40
	State Water Resource Control Board (SWRCB) Operator III	300	330	30
	SWRCB Operator T3	190	210	20
	CWEA Electrical Instrumentation Supervisor	150	170	20
	CWEA Elect/ Inst. Technician III (1)	-	170	170
	CWEA Maintenance Technician III (1)	-	170	170
	SWRCB Operator D2	80	90	10
<b>Subtotal</b>		<b>\$ 4,960</b>	<b>\$ 5,800</b>	<b>\$ 840</b>



General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5500412-1 CONTRACTS</b>				
	Janitorial And Landscaping Services (Desert Arc)	\$ 65,000	\$ 71,500	\$ 6,500
	Central Square EAM Asset Management Lucity	30,000	33,000	3,000
	Boiler Maintenance Service Contract	14,000	14,000	-
	Trailer Rental	10,000	11,000	1,000
	Tree Trimming and Spraying	10,000	11,000	1,000
	Annual Fire Suppression Service for Sodium Hypochlorite Facility	8,000	8,800	800
	Geotab Electronic Logs Vehicles	8,000	8,800	800
	Offsite Restroom Rental (Diamond Environmental)	6,600	7,200	600
	Building Alarm Monitoring (Alliance)	5,500	6,500	1,000
	Parts, Washer Service, Light Bulb Disposal and Batteries (Safety Kleen)	5,000	5,500	500
	Annual AQMD Test (Western Pump)	3,500	3,800	300
	Annual Fire Extinguisher Service	3,080	3,380	300
	Pest Control Service for Building and Facilities (Rudy's Pest Control)	3,000	3,300	300
	Gantry Crane Service (Kono Crane)	2,500	2,750	250
	Fire Alarm Monitoring (Pyro Comm)	2,000	2,200	200
	Used Oil Filter Disposal (Safety Kleen)	2,000	2,200	200
	Miscellaneous Contractual Services	1,100	1,210	110
	Fuel Station monitoring	800	880	80
	Recycling (Desert Arc)	440	490	50
	<b>Subtotal</b>	<b>\$ 180,520</b>	<b>\$ 197,510</b>	<b>\$ 16,990</b>
<b>11-5350412-1 MEMBERSHIPS</b>				
	California Water Environment Association (CWEA) Membership Renewal	\$ 1,937	\$ 2,130	\$ 193
	National Fire Protection Association (NFPA)	523	575	52
	Water Environmental Federation (WEF)	440	485	45
	<b>Subtotal</b>	<b>\$ 2,900</b>	<b>\$ 3,190</b>	<b>\$ 290</b>
<b>11-5450412-1 SUPPLIES</b>				
	Mats, Shop Towels, Etc. (Cintas)	\$ 22,500	\$ 22,725	\$ 225
	Landscaping Supplies	12,500	12,625	125
	Drinking Water Service	12,000	12,120	120
	55-Gallon Cleaning Concentrates, Cleaning Supplies, Paper Towels, Toilet Paper, Cups, Soap, and Cleaners	8,500	9,350	850
	First Aid	5,000	5,500	500
	Miscellaneous Supplies	2,500	2,500	-
	<b>Subtotal</b>	<b>\$ 63,000</b>	<b>\$ 64,820</b>	<b>\$ 1,820</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5950412-1 OTHER EXPENSES</b>				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 11,000	\$ 1,000
	<b>Subtotal</b>	<b>\$ 10,000</b>	<b>\$ 11,000</b>	<b>\$ 1,000</b>
				-
<b>11-5420412-1 PERMITS AND FEES</b>				
	Fire Department (Fuel Tank Permit)	\$ 2,100	\$ 2,310	\$ 210
	<b>Subtotal</b>	<b>\$ 2,100</b>	<b>\$ 2,310</b>	<b>\$ 210</b>
<b>11-5700412-1 REPAIRS AND MAINTENANCE</b>				
	Routine Miscellaneous Repairs and Maintenance Contingency	\$ 93,500	\$ 103,000	\$ 9,500
	Boiler Maintenance	30,000	33,000	3,000
	Plant structure painting	30,000	33,000	3,000
	General Facility Maintenance	27,000	30,000	3,000
	Equipment Rentals	25,000	25,250	250
	Rebuild Sludge Pumps	-	25,000	25,000
	Flare Parts	20,000	22,000	2,000
	Asphalt, Concrete, and Rubble Removal	20,000	22,000	2,000
	Belt Press Building Maintenance Parts	15,000	16,500	1,500
	Service Generators 2,3 & 4	15,000	16,500	1,500
	Dredge Panel and Spare Parts	14,000	14,000	-
	Vehicle Repairs and Smog Checks	8,800	9,680	880
	90 Day Bit Inspections	8,000	8,800	800
	Clean District Flooring	7,700	8,470	770
	Turblex Blower Parts	7,700	8,470	770
	Cat Tractor and Dump Truck Repairs	5,500	6,000	500
	Fleet Vehicle Operating Supplies	5,500	6,000	500
	Gas Detectors for Confined Space Entry	5,500	6,000	500
	Aerator Maintenance	5,000	5,500	500
	District Camera Replacement	3,000	5,000	2,000
	Safety Equipment for Confined Space Entry	4,100	4,500	400
	Arc Flash Safety Equipment	3,025	3,325	300
	Irrigation Repairs and Maintenance	3,000	3,300	300
	Road Base for All Dirt Roads Around Treatment Plant	3,000	3,300	300
	Replacement of Facilities Equipment	2,750	3,000	250
	Hose Replacement	2,310	2,550	240
	Replace Hose Reel Swivels	2,090	2,300	210
	Gallery Sump Pump Replacements	1,287	1,350	63
	Rebuild Two (2) Primary Sludge Pumps	25,000	-	(25,000)
	<b>Subtotal</b>	<b>\$ 392,762</b>	<b>\$ 427,795</b>	<b>\$ 35,033</b>

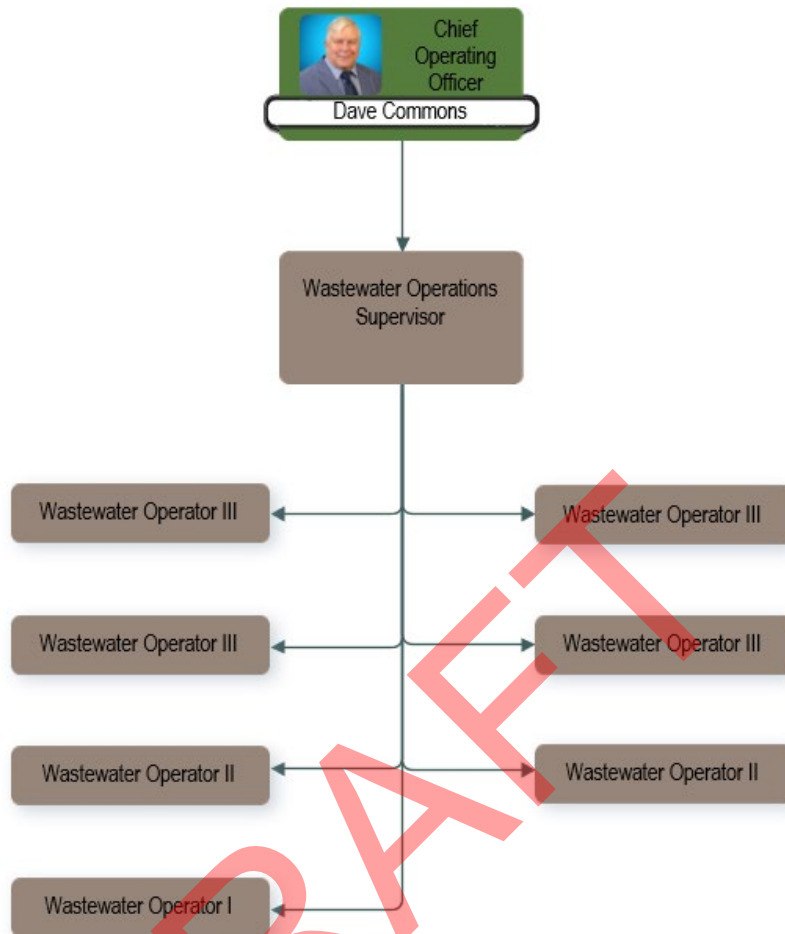
General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5720412-1 TOOLS AND EQUIPMENT</b>				
	Miscellaneous Small Tool Acquisition and Replacement	\$ 13,750	\$ 14,000	\$ 250
	Safety Table Saw and Fabrication Tooling	18,550	-	(18,550)
	<b>Subtotal</b>	<b>\$ 32,300</b>	<b>\$ 14,000</b>	<b>\$ (18,300)</b>
<b>11-5152412-1 UNIFORM SERVICES</b>				
	Uniforms Eight (8) Employees (Cintas)	\$ 7,820	\$ 8,600	\$ 780
	VSD Uniform UV Exposure PPE	4,000	4,400	400
	Boots Eight (8) Employees	2,000	2,200	200
	Gloves Eight (8) Employees	800	880	80
	<b>Subtotal</b>	<b>\$ 14,620</b>	<b>\$ 16,080</b>	<b>\$ 1,460</b>
<b>11-5650412-1 COVID-19 SUPPLIES</b>				
	Personal Protective Equipment (PPE)	\$ 10,000	\$ 11,000	\$ 1,000
	COVID-19 Compliance Expenditures	5,759	-	(5,759)
	<b>Subtotal</b>	<b>\$ 15,759</b>	<b>\$ 11,000</b>	<b>\$ (4,759)</b>
<b>11-5800412-1 CONFERENCES AND MEETINGS</b>				
	Allowance for Eight (8) Employees	\$ 16,000	\$ 17,600	\$ 1,600
	<b>Subtotal</b>	<b>\$ 16,000</b>	<b>\$ 17,600</b>	<b>\$ 1,600</b>
	<b>Total Expenses</b>	<b>\$ 1,642,188</b>	<b>\$ 1,808,805</b>	<b>\$ 166,617</b>



# OPERATIONS







## DESCRIPTION

Valley Sanitary District operates the Water Reclamation Facility to treat wastewater within its 19.5 square mile service area. The District complies with all local, state, and federal regulations and endeavors to develop and maintain a sustainable environmental process to safeguard public health and safety.

The Water Reclamation Facility treats approximately 5.5 – 6.5 million gallons per day (MGD) of wastewater. The wastewater is treated through one of two individual treatment processes:

- Activated sludge process
- Oxidation ponds

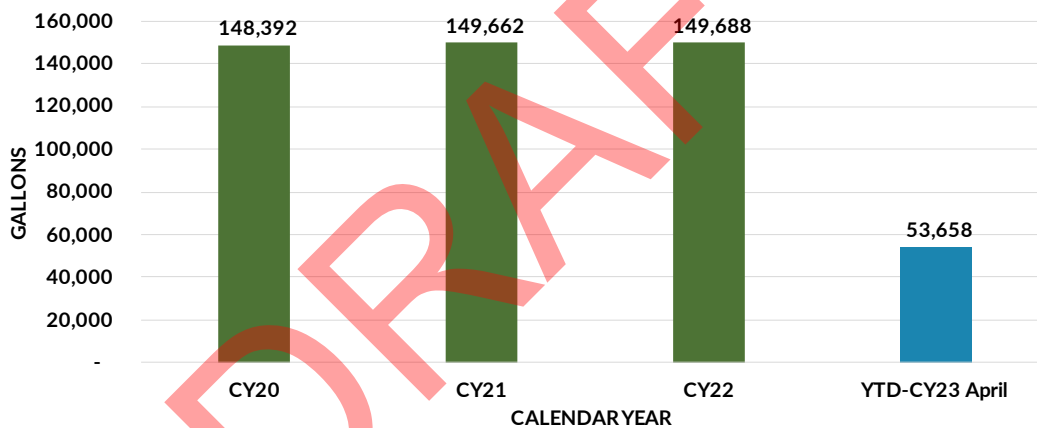
The activated sludge process treats most of the wastewater that enters the Water Reclamation Facility which is currently 5.5 - 6.5 million gallons each day. The activated sludge process currently has a maximum treatment capacity of 10 million gallons per day.

The oxidation ponds receive all waste solids and approximately 0.5 million gallons of wastewater each day. The maximum treatment capacity of the oxidation ponds is 2.5 MGD.

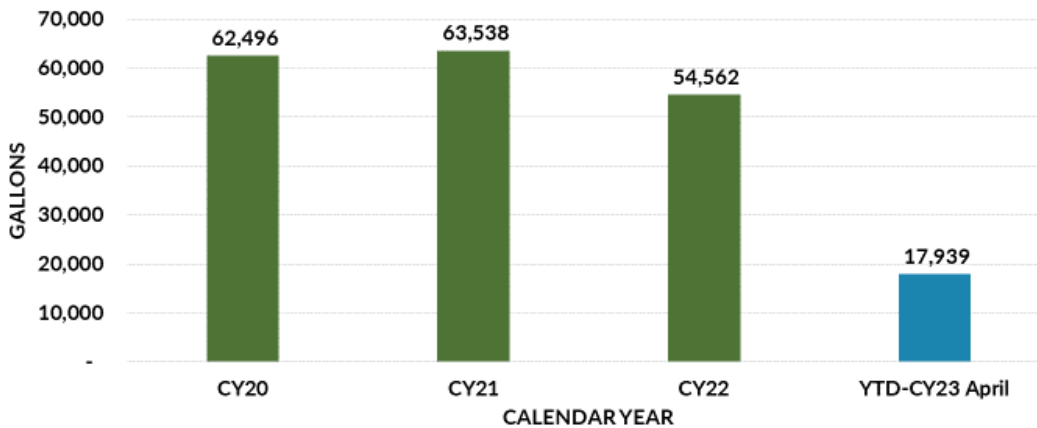
The two treatment processes combined give the Water Reclamation Facility a total treatment capacity of 12.5 million gallons per day. The treated wastewater is discharged into the Whitewater Storm Channel and becomes a source of freshwater replenishment to the Salton Sea.

## METRICS

### CHEMICAL USE BY CALENDAR YEAR SODIUM HYPOCHLORITE (GALLONS)

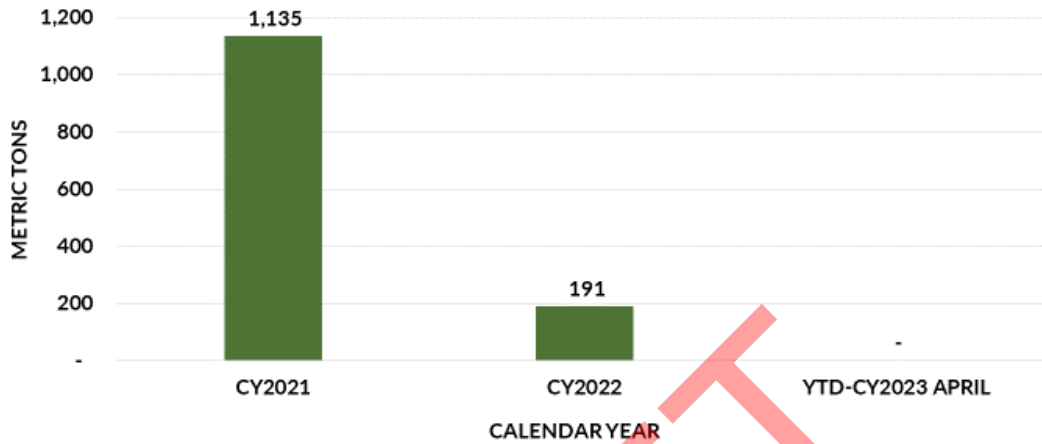


### CHEMICAL USE BY CALENDAR YEAR SODIUM BISULFITE (GALLONS)





## Biosolids Transport Summary (Metric Tons)



## FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- Completed an ammonia study to determine if 3.0 P.P.M could be achieved.
- Completed pressure washer diffusers, for four (4) Basins.
- Received Wastewater Operator of the Year Award from CWEA-CORBS.
- Two (2) Wastewater Operators achieved the Grade III Wastewater Operator Certification.
- One (1) achieved the Grade II Wastewater Operator Certification.
- Active participation in the design-build of Phase 1 of the Recycled Water Project.

## FISCAL YEAR 2023/24 GOALS

### Strategic Plan

- GOAL 1: Fully Staffed with a Highly Trained and Motivated Team
- GOAL 2: Increase Recycling, Reuse, and Sustainability

### Goals

- Strive for 100% compliance with the National Pollutant Discharge Elimination System (NPDES) permit effluent requirements.
- Continue to develop wastewater operator skills and knowledge through education, training, experience, and certification advancement.
- Continued staff involvement with the Water Reclamation Facility upgrades.

## PERSONNEL SUMMARY

FY24 Physical Count	Classification	FY23 Base FTEs	FY24 Base FTEs	Variance
1	Chief Operating Officer	1.00	1.00	0.00
1	Wastewater Operator I	0.00	1.00	1.00
2	Wastewater Operator II	3.00	2.00	(1.00)
4	Wastewater Operator III	4.00	4.00	0.00
1	Wastewater Operations Supervisor	1.00	1.00	0.00
9	<b>Total FTEs</b>	<b>9.00</b>	<b>9.00</b>	<b>0.00</b>

## EXPENSE BUDGET SUMMARY

General Ledger Code	FY21	FY22	FY23	FY23	FY24	Budget	Percent
	Actual	Actual	Budget	Projected	Budget	Change	Change
11-5030411-1 SALARIES AND WAGES	\$ 785,754	\$ 716,413	\$ 858,046	\$ 812,373	\$ 921,732	\$ 63,686	7.4%
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATION	-	2,389	2,250	1,600	2,250	-	0.0%
11-5080411-1 CALLOUT	3,278	3,272	6,500	14,062	14,000	7,500	115.4%
11-5110411-1 LONGEVITY	14,862	13,662	15,800	14,885	17,400	1,600	10.1%
11-5070411-1 OVERTIME	13,491	11,880	18,000	25,511	27,000	9,000	0.50
11-5090411-1 STANDBY PAY	15,077	15,210	18,135	17,993	19,753	1,618	8.9%
11-5116411-1 FICA AND MEDICARE	60,173	60,379	82,686	67,529	89,743	7,057	8.5%
11-5112411-1 RETIREMENT CONTRIBUTIONS	376,559	73,662	89,785	79,949	106,181	16,396	18.3%
11-5128411-1 VISION INSURANCE	-	1,628	1,704	1,519	1,752	48	2.8%
11-5122411-1 WORKERS' COMPENSATION	16,494	-	-	-	-	-	-
11-5124411-1 LIFE INSURANCE	1,482	1,615	1,584	1,597	1,896	312	19.7%
11-5126411-1 HEALTH INSURANCE	84,942	131,551	146,475	135,958	174,504	28,029	19.1%
11-5129411-1 DENTAL INSURANCE	6,787	8,091	8,532	7,780	10,128	1,596	18.7%
11-5132411-1 LONG TERM DISABILITY	2,165	2,473	2,484	2,592	3,048	564	22.7%
11-5801411-1 CERTIFICATIONS	471	3,056	8,780	1,215	7,420	(1,360)	-15.5%
11-5470411-1 CHEMICALS	407,342	400,075	594,240	599,726	700,000	105,760	17.8%
11-5500411-1 CONTRACTS	131,868	121,156	243,522	9,000	663,500	419,978	172.5%
11-5250411-1 GAS OIL AND FUEL	34,094	44,267	66,060	61,351	70,000	3,940	6.0%
11-5350411-1 MEMBERSHIPS	1,152	1,337	2,900	1,029	3,400	500	17.2%
11-5450411-1 SUPPLIES	115,608	81,228	122,500	85,116	152,700	30,200	24.7%
11-5950411-1 OTHER EXPENSES	28,692	6,682	20,000	720	22,000	2,000	0.10
11-5420411-1 PERMITS AND FEES	14,650	11,035	77,025	13,252	85,260	8,235	10.7%
11-5700411-1 REPAIRS AND MAINTENANCE	78,498	55,330	64,000	18,379	73,000	9,000	14.1%
11-5720411-1 TOOLS AND EQUIPMENT	273	895	1,000	1,240	1,000	-	-
11-5152411-1 UNIFORM SERVICES	7,512	9,168	15,200	11,684	16,200	1,000	6.6%
11-5902411-1 ELECTRICITY	591,519	696,479	773,920	807,938	960,000	186,080	24.0%
11-5903411-1 NATURAL GAS	3,886	4,559	7,000	8,122	8,000	1,000	14.3%
11-5904411-1 GRIT AND SCREENING REMOVAL	28,502	26,279	40,000	22,131	44,000	4,000	10.0%
11-5905411-1 WATER	12,846	18,866	20,000	15,833	22,000	2,000	10.0%
11-5800411-1 CONFERENCES AND MEETINGS	7,718	9,957	18,800	9,176	20,690	1,890	10.1%
<b>Total Expenses</b>	<b>\$ 2,845,694</b>	<b>\$ 2,532,591</b>	<b>\$ 3,326,928</b>	<b>\$ 2,849,259</b>	<b>\$ 4,238,557</b>	<b>\$ 911,629</b>	<b>27.4%</b>

