



Fiscal Year
2023 / 2024

OPERATING AND CAPITAL BUDGET



PREPARED BY
THE ADMINISTRATION DEPARTMENT



VALLEY SANITARY DISTRICT

OPERATING & CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR 2023-2024

BOARD OF DIRECTORS

Debra Canero
Board President



Mike Duran
Board Vice President

Scott Sear
Secretary/Treasurer



Jacky Barnum
Director

William Teague
Director



Mission Statement

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



VALLEY SANITARY DISTRICT

OPERATING & CAPITAL IMPROVEMENT BUDGET

FISCAL YEAR 2023-2024

SENIOR ADMINISTRATION

Jeanette Juarez
**Chief Administrative
Officer**



Dave Commons
**Chief Operating
Officer**



Ron Buchwald
**Interim General
Manager**

Contact Us



45500 Van Buren St Indio, CA 92201

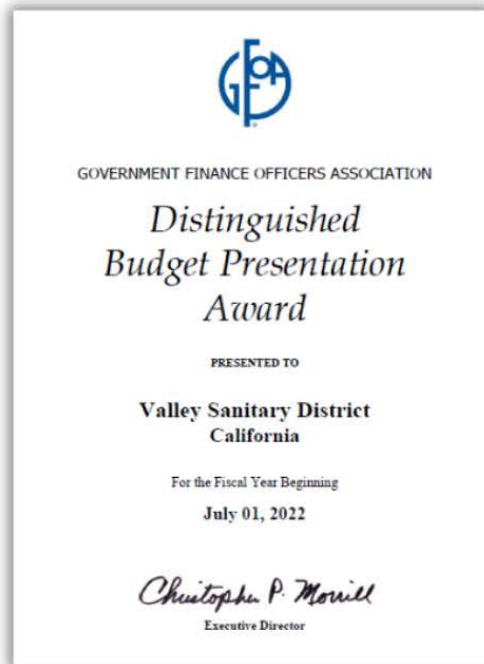


(760) 238-5400



www.valley-sanitary.org

AWARDS AND ACCOMPLISHMENTS



GFOA's Distinguished Budget Presentation Award

To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool.



CSFMO's Operating Budget Excellence Award for FY 2022-2023

The California Society of Municipal Finance Officers (CSMFO) awarded Valley Sanitary District with the Operating Budget Excellence Award for Fiscal Year 2022-2023.

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BUDGET MESSAGE





Valley Sanitary District

Giving Water Another Chance

Interim General Manager’s Fiscal Year 2023/24 Budget