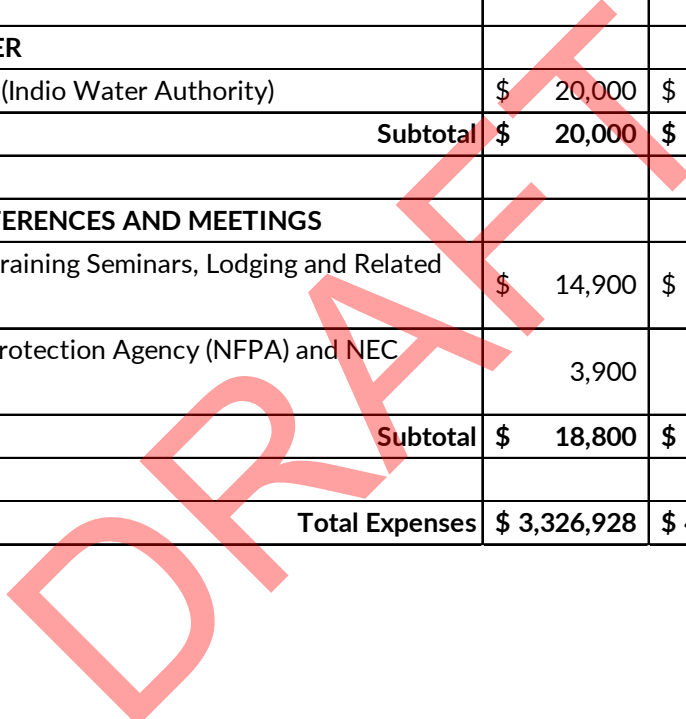
## OPERATIONS BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5030411-1 SALARIES AND WAGES</b>		\$ 858,046	\$ 921,732	\$ 63,686
<b>11-5060411-1 BONUS, AWARDS, AND RECERTIFICATION</b>		2,250	2,250	-
<b>11-5080411-1 CALLOUT</b>		6,500	14,000	7,500
<b>11-5070411-1 OVERTIME</b>		18,000	27,000	9,000
<b>11-5090411-1 STANDBY PAY</b>		18,135	19,753	1,618
<b>11-0000411-1 TOTAL FRINGE BENEFITS</b>		349,050	404,652	55,602
<b>Subtotal</b>		<b>\$ 1,251,981</b>	<b>\$ 1,389,387</b>	<b>\$ 137,406</b>
<b>11-5801411-1 CERTIFICATIONS</b>				
	Allowance for Advancement (Certification Testing)	\$ 2,800	\$ 2,800	\$ -
	State Water Resource Control Board (SWRCB) Certification Application	2,200	2,200	-
	California Water Environment Association (CWEA) Technical Certification (Test)	2,000	2,000	-
	SWRCB Operator III (Renewal)	600	150	(450)
	SWRCB Operator IV (Renewal)	110	110	-
	Laboratory I	60	100	40
	Distribution III	60	60	-
	CWEA Technical Certification (Renewal)	500	-	(500)
	SWRCB Operator II (Renewal)	450	-	(450)
<b>Subtotal</b>		<b>\$ 8,780</b>	<b>\$ 7,420</b>	<b>\$ (1,360)</b>
<b>11-5470411-1 CHEMICALS</b>				
	Sodium Hypochlorite (Univar)	\$ 371,820	\$ 503,900	\$ 132,080
	Sodium Bisulfite (Univar)	126,000	140,000	14,000
	Ferric Chloride (Univar)	90,920	50,000	(40,920)
	Calcium Hypochlorite (Foster Gardner)	5,500	6,100	600
<b>Subtotal</b>		<b>\$ 594,240</b>	<b>\$ 700,000</b>	<b>\$ 105,760</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5500411-1 CONTRACTS</b>				
	Sludge Disposal And Transportation	\$ 73,400	\$ 475,000	\$ 401,600
	Trimax Treatment Plant Upgrades for SCADA System	45,000	50,000	5,000
	Piping and Instrumentation Diagram Drawing Updates	35,500	40,000	4,500
	Temporary Help Service	36,000	36,000	-
	Contractor Contingency	21,122	25,000	3,878
	IT Upgrades	16,500	18,500	2,000
	Switchboard "S" Cleaning and Testing	10,000	12,000	2,000
	MCR Technologies - Annual Calibrations	6,000	7,000	1,000
	<b>Subtotal</b>	<b>\$ 243,522</b>	<b>\$ 663,500</b>	<b>\$ 419,978</b>
<b>11-5250411-1 GAS OIL AND FUEL</b>				
	Gas and Oil for District Vehicles (SC Fuels)	\$ 66,060	\$ 70,000	\$ 3,940
	<b>Subtotal</b>	<b>\$ 66,060</b>	<b>\$ 70,000</b>	<b>\$ 3,940</b>
<b>11-5350411-1 MEMBERSHIPS</b>				
	California Water Environment Association (CWEA) Membership Renewal	\$ 2,100	\$ 2,400	\$ 300
	Water Environment Federation	800	1,000	200
	<b>Subtotal</b>	<b>\$ 2,900</b>	<b>\$ 3,400</b>	<b>\$ 500</b>
<b>11-5450411-1 SUPPLIES</b>				
	Polymer for Belt Press 18 Totes at \$3,700 per Tote (Polydyne)	\$ 74,000	\$ 82,000	\$ 8,000
	Miscellaneous Operating Supplies Including Reagents for Chlorination and Dichlorination Analyzers	20,000	22,000	2,000
	Four (4) Belts for Belt Press at \$3,750 per Belt	16,500	18,200	1,700
	D.O. Probes and Ammonia Probes Caps		17,000	17,000
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, Etc.	7,000	8,000	1,000
	Lock Out/Tag Out Supplies	3,000	3,300	300
	Student Materials for Distribution for Public Relations Efforts	2,000	2,200	200
	<b>Subtotal</b>	<b>\$ 122,500</b>	<b>\$ 152,700</b>	<b>\$ 30,200</b>
<b>11-5950411-1 OTHER EXPENSES</b>				
	Miscellaneous Expense Contingency Fund	\$ 20,000	\$ 22,000	\$ 2,000
	<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 22,000</b>	<b>\$ 2,000</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5420411-1 PERMITS AND FEES</b>				
	Annual NPDES Permit Fee (SWRCB)	\$ 52,000	\$ 57,500	\$ 5,500
	South Coast Air Quality Management District (SCAQMD) Facility Permits	17,000	18,700	1,700
	Dept of Environmental Health	3,900	4,300	400
	Fire Service Permit (City of Indio)	2,200	2,500	300
	Alarm System Permit (City of Indio)	550	650	100
	Occupational Lead Poisoning Prevention/Toxic Substance	550	650	100
	Miscellaneous	550	650	100
	Hot Spot Program (SCAQMD)	275	310	35
	<b>Subtotal</b>	<b>\$ 77,025</b>	<b>\$ 85,260</b>	<b>\$ 8,235</b>
<b>11-5700411-1 REPAIRS AND MAINTENANCE</b>				
	Contingency	\$ 35,000	\$ 40,000	\$ 5,000
	Iron Sponge Media and Nets	21,000	24,000	3,000
	Analyzer Parts	8,000	9,000	1,000
	<b>Subtotal</b>	<b>\$ 64,000</b>	<b>\$ 73,000</b>	<b>\$ 9,000</b>
<b>11-5720411-1 TOOLS AND EQUIPMENT</b>				
	Miscellaneous Small Tool Acquisition and Replacement	\$ 1,000	\$ 1,000	\$ -
	<b>Subtotal</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>
<b>11-5152411-1 UNIFORM SERVICES</b>				
	Uniforms Nine (9) Employees	\$ 7,000	\$ 7,000	\$ -
	Hats	4,000	4,500	500
	Boots Nine (9) Employees	3,200	3,500	300
	Gloves, Ear Plugs, Safety Items Nine (9) Employees	1,000	1,200	200
	<b>Subtotal</b>	<b>\$ 15,200</b>	<b>\$ 16,200</b>	<b>\$ 1,000</b>
<b>11-5902411-1 ELECTRICITY</b>				
	Imperial Irrigation District (IID)	\$ 634,453	\$ 806,586	\$ 172,133
	Tesla PPA	139,467	153,414	13,947
	<b>Subtotal</b>	<b>\$ 773,920</b>	<b>\$ 960,000</b>	<b>\$ 186,080</b>

General Ledger Code		FY23 Budget	FY24 Budget	Variance
<b>11-5903411-1 NATURAL GAS</b>				
	Natural Gas Usage for the Administration, Laboratory, Operations Buildings and Digester Boiler (SoCalGas)	\$ 7,000	\$ 8,000	\$ 1,000
	<b>Subtotal</b>	<b>\$ 7,000</b>	<b>\$ 8,000</b>	<b>\$ 1,000</b>
<b>11-5904411-1 GRIT AND SCREENING REMOVAL</b>				
	Screenings and Grit Hauling to Lambs Canyon, California (Burrtec)	\$ 40,000	\$ 44,000	\$ 4,000
	<b>Subtotal</b>	<b>\$ 40,000</b>	<b>\$ 44,000</b>	<b>\$ 4,000</b>
<b>11-5905411-1 WATER</b>				
	Potable Water (Indio Water Authority)	\$ 20,000	\$ 22,000	\$ 2,000
	<b>Subtotal</b>	<b>\$ 20,000</b>	<b>\$ 22,000</b>	<b>\$ 2,000</b>
<b>11-5800411-1 CONFERENCES AND MEETINGS</b>				
	Conferences, Training Seminars, Lodging and Related Expenses	\$ 14,900	\$ 16,390	\$ 1,490
	National Fire Protection Agency (NFPA) and NEC Training	3,900	4,300	400
	<b>Subtotal</b>	<b>\$ 18,800</b>	<b>\$ 20,690</b>	<b>\$ 1,890</b>
	<b>Total Expenses</b>	<b>\$ 3,326,928</b>	<b>\$ 4,238,557</b>	<b>\$ 911,629</b>





# CAPITAL BUDGET



## CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a separate twenty-year planning document that details planned capital expenditures. The capital projects include rehabilitation and replacement of infrastructure and equipment, as well as large construction projects including the Recycled Water Project Phase 1 Design-Build, Sewer Siphon Replacement, and the Biosolid Conversion project. The CIP aligns capital projects to various funding sources and the projected timeframe of when the work will take place. For some of the larger projects that require financing the financial impact can span over twenty to thirty years.

## PRIORITIZATION OF CAPITAL IMPROVEMENT PROJECTS

The District has developed a capital planning process that optimizes the use of available resources for projects competing from the same fund or multiple fund sources. The department heads or designees develop a needs list, including a scope of work and submit the information to the District Engineer. The District Engineer develops capital projects based on the needs list. The District's management team then reviews and scores each project using a capital project ranking scorecard that prioritizes projects based on specific criteria and scoring weights.

### CRITERIA

- Risk to Health, Safety, and Environment, and Regulatory or Mandated Requirements 25%
- Asset Condition, Annual Recurring Costs, and Asset Longevity 20%
- Community Investment and Economic Prosperity 20%
- Level and Quality of Service 10%
- Sustainability and Conservation 10%
- Funding Availability 5%
- Project Readiness 10%

Once the projects are scored, the District Engineer implements the projects into the twenty-year capital improvement program for the Board of Directors to review and approve.

## CIP BUDGET OVERVIEW

The capital budget incorporates key projects to further advance the District’s Capital Improvement Program (CIP). There are 19 capital projects requested in the fiscal year 2023/24 for a total of \$55,180,000. The capital budget for the fiscal year 2023/24 includes the Recycled Water Project Phase 1 Design-Build, Sewer Siphon Replacement, the Biosolid Conversion project, and the Sewer Main Rehabilitation and Replacement Program. These projects are intended to maintain, repair, and expand infrastructure.

The CIP budget also includes expenditures for capital assets. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Per the District’s Fixed Assets Accounting Policy capitalizable assets are defined as fixed assets with an expected useful life of greater than one (1) year and the asset individually has a value or cost of \$5,000 or greater at the date of acquisition.

### The Fiscal Year 2023/24 Capital Budget

Recurring Project	Project Number	Project	Fund 12	Carryover Fund 12	Fund 13	FEMA	B of A Loan	Total
✓	21-0001	Vehicle and Equipment Replacement Fund	\$ 825,000	\$ 809,000	\$ -	\$ -	\$ -	\$ 1,634,000
✓	21-0002	Lateral Grant Program	50,000	-	-	-	-	50,000
✓	21-0003	Sewer Repairs and/or Rehabilitation	120,000	-	-	-	-	120,000
✓	21-0004	Contingency for Emergency Repairs	100,000	-	-	-	-	100,000
	21-0005	Sewer Main Rehabilitation or Replacement Design	365,000	-	-	-	-	365,000
	21-0007	Recycled Water Project Phase 1 (Amend #1 & #2)	-	-	4,200,000	-	35,700,000	39,900,000
	21-0008	Emergency Sewer Siphon Replacement Design/CM	1,392,750	-	-	7,892,250	-	9,285,000
	21-0009	Emergency Sewer Siphon Replacement Construction	215,400	-	-	1,220,600	-	1,436,000
	21-0013	Laboratory Information Management System (LIMS)	70,000	-	-	-	-	70,000
	23-0002	Concrete Repairs to ASP Plant	100,000	-	-	-	-	100,000
	23-0003	Electrical Control Panel Replacements Blower Building	120,000	-	-	-	-	120,000
	23-0005	Trimax PLC Upgrades SCADA	70,000	-	-	-	-	70,000
	23-0006	Water Reclamation Facility Master Plan	400,000	-	-	-	-	400,000
	24-0001	Repairs to two (2) Primary Clarifiers	130,000	-	-	-	-	130,000
	24-0002	Plant Instrumentation Upgrade	100,000	-	-	-	-	100,000
	24-0003	Nitrification Reduction ASP upgrade	100,000	-	-	-	-	100,000
	24-0004	Bathroom Upgrade	100,000	-	-	-	-	100,000
	24-0005	Upgrade District Security Cameras	100,000	-	-	-	-	100,000
	24-0006	Biosolids Conversion Project	-	-	1,000,000	-	-	1,000,000
<b>Total</b>			<b>\$ 4,358,150</b>	<b>\$ 809,000</b>	<b>\$ 5,200,000</b>	<b>\$ 9,112,850</b>	<b>\$ 35,700,000</b>	<b>\$ 55,180,000</b>

## RECURRING/NONRECURRING CAPITAL PROJECTS

The District's CIP budget includes both recurring and non-recurring capital projects. Recurring projects are capital expenditures made in respect of a property for the maintenance of the property and the replacement of items due to ordinary wear and tear, but not limited to, expenditures made for maintenance or replacement of materials, mechanical systems, electrical systems, and other structural systems, and equipment. These projects do not have a significant impact on the operating budget. The funds are reserved and programmed in the Restricted CIP Fund.

Nonrecurring capital projects are costs that occur on a one-time basis and are unlikely to occur again. Nonrecurring projects include the construction of new buildings or infrastructure and will often result in an ongoing operating financial impact. There are 15 non-recurring projects programmed in the fiscal year 2023/24 CIP budget. For example, the Recycled Water Project Phase 1 has a total cost of \$81.3M and will be paid through debt issuance through Banc of America Corp and the Capital Improvement Reserve Fund. The loan will have an operating impact over the next twenty years as the loan is paid off. The Emergency Sewer Siphon Replacement project of which \$9.1M will be paid through the Federal Emergency Management Agency (FEMA) grant that will require a 25% match using the Capital Replacement Reserve Fund (Fund 12). All other non-recurring projects will be funded using the Capital Replacement Reserve Fund (Fund 12) and the Capital Improvement Reserve Fund (Fund 13). Each year a total of 40% of the annual operating budget is allocated to the Capital Replacement Reserve Fund (Fund 12).

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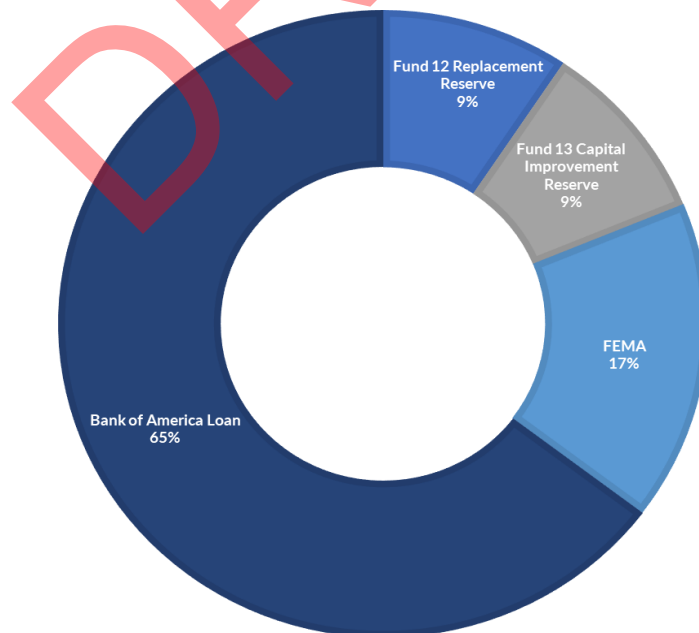


## FUNDING SUMMARY

Funding for the planned capital improvement projects is provided through four (4) funding sources. Most of the funding (approximately 65% or \$35.7M) will come from issued debt issued through Bank of America for the Recycled Water Project Phase 1 Design-Build. The District will also use Federal Emergency Management Agency (FEMA) funding of 17% or \$9.1M for the Emergency Sewer Siphon Replacement Design and Construction. All other projects will be funded using the District’s Capital Replacement Reserve Fund (Fund 12) and the Capital Improvement Reserve Fund (Fund 13).

Funding Source	FY24 Budget
Fund 12 Replacement Reserve	\$ 5,167,150
Fund 13 Capital Improvement Reserve	5,200,000
FEMA	9,112,850
Bank of America Loan	35,700,000
<b>Total Funds Requested</b>	<b>\$ 55,180,000</b>

CAPITAL FUNDING SUMMARY BY SOURCE



## TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM

The following tables list all capital projects included in the fiscal year 2024-2043 CIP by the system.

Project Description	2023/24	2024/25	2025/26	2026/27	2027/28
<b>PLANT FACILITY</b>					
Recycled Water Project Phase 1 Design Build	\$ 39,900,000	\$ 18,435,332	\$ -	\$ -	\$ -
Biosolids Conversion Project	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Recycled Water Project Phase 2 Design Build	-	4,952,347	20,403,670	-	-
Recycled Water Project Phase 3 Design	-	-	-	11,293,090	-
Recycled Water Project Phase 3 Construction	-	-	-	-	32,805,847
Future Plant Expansion 2040 & beyond	-	-	-	-	-
Laboratory Information Management System (LIMS)	70,000	-	-	-	-
Bathroom Upgrade to Include Shower	100,000	-	-	-	-
Laboratory Building - Final Design	-	1,000,000	-	-	-
Laboratory Building - Construction	-	4,000,000	4,000,000	-	-
Training & Office Building - Design (Carry Over)	-	1,000,000	-	-	-
Training & Office Building - Construction	-	5,000,000	5,000,000	-	-
Water Reclamation Facility Master Plan	400,000	400,000	-	-	-
Repairs to Primary Clarifiers (2)	130,000	-	-	-	-
Electrical Control Panel Replacements Blower Building	120,000	-	-	-	-
Vehicle & Major Equipment Replacement Fund	1,634,000	800,000	800,000	800,000	800,000
Amonia / Nitrification Process Upgrade	100,000	-	-	-	-
Plant Instrumentation Upgrade	100,000	-	-	-	-
Concrete Repairs to ASP Plant	100,000	-	-	-	-
Trimax PLC Upgrades SCADA	70,000	-	-	-	-
Upgrade District Security Cameras	100,000	-	-	-	-
Additional Parking & Landscaping	-	500,000	-	-	-
Future Operation Projects	-	600,000	600,000	600,000	600,000
<b>SUBTOTAL - PLANT</b>	<b>\$ 43,824,000</b>	<b>\$ 38,687,679</b>	<b>\$ 32,803,670</b>	<b>\$ 12,693,090</b>	<b>\$ 34,205,847</b>
<b>SEWAGE COLLECTION</b>					
Lateral Grant Program	\$ 50,000	\$ 52,020	\$ 53,060	\$ 54,121	\$ 55,203
Sewer Main Rehabilitation or Replacement Design	365,000	1,762,810	1,822,040	1,584,182	1,328,282
Sewer Main Rehabilitation or Replacement Const.	-	5,698,051	7,051,446	7,288,374	6,291,929
Manhole Rehabilitation	-	-	-	-	-
Sewer Repairs and/or Rehabilitation	120,000	122,004	125,664	129,434	133,317
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	-	100,000	100,000	100,000	100,000
Emergency Sewer Siphon Replacement Design	1,436,000	-	-	-	-
Emergency Sewer Siphon Replacement Const.	9,285,000	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 11,256,000</b>	<b>\$ 7,734,885</b>	<b>\$ 9,152,210</b>	<b>\$ 9,156,111</b>	<b>\$ 7,908,731</b>
<b>CONTINGENCY</b>	<b>\$ 100,000</b>	<b>\$ 104,040</b>	<b>\$ 106,121</b>	<b>\$ 108,243</b>	<b>\$ 110,408</b>
<b>TOTAL</b>	<b>\$ 55,180,000</b>	<b>\$ 46,526,604</b>	<b>\$ 42,062,001</b>	<b>\$ 21,957,444</b>	<b>\$ 42,224,986</b>

# TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2028/29	2029/30	2030/31	2031/32	2032/33
<b>PLANT FACILITY</b>					
Recycled Water Project Phase 1 Design Build	\$ -	\$ -	\$ -	\$ -	\$ -
Biosolids Conversion Project	\$ -	\$ -	\$ -	\$ -	\$ -
Recycled Water Project Phase 2 Design Build	-	-	-	-	-
Recycled Water Project Phase 3 Design	-	-	-	-	-
Recycled Water Project Phase 3 Construction	33,940,023	10,995,823	-	-	-
Future Plant Expansion 2040 & beyond	-	-	-	-	-
Laboratory Information Management System (LIMS)	-	-	-	-	-
Bathroom Upgrade to Include Shower	-	-	-	-	-
Laboratory Building - Final Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design (Carry Over)	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Repairs to Primary Clarifiers (2)	-	-	-	-	-
Electrical Control Panel Replacements Blower Building	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	800,000	800,000	800,000	800,000	800,000
Amonia / Nitrification Process Upgrade	-	-	-	-	-
Plant Instrumentation Upgrade	-	-	-	-	-
Concrete Repairs to ASP Plant	-	-	-	-	-
Trimax PLC Upgrades SCADA	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Future Operation Projects	600,000	600,000	2,000,000	2,000,000	2,000,000
<b>SUBTOTAL - PLANT</b>	<b>\$ 35,340,023</b>	<b>\$ 12,395,823</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>
<b>SEWAGE COLLECTION</b>					
Lateral Grant Program	\$ 56,307	\$ 57,433	\$ 58,582	\$ 59,754	\$ 60,949
Sewer Main Rehabilitation or Replacement Design	1,053,397	758,540	784,027	457,553	494,157
Sewer Main Rehabilitation or Replacement Const.	5,220,294	4,069,542	2,835,566	1,514,074	1,635,200
Manhole Rehabilitation	-	-	-	150,000	154,500
Sewer Repairs and/or Rehabilitation	137,317	141,437	145,680	150,050	154,552
Avenue 48 Sewer Main Upgrade Design	-	-	-	248,455	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	2,387,715
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	100,000	100,000	100,000	100,000	100,000
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Const.	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 6,567,315</b>	<b>\$ 5,126,952</b>	<b>\$ 3,923,855</b>	<b>\$ 2,679,886</b>	<b>\$ 4,987,073</b>
<b>CONTINGENCY</b>	<b>\$ 112,616</b>	<b>\$ 114,868</b>	<b>\$ 117,165</b>	<b>\$ 119,508</b>	<b>\$ 121,898</b>
<b>TOTAL</b>	<b>\$ 42,019,954</b>	<b>\$ 17,637,643</b>	<b>\$ 6,841,020</b>	<b>\$ 5,599,394</b>	<b>\$ 7,908,971</b>



# TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2033/34	2034/35	2035/36	2036/37	2037/38
<b>PLANT FACILITY</b>					
Recycled Water Project Phase 1 Design Build	\$ -	\$ -	\$ -	\$ -	\$ -
Biosolids Conversion Project	\$ -	\$ -	\$ -	\$ -	\$ -
Recycled Water Project Phase 2 Design Build	-	-	-	-	-
Recycled Water Project Phase 3 Design	-	-	-	-	-
Recycled Water Project Phase 3 Construction	-	-	-	-	-
Future Plant Expansion 2040 & beyond	-	-	-	-	-
Laboratory Information Management System (LIMS)	-	-	-	-	-
Bathroom Upgrade to Include Shower	-	-	-	-	-
Laboratory Building - Final Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design (Carry Over)	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Repairs to Primary Clarifiers (2)	-	-	-	-	-
Electrical Control Panel Replacements Blower Building	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	800,000	800,000	800,000	800,000	800,000
Amonia / Nitrification Process Upgrade	-	-	-	-	-
Plant Instrumentation Upgrade	-	-	-	-	-
Concrete Repairs to ASP Plant	-	-	-	-	-
Trimax PLC Upgrades SCADA	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>SUBTOTAL - PLANT</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>
<b>SEWAGE COLLECTION</b>					
Lateral Grant Program	\$ 62,168	\$ 63,411	\$ 64,679	\$ 65,973	\$ 67,292
Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation or Replacement Const.	-	-	-	-	-
Manhole Rehabilitation	159,135	163,909	168,826	173,891	179,108
Sewer Repairs and/or Rehabilitation	159,189	163,965	168,884	173,951	179,170
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	302,856	-	-	-	-
Interim Collection System CIP Construction	-	2,912,776	-	-	-
Build-out Collection System CIP projects	-	-	7,020,147	-	-
Future Collection Projects	100,000	100,000	100,000	500,000	500,000
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Const.	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 783,348</b>	<b>\$ 3,404,061</b>	<b>\$ 7,522,536</b>	<b>\$ 913,815</b>	<b>\$ 925,570</b>
<b>CONTINGENCY</b>	<b>\$ 124,336</b>	<b>\$ 126,823</b>	<b>\$ 129,359</b>	<b>\$ 131,946</b>	<b>\$ 134,585</b>
<b>TOTAL</b>	<b>\$ 3,707,684</b>	<b>\$ 6,330,884</b>	<b>\$ 10,451,895</b>	<b>\$ 3,845,761</b>	<b>\$ 3,860,155</b>

# TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2038/39	2039/40	2040/41	2041/42	2041/43
<b>PLANT FACILITY</b>					
Recycled Water Project Phase 1 Design Build	\$ -	\$ -	\$ -	\$ -	\$ -
Biosolids Conversion Project	\$ -	\$ -	\$ -	\$ -	\$ -
Recycled Water Project Phase 2 Design Build	-	-	-	-	-
Recycled Water Project Phase 3 Design	-	-	-	-	-
Recycled Water Project Phase 3 Construction	-	-	-	-	-
Future Plant Expansion 2040 & beyond	-	-	61,385,391	61,385,391	61,385,391
Laboratory Information Management System (LIMS)	-	-	-	-	-
Bathroom Upgrade to Include Shower	-	-	-	-	-
Laboratory Building - Final Design	-	-	-	-	-
Laboratory Building - Construction	-	-	-	-	-
Training & Office Building - Design (Carry Over)	-	-	-	-	-
Training & Office Building - Construction	-	-	-	-	-
Water Reclamation Facility Master Plan	-	-	-	-	-
Repairs to Primary Clarifiers (2)	-	-	-	-	-
Electrical Control Panel Replacements Blower Building	-	-	-	-	-
Vehicle & Major Equipment Replacement Fund	800,000	800,000	800,000	800,000	800,000
Amonia / Nitrification Process Upgrade	-	-	-	-	-
Plant Instrumentation Upgrade	-	-	-	-	-
Concrete Repairs to ASP Plant	-	-	-	-	-
Trimax PLC Upgrades SCADA	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>SUBTOTAL - PLANT</b>	<b>\$ 2,800,000</b>	<b>\$ 2,800,000</b>	<b>\$ 64,185,391</b>	<b>\$ 64,185,391</b>	<b>\$ 64,185,391</b>
<b>SEWAGE COLLECTION</b>					
Lateral Grant Program	\$ 68,638	\$ 70,011	\$ 71,411	\$ 72,000	\$ 75,000
Sewer Main Rehabilitation or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation or Replacement Const.	-	-	-	-	-
Manhole Rehabilitation	184,481	190,015	195,715	200,000	220,000
Sewer Repairs and/or Rehabilitation	184,545	190,081	195,783	200,000	220,000
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System CIP Design	-	-	-	-	-
Interim Collection System CIP Construction	-	-	-	-	-
Build-out Collection System CIP projects	-	-	-	-	-
Future Collection Projects	500,000	500,000	500,000	500,000	500,000
Emergency Sewer Siphon Replacement Design	-	-	-	-	-
Emergency Sewer Siphon Replacement Const.	-	-	-	-	-
<b>SUBTOTAL - COLLECTIONS</b>	<b>\$ 937,664</b>	<b>\$ 950,107</b>	<b>\$ 962,909</b>	<b>\$ 972,000</b>	<b>\$ 1,015,000</b>
<b>CONTINGENCY</b>	<b>\$ 137,277</b>	<b>\$ 140,023</b>	<b>\$ 142,823</b>	<b>\$ 142,823</b>	<b>\$ 142,824</b>
<b>TOTAL</b>	<b>\$ 3,874,941</b>	<b>\$ 3,890,130</b>	<b>\$ 65,291,123</b>	<b>\$ 65,300,214</b>	<b>\$ 65,343,215</b>



45500 Van Buren Street  
Indio, CA 92201  
(760) 238-5400  
[www.valley-sanitary.org](http://www.valley-sanitary.org)





## Valley Sanitary District

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Jeanette Juarez, Chief Administrative Officer  
**SUBJECT:** Set Public Hearing Date for June 13, 2023, to Discuss Fees & Charges for District Services and Establish the Gann Appropriations Limit for the Fiscal Year 2023/24

---

### **Suggested Action**

Approve

### **Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

### **Fiscal Impact**

None.

### **Environmental Review**

Not applicable, this item is not a project as defined by the California Environmental Quality Act (CEQA).

### **Background**

Pursuant to Ordinance 94-115 the Board of Directors established the authority under State law to collect fees and charges for costs reasonably borne and charges levied by the District.

Each year the Board adopts a resolution amending District fees and charges. The resolution is split into four (4) sections:

- Section 1: Administrative/Development Services fee
- Section 2: Connection Capacity Charge

- Section 3: Dump Station Fees
- Section 4: Establishes that the General Manager is responsible for the administration and implementation of the resolution.

California Voters approved Proposition 4, commonly referred to as the Gann Limit Initiative (“Gann Limit”), as an amendment to Article XIII B of the State Constitution, Section 7910 of the Government Code, on November 6, 1979. This limit established the maximum amount of tax proceeds that can be spent on government services during a fiscal year. It also requires that agencies return to taxpayers any tax revenue in excess of the limit.

The Board of Directors will review and approve the Gann Limit Calculation for the fiscal year 2023/24.

### **Recommendation**

Staff recommends that the Board of Directors approve the public hearing date set for June 13, 2023, to discuss fees & charges for District services and establish the Gann appropriations limit for the fiscal year 2023/24. A public hearing notice will be published in The Desert Sun, a newspaper of general circulation, on May 25, 2023, and May 31, 2023.

### **Attachments**

[6.3 Attachment A Notice of Public Hearing.doc](#)

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Tuesday, the 13th day of June 2023, at 1:00 P.M. at the regular meeting place of the Governing Board of the Valley Sanitary District, 45-500 Van Buren Street, Indio, California, said Board will hold a public hearing regarding the proposed Fees and Charges resolution and the resolution establishing the Appropriations Limit for the Fiscal year beginning July 1, 2023, and ending June 30, 2024. The Board will consider written and public comments. Written comments should be addressed to Board Secretary, Valley Sanitary District, 45-500 Van Buren St., Indio, CA 92201. Your letter must identify the property you own by service address, be signed by the owner of the record, and be received prior to the close of the Public Hearing on June 13, 2023.

After completion of the Public Hearing, the Board may vote to approve adopting said Fees and Charges and the Appropriations Limit. If you would like more information about the proposed Fees and Charges or Appropriations Limit, please call 760-238-5400. The information is also posted on the Valley Sanitary District website at [www.valley-sanitary.org](http://www.valley-sanitary.org).

BY ORDER OF THE BOARD OF DIRECTORS  
OF THE VALLEY SANITARY DISTRICT

---

Ron Buchwald, Interim General Manager

Publish: May 25, 2023  
May 31, 2023



**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Ron Buchwald, Interim General Manager  
**SUBJECT:** Adopt Resolution 2023-1178 Amending Employee Wages & Benefits Effective July 1, 2023, and Rescind Resolution 2022-1171

---

**Suggested Action**

Approve

**Strategic Plan Compliance**

GOAL 1: Fully Staffed with a Highly Trained and Motivated Team

**Fiscal Impact**

The fiscal impact of the discussion is included in the proposed operating budget for the fiscal year 2023/24.

**Environmental Review**

Not applicable, this item is not a project as defined by the California Environmental Quality Act (CEQA).

**Background**

On April 18, 2023, the Board of Directors held a special meeting to review the proposed fiscal year 2023/24 operating and capital budget. During that meeting, proposed changes to the wage schedule and California Public Employees Retirement System (CalPERS) Plan Contributions were reviewed and discussed.

Employer Contribution to CalPERS

The public agency required employer contribution through CalPERS had the following Changes



(Attachment F):

- Classic Plan increased to 14.20% from 12.40%
- PEPPRA Plan: Increased to 8.00% from 7.76%

-

### Employee Contribution

The public agency required employee contribution through CalPERS had the following Changes (Attachment D):

- PEPPRA Plan: Increased to 8.25% from 7.25%

-

-

### Public Employees' Medical and Hospital Care Act (PEMCHA)

The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the Public Employees Medical and Hospital Care Act (PEMHCA). The minimum required contribution for the calendar year 2024 is \$157.

### Cost of Living Adjustment

The proposed operating budget for the fiscal year 2023/24 includes a max 7.5% Cost of Living Adjustment (COLA) based on the Riverside Area, CA CPI-U Index. The Riverside Area, CA CPI-U Index was at 7.5% as of November 2022 (Attachment C). This adjustment aligns with those made by comparable agencies and ensures that the District remains competitive with other agencies in the region.

### CalPERS Employer Contributions

The District contracts with CalPERS for the purpose of providing employees with medical insurance benefits. The proposed Operating Budget includes a proposed 8.0% increase in the monthly cafeteria plan. The adjustment was determined using the Medical Care index of 8.1% CPI-U Index as of December 2022 and the estimated increases to the CalPERS Medical Premiums. The District will contribute up to \$2,287 to the District's cafeteria plan.

### Lateral Certification

Effective September 1, 2022, employees approved for a new certification will receive an incentive of \$150 per month for each certification. Employees who were enrolled in the lateral certification program before September 1, 2022, receive amounts that exceed \$150 per month and will phase

down equally such that they will be phased down to \$150 per month by June 30, 2025.

### **Recommendation**

Staff recommends that the Board adopt Resolution No. 2023-1178 Amending Employee Wages & Benefits Effective July 1, 2023, and Rescind Resolution 2022-1171

### **Attachments**

[6.4 Attachment A Resolution 2023-1178.docx](#)

[6.4 Attachment B PERSONNEL SUMMARY.pdf](#)

[6.4 Attachment C Consumer Price Index Riverside.pdf](#)

[6.4 Attachment D PEPRF FY24.pdf](#)

[6.4 Attachment E Classic Plan FY24.pdf](#)

[6.4 Attachment F Public Agency Employer Contribution Rate - CalPERS.pdf](#)

[6.4 Attachment G 2024 Contracting Agency Minimum Employer Contribution Calculation - CalPERS.pdf](#)

[6.4 Attachment H CPI Medical Care.pdf](#)

**RESOLUTION NO. 2023-1178**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT AMENDING EMPLOYEE WAGES & BENEFITS EFFECTIVE JULY 1, 2023, AND RESCINDING RESOLUTION 2022-1171**

The General Manager submitted to the Board of Directors a comprehensive budget for Fiscal Year 2023-24 that included employee wages and benefits; and,

The Board of Directors has considered the issues relating to employee wages and benefits from an economic viewpoint and has concluded that a Cost-of-Living Adjustment (COLA) adjustment is warranted.

The Board of Directors of Valley Sanitary District resolves:

1. The Wage Schedule attached to this Resolution as Exhibit 1 replaces the Wage Schedules adopted on September 27, 2022.
2. Retirement Plan: The District participates in the California Public Employees Retirement Plan (CalPERS). The plan for “Classic” employees is 2.5%@55 and the plan for “New Members” (PEPRA) is 2.0%@62.
3. Employer Contribution to CalPERS: The District will contribute to CalPERS the established employer contribution rate of 14.200% toward retirement of all “Classic” employees enrolled in the Tier 1 Retirement Plan and 8.00% for all “PEPRA” employees enrolled in the Tier 2 Retirement Plan.
4. Employee Contribution to CalPERS: Employees will contribute the employee contribution rate of 7.960% for all “Classic” employees enrolled in the Tier 1 Retirement Plan and 8.250% for all “PEPRA” employees enrolled in the Tier 2 Retirement Plan.
5. Social Security and Medicare: In addition to participation in CalPERS, the District participates in Social Security and Medicare programs with the District and employees each responsible for their respective portion as mandated by the Social Security Administration.
6. Medical Plan Premiums: The District will contribute the required PEMHCA Minimum Employer Contribution to CalPERS on behalf of employees for enrollment in one of the available medical plans through CalPERS. The contribution amount for the calendar year 2023 is \$151 per month. Effective January 1, 2024, the contribution amount will increase to \$157.
7. Cafeteria Plan: The District will contribute up to \$2,287 into the District’s cafeteria plan toward medical, dental, and vision plan premiums. The cost of the premiums that exceed the District’s contribution will be paid by the employee through payroll deduction. If an employee chooses medical, dental, and vision plans that are less than the District’s contribution, the District will contribute only the actual premium cost.

8. Cash-in-Lieu: Employees who waive enrollment in one of the available medical plans, and who provide proof of enrollment in another qualifying medical plan, will receive a monthly stipend of \$450.

9. Director’s Health Benefits: Board members are offered a medical, vision, and dental stipend for the calendar year. The annual amount is set at the monthly PEMHCA rate established by CalPERS multiplied by 12 months.

10. Longevity Pay: Employees will receive an incentive to encourage longevity with the District upon completion of their 7<sup>th</sup> anniversary with the District. The initial amount will be \$100 per month. Each five-year anniversary following the first milestone will increase the premium by \$100. The premium, and each subsequent increase, will become effective the first day of the pay period following each longevity milestone anniversary.

11. Standby Pay: Employees assigned to standby will receive special assignment pay of \$43.00 per weekday and \$85.00 per Saturday, Sunday, and District observed holidays. The table below is used to determine call-back or call-back 2 pay:

<b>TYPE</b>	<b>HOURS WORKED</b>	<b>HOURS PAID</b>	<b>RATE</b>	<b>TRAVEL TIME</b>
Call-back	≤ 1 hour 29 minutes	Two-hour minimum	Hourly Rate	None
Call-back 2	≥ 1 hour 30 minutes	Actual time worked	Overtime Rate	30 Minutes

12. Shift Differential: Employees whose assigned shift includes Saturday or Sunday will receive special assignment pay of 5% of the base hourly pay rate for the hours worked on Saturday or Sunday. This differential will not be paid for hours worked on the other days of the employee’s shift.

13. Uniforms: Employees in specific job classifications are required to wear uniforms for health and safety. The District furnishes and launders the uniforms and reports the value to CalPERS as required.

14. Safety Shoes: Employees in specific job classifications that are required to wear safety shoes will be reimbursed up to \$250 each year for the purchase of appropriate footwear.

15. Bi-Lingual Pay: Employees assigned to be available to translate or interpret in the course of their work will receive special assignment pay of \$100 per month.

16. Certification Incentive Pay: Employees that achieve a certification that is required by their job classification but is at a grade higher than what is required, and no higher classification exists in the classification series, will receive an amount equivalent to 5% of their base hourly pay rate.

17. Lateral Certification Incentive Pay: Employees who obtain and maintain a certification that is **not** required by their classification will receive an incentive. Effective September 1, 2022, employees approved for a new certification will receive an incentive of \$150 per month for each certification. No additional incentive will be given for higher certification levels. Employees who were enrolled in the lateral certification program before September 1, 2022, that receive amounts that exceed \$150 per month will phase down equally such that they will be phased down to \$150 per month by June 30, 2025.

18. Holidays: The District observes the following holidays. If a holiday falls on a Saturday, it will be observed on the preceding Friday. If a holiday falls on a Sunday, it will be observed on the following Monday.

<b>Holiday Title</b>	<b>Holiday Date</b>
New Year's Day	January 1
MLK Jr. Birthday	3 <sup>rd</sup> Monday in January
Presidents' Day	3 <sup>rd</sup> Monday in February
Cesar Chavez Day	March 31
Memorial Day	Last Monday in May
Juneteenth	June 19
Independence Day	July 4
Labor Day	First Monday in September
Veterans' Day	November 11
Thanksgiving Day	4 <sup>th</sup> Thursday in November
Native American Heritage Day	Friday after Thanksgiving Day
Christmas Eve	December 24
Christmas Day	December 25
New Year's Eve	December 31

Employees will be paid for eight hours of time off on each holiday. Employees working alternative schedules (9/80) will be paid for eight hours of time off on each holiday and will be given the option for the remaining one or two hours to utilize Vacation or Administrative Leave or to work the one or two hours in the same pay period in which the holiday falls.

For employees assigned to the "Operator of the Day" shift, a 10-hour shift, will be paid an additional two hours (for a total of 10 hours per holiday), which is consistent with long-standing practice.

19. Vacation Leave: Employees accrue vacation leave based on years of service and may take this leave per District policy.

20. Sick Leave: Full-time employees accrue 12 sick days (96 hours) each year. Employees may cash out up to one-half of their sick leave balance each year or upon separation from the District, as allowed by District policy.

21. Management Leave: FLSA exempt employees receive 40 hours of Management Leave each calendar year. Unused hours are not carried over to the next calendar year.

22. Tuition Reimbursement: The District will reimburse employees for approved tuition and course materials up to \$1,000 per quarter, semester, or course, with a maximum reimbursement of \$3,000 per employee per fiscal year.

23. Life Insurance: The District will enroll employees in a life insurance plan at no cost to the employee. The plan coverage is equivalent to the employee's annual base wages, with a minimum of \$50,000, \$10,000 for their spouse, and \$5,000 per dependent child up to 26 years of age.

24. Short-Term Disability: The District participates in the State of California Short-Term Disability Plan. Employees are required to contribute to this plan through payroll deduction.

25. Long-Term Disability: The District participates in a long-term disability plan at no cost to employees.

26. Wellness Program: The District will reimburse employees once each fiscal year for enrollment in gym memberships, exercise and fitness classes, or fitness technology (Fitbit, Peleton, Mirror, etc.). The maximum reimbursement is \$420.

27. Deferred Compensation (457) Plan: Each employee at the District can voluntarily participate, at their own expense, in one of the deferred compensation plans offered by the District through payroll deduction. The District does not match employee contributions into these plans.

28. Except as noted, the effective date of these changes is July 1, 2023.

29. Resolution 2022-1171 is rescinded.

**ADOPTED** this 23<sup>rd</sup> day of May 2023, by the following roll call vote.

AYES:  
NAYES:  
ABSENT:  
ABSTAIN:

---

Debra Canero, President

ATTEST:

---

Scott Sear, Secretary/Treasurer

## STAFFING RANGE ASSIGNMENTS

 Valley Sanitary District Staffing Range Assignments		
DEPARTMENT	CLASSIFICATION	AUTHORIZED POSITIONS
ADMINISTRATION	Accounting Analyst	1
	Administrative Assistant	1
	Chief Administrative Officer	1
	Clerk of the Board	1
	General Manager	1
	Human Resources Specialist	1
	<b>Subtotal</b>	<b>6</b>
SANITATION COLLECTIONS	Collection System Supervisor	1
	Collection System Technician I	3
	Collection System Technician III	1
<b>Subtotal</b>	<b>5</b>	
ENGINEERING	Assistant Engineer	1
	Development Services Supervisor	1
	Development Services Technician III	1
	District Engineer	1
	Engineering Technician	1
<b>Subtotal</b>	<b>5</b>	
ENVIRONMENTAL COMPLIANCE SERVICES	Environmental Compliance Technician III	1
	Laboratory and Environmental Compliance Supervisor	1
	Laboratory Technician I	1
	Laboratory Technician II	1
<b>Subtotal</b>	<b>4</b>	
MAINTENANCE	Electrician/Instrumentation Technician II	1
	Electrician/Instrumentation Technician III	1
	Facilities Maintenance Supervisor	1
	Maintenance Technician I	2
	Maintenance Technician II	2
	Maintenance Technician III	1
<b>Subtotal</b>	<b>8</b>	
OPERATIONS	Chief Operating Officer	1
	Wastewater Operations Supervisor	1
	Wastewater Operator I	1
	Wastewater Operator II	2
	Wastewater Operator III	4
<b>Subtotal</b>	<b>9</b>	
<b>TOTAL POSITIONS</b>		<b>37</b>



# WAGE SCHEDULE



**Valley Sanitary District**  
**Wage Schedule, Effective July 1, 2023**  
**Bi-Weekly Rate**

Job Title	Steps						
	A	B	C	D	E	F	G
Accounting Technician	2,485	2,609	2,739	2,877	3,021	3,171	3,330
Accounting Analyst	3,153	3,311	3,477	3,650	3,832	4,024	4,226
Administrative Assistant	2,373	2,491	2,615	2,746	2,883	3,027	3,179
Assistant Engineer	3,497	3,672	3,856	4,048	4,251	4,463	4,687
Associate Engineer	3,908	4,102	4,308	4,523	4,749	4,987	5,235
Collection System Tech-in-Training	2,074	2,178	2,287	2,400	2,521	2,647	2,779
Collection System Tech I	2,305	2,420	2,540	2,667	2,800	2,941	3,087
Collection System Tech II	2,540	2,667	2,800	2,941	3,087	3,242	3,405
Collection System Tech III	2,800	2,941	3,087	3,242	3,405	3,574	3,753
Clerk of the Board	2,727	2,864	3,007	3,157	3,315	3,481	3,655
Development Services Tech I	2,714	2,850	2,992	3,141	3,299	3,464	3,637
Development Services Tech II	2,992	3,141	3,299	3,464	3,637	3,818	4,010
Development Services Tech III	3,299	3,464	3,637	3,818	4,010	4,210	4,420
Electrician/Inst Tech-in-Training	2,287	2,400	2,521	2,647	2,779	2,918	3,064
Electrician/Inst Tech I	2,572	2,701	2,837	2,979	3,127	3,284	3,448
Electrician/Inst Tech II	2,837	2,979	3,127	3,284	3,448	3,621	3,801
Electrician/Inst Tech III	3,127	3,284	3,448	3,621	3,801	3,991	4,190
Engineering Technician	2,964	3,112	3,268	3,431	3,603	3,783	3,972
Environmental Comp Tech I	2,529	2,656	2,789	2,928	3,075	3,228	3,389
Environmental Comp Tech II	2,789	2,928	3,075	3,228	3,389	3,559	3,738
Environmental Comp Tech III	3,075	3,228	3,389	3,559	3,738	3,924	4,120
Human Resources Specialist	3,002	3,153	3,311	3,477	3,650	3,832	4,024
Lab Technician-in-Training	2,276	2,390	2,509	2,635	2,766	2,905	3,050
Lab Technician I	2,529	2,656	2,789	2,928	3,075	3,228	3,389
Lab Technician II	2,789	2,928	3,075	3,228	3,389	3,559	3,738
Lab Technician III	3,075	3,228	3,389	3,559	3,738	3,924	4,120
Maintenance Tech-in-Training	2,074	2,178	2,287	2,400	2,521	2,647	2,779
Maintenance Tech I	2,305	2,420	2,540	2,667	2,800	2,941	3,087
Maintenance Tech II	2,540	2,667	2,800	2,941	3,087	3,242	3,405
Maintenance Tech III	2,800	2,941	3,087	3,242	3,405	3,574	3,753
Management Analyst	3,403	3,574	3,753	3,940	4,137	4,344	4,561
Procurement Technician	2,521	2,647	2,779	2,919	3,064	3,217	3,379
Wastewater Operator-in-Training	2,148	2,255	2,368	2,486	2,611	2,741	2,879
Wastewater Operator I	2,387	2,506	2,632	2,763	2,901	3,045	3,198
Wastewater Operator II	2,632	2,763	2,901	3,045	3,198	3,358	3,526
Wastewater Operator III	2,901	3,045	3,198	3,358	3,526	3,702	3,887
Collection System Supervisor	3,391	3,560	3,738	3,925	4,120	4,327	4,543
Development Services Supervisor	3,628	3,810	4,000	4,200	4,411	4,631	4,862
Electrical/Instrumentation Supervisor	3,621	3,801	3,991	4,191	4,401	4,620	4,851
Facilities Maintenance Supervisor	3,621	3,801	3,991	4,191	4,401	4,620	4,851
Laboratory and Compliance Supervisor	3,677	3,860	4,054	4,256	4,469	4,692	4,927
Wastewater Operations Supervisor	3,714	3,900	4,095	4,300	4,514	4,740	4,977
Chief Administrative Officer	5,474	5,748	6,035	6,336	6,653	6,986	7,336
District Engineer	5,896	6,191	6,501	6,825	7,167	7,525	7,901
Chief Operating Officer	5,305	5,571	5,849	6,141	6,449	6,771	7,110
General Manager (Contract)							-



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## Consumer Price Index, Riverside Area — November 2022

Area prices were up 0.6 percent over the past two months, up 7.5 percent from a year ago

Prices in the Riverside area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.6 percent for the two months ending in November 2022, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Chris Rosenlund noted that the November increase was influenced by higher prices for shelter. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 7.5 percent. (See [chart 1](#) and [table A.](#)) Food prices increased 9.8 percent, Energy prices increased 12.2 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy advanced 6.4 percent over the year. (See [table 1.](#))

### News Release Information

22-2319-SAN  
Tuesday, December 13, 2022

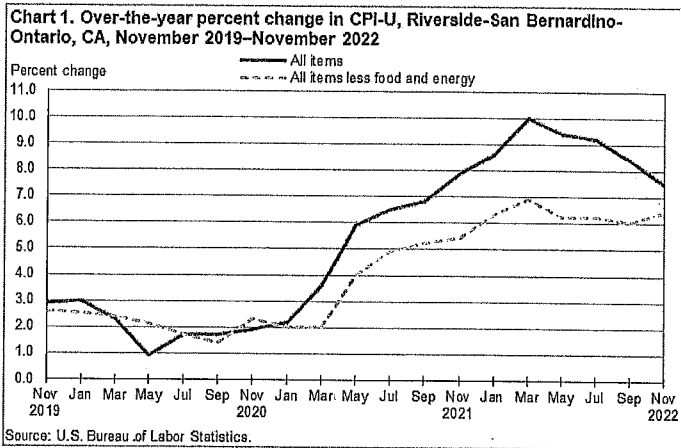
### Contacts

#### Technical Information:

(415) 626-2270  
[BLInfoSF@bls.gov](mailto:BLInfoSF@bls.gov)  
[www.bls.gov/regions/west](http://www.bls.gov/regions/west)

#### Media contact:

(415) 626-2270



[View Chart Data](#)

### Food

Food prices were unchanged for the two months ending in November. (See [table 1.](#)) Prices for food at home decreased 0.4 percent, with lower prices in four of the six grocery categories. Prices for food away from home advanced 0.5 percent for the same period.

Over the year, food prices increased 9.8 percent. Prices for food at home increased 9.4 percent since a year ago. Price increases across food at home expenditure categories ranged from 4.4 percent for meats, poultry, fish, and eggs to 19.7 percent for cereals and bakery products. Prices for food away from home advanced 10.5 percent.

### Energy

The energy index decreased 1.7 percent for the two months ending in November. The decrease was mainly due to lower prices for natural gas service (-22.3 percent). Prices for gasoline declined 2.7 percent, but prices for electricity advanced 9.3 percent for the same period.

Energy prices increased 12.2 percent over the year, largely due to higher prices for gasoline (14.9 percent). Prices paid for electricity increased 9.3 percent, and prices for natural gas service advanced 1.2 percent during the past year.

### All items less food and energy

The index for all items less food and energy advanced 1.0 percent in the latest two-month period. Higher prices for shelter (2.2 percent), education and communication (2.0 percent), and new vehicles (1.4 percent) were partially offset by lower prices for apparel (-5.4 percent), used cars and trucks (-4.8 percent), and medical care (-0.8 percent).

Over the year, the index for all items less food and energy advanced 6.4 percent. Components contributing to the increase included shelter (8.1 percent), medical care (7.5 percent), and recreation (6.0 percent). Partly offsetting the increases was a price decrease in used cars and trucks (-2.1 percent).

Table A. Riverside-San Bernardino-Ontario, CA, CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2019		2020		2021		2022	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
January	0.4	3.0	0.5	3.0	0.9	2.2	1.5	8.6
March	0.7	2.8	0.0	2.3	1.3	3.6	2.7	10.0
May	1.2	2.9	-0.2	0.9	2.0	5.9	1.4	9.4
July	-0.1	2.6	0.7	1.7	1.3	6.5	1.1	9.2
September	0.6	3.1	0.5	1.7	0.8	6.8	0.0	8.4
November	0.2	2.9	0.4	1.9	1.4	7.9	0.6	7.6

## Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 93 percent of the total U.S. population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 percent of the total U.S. population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date; for most of the CPI-U the reference base is 1982-84 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from \$100 to \$107. For further details see the CPI home page on the Internet at [www.bls.gov/cpi](http://www.bls.gov/cpi) and the CPI section of the BLS Handbook of Methods available on the Internet at [www.bls.gov/opub/hom/cpi/](http://www.bls.gov/opub/hom/cpi/).

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Riverside-San Bernardino-Ontario, CA metropolitan area includes Riverside and San Bernardino Counties in California.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods**

**Riverside-San Bernardino-Ontario (December 2017=100 unless otherwise noted)**

Item and Group	Indexes				Percent change from-		
	Historical data	Sep. 2022	Oct. 2022	Nov. 2022	Nov. 2021	Sep. 2022	Oct. 2022
<b>Expenditure category</b>							
All Items	125.272	-	125.983	7.5	0.6	-	
Food and beverages	129.109	-	129.009	9.6	-0.1	-	
Food	129.980	-	129.961	9.8	0.0	-	
Food at home	129.819	131.357	129.287	9.4	-0.4	-1.6	
Cereals and bakery products	145.088	-	143.437	19.7	-1.1	-	
Meats, poultry, fish, and eggs	132.472	-	130.071	4.4	-1.8	-	
Dairy and related products	118.554	-	120.689	12.0	1.8	-	
Fruits and vegetables	127.378	-	133.416	10.2	4.7	-	
Nonalcoholic beverages and beverage materials	131.050	-	128.530	6.6	-1.9	-	
Other food at home	125.173	-	122.328	9.1	-2.3	-	
Food away from home	129.640	-	130.346	10.5	0.5	-	
Alcoholic beverages	113.185	-	111.505	4.0	-1.5	-	
Housing	125.939	-	128.223	8.1	1.8	-	
Shelter	123.471	125.017	126.207	8.1	2.2	1.0	
Rent of primary residence	125.839	129.050	131.056	11.3	4.1	1.6	
Owners' equiv. rent of residences	123.104	124.243	124.985	7.1	1.5	0.6	
Owners' equiv. rent of primary residence	123.104	124.243	124.985	7.1	1.5	0.6	
Fuels and utilities	147.513	-	147.677	6.7	0.1	-	
Household energy	157.408	160.937	157.291	7.3	-0.1	-2.3	
Energy services	158.442	162.028	158.319	7.4	-0.1	-2.3	
Electricity	146.405	160.000	160.027	9.3	9.3	0.0	
Utility (piped) gas service	195.440	167.342	151.841	1.2	-22.3	-9.3	
Household furnishings and operations	120.804	-	121.642	10.8	0.7	-	
Apparel	113.182	-	107.108	8.9	-5.4	-	
Transportation	136.420	-	135.501	6.6	-0.7	-	
Private transportation	138.927	-	138.066	6.4	-0.6	-	
New and used motor vehicles	119.050	-	117.932	1.0	-0.9	-	
New vehicles	112.772	-	114.313	0.2	1.4	-	
Used cars and trucks	147.537	-	140.418	-2.1	-4.8	-	
<b>Footnotes</b>							
(1) Special Index based on a substantially smaller sample.							
- Data not available							
NOTE: Index applies to a month as a whole, not to any specific date.							

Item and Group	Indexes				Percent change from-		
	Historical data	Sep. 2022	Oct. 2022	Nov. 2022	Nov. 2021	Sep. 2022	Oct. 2022
Motor fuel	☒	177.023	194.127	172.425	15.2	-2.6	-11.2
Gasoline (all types)	☒	176.910	194.320	172.197	14.9	-2.7	-11.4
Gasoline, unleaded regular(1)	☒	177.729	195.379	173.020	14.9	-2.6	-11.4
Gasoline, unleaded midgrade(1)	☒	177.352	194.704	172.488	14.9	-2.7	-11.4
Gasoline, unleaded premium(1)	☒	172.745	189.092	168.045	14.8	-2.7	-11.1
Medical care	☒	121.709	-	120.732	7.5	-0.8	-
Recreation	☒	107.578	-	107.934	6.0	0.3	-
Education and communication	☒	109.864	-	112.090	2.6	2.0	-
Tuition, other school fees, and child care	☒	-	-	125.658	4.6	-	-
Other goods and services	☒	121.329	-	121.104	4.4	-0.2	-
<b>Commodity and service group</b>							
All items	☒	125.272	-	125.983	7.5	0.6	-
Commodities	☒	128.005	-	126.693	7.2	-1.0	-
Commodities less food & beverages	☒	127.402	-	125.446	5.9	-1.5	-
Nondurables less food & beverages	☒	137.195	-	133.701	11.2	-2.5	-
Durables	☒	117.338	-	116.842	0.8	-0.4	-
Services	☒	123.674	-	125.707	7.7	1.6	-
<b>Special aggregate indexes</b>							
All items less medical care	☒	125.527	-	126.347	7.5	0.7	-
All items less shelter	☒	126.357	-	125.970	7.2	-0.3	-
Commodities less food	☒	126.962	-	125.015	5.9	-1.5	-
Nondurables	☒	132.948	-	131.226	10.3	-1.3	-
Nondurables less food	☒	135.895	-	132.494	10.9	-2.5	-
Services less rent of shelter	☒	123.812	-	124.857	7.1	0.8	-
Services less medical care services	☒	123.489	-	125.764	7.6	1.8	-
Energy	☒	170.316	182.378	167.386	12.2	-1.7	-8.2
All items less energy	☒	121.280	-	122.322	6.9	0.9	-
All items less food and energy	☒	119.886	-	121.105	6.4	1.0	-
<b>Footnotes</b>							
(1) Special index based on a substantially smaller sample.							
- Data not available							
NOTE: Index applies to a month as a whole, not to any specific date.							

Last Modified Date: Tuesday, December 13, 2022

U.S. BUREAU OF LABOR STATISTICS Western Information Office Attn: EA & I, 90 Seventh Street Suite 14-100 San Francisco, CA 94103-6715

Telephone: 1-415-625-2270 [www.bls.gov/regions/west](http://www.bls.gov/regions/west) Contact Western Region





**California Public Employees' Retirement System**

**Actuarial Office**

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**888 CalPERS** (or **888-225-7377**) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)

**July 2022**

**PEPRA Miscellaneous Plan of the Valley Sanitary District (CalPERS ID: 4105945466)  
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

**Required Contribution**

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	8.00%	\$0	8.25%
<i>Projected Results</i>			
2024-25	8.0%	\$0	TBD

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

### **Changes from Previous Year's Valuation**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

### **Questions**

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA  
Chief Actuary





**Actuarial Valuation  
as of June 30, 2021**

**for the  
PEPRA Miscellaneous Plan  
of the  
Valley Sanitary District  
(CalPERS ID: 4105945466)**

**Required Contributions  
for Fiscal Year  
July 1, 2023 - June 30, 2024**

# **Table of Contents**

**Section 1 – Plan Specific Information**

**Section 2 – Risk Pool Actuarial Valuation Information**

# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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## **Plan Specific Information for the PEPRA Miscellaneous Plan of the Valley Sanitary District**

**(CalPERS ID: 4105945466)  
(Rate Plan ID: 27210)**

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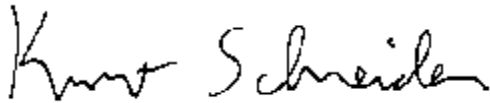
## Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Valley Sanitary District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Valley Sanitary District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



KURT SCHNEIDER, MPA, ASA, EA, MAAA  
Supervising Pension Actuary, CalPERS

## **Highlights and Executive Summary**

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

## Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the PEPRA Miscellaneous Plan of the Valley Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

## Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Valley Sanitary District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

### Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.



## Required Contributions

	Fiscal Year 2023-24
<b>Required Employer Contributions</b>	
<b>Employer Normal Cost Rate</b>	<b>8.00%</b>
<i>Plus</i>	
<b>Required Payment on Amortization Bases<sup>1</sup></b>	<b>\$0</b>
<i>Paid either as</i>	
<b>1) Monthly Payment</b>	<b>\$0.00</b>
<i>Or</i>	
<b>2) Annual Prepayment Option*</b>	<b>\$0</b>
<b>Required PEPRA Member Contribution Rate</b>	<b>8.25%</b>
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i></p> <p><i>* Only the UAL portion of the employer contribution can be prepaid (<b>which must be received in full no later than July 31</b>).</i></p> <p><i>For additional detail regarding the determination of the required PEPRA member contribution rate see section on PEPRA Member Contribution Rates.</i></p>	

	Fiscal Year 2022-23	Fiscal Year 2023-24
<b>Development of Normal Cost as a Percentage of Payroll</b>		
Base Total Normal Cost for Formula	14.22%	15.43%
Surcharge for Class 1 Benefits <sup>2</sup>		
a) PRSA	0.79%	0.82%
Phase out of Normal Cost Difference <sup>3</sup>	0.00%	0.00%
Plan's Total Normal Cost	15.01%	16.25%
Plan's Employee Contribution Rate	7.25%	8.25%
Employer Normal Cost Rate	7.76%	8.00%

<sup>1</sup> The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

<sup>2</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>3</sup> The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

## Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

### Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$109,198	\$0	\$0	\$0	\$109,198

### Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP <sup>1</sup>	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

## Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$2,753,173	\$3,901,498
2. Entry Age Accrued Liability (AL)	1,235,747	1,771,560
3. Plan's Market Value of Assets (MVA)	1,125,220	1,870,574
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	110,527	(99,014)
5. Funded Ratio [(3) / (2)]	91.1%	105.6%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

## Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Rate Plan 27210 Results					
Normal Cost %	8.00%	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

## Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 27210. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	<b>Fiscal Year</b>	<b>Fiscal Year</b>
	<b>2022-23</b>	<b>2023-24</b>
<b>Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans</b>		
Projected Payroll for the Contribution Year	\$2,843,320	\$2,816,681
Estimated Employer Normal Cost	\$299,487	\$315,340
Required Payment on Amortization Bases	\$736,606	\$0
Estimated Total Employer Contributions	\$1,036,093	\$315,340
Estimated Total Employer Contribution Rate (illustrative only)	36.44%	11.20%

## Cost

### Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

## Changes Since the Prior Year's Valuation

### Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

### Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

## Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

## **Assets and Liabilities**

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

## Breakdown of Entry Age Accrued Liability

Active Members	\$1,585,258
Transferred Members	179,350
Terminated Members	6,952
Members and Beneficiaries Receiving Payments	0
Total	\$1,771,560

## Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$1,771,560
2. Projected UAL balance at 6/30/2021	101,857
3. Pool's Accrued Liability <sup>1</sup>	20,794,529,023
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2021 <sup>1</sup>	4,597,734,264
5. Pool's 2020/21 Investment (Gain)/Loss <sup>1</sup>	(2,338,185,055)
6. Pool's 2020/21 Non-Investment (Gain)/Loss <sup>1</sup>	(84,077,623)
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	(241,040)
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	(7,163)
9. Plan's New (Gain)/Loss as of 6/30/2021: $(7) + (8)$	(248,203)
10. Increase in Pool's Accrued Liability due to Change in Assumptions <sup>1</sup>	60,407,898
11. Plan's Share of Pool's Change in Assumptions: $(1) \div (3) \times (10)$	5,146
12. Increase in Pool's Accrued Liability due to Funding Risk Mitigation <sup>1</sup>	495,172,731
13. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (3) \times (12)$	42,186
14. Offset due to Funding Risk Mitigation	(60,591)
15. Plan's Net Investment (Gain): $(7) - (14)$	(180,449)

<sup>1</sup> Does not include plans that transferred to Pool on the valuation date.

## Development of the Plan's Share of Pool's Market Value of Assets

16. Plan's UAL: $(2) + (9) + (11) + (13)$	(\$99,014)
17. Plan's Share of Pool's MVA: $(1) - (16)$	\$1,870,574



## Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	(99,014)	(2,891)	(102,759)	(2,361)	(107,307)	0
<b>Total</b>						<b>(99,014)</b>	<b>(2,891)</b>	<b>(102,759)</b>	<b>(2,361)</b>	<b>(107,307)</b>	<b>0</b>

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

## Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

## Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternate Schedules			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
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6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
<b>Total</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Interest Paid</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Estimated Savings</b>				<b>N/A</b>		<b>N/A</b>

## Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	6.930%	\$41	N/A
2017 - 18	6.908%	129	N/A
2018 - 19	7.266%	12,932	N/A
2019 - 20	7.072%	10,050	0
2020 - 21	7.874%	15,861	0
2021 - 22	7.73%	16,339	
2022 - 23	7.76%	17,408	
2023 - 24	8.00%	0	

## Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2013	\$161	\$216	(\$55)	134.2%	\$46,152
06/30/2014	9,699	10,195	(496)	105.1%	243,260
06/30/2015	52,393	49,181	3,212	93.9%	296,534
06/30/2016	569,251	522,603	46,648	91.8%	402,980
06/30/2017	696,336	656,394	39,942	94.3%	632,505
06/30/2018	815,536	743,262	72,274	91.1%	453,842
06/30/2019	1,034,898	953,718	81,180	92.2%	690,380
06/30/2020	1,235,747	1,125,220	110,527	91.1%	1,054,655
06/30/2021	1,771,560	1,870,574	(99,014)	105.6%	1,256,450

## **Risk Analysis**

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

## Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	2025-26	2026-27	2027-28	2028-29
<b>3.0% (5<sup>th</sup> percentile)</b>					
Normal Cost Rate	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Contribution	\$0	\$1,000	\$3,900	\$8,700	\$15,000
<b>10.8% (95<sup>th</sup> percentile)</b>					
Normal Cost Rate	8.2%	8.4%	8.6%	8.8%	8.5%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	2024-25
<b>(17.2)% (2 standard deviation loss)</b>		
Normal Cost Rate	8.00%	8.0%
UAL Contribution	\$0	\$8,600
<b>(5.2)% (1 standard deviation loss)</b>		
Normal Cost Rate	8.00%	8.0%
UAL Contribution	\$0	\$3,100

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

## Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

### Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
Inflation	2.3%	2.3%	2.3%
<b>Real Rate of Return</b>	<b>3.5%</b>	<b>4.5%</b>	<b>5.5%</b>
a) Total Normal Cost	20.35%	16.25%	13.13%
b) Accrued Liability	\$2,156,280	\$1,771,560	\$1,470,857
c) Market Value of Assets	\$1,870,574	\$1,870,574	\$1,870,574
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$285,706	(\$99,014)	(\$399,717)
e) Funded Ratio	86.8%	105.6%	127.2%

### Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
<b>Inflation</b>	<b>1.3%</b>	<b>2.3%</b>	<b>3.3%</b>
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	17.13%	16.25%	14.77%
b) Accrued Liability	\$1,864,388	\$1,771,560	\$1,601,928
c) Market Value of Assets	\$1,870,574	\$1,870,574	\$1,870,574
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$6,186)	(\$99,014)	(\$268,646)
e) Funded Ratio	100.3%	105.6%	116.8%

## Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	16.54%	16.25%	15.98%
b) Accrued Liability	\$1,801,250	\$1,771,560	\$1,744,051
c) Market Value of Assets	\$1,870,574	\$1,870,574	\$1,870,574
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$69,324)	(\$99,014)	(\$126,523)
e) Funded Ratio	103.8%	105.6%	107.3%

## Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

<b>Ratio of Retiree Accrued Liability to Total Accrued Liability</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>
1. Retired Accrued Liability	\$0	\$0
2. Total Accrued Liability	1,235,747	1,771,560
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

<b>Support Ratio</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>
1. Number of Actives	17	18
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A



## Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

### Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	\$1,125,220	\$1,870,574
2. Payroll	1,054,655	1,256,450
3. Asset Volatility Ratio (AVR) [(1) / (2)]	1.1	1.5
4. Accrued Liability	\$1,235,747	\$1,771,560
5. Liability Volatility Ratio (LVR) [(4) / (2)]	1.2	1.4

## Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	1.0	1.1
06/30/2018	0.00	N/A	1.6	1.8
06/30/2019	0.00	N/A	1.4	1.5
06/30/2020	0.00	N/A	1.1	1.2
06/30/2021	0.00	N/A	1.5	1.4

## Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan’s ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19 -month period from 12 months before the valuation date to seven months after.

<b>Market Value of Assets (MVA)</b>	<b>Hypothetical Termination Liability<sup>1,2</sup> at 1.00%</b>	<b>Funded Ratio</b>	<b>Unfunded Termination Liability at 1.00%</b>	<b>Hypothetical Termination Liability<sup>1,2</sup> at 2.25%</b>	<b>Funded Ratio</b>	<b>Unfunded Termination Liability at 2.25%</b>
\$1,870,574	\$4,294,181	43.6%	\$2,423,607	\$3,170,476	59.0%	\$1,299,902

<sup>1</sup> The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

<sup>2</sup> The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

## Participant Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
<b>Active Members</b>		
Counts	17	18
Average Attained Age	37.46	37.46
Average Entry Age to Rate Plan	33.40	32.80
Average Years of Credited Service	4.12	4.71
Average Annual Covered Pay	\$62,039	\$69,803
Annual Covered Payroll	\$1,054,655	\$1,256,450
Present Value of Future Payroll	\$11,217,282	\$14,567,053
<b>Transferred Members</b>	6	7
<b>Separated Members</b>	3	4
<b>Retired Members and Beneficiaries</b>		
Counts*	0	0
Average Annual Benefits*	\$0	\$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

\* Values include community property settlements.

## List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- Post-Retirement Survivor Allowance (PRSA)

## Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
<b>Demographics</b>		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
<b>Benefit Provision</b>		
Benefit Formula	2% @ 62	
Social Security Coverage	Yes	
Full/Modified	Full	
Employee Contribution Rate	7.25%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	No	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$500	
Survivor Allowance (PRSA)	Yes	
COLA	2%	

## PEPRA Member Contribution Rates

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for “new” employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), “new members ... shall have an initial contribution rate of at least 50% of the normal cost rate.” The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions, and demographics of the risk pool, particularly members’ entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2023, based on 50% of the total normal cost rate as of the June 30, 2021 valuation.

Rate Plan Identifier	Benefit Group Name	Basis for Current Rate		Rates Effective July 1, 2023			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
27210	Miscellaneous PEPRA Level	14.322%	7.25%	16.25%	1.928%	Yes	8.25%

## Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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### **Risk Pool Actuarial Valuation Information**

**Section 2 may be found on the CalPERS website  
([www.calpers.ca.gov](http://www.calpers.ca.gov)) in the Forms and  
Publications section**



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

**888 CalPERS** (or **888-225-7377**) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)

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**July 2022**

**Miscellaneous Plan of the Valley Sanitary District (CalPERS ID: 4105945466)  
Annual Valuation Report as of June 30, 2021**

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

**Required Contribution**

The table below shows the minimum required employer contributions for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability
2023-24	14.20%	\$0
<i>Projected Results</i>		
2024-25	14.2%	\$0

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

### **Changes from Previous Year's Valuation**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

### **Questions**

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,



SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA  
Chief Actuary





**Actuarial Valuation  
as of June 30, 2021**

**for the  
Miscellaneous Plan  
of the  
Valley Sanitary District  
(CalPERS ID: 4105945466)**

**Required Contributions  
for Fiscal Year  
July 1, 2023 - June 30, 2024**

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**Section 1 – Plan Specific Information**

**Section 2 – Risk Pool Actuarial Valuation Information**

# Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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## **Plan Specific Information for the Miscellaneous Plan of the Valley Sanitary District**

**(CalPERS ID: 4105945466)  
(Rate Plan ID: 3242)**

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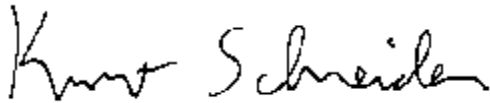
## Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Plan of the Valley Sanitary District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Valley Sanitary District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.



KURT SCHNEIDER, MPA, ASA, EA, MAAA  
Supervising Pension Actuary, CalPERS

## **Highlights and Executive Summary**

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

## Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the Miscellaneous Plan of the Valley Sanitary District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

## Purpose of Section 1

This Section 1 report for the Miscellaneous Plan of the Valley Sanitary District of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website ([www.calpers.ca.gov](http://www.calpers.ca.gov)).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

### Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

## Required Contributions

<b>Required Employer Contributions</b>	<b>Fiscal Year 2023-24</b>
<b>Employer Normal Cost Rate</b>	<b>14.20%</b>
<i>Plus</i>	
<b>Required Payment on Amortization Bases<sup>1</sup></b>	<b>\$0</b>
<i>Paid either as</i>	
<b>1) Monthly Payment</b>	<b>\$0.00</b>
<i>Or</i>	
<b>2) Annual Prepayment Option*</b>	<b>\$0</b>
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (<b>which must be received in full no later than July 31</b>).</i>	

	<b>Fiscal Year 2022-23</b>	<b>Fiscal Year 2023-24</b>
<b>Development of Normal Cost as a Percentage of Payroll</b>		
Base Total Normal Cost for Formula	19.55%	21.30%
Surcharge for Class 1 Benefits <sup>2</sup>		
a) PRSA	0.81%	0.86%
Phase out of Normal Cost Difference <sup>3</sup>	0.00%	0.00%
Plan's Total Normal Cost	20.36%	22.16%
Formula's Expected Employee Contribution Rate	7.96%	7.96%
Employer Normal Cost Rate	12.40%	14.20%

<sup>1</sup> The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

<sup>2</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>3</sup> The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.



## Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

### Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$206,142	\$0	\$0	\$0	\$206,142

### Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP <sup>1</sup>	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

## Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$16,012,362	\$17,255,747
2. Entry Age Accrued Liability (AL)	13,654,183	15,025,293
3. Plan's Market Value of Assets (MVA)	11,085,928	14,280,811
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	2,568,255	744,482
5. Funded Ratio [(3) / (2)]	81.2%	95.0%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

## Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

Fiscal Year	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Rate Plan 3242 Results					
Normal Cost %	14.20%	14.2%	14.2%	14.2%	14.2%	14.2%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

## Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 3242. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	<b>Fiscal Year</b>	<b>Fiscal Year</b>
	<b>2022-23</b>	<b>2023-24</b>
<b>Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans</b>		
Projected Payroll for the Contribution Year	\$2,843,320	\$2,816,681
Estimated Employer Normal Cost	\$299,487	\$315,340
Required Payment on Amortization Bases	\$736,606	\$0
Estimated Total Employer Contributions	\$1,036,093	\$315,340
Estimated Total Employer Contribution Rate (illustrative only)	36.44%	11.20%

## Cost

### Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

## Changes Since the Prior Year's Valuation

### Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

### Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

## Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

## **Assets and Liabilities**

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

## Breakdown of Entry Age Accrued Liability

Active Members	\$4,817,088
Transferred Members	1,325,691
Terminated Members	197,115
Members and Beneficiaries Receiving Payments	8,685,399
Total	\$15,025,293

## Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$15,025,293
2. Projected UAL balance at 6/30/2021	2,248,293
3. Pool's Accrued Liability <sup>1</sup>	20,794,529,023
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2021 <sup>1</sup>	4,597,734,264
5. Pool's 2020/21 Investment (Gain)/Loss <sup>1</sup>	(2,338,185,055)
6. Pool's 2020/21 Non-Investment (Gain)/Loss <sup>1</sup>	(84,077,623)
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	(1,844,500)
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	(60,751)
9. Plan's New (Gain)/Loss as of 6/30/2021: $(7) + (8)$	(1,905,251)
10. Increase in Pool's Accrued Liability due to Change in Assumptions <sup>1</sup>	60,407,898
11. Plan's Share of Pool's Change in Assumptions: $(1) \div (3) \times (10)$	43,648
12. Increase in Pool's Accrued Liability due to Funding Risk Mitigation <sup>1</sup>	495,172,731
13. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (3) \times (12)$	357,792
14. Offset due to Funding Risk Mitigation	(377,366)
15. Plan's Net Investment (Gain): $(7) - (14)$	(1,467,134)

<sup>1</sup> Does not include plans that transferred to Pool on the valuation date.

## Development of the Plan's Share of Pool's Market Value of Assets

16. Plan's UAL: $(2) + (9) + (11) + (13)$	\$744,482
17. Plan's Share of Pool's MVA: $(1) - (16)$	\$14,280,811

## Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	744,482	687,729	84,380	698,173	(631,403)	0
<b>Total</b>						<b>744,482</b>	<b>687,729</b>	<b>84,380</b>	<b>698,173</b>	<b>(631,403)</b>	<b>0</b>

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.



## Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

## Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternate Schedules			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
6/30/2027						
6/30/2028						
6/30/2029						
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6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
<b>Total</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Interest Paid</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Estimated Savings</b>				<b>N/A</b>		<b>N/A</b>

## Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

<b>Fiscal Year</b>	<b>Employer Normal Cost</b>	<b>Unfunded Liability Payment (\$)</b>	<b>Additional Discretionary Payments</b>
2016 - 17	10.236%	\$85,955	N/A
2017 - 18	10.277%	104,679	N/A
2018 - 19	10.832%	133,701	N/A
2019 - 20	11.533%	465,660	0
2020 - 21	12.527%	483,116	0
2021 - 22	12.38%	708,181	
2022 - 23	12.40%	719,198	
2023 - 24	14.20%	0	

## Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

<b>Valuation Date</b>	<b>Accrued Liability (AL)</b>	<b>Share of Pool's Market Value of Assets (MVA)</b>	<b>Unfunded Accrued Liability (UAL)</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>
06/30/2012	\$6,805,389	\$4,281,858	\$2,523,531	62.9%	\$1,387,622
06/30/2013	7,582,722	5,150,905	2,431,817	67.9%	1,677,937
06/30/2014	8,368,182	6,960,473	1,407,709	83.2%	1,561,885
06/30/2015	8,938,282	7,180,003	1,758,279	80.3%	1,683,657
06/30/2016	9,721,123	7,297,295	2,423,828	75.1%	1,601,687
06/30/2017	10,563,728	8,163,994	2,399,734	77.3%	1,646,775
06/30/2018	11,920,935	9,084,927	2,836,008	76.2%	1,605,417
06/30/2019	12,807,499	10,253,703	2,553,796	80.1%	1,672,228
06/30/2020	13,654,183	11,085,928	2,568,255	81.2%	1,566,425
06/30/2021	15,025,293	14,280,811	744,482	95.0%	1,336,286

## **Risk Analysis**

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

## Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	2025-26	2026-27	2027-28	2028-29
<b>3.0% (5<sup>th</sup> percentile)</b>					
Normal Cost Rate	14.2%	14.2%	14.2%	14.2%	14.2%
UAL Contribution	\$0	\$13,000	\$39,000	\$80,000	\$136,000
<b>10.8% (95<sup>th</sup> percentile)</b>					
Normal Cost Rate	14.5%	14.8%	15.1%	15.4%	15.7%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	2024-25
<b>(17.2)% (2 standard deviation loss)</b>		
Normal Cost Rate	14.20%	14.2%
UAL Contribution	\$0	\$70,000
<b>(5.2)% (1 standard deviation loss)</b>		
Normal Cost Rate	14.20%	14.2%
UAL Contribution	\$0	\$28,000

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

## Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

### Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
Inflation	2.3%	2.3%	2.3%
<b>Real Rate of Return</b>	<b>3.5%</b>	<b>4.5%</b>	<b>5.5%</b>
a) Total Normal Cost	27.95%	22.16%	17.76%
b) Accrued Liability	\$17,184,896	\$15,025,293	\$13,254,148
c) Market Value of Assets	\$14,280,811	\$14,280,811	\$14,280,811
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,904,085	\$744,482	(\$1,026,663)
e) Funded Ratio	83.1%	95.0%	107.7%

### Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
<b>Discount Rate</b>	<b>5.8%</b>	<b>6.8%</b>	<b>7.8%</b>
<b>Inflation</b>	<b>1.3%</b>	<b>2.3%</b>	<b>3.3%</b>
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	23.28%	22.16%	20.17%
b) Accrued Liability	\$15,584,856	\$15,025,293	\$13,754,410
c) Market Value of Assets	\$14,280,811	\$14,280,811	\$14,280,811
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,304,045	\$744,482	(\$526,401)
e) Funded Ratio	91.6%	95.0%	103.8%

## Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	22.52%	22.16%	21.83%
b) Accrued Liability	\$15,301,842	\$15,025,293	\$14,769,471
c) Market Value of Assets	\$14,280,811	\$14,280,811	\$14,280,811
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,021,031	\$744,482	\$488,660
e) Funded Ratio	93.3%	95.0%	96.7%

## Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

<b>Ratio of Retiree Accrued Liability to Total Accrued Liability</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>
1. Retired Accrued Liability	\$7,998,389	\$8,685,399
2. Total Accrued Liability	13,654,183	15,025,293
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.59	0.58

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

<b>Support Ratio</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>
1. Number of Actives	15	12
2. Number of Retirees	16	18
3. Support Ratio [(1) / (2)]	0.94	0.67

## Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

### Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	\$11,085,928	\$14,280,811
2. Payroll	1,566,425	1,336,286
3. Asset Volatility Ratio (AVR) [(1) / (2)]	7.1	10.7
4. Accrued Liability	\$13,654,183	\$15,025,293
5. Liability Volatility Ratio (LVR) [(4) / (2)]	8.7	11.2

## Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.46	1.80	5.0	6.4
06/30/2018	0.56	1.42	5.7	7.4
06/30/2019	0.57	1.31	6.1	7.7
06/30/2020	0.59	0.94	7.1	8.7
06/30/2021	0.58	0.67	10.7	11.2



## Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan’s ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19 -month period from 12 months before the valuation date to seven months after.

<b>Market Value of Assets (MVA)</b>	<b>Hypothetical Termination Liability<sup>1,2</sup> at 1.00%</b>	<b>Funded Ratio</b>	<b>Unfunded Termination Liability at 1.00%</b>	<b>Hypothetical Termination Liability<sup>1,2</sup> at 2.25%</b>	<b>Funded Ratio</b>	<b>Unfunded Termination Liability at 2.25%</b>
\$14,280,811	\$33,292,416	42.9%	\$19,011,605	\$27,142,053	52.6%	\$12,861,242

<sup>1</sup> The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

<sup>2</sup> The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

## Participant Data

The table below shows a summary of the plan’s member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
<b>Active Members</b>		
Counts	15	12
Average Attained Age	49.04	48.62
Average Entry Age to Rate Plan	36.99	35.32
Average Years of Credited Service	12.09	13.36
Average Annual Covered Pay	\$104,428	\$111,357
Annual Covered Payroll	\$1,566,425	\$1,336,286
Present Value of Future Payroll	\$11,673,909	\$10,048,311
<b>Transferred Members</b>	10	11
<b>Separated Members</b>	7	7
<b>Retired Members and Beneficiaries</b>		
Counts*	16	18
Average Annual Benefits*	\$36,742	\$35,072

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

\* Values include community property settlements.

## List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- Post-Retirement Survivor Allowance (PRSA)

## Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

Member Category	Benefit Group	
	Misc	Misc
<b>Demographics</b>		
Actives	No	Yes
Transfers/Separated	Yes	Yes
Receiving	Yes	Yes
<b>Benefit Provision</b>		
Benefit Formula	2% @ 55	2.5% @ 55
Social Security Coverage	Yes	Yes
Full/Modified	Modified	Modified
Employee Contribution Rate		8.00%
Final Average Compensation Period	Three Year	Three Year
Sick Leave Credit	Yes	Yes
Non-Industrial Disability	Standard	Standard
Industrial Disability	No	No
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	Yes
1959 Survivor Benefit Level	No	No
Special	No	No
Alternate (firefighters)	No	No
Post-Retirement Death Benefits		
Lump Sum	\$500	\$500
Survivor Allowance (PRSA)	Yes	Yes
COLA	2%	2%

## Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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### **Risk Pool Actuarial Valuation Information**

**Section 2 may be found on the CalPERS website  
([www.calpers.ca.gov](http://www.calpers.ca.gov)) in the Forms and  
Publications section**



# Public Agency Required Employer Contributions

Employer contributions are determined by annual actuarial valuations. These valuations are based on the benefit formulas the agency provides and the employee groups covered.

Find your agency's employer contribution requirements below or view the List of Public Agency Required Employer Contributions (PDF, 2.01 MB).

## + About Contributions

[Download](#)

### Show

entries

### Search

Empty Cell	CalPERS Employer ID	Employer Name
Empty Cell	<b>CalPERS Employer ID</b> <input type="text" value="Search CalPERS Employe"/>	<b>Employer Name</b> <input type="text" value="valley sanitary"/>
	1975812746	Castro Valley Sanitary District
	5940093843	Las Gallinas Valley Sanitary District of Marin County
	3858982437	Ojai Valley Sanitary District
	6650358204	Ross Valley Sanitary Distrct
	4105945466	Valley Sanitary District

Empty Cell	CalPERS Employer ID		Employer Name			
Employer Plan	FY 2023-24	UAL 2023-24	FY 2022-23	UAL 2022-23	FY 2021-22	UAL 2021-22
Miscellaneous	14.20%	\$0	12.40%	\$719,198	12.38%	\$708,181
PEPRA Miscellaneous	8.00%	\$0	7.76%	\$17,408	7.73%	\$16,339

Showing 1 to 5 of 5 entries (filtered from 1,506 total entries)

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# 2024 Contracting Agency Minimum Employer Contribution Calculation

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April 14, 2023

Circular Letter: 600-018-23

**Distribution: Special**

**To: Contracting Agency Health Benefits Officers and Assistant Health Benefits Officers**

## Purpose

This Circular Letter informs contracting public agencies and schools of the new minimum employer health contribution for calendar year 2024.

## Background

The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA)<sup>1</sup>. This section provides that "the employer contribution shall be adjusted annually by the board to reflect any changes in the medical care component of the Consumer Price Index-Urban (CPI-U) and shall be rounded to the nearest dollar."

## Inflation Rate Changes

In January 2023, the U.S. Bureau of Labor Statistics determined the annual percentage change in the medical care component of the CPI-U for 2022 was 4.1%.

The table below provides an inflation comparison of medical care rates:

Year	Index	Percent
2018	484.707	2.0
2019	498.413	2.8

Year	Index	Percent
2020	518.876	4.1
2021	525.276	1.2
2022	546.554	4.1

## Calculation of the Minimum Employer Contribution

Using the 4.1% increase in the medical care component of the CPI-U, the minimum employer contribution for calendar year 2024 is \$157; see calculation below.

1.  $\$151 \times 4.1\% = \$6.19$
2.  $\$151 + \$6.19 = \$157.19$ , rounded to \$157

## Minimum Employer Contribution

The table below displays the annual amounts of the Minimum Employer Contribution for members by calendar year:

Year	Employer Contribution
2020	\$139
2021	\$143
2022	\$149
2023	\$151
2024	\$157

## Contribution Change Process

Contracting agencies that have designated the PEMHCA Minimum as their monthly employer health contribution will have their employer billing automatically updated to reflect the new amount effective January 1, 2024.

Contracting agencies do not need to act unless they wish to make a change to their current contribution method. To do so, employers must submit a change resolution. Change resolutions are effective the first day of the second month following receipt by CalPERS.



# Questions

We are committed to assisting you conduct business with the CalPERS Health Program. To request the necessary change resolution template, call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Yesenia Croft, Chief  
Health Account Management Division

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<sup>1</sup>California Government Code § 20000, et seq.

Updated: April 14, 2023



# Consumer Price Index

 
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## Measuring Price Change in the CPI: Medical care

The **medical care** index is one of eight major groups in the Consumer Price Index (CPI) and is divided into two main components: **medical care services** and **medical care commodities**, each containing several item categories.

**Medical care services**, the larger component in terms of weight in the CPI, is organized into three categories: **professional services**, **hospital and related services**, and **health insurance**. **Medical care commodities**, the other major component, includes **medicinal drugs** and **medical equipment and supplies**.

The following topics that are frequently confusing to the public are explained in this factsheet: [expenditure methodology](#), [health insurance](#), [prescription drugs](#), [professional services](#), and [hospital services](#).

### Expenditure methodology

#### General CPI methodology

The CPI measures inflation by tracking retail prices of a good or service of a constant quality and quantity over time. Tracking retail prices allows CPI to capture changes in *out-of-pocket* household spending over time. Each month, the various item indexes reflect the observed price changes, aggregating up to the **all items** CPI.

In the aggregation process, each item index is assigned a relative importance, or weight. The weight of each item in the CPI is determined using the [Consumer Expenditure Survey](#) (CE) which collects information from the nation's households and families on their buying habits (or expenditures), income, and household characteristics. Goods and services that consumers spend the most on will be the most heavily weighted. Additional information on CE and how weights are calculated and updated can be found in the CPI and the CE sections of the [BLS Handbook of Methods](#).

#### Medical care methodology

The CE tracks consumer out-of-pocket spending on medical care, which is used to weight the medical care indexes. CE defines out-of-pocket medical spending as:

- patient payments made directly to retail establishments for medical goods and services;
- health insurance premiums paid for by the consumer, including Medicare Part B; and
- health insurance premiums deducted from employee paychecks.

Employer paid portions of insurance premiums and fully tax-funded medical care (such as Medicare Part A and Medicaid) are not considered out-of-pocket, and therefore not used in weighting the indexes.

While the weight of each CPI medical care related index is determined by out-of-pocket spending, price change reflected by the indexes measure the total reimbursement to medical care providers. This includes medical care payments made by private insurance companies, Medicare Part B, and Medicare Part D on behalf of consumers.

For example, in the **physicians' services** index, we consider the price of an office visit to be the patient's \$20 copay, as well as the \$80 insurance payment to the physician, for a total of \$100. The \$100 figure is used when calculating any price change.

The reason for this apparent discrepancy is due to challenges the CPI faces when pricing health insurance; this is described in more detail in the [health insurance](#) section. Medicaid and worker's compensation payer types are not eligible for the CPI since consumers do not make out-of-pocket payments to participate in these programs.

Note: Since the relative importance of medical care only includes out-of-pocket expenditures, its share in the CPI is smaller than its share of gross domestic product (GDP) and other national accounts measures. GDP includes reimbursements that are fully paid for by public sources and employers, increasing medical care's share of GDP.

**Table A. Definitions of published medical care indexes and relative importance as of December 2022**

Item	Definition	Relative importance (percent)	Percentage of the Medical Care Index
<b>Medical care</b>	Medical care commodities and medical care services	8.108	100%
<b>A. Medical care commodities</b>	Prescription drugs, nonprescription over-the-counter-drugs, and other medical equipment and supplies	1.455	18%
<b>1. Medicinal drugs</b>	All prescription and over-the-counter drugs	1.340	17%
<b>a. Prescription drugs</b>	All drugs dispensed by prescription. Mail order outlets are included. Prices reported represent transaction prices between the pharmacy, patient, and third party payer, if applicable.	0.945	12%
<b>b. Nonprescription drugs</b>	All nonprescription drugs, including topicals	0.396	5%
<b>2. Medical equipment and supplies</b>	Nonprescription medicines and dressings used externally, contraceptives, and supportive and convalescent medical equipment (e.g., adhesive strips, heating	0.115	1%

Footnotes:

(1) Substratum index: a special index published below the typical item level. Relative importance is not available for these indexes.

(2) CPI pricing and weighting excludes institutionalized populations such as those living in nursing homes.



#### Related Articles

[Household healthcare spending in 2014](#)

[Spotlight on Healthcare](#)

[Employment and Wages in Healthcare Occupations](#)

Item	Definition	Relative importance (percent)	Percentage of the Medical Care Index
	pads, athletic supporters, and wheelchairs)		
<b>B. Medical care services</b>	Professional medical services, hospital services, nursing home services, adult day care, and health insurance	6.653	82%
<b>1. Professional services</b>	Physicians, dentists, eye care providers, and other medical professionals	3.611	45%
<b>a. Physicians' services</b>	Services by medical physicians in private practice, including osteopaths, which are billed by the physician. Includes house, office, clinic, and hospital visits. (Excludes independent lab work and ophthalmologists. See Eyeglasses and eye care.)	1.855	23%
<b>b. Dental services</b>	Services performed by dentists, oral or maxillofacial surgeons, orthodontists, periodontists, or other dental specialists in group or individual practice. Treatment may be provided in the office or hospital.	0.917	11%
<b>c. Eyeglasses and eye care</b>	Services and goods provided by opticians, optometrists, and ophthalmologists. Includes eye exams, dispensing of eyeglasses and contact lenses, office visits, and surgical procedures in the office or hospital.	0.314	4%
<b>d. Services by other medical professionals</b>	Services performed by other professionals such as psychologists, chiropractors, physical therapists, podiatrists, social workers, and nurse practitioners in or out of the office. Also, includes independent lab work and imaging services.	0.524	6%
<b>2. Hospital and related services</b>	Services provided to inpatients and outpatients. Includes emergency room visits, nursing home care and adult day care.	2.273	28%
<b>a. Hospital services</b>	Services provided to patients during visits to hospitals, ambulatory surgical centers, or other similar settings.	1.940	24%
<b>i. Inpatient hospital services (1)</b>	Services for inpatients. Includes a mixture of itemized services, Diagnosis Related Group -based services, per diems, packages, or other bundled services.	N/A	
<b>ii. Outpatient hospital services (1)</b>	Services provided to patients classified as outpatients in hospitals, free standing services facilities, ambulatory surgery, and urgent care centers.	N/A	
<b>b. Nursing home and adult day care services</b>	Charges for residential care at nursing homes, nursing home units of retirement homes, and convalescent or rest homes. Also includes non-residential adult day care.	0.186	2%
<b>c. Care of invalids and elderly at home</b>	Fees paid to individuals or agencies for the personal care of invalids, elderly or convalescents in the home including food preparation, bathing, light house cleaning, and other services	0.147	2%
<b>3. Health Insurance</b>	Indirect approach based on retained earnings method. See Health Insurance section.	0.770	9%

## Footnotes:

(1) Substratum index: a special index published below the typical item level. Relative importance is not available for these indexes.

(2) CPI pricing and weighting excludes institutionalized populations such as those living in nursing homes.

## Health insurance

### Challenges to pricing health insurance

Even though insurance premiums are an important part of consumers' medical spending, the CPI does not directly price health insurance policies. In a direct approach, we would track the movement of insurance premiums, holding constant the quality of insurance, and use these price relatives to build the Health Insurance index. However, the CPI has been unable to consistently control for changes in quality such as policy benefits and risk factors. Price change between health plans of varying quality cannot be compared, and any quality adjustment methods to facilitate price comparison would be difficult and subjective. As a result, we developed an indirect approach called the retained earnings method.

### Retained Earnings Method

#### Methodology Framework

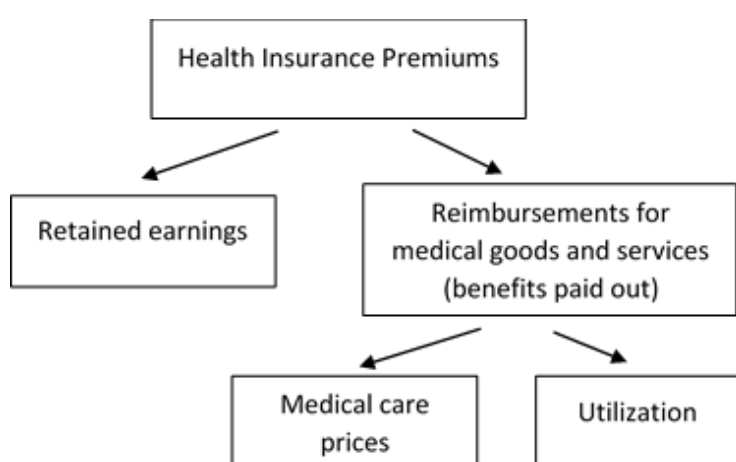
This section offers a general overview of the retained earnings methodology; the specifics of each step are detailed in later sections. This method begins by decomposing health insurance premiums into the two ways they are used by the insurance company: earnings retained by the insurance company and the benefits paid out on behalf of customers.

The earnings retained by the company can be thought of as leftover premiums income after paying out benefits and rebates<sup>1</sup>. These earnings retained by the insurance company are used to cover administrative costs or kept as profit. The CPI thinks of this value as the cost of administering insurance services, such as paying out claims, and refers to it as the retained earnings.

Benefits paid out — or reimbursements to providers for medical goods and services — can be broken down as the product of medical care prices and medical care utilization. In other words, total benefits equals the average price of medical service claims multiplied by the number of claims filed.

Deconstructing health insurance premiums in this way shows that premiums are a function of retained earnings, utilization, and the price of medical care.

Figure A. Breakdown of Health Insurance Premium Components.



Once premiums are defined, the CPI makes an important assumption: that the quality of a health insurance policy can be held constant through the ratio of retained earnings to benefits paid out. For example, if retained earnings rise as a result of increased premiums while benefits paid out stays constant, then the quality of insurance has decreased relative to its cost. This monthly relative of the retained earnings to benefits ratio is how the CPI tracks premium prices without having to adjust for quality changes in each insurance policy, such as services covered.

Since CPI only wants to track change in retained earnings in the **health insurance** index, CPI must reallocate the health insurance weight representing benefits paid out. This weight is reassigned accordingly to the non-insurance **medical care** indexes.

After this weight is reallocated, the monthly relative of the retained earnings to benefits ratio is multiplied by the monthly change in each non-insurance medical care index. This is done to account for the effect that changing medical prices has on premiums, and thus retained earnings.

We separate the process of reassigning weight and calculating the **health insurance** Index into four steps which are discussed in greater detail below.

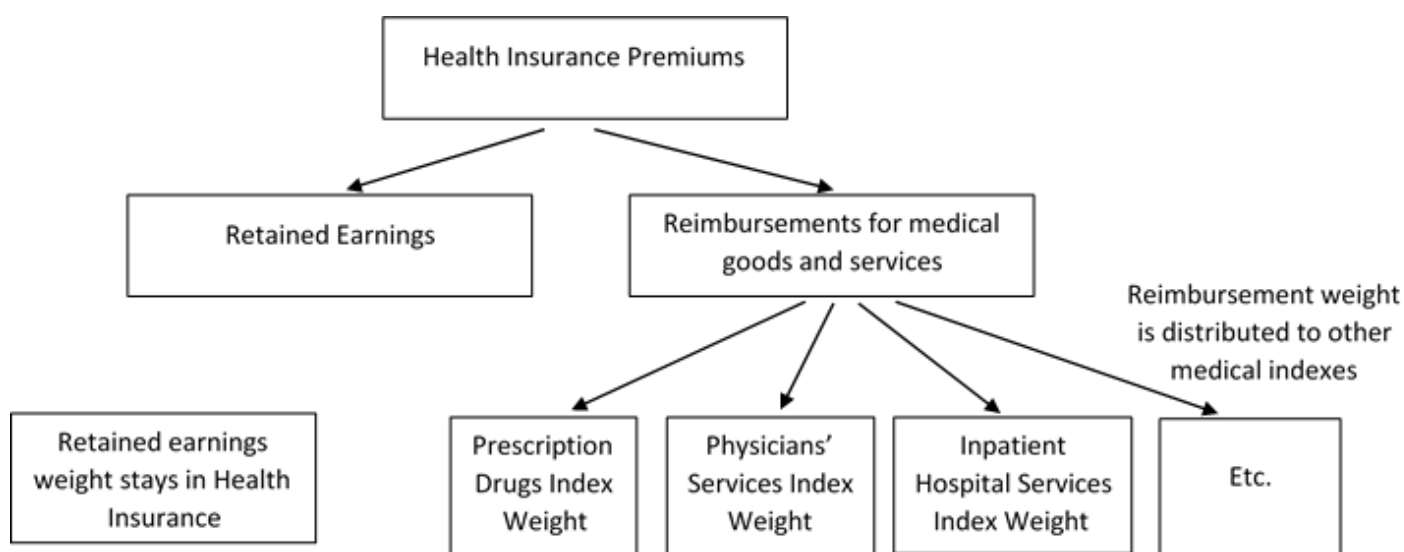
1. Separating health insurance index weights
2. Calculating the retained earnings ratio
3. Health insurance index aggregation
4. Reassigning health insurance weight

### 1. Separating health insurance index weights

The first step of the retained earnings method is to determine the appropriate weighting. The method we use reassigns part of the **health insurance** weight to the other **medical care** indexes. This is done by breaking down health insurance premiums, and thus the **health insurance** index weight, into the two ways premium payments are disbursed: insurance reimbursements for medical goods and services, and the administrative costs and profits of insurance companies (retained earnings).

Once separated, the weight corresponding to medical care reimbursements will be reallocated to the other non-insurance **medical care** indexes. The method for this reallocation is described in the *reassigning health insurance weight* section below. The weight corresponding to retained earnings remains in the **health insurance** index.

Figure B. Health Insurance Weight Redistribution.



### 2. Calculating the monthly retained earnings ratio

The second step in the retained earnings method is to calculate the retained earnings ratio and its monthly relative. The retained earnings ratio is calculated using premium income and benefit payment data obtained from industry sources. Total premiums and benefits for each calendar year are sourced from the National Association of Insurance Commissioners (NAIC) and the California Department of Managed Health Care (DMHC) for commercial insurance. Since this information is not available in real time, the retained earnings ratio is generally lagged by 10 months, depending on when the industry data sources are updated.

The retained earnings ratio is calculated as:

1. The total benefits paid out by the insurer is subtracted from its total premiums income to get the retained earnings.
2. The retained earnings is then divided by total benefits to get a ratio of retained earnings to benefits.
3. The annual relative change between ratios of retained earnings to benefits (the retained earnings ratio) is calculated by dividing the current year's ratio by the previous year's ratio.
4. The annual retained earnings ratio is then converted to a monthly relative by taking its twelfth root. (See table B.)

Below is a hypothetical calculation of the change in retained earnings for commercial carriers:

**Table B. Calculation for monthly retained earnings ratio.**

Year	Total Premiums Income	Total Benefits	Retained Earnings	Retention-Benefit Ratio
T-1	\$100,000	\$94,000	\$6,000	0.06383
T	\$107,000	\$100,000	\$7,000	0.07

1. Total benefits paid out in year T are subtracted from total premiums income in year T to get the retained earnings.

$$\begin{aligned}
 & \$107,000 \text{ (Total Premiums Income)} - \$100,000 \text{ (Total Benefits)} \\
 & = \$7,000 \text{ (Retained Earnings)}
 \end{aligned}$$

2. The retained earnings is divided by total benefits to get a ratio of retained earnings to benefits.

$$\frac{\$7,000(\text{Retained Earnings})}{\$100,000(\text{Total Benefits})}$$

$$= 0.07 (\text{Retention} - \text{Benefit Ratio})$$

3. The Retention-Benefit Ratio for year T is divided by the Retention-Benefit Ratio for year T-1 to get the retained earnings ratio.

$$\frac{0.07(\text{Retention Benefit Ratio Year } T)}{0.06383 (\text{Retention Benefit Ratio Year } T - 1)}$$

$$= 1.09666 (\text{Retained Earnings Ratio}).$$

The 1.09666 relative change, or 9.67 percent, is the annual increase in the retained earnings ratio. In other words, assuming benefits paid out has remained constant, the health insurance company has retained 9.67 percent more premiums income than in the previous year.

4. Spreading this annual change equally over 12 months is done by taking the twelfth root of the retained earnings ratio.

$$1.09666 (\text{Retained Earnings Ratio})^{\left(\frac{1}{12}\right)}$$

$$= 1.007719 (\text{Monthly Retained Earnings Relative})$$

This 1.007719 relative, or 0.77 percent, is the monthly retained earnings relative.

### 3. Health insurance index aggregation

The third step in the retained earnings method is to multiply the monthly retained earnings relative by the index relatives of the other nine non-insurance medical indexes. This allows the CPI to account for the effect medical price change has on health insurance premiums. These nine indexes are: physicians' services, dental services, eye care, other professional services, hospital services, nursing homes, home health care, prescription drugs, and medical equipment.

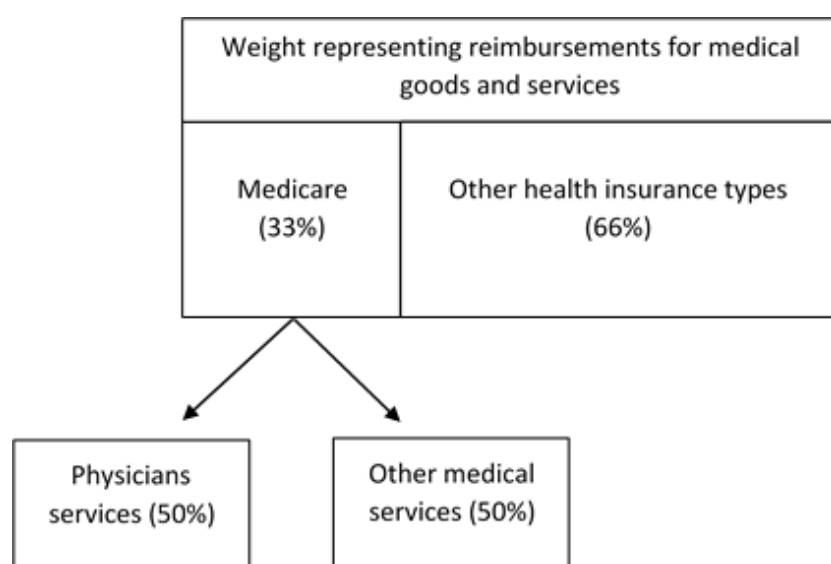
This results in nine health insurance index products, each factoring in medical care price changes. The weight of the health insurance index, which reflects retained earnings, is distributed to these nine health insurance index products based on their share of benefits. The overall Health Insurance index is calculated by aggregating these nine index products by their corresponding weights.

### 4. Reassigning health insurance index weight

The fourth and final step of the retained earnings method is to reassign the previously separated Health Insurance index weight to the other nine non-insurance indexes. Remember that the health insurance weight is split between medical care reimbursement and retained earnings. The weight representing medical care reimbursement is what gets reassigned to the other indexes. This weight is further split by health insurance type (commercial insurance and Medicare) and then redistributed to each medical non-insurance index in proportion with how much each health insurance type pays for that medical good or service.

For example, let's say Medicare is responsible for one-third of the reimbursement weight in the **health insurance** index and half of Medicare spending is used to pay for physicians services. This would mean one-half of one-third of the **health insurance** index weight would be transferred to the **physicians' services** index.

Figure C. Reassigning Health Insurance Weight.



This process occurs for each health insurance type and each of the non-insurance medical indexes until all of the weight representing reimbursements is redistributed. Industry data is used to determine the percentage each health insurance type pays for each medical item.

After the reallocation of expenditure on benefits, non-insurance medical care indexes carry the weight of both out-of-pocket payments and the insurance reimbursements for medical care. Therefore, each of these non-insurance indexes must track the price relatives of the total reimbursement (insurance reimbursements as well as the out-of-pocket patient copays). Continuing the example above, if the CPI is tracking the cost of an annual physical paid for by Medicare, we would track both the patient co-pay as well as how much Medicare pays.

### Recent Changes

Prior to September 2018, commercial insurance data was sourced from A.M. Best's Insurance rather than NAIC and DMHC.



In October 2020, the retained earnings calculation began including premium and benefit expenditures for Medicare Advantage. Previously, these Medicare Advantage expenditures were not included.

Prior to April 2021, part of the retained earnings calculation included premiums and benefits data from a national nonprofit health insurance carrier. This data was replaced by National Association of Insurance Commissioners (NAIC).

In October 2022, the retained earnings calculation began including premium and benefit expenditures for Medicare Part D. Previously, these Medicare Part D expenditures were not included.

## Prescription Drugs

The **prescription drugs** index measures price change of drugs purchased with a prescription at a retail, mail order, or internet pharmacy. The tracked price is the total reimbursement to the retailer from the patient and all eligible payers for a single prescription. Payers are any entities who reimburse health care providers for the cost of medical services and/or goods. Eligible payer types for prescription drugs are: patient self-pay (cash), commercial or private insurance, and Medicare Part D.

Prescription drugs that are primarily consumed and paid for as part of hospital visits are included in the **hospital services** index. A deeper examination of BLS methodology for handling prescription drugs can be found [here](#).

### Item sampling

The **prescription drugs** index employs a streamlined sampling method; the pricing unit, or quote, is a specific prescription for a particular drug. When sampling drugs to price at a pharmacy, we obtain a list of the last 20 prescriptions dispensed and each prescription is assigned a percentage representing its likelihood to be sampled. The assigned percentage is equal to each prescription's price divided by the total price of all 20 prescriptions. Using these probabilities, a prescription is selected; this process is known as sampling by probability proportional to size (PPS).

In this case, the "size" refers to the total reimbursement (patient payment and payer reimbursement) to the pharmacy for the prescription. The more expensive or more popular a drug is, the higher its sales numbers will be, and the more likely it is to be selected. This item selection process is the desired procedure and is attempted at every pharmacy selected for pricing. We work with respondents who cannot provide the necessary information to determine a workable sampling process, which may include selecting a drug via equal probability or other simplified methods.

### Special patent loss procedures

When a brand-name drug in the sample loses its patent protection, consumers will often switch to the cheaper generic drugs that have entered the market. To accurately reflect the market, the CPI will resample all previous instances where the brand was selected because no generic existed at the time. We then resample between brand and generic versions of the originally sampled drug using corresponding probabilities proportional to the share of prescriptions sold at the pharmacy in the past 3 months.

To give enough time for the market to fully adjust to the new generics, the CPI waits approximately six months after patent expiration before implementing the resampling procedure. Resampling occurs only once. If a generic is selected, we treat any difference in price from the brand as a price change and the price difference is reflected in the index in the month when the resampling was performed. If the brand is selected again, we simply continue to price the brand.

### Drugs changing to over-the-counter

If a specific prescription drug becomes available over-the-counter (OTC), the CPI will continue to price any quotes of the drug in the **prescription drug** index until it rotates out under normal rotation procedures (a complete rotation occurs once every 4 years with one-eighth rotating every 6 months). During this time, the quote remains in the prescription drug sample and any price change is reflected in the **prescription drug** index. Any quotes for that drug are not immediately transferred to the **non-prescription drugs** index, but once the drug becomes available OTC, it is eligible for selection in the **non-prescription drugs** index.

### Recent changes

In 2016, the **prescription drugs** index changed its estimation formula from a geometric means formula to a Laspeyres formula. This was done following CPI research finding that the substitution effect for prescription drugs is overstated when using a geometric means formula.

## Professional services

The **professional services** index covers services that are performed and billed by private-practice medical doctors, dentists, eye care providers, and other medical providers. **Physicians' services** and **dental services** indexes have most of the weight for this category. The **professional services** index collects prices on three different payer types: patient self-pay (cash), commercial or private insurance, and Medicare Part B.

Since Medicare Part B does not cover most dental services, the **dental services** index does not accept Medicare Part B payments, but does accept patient self-pay and private insurance.

### Item sampling

The methodology for initiating all professional services is the same. The pricing unit is a doctor's visit, defined by a specific medical service. At the initial visit, we establish the practitioner's specialty; if it is a group practice, one practitioner is sampled. Then a medical service is sampled via PPS. Here, "size" refers to the total reimbursement of each service over the previous year. For Physicians' Services, Current Procedural Terminology (CPT) codes are collected to help describe the item accurately. Like most other CPI items, samples for professional services are rotated once every 4 years with one-eighth of the sample rotating every 6 months.

### Recent changes

In September 2014, the CPI began pricing services at Health Maintenance Organizations (HMOs); previously HMOs were not eligible.

In June 2017, the CPI began using a carry forward process for some prices in the **physicians' services** index in order to reduce the time burden on CPI survey respondents. Many physicians make limited adjustments to their prices each year, usually only changing prices when renegotiating their annual contract with insurance companies. This means physicians' offices are eligible to have prices collected less frequently. For non-pricing months, the last collected price for each quote is carried forward for use in the current month index. Most offices that are approved for carry forward are priced between 2 and 4 months per year. The selected pricing months are those where price changes are most likely to occur.

In April 2018, the CPI began calculating sub-indexes at the payer type level for the Physicians' Services Index. The CPI uses the Medical Expenditure Panel Survey (MEPS) to weight the associated payer type indexes within a geographical area. The CPI then aggregates these area payer-type sub-indexes to calculate the U.S. level change. This change was made to improve the index representativeness of the various payer types by increasing the share of payments covered by private insurance relative to payments made by uninsured people and payments covered by Medicare Part B.

## Hospital services

The **hospital services** index tracks the price of services performed and billed by a hospital. It includes both inpatient and outpatient medical services, as well as room and board, lab work, and other services provided by the hospital. It includes services performed by physicians if they are employed by the hospital. However, it excludes services performed by physicians who do not work for the hospital, even if they are using hospital facilities. Those services are captured in the professional services index. Eligible payers for the **hospital services** index are: patient self-pay (cash), commercial or private insurance, and Medicare Part B.

### Item sampling

The pricing unit is a hospital visit, defined by a specific medical service and a specific diagnosis or medical condition. At the initial visit, we work with the respondent to select a medical service using PPS. Here, "size" is referring to total reimbursement to the hospital. We then document the medical service and specific procedures of the hospital visit.

Reimbursements to hospitals can be categorized as either an itemized list or a lump sum payment. Reimbursement through an itemized list, usually called fee-for-service or fee schedule, results in a separate price for each individual good and service provided. Lump sum reimbursements, such as Diagnosis-Related Group (DRG) charges, result in a flat fee for all goods and services rendered based on the diagnosis or the type of procedure performed.

### Recent changes

Following the August 2018 sample, the hospital services sample will be rotated less frequently. Outlets will be priced for 8 years instead of the standard 4 years. The sample will be static for 4 of the 8 years, after which the sample will undergo routine semi-annual rotation over the following 4 years. Currently the sample is in a static phase, the next wave of new outlets will be collected in February 2023.

### Data

Access data for [medical care](#) in our online database.

### Additional information

We often receive questions about where potentially ambiguous items are categorized; table C contains a list of these items along with their expenditure category.

**Table C. Ambiguous medical items and outlet types.**

Item/Outlet	Expenditure Category
Anti-Aging Cream	Personal Care Products
Appetite Suppressant	Medicinal Drugs
Asthma Inhaler	Medical Equipment and Supplies
Back Brace	Medical Equipment and Supplies
Breast Pumps	Miscellaneous Personal Goods
Chair for the Shower	Medical Equipment and Supplies
Compression Socks	Medical Equipment and Supplies
Dietary Supplements	Medicinal Drugs
Douche	Personal Care Products
Drug and/or Rehabilitation Centers	Hospital and Related Services
Exfoliate	Personal Care Products
Eye Drops	Medicinal Drugs
Feminine Hygiene	Personal Care Products
Glucose Test Urine Strip	Medical Equipment and Supplies
Hair Loss Treatment	Personal Care Products
Independent Medical Laboratories	Professional Services
Intermediate Care Facilities for Individuals with Intellectual Disabilities	Hospital and Related Services
Latex Gloves	Medical Equipment and Supplies
Lip Balm	Personal Care Products
Lotion	Personal Care Products
Massage Therapist	Professional Services
Masseuse	Personal Care Services
Medical Acne Treatment	Medicinal Drugs
Nasal Spray	Medicinal Drugs
Nasal Wash	Medical Equipment and Supplies
Needles for Injecting Medicine	Medical Equipment and Supplies
Nicotine Gum	Medicinal Drugs
Ovulation Kits	Medical Equipment and Supplies
Performance Supplement	Medicinal Drugs
Pregnancy Tests	Medical Equipment and Supplies
Probiotics	Medicinal Drugs
Protein Shakes	Other Foods
Shoe Orthotics	Personal Care Products
Snoring Treatment Strips	Medical Equipment and Supplies
Steam Inhaler	Medical Equipment and Supplies

Item/Outlet	Expenditure Category
Vitamins	Medicinal Drugs
Wander Alarm	Medical Equipment and Supplies

Experimental disease-based price indexes created by the BLS are available on the [Price and Index Number Research](#) page.

Additional information may be obtained from the Consumer Price Index Information Office by [email](#) or calling 202-691-7000. Information on the CPI's overall methodology can be found in the CPI section of the BLS [Handbook of Methods](#).

Note:

<sup>1</sup> Rebates are removed from the premium income data prior to BLS receiving the data.

**Last Modified Date:** February 10, 2023

U.S. BUREAU OF LABOR STATISTICS Division of Consumer Prices and Price Indexes Suite 3130 2 Massachusetts Avenue NE  
Washington, DC 20212-0001

Telephone:1-202-691-7000\_ [www.bls.gov/CPI](http://www.bls.gov/CPI) [Contact CPI](#)





## Valley Sanitary District

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Dave Commons, Chief Operating Officer  
**SUBJECT:** Award a Contract for Biosolids Disposal and Hauling Services to Synagro West and Authorize Interim General Manager to Execute the Contract

---

### **Suggested Action**

Approve

### **Strategic Plan Compliance**

GOAL 2: Increase Recycling, Reuse, and Sustainability

### **Fiscal Impact**

These costs have been included in the proposed FY 2023/24 budget for the Operations Department under General Ledger Code 11-5500411-1 Contracts.

### **Environmental Review**

This is not a project as defined by CEQA. No further action is required at this time.

### **Background**

In June 2022, the District had to terminate their contract for biosolids hauling and disposal services with our previous contractor due to several challenges. The District released a Request for Proposals (RFP) in January 2023 and received one qualified proposal from Synagro West for biosolids hauling and disposal services. Synagro West is a major company in the biosolids industry and has a good reputation meeting customer's needs and following regulatory requirements. Synagro West handles biosolids hauling and disposal services for other agencies in the Coachella Valley including the City of Palm Springs. Synagro West's proposal covers the price per ton for hauling and disposal costs plus the amounts for fuel surcharges, CPI, and any additional fees. The total not to exceed cost for three years is set at \$1,200,000. Staff's desired goal is to have this contract in place and ready to be implemented on July 1, 2023.

### **Recommendation**

Staff recommends that the Board award the contract to Synagro West for Biosolids Hauling and

Disposal Services and authorize the Interim General Manager to sign the contract for the sum over three-years not to exceed \$1,200,000

**Attachments**

[RFP Biosolids Hauling and Disposal Services Agreement 20230206.docx](#)

## VALLEY SANITARY DISTRICT PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of July 1, 2023, by and between the Valley Sanitary District, a California Special District ("District"), and Synagro West \_\_\_\_\_, a LLC \_\_\_\_\_, with its principal place of business at 435 William Court, Baltimore, MD 21220 ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

### RECITALS

A. District is a public agency of the State of California and needs professional services for the following project: Grant Writing Services – Recycled Water Project (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for District to retain Consultant to provide the services described herein.

### AGREEMENT

The Parties agree as follows:

1. Services.

Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to supply the professional consulting services necessary fully and adequately for the Project. Consultant shall provide the District with the services described in the scope of services attached hereto as Exhibit "A" and by this reference incorporated herein.

2. Compensation.

a. The District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A" attached hereto and by this reference incorporated herein. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **One Million Two Hundred Thousand dollars** (\$1,200,000.00), this amount includes all CPI, Fuel Surcharges, and any additional fees.

b. Periodic payments shall be made within 30 days of receipt of an undisputed invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis. The District may withhold a portion of an application for payment because of defective work not remedied or unsatisfactory prosecution of the work by the Consultant. The District will release any withheld funds upon Consultant satisfactorily remedying the issue that resulted in the withholding. The District will not pay late fees to the Consultant on the compensation due Consultant under the terms of this Agreement.

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

3. Additional Work.

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

4. Term of Agreement.

a. The term of this Agreement shall be from July 1, 2023, to June 31, 2026, unless earlier terminated as provided herein. The District shall have the unilateral option, at its sole discretion, to renew this Agreement automatically for no more than two additional one-year terms. Consultant shall complete the services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement, if necessary, to complete the services.

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

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

5. Delays in Performance.

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

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

6. Consultant's Books and Records.

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

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

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

7. Compliance with Law.

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

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

8. Permits, Licenses, Fees and Other Charges.

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

9. Qualifications.

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

10. Standard of Care.

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

11. Assignment and Subconsultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the District, which may be withheld for any reason. Any attempt to so assign or so transfer without

such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

12. Independent Contractor.

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

13. Insurance.

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

a. Commercial General Liability

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

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

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

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

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or

suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

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

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

b. Automobile Liability

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

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

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

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

c. Workers' Compensation/Employer's Liability

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

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

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this

Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the

Agreement:

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

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

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

f. Evidence Required

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

g. Policy Provisions Required

(i) Consultant shall provide the District at least 30 days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least 10 days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or



expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the District at least 10 days prior to the effective date of cancellation or expiration.

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

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

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

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

h. Qualifying Insurers

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

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

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities

and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

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

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

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

j. Subconsultant Insurance Requirements.

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

14. Indemnification.

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

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction,

Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

15. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations Title 8, Section 16000, et seq. ("Prevailing Wage Laws), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

It is the intent of the parties to effectuate the requirements of sections 1771, 1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

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

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

16. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control

Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

17. Laws and Venue.

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

18. Termination

a. The District may terminate the Agreement, in whole or in part, with or without cause, upon 10 days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event the District renders such written notice to Consultant, Consultant shall be entitled to compensation for all services properly rendered prior to the effective date of the notice and all further services set forth in the notice. The District shall be entitled to reimbursement for any compensation paid in excess of services rendered and shall be entitled to withhold compensation for defective work or other damages caused by Consultant's services.

Consultant acknowledges the District's right to terminate this Agreement as provided in this section, and hereby waives any and all claims for damages that might arise from the District's termination of this Agreement. Consultant shall deliver to the District and transfer title (if necessary) to all completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

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

19. Documents.

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

20. Confidential Information.

All information gained or Work Product produced by Consultant in the performance of this Agreement will be considered confidential unless such information is in the public domain. Consultant shall not release or disclose any such information or Work Product to persons or entities other than the District without the prior written consent of the District, except as otherwise required by law. Consultant shall promptly notify the District should Consultant or its representatives be served summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions or other discovery request or court order from any third party regarding this Agreement and the services performed under this Agreement.

21. Organization.

Consultant shall assign Robert Ford as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the District.

22. Limitation of Agreement.

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

23. Notice.

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

DISTRICT:

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

CONSULTANT:

SynagroWest, LLC  
435 William Court,  
Baltimore, MD 21220  
Attn: Business Development Manager

and shall be effective upon receipt thereof.

24. Third Party Rights.

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

25. Cooperation.

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

26. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be

limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

27. Entire Agreement.

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

28. Severability.

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

29. Successors.

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

30. Non-Waiver.

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

31. Time of Essence.

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

32. District's Right to Employ Other Consultants.

District reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

33. Prohibited Interests.

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

34. Counterparts.

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

35. Authority to Execute.

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

36. Survival.

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

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

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

**VALLEY SANITARY DISTRICT**

**Synagro West LLC**

Name: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_



**EXHIBIT "A"**  
**PROPOSED SCOPE OF SERVICES**

**A. Terms and Requirements.**

1. Guarantee. The Contractor warrants and guarantees that equipment used are of the type and quality specified herein. If in the opinion of the VSD, the equipment is found to be imperfect or of a grade inferior to that set forth in the requirements or are found to be deficient against any other standard set forth in the contract, they will be rejected and must be replaced without expense to the VSD.

The Contractor understands that prompt pickup and disposal of biosolids are critical to the wastewater treatment plants operations. The Contractor warrants and guarantees to meet requirements set forth in this document.

In the event of failure to comply with the above-mentioned conditions within a reasonable time after notice, the VSD will take all necessary steps to dispose of the biosolids, at the expense of the Contractor, who agrees to pay the costs and charges therefore immediately upon demand.

The signing of the agreement by the Contractor shall constitute execution of the above guarantees.

2. Goods To Be Supplied And Work To Be Performed. The Contractor shall perform all work necessary to complete the contract in a satisfactory manner. Unless otherwise provided, the Contractor shall furnish and provide all materials, equipment, tools, labor and incidentals necessary to transport, haul, deliver and unload as set forth in Technical Specifications and this Section.

3. Changes Initiated By The Agency. The VSD reserves the right to change the scope of this contract in order to align the contract price to the monies available. The VSD shall have full authority and discretion to determine the decrease or increase in quantities required. The Contractor shall not be entitled to any additional compensation or adjustment in the unit prices quoted because of the above-stated alteration of this supply contract.

4. Term Of Contract And Prices. The term of the contract will be for a 36-month period beginning July 1, 2023, and ending December 31, 2026. Firms providing proposals shall be bound by the price listed in their proposals for the first twelve months of the contract term. Escalation may be applied annually at the rate of the published consumer price index (CPI) for the applicable period. VSD may address any unforeseen additional requirements and/or expenses imposed on the Contractor on a case-by-case basis. Such requirements may include, but are not limited to; increased disposal costs, additional hauling time due to end dump requirement, fuel surcharges. Contractor will provide advance notice and explanation of such unforeseen requirements or expenses in writing with supporting and itemized documentation. The VSD reserves the right to cancel this contract with sixty (60) days advance notice at any time after July 1, 2023.

5. Measurement Of Quantities. When payment for a work item is to be made on a tonnage basis, the Contractor shall furnish the Chief Operating Officer a legible copy of a licensed weigh-master's certificate showing gross, tare and net weight of each truckload of material.

4. Payment. Payment for services shall be made on a 30-day net basis upon receipt of monthly invoices. Except as directed otherwise in these specifications, full compensation for completing all of the work is considered included in the contract unit prices paid for the various items of work and no separate payment will be made.

Payment will be made on a per ton basis as measured by scale weight of Contractor's truck, trailer, or container less tare taken as weighed on a certified scale. Tare weights, gross weights and net weights shall be produced by a certified scale.

Contractor shall submit monthly invoices to the Valley Sanitary District, 45-500 Van Buren Street, Indio, CA 92201. Invoices must contain the following information.

- ✓ Purchase Order Number
- ✓ Item description including dates and amount hauled per day (in tons)
- ✓ The locations where the loads are disposed and the type of vegetation the product is being used on the disposal sites
- ✓ Copy of each load delivery tag along with the tons hauled
- ✓ Certified weight ticket for each load
- ✓ Certified weight of each load times contract price per ton

5. General Responsibilities.

a. The Contractor agrees to furnish all information as required by VSD in order to fulfill the responsibilities of the City for reporting on compliance with wastewater biosolids rules and regulations.

b. The Contractor shall keep fully informed of all existing, adopted and amended federal, state and local laws, ordinances, regulations and orders and decrees which in any manner affect those engaged or employed by Contractor in the work, or the equipment used by the Contractor, or which in any manner affect the conduct of the work by Contractor, and all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. If any discrepancy or inconsistency is discovered in any such law, ordinance, regulation, order or decree, the Contractor shall forthwith report the same to VSD in writing. The Contractor shall at all times observe and comply with all such existing, adopted and amended laws, ordinances, regulations and orders.

c. The Contractor will be required to furnish and update, as necessary, a list of telephone numbers and names of responsible parties to be called on

a 24-hour, 7 days per week basis in the event of an emergency or unusual operating conditions.

d. Contractor and subcontractors shall comply with State's Prevailing Wage Laws. Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, or engage in the performance of any contract for public work unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the Labor Code. The Contractor and his subcontractors shall pay the workers for the work performed for VSD at the prevailing wage rate as determined by the California Department of Industrial Relations, for this locality. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

## 6. Loading Responsibilities.

a. Plant Staff. Plant staff will load all wastewater biosolids into the trailers provided by the Contractor. The Contractor's driver will position an empty trailer provided by the Contractor in the truck bay located under the cake hopper at the Solids Handling Building. The trailer will be positioned directly under the cake hopper for loading, allowing for the even distribution of solids within the trailer bed by first filling the trailer end closest to the truck cabin first. The Plant staff will then deliver the biosolids to the trailer with the intention of distributing the weight evenly throughout the bed, or as the Contractor's driver has indicated prior to the hopper opening, if special consideration is to be given. The Contractor's driver will pull the truck forward as the Operation's staff indicates as each section of the trailer's bed is filled.

Under certain conditions, the Plant staff will need to remove biosolids from the hopper and temporarily store the biosolids on site. Under these conditions the Plant staff will fill an empty trailer, supplied by the Contractor, and move the filled trailer to a position next to the Solids Handling Building and park it here until a Contractor driver can remove the full trailer to the disposal location. Plant staff will place a tarp on the trailer to minimize odors from the dewatered sludge while the trailer is waiting for transport to the disposal site.

During the trailer loading process, a computer program is used to track the total weight of the dewatered sludge loaded into the trailer. Plant staff will be responsible for monitoring the total weight entering the trailer, load distribution in the trailer and insuring the load does not exceed the "Full Load" established by the Contractor for each trailer. Plant staff will make every effort to ensure the maximum allowable trailer weight established by the Contractor is not exceeded during the loading process.

Plant staff is responsible for inspecting and accepting empty trailers when they are returned to the plant.

b. Contractor. The Contractor is responsible for securing the tarp before leaving the Plant and is also responsible for parking the trailer(s) in the designated area, retracting the tarp(s) and waiting with the trailer(s) for inspection and acceptance by the Plant staff when returning an empty trailer to the Plant

9. Hauling Responsibilities.

a. Contractor. The Contractor shall receive and haul dewatered biosolids daily from the Plant. The biosolids shall become the property of the Contractor at the time the material is deposited in the Contractor's receptacle. Contractor shall not co-mingle biosolids prior to final disposal.

The Contractor shall be responsible for all transportation, holding, and unloading. The Contractor shall ensure that cargo bays are completely empty and the exterior of the truck clean prior to leaving the disposal destination. The Contractor shall be responsible for coordination with appropriate authorities to conduct acceptable unloading operations to meet both City and unloading site requirements.

The Contractor must have and maintain for the life of the contract all hauling permits, including PUC, ICC and DOT. Copies of required permits are to be submitted with the Contractor's bid to be deemed responsive.

The Contractor must furnish only experienced and skilled operators and other personnel as required. It is the responsibility of the Contractor to insure that all workers that the Contractor employs shall have proper and valid licenses and/or certifications as required by local, State, and Federal law to perform work as described in this contract. The Contractor shall, at VSD's request, supply proof of these licenses and/or certifications.

The Contractor shall be responsible for controlling and abating any odor, spillage, insect, vermin, or any other nuisance arising from his operation. VSD shall provide water and a wash down area to be used by the Contractor to keep the loading site(s) at the Plant and trucks clean and free of spillage before leaving the plant. Any spillage or discharge of material to VSD or public roads shall be cleaned up promptly by the Contractor. If the VSD is required to clean up any spillage or discharge, all costs incurred including direct and administrative costs shall be reimbursed by the Contractor or withheld from Contractor payments.

The Contractor shall provide water for all vehicles used in hauling wastewater biosolids to complete wash down before leaving the disposal site. The interior of trailers, as well as all exterior surfaces, including tires and mud flaps shall be completely hosed down to minimize tracking of wastewater biosolids off of the disposal site.

The Contractor shall show means and ability to provide immediate cleanup of any spillage during the transportation of the wastewater biosolids. Subject to the provisions hereof concerning hazardous waste, the Contractor shall be fully responsible for all costs associated with the cleanup or mitigation of spills during the transportation of wastewater biosolids. In addition to any other required notifications, the Contractor shall immediately notify VSD by telephone at (760) 238-5400 of any spillage of wastewater biosolids along the haul route and the estimated time for cleanup to be completed. The Contractor shall provide a written report within five days

describing any spillage incident, including at a minimum, the date, time and location of the spill, the amount of material spilled, the methods used to clean up the spill, the cause of the spill, steps taken to prevent reoccurrence of a similar spill, and certification that the spill has been cleaned up to the satisfaction of any and all agencies having jurisdiction.

a. Hauling Schedule. The Contractor shall receive and haul wastewater biosolids daily and must have the capability to haul two trailers a day seven days a week from the City's plant unless notified by Plant staff as set forth in the Technical Specifications section. VSD reserves the right to make modifications to this schedule to meet VSD's needs.

#### 10. Disposal Requirements.

a. Contractor. The Contractor is advised that VSD has a high preference for "land application" disposal of wastewater biosolids. If the Contractor elects to provide "landfill disposal" or "composting" as an alternative to "land application", the Contractor must meet with VSD's representative to negotiate any increase in cost per ton. VSD reserves the right to refuse "landfill disposal" as an alternative to "land application".

The Contractor shall be responsible for complying with all local, State and Federal regulatory requirements for the lawful disposal of the wastewater biosolids, as well as all pertinent regulations of Federal, State and local environmental laws and regulations, including, but not limited to the Federal Clean Air Act, and State and local air pollution and noise ordinances. The Contractor shall satisfy to the City that the proposed disposal method and site is lawful by providing, upon request, specific documentation of current permits that provide for the disposal of wastewater biosolids on a continuing basis throughout the term of this agreement. All costs associated with obtaining such permits and licenses shall be considered as included in the unit price.

Contractor shall provide and update as required a current list of sites where wastewater biosolids are being disposed of and provide proof of compliance with all State, Federal and Local laws related to disposal of wastewater biosolids.

The Contractor shall also assure VSD that it will make a site(s) available for the continuous disposal of its wastewater biosolids throughout the term of the agreement, and shall amend existing permits, provide capital improvements or operational revisions and take all other actions necessary for the continued uninterrupted disposal of the wastewater biosolids. Federal Regulations, including 40 CFR Parts 257, 258, 403 and 503, provide specific requirements for biosolids disposal and must be complied with.

The Contractor shall make the proposed site(s) available to receive the wastewater biosolids at all times in accordance with provisions of the disposal site(s) permit. Any limitations on day, date, or time of delivery shall be

identified. If limitations do not meet VSD's needs, it may be necessary to adjust. If limitations are unable to be adjusted, then VSD reserves the right to cancel the contract. If no limitations are shown, then the Contractor agrees to receive wastewater biosolids at any time. Provisions shall be made to accept the wastewater biosolids during wet-weather periods as well as dry-weather periods.

**6. Safety Requirements And Training.**

The Contractor shall provide annual driver training to plant personnel for the purpose of operating the tractor and trailers in a safe manner on the Plant site and shall provide documentation of this training to the Chief Operating Officer and shall be responsible for all costs associated with this training.

**B. Technical Specifications**

1. General. This specification covers the disposal, including transportation, hauling, delivery and unloading of approximately 25,000 tons of wastewater biosolids. The Contractor is required to provide facilities at a permitted site to dispose of dewatered wastewater biosolids.

a. VSD produces wastewater biosolids 24 hours per day, seven days per week resulting in approximately 8,500 tons annually. Each 24-hour shift produces approximately 15 tons of wastewater biosolids, but this quantity may vary from zero to 33 tons. The Contractor's transport system must have the capacity to handle the maximum levels of wastewater biosolids during peak production periods.

b. Production rates may be varied or stopped to match plant operational needs. Operation may also be interrupted occasionally for maintenance or repair. Advance notice of temporary interruption will be given to the Contractor whenever possible.

c. The wastewater biosolids shall become the property of the Contractor at the time the material is deposited in the Contractor's receptacle. It is the Contractor's responsibility to make any and all arrangements for disposal.

d. The amount of biosolids to be hauled is an estimate only. Notice is hereby given that the quantity, content, and nature of the material may change depending on Plant process control changes.

e. No minimum wastewater biosolids generation rate is guaranteed. However, the successful bidder will be required to dispose of 100% of all wastewater biosolids that VSD designates for disposal pursuant to this Contract even if the total quantity exceeds the estimate.

**2. Biosolids Characteristics.**

a. District. The material covered under this contract is non-hazardous, biologically stabilized, dewatered wastewater Class B biosolids. The

wastewater biosolids are dewatered using centrifuges and will have a solid content of not less than 20%. The material should weigh approximately between 1,800 lbs. and 2,006 lbs per cubic yard. However, the District cannot guarantee the condition, quantity, or quality of the material. Therefore, notice is hereby given that the quantity, content, and nature of the material may change depending on Plant process control changes.

The District will certify that the wastewater biosolids pollutant concentrations comply with the following requirements.

- are at or below the limits established in 40 CFR 503.13, Table 3, or any amendments;
- meet the pathogen reduction requirements of 40 CFR 503.32(B)(3) ["PRSP"], or any amendments; and
- meet the vector attraction reduction requirements of 40 CFR 503.33(b)(1), or any amendments.

A copy of the 2022 average annual wastewater biosolids quality data is included as Appendix I for the Contractor's' reference.

At no time during the term of this contract shall the District make available to the Contractor, nor shall the Contractor be obligated to handle, any wastewater biosolids which are designated a hazardous waste under any applicable law, rule or regulation, and nothing herein shall relieve the District of any liability or responsibility with respect to any biosolids generated at its facilities which is a hazardous waste.

c. Contractor shall verify, by analyzing the data provided and making inquiries, as needed, as to the characteristics of the wastewater biosolids and their ability to dispose of the wastewater biosolids at the disposal site(s) in accordance with all applicable Federal, State and local requirements.

### **3. Hauling Equipment**

The processed wastewater biosolids are conveyed to a wastewater biosolids hopper for truck loading. The vertical clearance loading access below the wastewater biosolids hopper is approximately 15 feet.

a. Contractor. The Contractor is to provide leak-proof trailers with seals and wide splashguards as a requirement for hauling wastewater biosolids. Each trailer or container shall be appropriate for the wastewater biosolids containment and equipped with covers (canvas or suitable alternative material) that can be securely fastened to reduce odors and contain wastewater biosolids in case the trailer overturns.

The Contractor shall ensure that all hauling trucks (tractors) are equipped with a backup alarm consisting of a warning horn or beep that will activate any time the truck is in reverse. Each vehicle shall be equipped with scraper, shovel,

broom, and other tools as necessary to allow the driver to clean vehicle and respond to drips or small spills.

Contractor shall provide three trailers and one tractor (or yard goat) to remain on site at all times. Each trailer is to be equipped with a retractable tarp to be used to cover full loads. The tractor (or yard goat) is to be used by District Treatment Plant staff to switch out full trailers with an empty one and park full trailers prior to being hauled off-site.

The Contractor shall be solely responsible for the condition of its equipment. All equipment shall be properly maintained. Only equipment in good working condition as judged by the District is acceptable. The District may reject pieces of equipment found to be in unsatisfactory condition or performing unsatisfactory work. In the event of any rejection by the District, the Contractor must remove the unsatisfactory equipment and replace it with good and acceptable equipment immediately.

The Contractor shall provide the District with a list of identification numbers, tare weights, and maximum legal load limit for all wastewater biosolids hauling containers, trucks, and/or trailers being utilized under this contract. The Contractor shall conspicuously mark each tractor/trailer unit with the maximum legal weight of the unit when loaded and a corresponding "full load" indicator inside the trailer to guide loading.

The Contractor shall provide insurance to cover District's use of Contractor's equipment in the same manner and at the same level as for the Contractor. The Contractor shall be responsible for all local, State and Federal regulatory requirements for the lawful transport of the wastewater biosolids.

b. District. The District will not be responsible for loss or damage of any equipment or property owned or operated by the Contractor, its agents, or employees on or off District property.







**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Dave Commons, Chief Operating Officer  
**SUBJECT:** Authorize the Interim General Manager to Purchase Twenty-Five (25) Communication Radios from BEARCOM to Replace the Current Radios for an Amount not to Exceed \$25,882.50

---

**Suggested Action**

Approve

**Strategic Plan Compliance**

GOAL 3: Excellent Facilities

**Fiscal Impact**

The radios will be paid for using GL 12-86600000-0 Project 21-0004 Contingency for Emergency Repairs which is for CIP replacement of critical equipment or systems.

**Environmental Review**

No environmental impact.

**Background**

Staff became aware that our plant communication radios were not compliant with current OSHA Standards for communication radios that were used near possible explosive gas environments. The District radios could spark and cause an explosion in these types of environments. The District radios are also at the end of their useful life. Staff researched and found that BEARCOM makes communication radios that meet the current OSHA Standards. BEARCOM is a well-established vendor of communication devices. The Motorola XPR 3300e VHF radio standard package includes batteries, chargers, antenna, and programming for the cost of \$939 dollars each, and a total price with shipping and taxes at \$25,882.50. The 25 communication radios include spares for future lost or damaged radios.

**Recommendation**

It is recommended that the Board of Directors authorizes the Interim General Manager to purchase 25 Motorola XPR 3300e VHF Radios from BEARCOM for a total cost of \$25,882.50.

**Attachments**  
[4943\\_001.pdf](#)



## Proposal

Quote Number: 586281  
 Quote Date: 2023-05-09  
 Branch: 20411

Printed On: 2023-05-16  
 16:42:18  
 Page: 1

**Customer/Prospect Number - 2125295**

**Ship To - 2125298**

VALLEY SANITARY  
 45500 VAN BUREN ST  
 INDIO CA 92201-3435

VALLEY SANITARY  
 45500 VAN BUREN ST  
 INDIO CA 92201-3435

<b>Customer Contact:</b>	NICK DEAN	<b>Customer Email:</b>	ndean@valley-sanitary.org
<b>Phone Number:</b>	(760) 238-5400	<b>Delivery Instr:</b>	

Quantity	Part Number	Unit Price	Extended Price
25	AAH02JDC9VA1AN/QA04950 MOT XPR3300E VHF 5W 16C REFRESH UL BATT QA02308 ANT	939.00	23,475.00

<b>Quote valid until:</b>	2023-06-30	<b>Confidential and Proprietary</b>	<b>Sub Total</b>	23,475.00	
X _____ Customer Signature			<b>Shipping and Handling</b>	325.00	<b>Estimate</b>
			<b>Tax</b>	2,082.50	<b>Tax Estimate</b>
			<b>Total</b>	25,882.50	

JAY DONNELL  
 Senior Account Executive  
 Jay.Donnell@BearCom.com

SAN DIEGO/ESCONDIDO Branch Office: 800-338-1949

**Standard Package Includes:**

- IMPRES LV Li-Ion TIA4950, 2900mAh IP68 with Belt Clip (PMNN4490\_)\*
- IMPRES? Single-Unit Charger CEC Compliant (PMPN4576A)
- UHF or VHF Antenna (must select appropriate option)
- 2" Belt Clip (PMLN4651)
- Accessory Dust Cover (0104058J40)
- 5 Year Essential Repair and Software



## Valley Sanitary District

**DATE:** May 23, 2023

**TO:** Board of Directors

**FROM:** Ron Buchwald, District Engineer

**SUBJECT:** Approve Change Order No. 1 for the Recycled Water Project - Phase 1 for Pavement Improvements Needed to Replace Pavement Sections on the Treatment Plant for a Not to Exceed Cost of \$23,305 and Authorize the Interim General Manager to Sign the Change Order

---

### **Suggested Action**

Action

### **Strategic Plan Compliance**

GOAL 3: Excellent Facilities

### **Fiscal Impact**

The fiscal impact of this report is \$23,305. This is included in the contingency portion of the loan with Bank of America.

### **Environmental Review**

The overall project has already been part of CEQA process. No further action is required.

### **Background**

As part of the Recycled Water Project - Phase 1, a pipeline from the North Cell to the Bar Screens was installed to convey treatment plant water needing additional treatment from the North Cell to the head of the plant. During the trenching for the pipeline, the asphalt pavement on each side of the trench deteriorated quickly. It was determined that the asphalt pavement was installed without any or very little aggregate base below the pavement and is most likely the cause of the quick and widespread deterioration. The contractor is responsible for repairing the asphalt pavement. However, they are required to replace the pavement in kind. They would replace the asphalt pavement without the aggregate base. The contractor is proposing to add the aggregate base below the pavement in order provide a longer asphalt life. The change order is attached and contains additional information regarding the improved pavement replacement.

**Recommendation**

It is recommended that the Board of Directors approve Change Order No. 1 for pavement improvements and authorize the Interim General Manager to sign the change order.

**Attachments**

[VSD PC16P0017 CO No.1 Asphalt Improvement with cost breakout.pdf](#)



# CHANGE ORDER

OWNER:	Valley Sanitary District
CONTRACTOR:	Schneider Electric
PROJECT:	PC16P0017 VSD Recycle Water Project Phase 1
Change Order No.: <span style="border: 1px solid black; padding: 2px;">01</span>	Agreement Date: <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span>
Date: <span style="border: 1px solid black; padding: 2px;">04/19/2023</span>	<span style="border: 1px solid black; padding: 2px;">1</span> of <span style="border: 1px solid black; padding: 2px;">1</span>

The following changes are hereby made to the Contract Documents:

Repairing 750 square feet of asphalt up to current standards.

These costs include 8 hours of labor for a foreman, 2 laborers, and 2 operators. It also included 8 hours for a work truck, 4 hours for a loader and 4 hours for an excavator. The material costs are for 11" of CAB, new asphalt and shipping costs.

**JUSTIFICATION:**

Currently, the contract states, "All paved areas including asphaltic concrete berms cut or damaged during construction shall be replaced with similar materials of equal thickness to match the existing adjacent undisturbed areas, except where specific resurfacing requirements have been called for in the Contract Documents or in the requirements of the agency issuing the permit. The pavement restoration requirement to match existing sections shall apply to all components of existing sections, including sub-base, base, and pavement." However, the previous installation of asphalt in many locations was not installed in a manner that would be considered effective or what would be considered current standards. To bring those locations up to current standards would require more than replacing them as it was found. The proposed cost is to replace those areas up to the current standard.

Original Contract Price	\$69,869,942
Current Contract Price Adjusted by Previous Change Order(s)	\$0.00
Current Change Order (INCREASED) (DECREASED)	\$23,305
New Contract Price, Including This Change Order	\$69,893,247

**CHANGE TO CONTRACT TIME:**

Current Contract Completion Date	May 25, 2025
Contract Time Will Be (INCREASED) (DECREASED)	0
	Calendar Days
New Date of Completion of All Work	May 25, 2025

**Authorized Signatures on the Following Page**

Authorized Signatures

\_\_\_\_\_  
Contractor – Schneider Electric

Date \_\_\_\_\_

\_\_\_\_\_  
District Engineer – Ron Buchwald, PE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Interim General Manager – Ron Buchwald, PE

\_\_\_\_\_  
Date



# GENERAL CONTRACTOR ESTIMATE FOR CHANGE REQUESTS

**Project Number:** PCP0017  
**Agency:** Valley Sanitary District  
**Project:** Recycled Water Project - Phase 1

**General Contractor:** Schneider Electric  
**Allocation No.:** CO-01  
**Allocation Title:** Asphalt Repair

GENERAL CONTRACTOR DIRECT COSTS											
Scope Description				Direct Labor				Direct Material		Direct Expenses	
Item No.	Description	Quantity % of time Per Day	Qty of Days	Labor hours daily Days X Hr.	Total Direct Labor Hours	Hourly Wage Rate	Total Labor Cost	Material Cost Per Unit	Total Material Cost	Expenses Cost Per Unit	Total Expenses Cost
A	B	C	D	E=Dx8	F = C x E	G	H = F x G	I	J = C x I	K	L = C x K
1.01			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.02			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.03			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.04			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.05			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.06			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.07			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.07			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.08			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.09			0	0.00	0.00		\$0.00		\$0.00		\$0.00
1.11	<b>Subtotal from Estimate Continuation Sheets</b>				0.00		\$0.00		\$0.00	from Continuation s	\$0.00
1.97	<b>Subtotal (S/T) Direct Costs:</b>					<b>Subtotal Labor</b>	<b>\$0.00</b>	<b>Subtotal Material</b>	<b>\$0.00</b>	<b>Subtotal Exp.</b>	<b>\$0.00</b>
1.98							\$0.00	Sales Tax @ 9.5%	\$0.00	Sales Tax @ 9.5%	\$0.00
1.99	<b>Total Direct Costs</b>					<b>Total Labor</b>	<b>\$0.00</b>	<b>Total Material</b>	<b>\$0.00</b>	<b>Total Expense.</b>	<b>\$0.00</b>

SUBCONTRACT COSTS		
Item No.	Subcontractor CORs	Total Cost
A	B	C
2.01	Walsh Asphalt Pricing 4-12-2023	\$20,064.84
2.02		
2.03		
2.04		
2.05		
2.06		
2.07		
2.08		
2.09		
2.99	<b>Total Subcontract Costs</b>	<b>\$20,064.84</b>

SUMMARY		
Item No.	Description	Total Cost
3.01	Total Direct Labor Cost	\$3727.09
3.02	Total Direct Material Cost	\$16,337.75
3.03		\$0.00
3.04	Subtotal	3.01 + 3.02 + 3.03 = \$20,064.84
3.05	Subcontractor Cost	Item 2.99
3.06	Subtotal of Combined Cost	3.04 + 3.05 = \$20,064.84
3.07	Overhead	10% x 3.06 = \$2,006.48
3.08	Profit	5% x 3.06 = \$1,003.24
3.09	Subtotal	3.06 + 3.07 + 3.08 = \$23,074.57
3.10	Additional Bond Cost	1% x 3.09 = \$230.75
3.99	<b>Total Allocation Cost</b>	<b>3.09 + 3.10 = \$23,305.31</b>

**Submitted By**

Name: Paige Melendrez

Signature: Paige Melendrez

Title: Senior Project Manager

Date: 5/11/2023



## Valley Sanitary District

**DATE:** May 23, 2023

**TO:** Board of Directors

**FROM:** Ron Buchwald, Interim General Manager

**SUBJECT:** Adopt Resolution 2023-1179, a Resolution Authorizing the Execution, Delivery, and Submission of an Application for Grant Funding Through the US Department of the Interior Bureau of Reclamation Water Smart Program for the District's Recycled Water Treatment Project.

---

### **Suggested Action**

Approve

### **Strategic Plan Compliance**

GOAL 5: Long-Term Financial Strength

### **Fiscal Impact**

The fiscal impact is \$500,000 if awarded this grant from the BOR Water SMART Program.

### **Environmental Review**

Not applicable. This is not a project as defined by CEQA. Environmental compliance will be required prior to construction of any planned project.

### **Background**

The Bureau of Reclamation (BOR) Water SMART program is a planning grant for water recycling and/or desalination projects. The maximum funding per applicant is \$1,000,000 (for projects under \$500 million construction cost). The required local match is 50% of the award or \$500,000. In other words, if awarded this grant for \$1,000,000, VSD is required to match \$500,000. The anticipated award date is October 31, 2023. The required completion date to complete any planning studies is October 31, 2025. Eligible projects consists of water recycling and/or desalination feasibility studies, preliminary design activities, and environmental compliance for planned projects.

Environmental Solution Services submitted an application on behalf of VSD on February 28, 2023. The application has been accepted for review. The attached resolution is typically required at time of submittal. However, it may be submitted anytime prior to award.

**Recommendation**

It is recommended that the Board of Directors adopt Resolution 2023-1179, a resolution authorizing the execution, delivery, and submission of an application for grant funding through the US Department of the Interior, Bureau of Reclamation's Water Smart Program for the District's Recycled Water Treatment Project.

**Attachments**

[Valley Sanitary District - Resolution Authorizing Grant Application-c1.docx](#)

**RESOLUTION NO. 2023-1179**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY  
SANITARY DISTRICT AUTHORIZING THE EXECUTION, DELIVERY,  
AND SUBMISSION OF AN APPLICATION FOR GRANT FUNDING  
THROUGH THE U.S. DEPARTMENT OF THE INTERIOR BUREAU OF  
RECLAMATION WATERSMART PROGRAM FOR THE DISTRICT'S  
RECYCLED WATER TREATMENT PROJECT**

**WHEREAS**, the Valley Sanitary District (the “District”) is a sanitary district duly organized and existing under the laws of the State of California, and is authorized to collect and treat wastewater within its service area boundaries; and

**WHEREAS**, the District is preparing for the planning, environmental compliance, and other related studies for its Recycled Water Treatment Project (the “Project”); and

**WHEREAS**, the District is currently in the planning stage of the Project; and

**WHEREAS**, the Project will include, but not be limited to, site specific investigations to gather design data, development and evaluation of Project alternatives, preparation of preliminary Project cost estimates, preparation of an engineering report to guide the final design of the Project, collection of data and gathering of documentation for environmental and cultural resources compliance, preparing all required technical studies for environmental documentation, and preparing final environmental documents for compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA); and

**WHEREAS**, the United States Department of the Interior offers financial assistance for water recycling and desalination planning projects in the form of grant funding through its Bureau of Reclamation WaterSMART Program (the “WaterSMART Program”); and

**WHEREAS**, the District desires and has determined it is in its best interests to apply for grant funding through the WaterSMART Program in order to fund part of the cost of the Project.

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

**Section 1.** The above recitals are true and correct, and the Board of Directors of the District (the “Board”) so finds and determines.

**Sections 2.** The Board hereby authorizes and directs the General Manager, or his or her designee, to complete, review, sign and submit, for and on behalf of the District, a grant application from the Bureau of Reclamation for the WaterSMART Program for funding of the Project up to the maximum amount available under the WaterSMART Program, with such changes therein, deletions therefrom, and additions thereto as may be approved by the General Manager, the execution of such application being conclusive evidence of such approval.

**Section 3.** The General Manager, or his or her designee, is hereby authorized and designated to provide all necessary documents, assurances, certifications, and commitments required for submission of the grant application, including executing a financial assistance or similar agreement with the Bureau of Reclamation within established deadlines and any amendments or changes thereto, and is otherwise authorized to take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated by this Resolution, including the completion of any required feasibility study.

**Section 4.** The District's General Manager, or his or her designee, is hereby authorized and designated to represent the District in carrying out the District's responsibilities under any grant agreement, including certifying disbursement requests on behalf of the District and compliance with applicable State and federal laws.

**Section 5.** If a grant award is made by the Bureau of Reclamation, the District commits to providing a minimum of 50% in matching funds for the Project, and any balance of funds needed to complete the implementation of the Project.

**Section 6.** This Resolution shall take effect immediately upon its adoption.

\*\*\*\*\*

**PASSED AND ADOPTED** at regular meeting of the Board of Directors of the Valley Sanitary District on the \_\_ day of \_\_\_\_, 2023, by the following vote:

AYES:  
NAYES:  
ABSENT:  
ASTAIN:

---

Debra Canero, President

ATTEST:

---

Scott Sear, Secretary/Treasurer



## Valley Sanitary District

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Ron Buchwald, Interim General Manager  
**SUBJECT:** Discuss Nominating a Representative from VSD to the Riverside Local Agency Formation Commission (LAFCO) Countywide Oversight Board

---

### **Suggested Action**

Approve

### **Strategic Plan Compliance**

GOAL 6: Improve Planning, Administration and Governance

### **Fiscal Impact**

There is no fiscal impact with this item.

### **Environmental Review**

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

### **Background**

As part of the dissolution of the redevelopment agencies (RDAs), oversight boards were established for each RDA charged with winding down the affairs of the former RDA. In September 2015, Governor Brown signed SB 107, which required consolidation of these oversight boards by July 1, 2018, with a new county-wide Board in each County. There were 25 existing oversight boards in Riverside County that were consolidated into one Countywide Oversight Board (CWOB). The law further directs that each Independent Special Districts of Riverside County to appoint special district representatives to the Board. Current law (Government Code Sec. 56332) requires the Executive Officer of LAFCO to conduct the proceedings. The County-wide Oversight Board (CWOB) reviews complex governmental financial documents. Although not a statutory requirement, previous experience or skills involving financial matters or prior experience on an existing Oversight Board will be helpful.

### **Recommendation**

Staff recommends that the Board of Directors discuss nominating a representative from VSD to the Riverside Local Agency Formation Commission (LAFCO) Countywide Oversight Board.

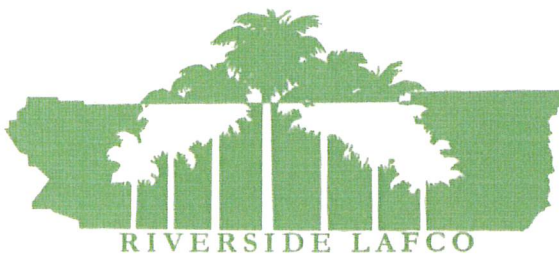
**Attachments**

[Countywide Oversight Board\\_ Call for Nomination cover letter\\_ 05-09-2023.pdf](#)

[Countywide Oversight Board Election notice\\_ 04-20-2023.pdf](#)

[Countywide Oversight Board\\_ 2023 Eligibility List.pdf](#)

[Countywide Oversight Board\\_ Nomination Form.pdf](#)



*Sent Via Electronic Mail*

May 9, 2023

**CALL FOR NOMINATIONS FOR A SPECIAL DISTRICT MEMBER  
OF THE COUNTYWIDE OVERSIGHT BOARD**

To: Presiding Officers (c/o Clerks) of Independent Special Districts in Riverside County  
cc: District Managers

As you were recently notified (see attached letter), we are commencing the selection process for a special district member to the Countywide Oversight Board. I have determined that a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time. Therefore, selection proceedings will be conducted by electronic mail. Specifically, the position is as follows:

Regular Special District Member of the Countywide Oversight Board - must be a board member from any district shown on the attached list.

The term of the Special District Member appointed to the Countywide Oversight Board shall commence at the end of the voting period. There is no specified expiration of the term, however, appointees serve at the pleasure of the SDSC.

**The nomination period for this position will begin on May 10, 2023** and will close on June 9, 2023. Any member of the SDSC (presiding officer or an alternate board member designated by the governing body) may nominate a member of the legislative body of an independent special district board to fill the position subject to the following eligibility requirements for nominees:

Countywide Oversight Board, Special District Member: Nominees must be a current member of the governing board of one of the Districts listed on the attachment titled *Board Members Eligible for Appointment to the Oversight Board*. The regular member will be selected based on the number of votes received.

Please submit nominations in writing on the nomination form accompanying this notice to Rebecca Holtzclaw at [rholtzclaw@lafco.org](mailto:rholtzclaw@lafco.org), or mail the form to the following address: Riverside LAFCO, 6216 Brockton Avenue, Suite 111-B, Riverside, CA 92506. All nominations must be signed by the presiding officer of your district board of directors or designated alternate. Nominations do not require action by the district board of directors. **Nominations must be received in our office by 5 p.m., June 9, 2023.**



**CALL FOR NOMINATIONS**

Page Two  
May 9, 2023

Following the nomination period, ballots and voting instructions will be sent to SDSC members. In order to expedite the ballot process, if you have not already done so, please provide an email address to which we can send the presiding officer's ballot materials. You may email the information to [rholtzclaw@lafco.org](mailto:rholtzclaw@lafco.org).

If you have any questions, please contact our office.

Sincerely,



Gary Thompson  
Executive Officer

Attachment(s): SDSC Appointment Notice dated April 20, 2023 (sent via email)  
Board Members Eligible for Appointment to the Oversight Board

cc: Imelda Delos Santos, Principal Management Analyst, Riverside County Executive Office  
Khanh Truong, Riverside County Auditor-Controller, Property Tax Division



Date: April 20, 2023

To: Presiding Officers (c/o Clerks) of Independent Special Districts in Riverside County  
cc: District Managers

Re: County-wide Oversight Board Election

I am writing to alert you to upcoming proceedings for filling the special district representative vacancy for the County-wide Oversight Board (CWOB). A call for nominations to the CWOB will be issued in the next few weeks. Please start considering potential nominees. Although all members of the Independent Special Districts in Riverside County (SDSC) are eligible to vote on the appointment, eligibility for appointment to the Oversight Board is limited to members of the legislative bodies of independent special districts eligible to receive property tax distributions pursuant to Health and Safety Code 34188. A list of those qualifying districts whose members would be eligible for appointment is attached. Current Alternates retain their current appointment, and are eligible for appointment to the regular position.

The Oversight Board reviews complex governmental financial documents. Although not a statutory requirement, previous experience or skills involving financial matters or prior experience on an existing Oversight Board might be helpful.

Each Independent SDSC was granted the authority to appoint one (1) special district representative to the oversight board pursuant to Health and Safety Code Section 34179. Current law (Government Code Sec. 56332) requires the Executive Officer of LAFCO to conduct the proceedings. Within the next two weeks, we will begin the process for an appointment to the COWB.

Background: As part of the dissolution of redevelopment agencies (RDAs), oversight boards were established for each of the redevelopment successor agencies charged with winding down the affairs of the former RDAs. In September of 2015, Governor Brown signed SB 107, a bill which required the consolidation of RDA oversight boards. SB 107 mandated the consolidation of these boards by July 1, 2018, with a single new county-wide board in each county. In Riverside County, the existing 25 oversight boards were consolidated into a Countywide Oversight Board. The law further directs the Independent SDSC in each county to appoint special district representatives to the board.

*Provide contact info.* The CWOB proceedings will be conducted by email. Statute makes provisions for nominations and ballot materials to be transmitted and returned by email. It would be most helpful if you provide us with the name, telephone number and appropriate email address of the presiding officer of your district board or alternate board member designated by your board (by resolution). Please send that contact information as soon as possible to Rebecca Holtzclaw at [rholtzclaw@lafco.org](mailto:rholtzclaw@lafco.org).

Re: County-wide Oversight Board Election  
April 20, 2023  
Page Two

*Follow up.* After we have issued the call for nominations and upon the close of the nomination period, we will issue ballot materials, including instructions, to each member of the Independent SDSC (presiding officers or board designated alternates), via each district's Board Clerk, with copies to each district's General Manager. Please follow up to ensure ballots are signed and returned to LAFCO in a timely manner. It is important that we achieve a quorum in order to have a valid election.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



GARY THOMPSON  
Executive Officer

Attachments:  
List of qualifying District Boards

## Board Members Eligible for Appointment to the Countywide Oversight Board 2023

### Organization Name

1. Banning Library District
2. Beaumont-Cherry Valley Recreation & Park District
3. Beaumont Library District
4. Cabazon County Water District
5. Coachella Valley Mosquito & Vector Control District
6. Coachella Valley Public Cemetery District
7. Coachella Valley Resource Conservation District
8. Coachella Valley Water District
9. Desert Healthcare District
10. Desert Recreation District
11. Desert Water Agency
12. Edgemont Community Services District
13. Eastern Municipal Water District
14. Elsinore Valley Cemetery District
15. Elsinore Valley Municipal Water District
16. Home Gardens Sanitary District
17. Jurupa Area Recreation & Park District
18. Jurupa Community Services District
19. Lake Hemet Municipal Water District
20. Mission Springs Water District
21. Murrieta Valley Cemetery District
22. Northwest Mosquito & Vector Control District
23. Palo Verde Cemetery District
24. Palm Springs Cemetery District
25. Palo Verde Healthcare District
26. Palo Verde Valley Library District
27. Riverside-Corona Resource Conservation District
28. Rubidoux Community Services District
29. Rancho California Water District
30. Summit Cemetery District
31. San Geronio Memorial Healthcare District
32. San Geronio Pass Water Agency
33. San Jacinto Basin Resource Conservation District
34. San Jacinto Valley Cemetery District
35. Temecula Public Cemetery District
36. Temescal Valley Water District
37. Valley Sanitary District
38. Valley-Wide Recreation & Park District
39. Western Municipal Water District



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## 2023 COUNTYWIDE OVERSIGHT BOARD NOMINATION FORM

I, \_\_\_\_\_ of the \_\_\_\_\_  
*Print Name of Presiding Officer* *Name of District*

hereby nominate the following individual to the position of:

### Special District Member to the Countywide Oversight Board

Nominee: \_\_\_\_\_

District: \_\_\_\_\_

*I hereby certify that I am the presiding officer of the above named district, or the alternate designated by the governing body.*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

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The nomination period for this position will begin on May 10, 2023 and will close at 5:00 p.m. on June 9, 2023. Any member of the Special District Selection C (presiding officer or an alternate board member designated by the governing body) may nominate a current member of the legislative body of one of the District's listed on the enclosed "Board Members Eligible for Appointment to the Countywide Oversight Board 2023."

Please submit your nomination in writing on this form with an original signature to Rebecca Holtzclaw at [rholtzclaw@lafco.org](mailto:rholtzclaw@lafco.org), or mail the form to the following address: Riverside LAFCO, 6216 Brockton Avenue, Suite 111-B, Riverside, CA 92506.

**Nominations must be received in our office by 5 p.m. on June 9, 2023.**

If you have any questions, please contact our office.



**Valley Sanitary District**

**DATE:** May 23, 2023  
**TO:** Board of Directors  
**FROM:** Holly Gould, Clerk of the Board  
**SUBJECT:** Draft Minutes of the Community Engagement Committee Meeting  
- May 16, 2023

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**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 Community Engagement Committee meeting held on May 16, 2023.

**Recommendation**

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

**Attachments**

[16 May 2023 Meeting Minutes.edited.doc](#)

**VALLEY SANITARY DISTRICT  
COMMUNITY ENGAGEMENT COMMITTEE  
REGULAR MEETING MINUTES**

May 16, 2023

A meeting of the Valley Sanitary District (VSD) Community Engagement Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, May 16, 2023.

**1. CALL TO ORDER**

Committee member Duran called the meeting to order at 1:00 p.m.

**2. ROLL CALL**

Directors Present:  
Committee Member Mike Duran

Directors Absent:  
Chairperson Scott Sear

Staff Present:  
Ron Buchwald, Interim General Manager; and Holly Gould, Clerk of the Board

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENT**

*Please notify the Secretary before the meeting if you wish to speak on a non-hearing item.*  
None.

**5. DISCUSSION / ACTION ITEMS**

5.1 Approve Minutes for March 21, 2023, Community Engagement Committee

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Item postponed until next meeting.

5.2 Future Community Engagement Committee Topics of Discussion

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Committee member Duran and Ron Buchwald, Interim General Manager, discussed the 100-year celebration of the District that takes place in 2025. They discussed different ideas for events, narrowing down a date, venue, budget, theme, guest list, invitations, whether to hire an event planner and the possible need for an ad-hoc committee. Although the celebration is two years away, they feel it is essential to start planning now. They discussed hosting a more formal dinner event for community leaders and an open house allowing the public to see the plant and take tours. This item will be brought before the Board for discussion and direction.

The Committee also discussed contacting local schools as part of public outreach. Committee member Duran suggested attending a school board meeting and offering school tours or in-class presentations about the District and what it's like to work in wastewater. The Committee also discussed producing a promotional presentation type video that can be used to show the public what the District does and the projects that are going on. It is recommended that we seek the help of a public engagement consultant in creating the presentation. Updates to the presentation can be done mostly in-house. Lastly, the Committee discussed the announcement of the new General Manager. They discussed a press release, meet and greet, and posting on social media. Committee member Duran suggested waiting to find out if the new General Manager would be comfortable with a meet and greet and to see what they prefer. Ron stated to at least post a bio of the new General Manager on the District website.

6. **COMMITTEE MEMBER ITEMS** – None

7. **ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 1:47 p.m. The next regular committee meeting will be on July 18, 2023.

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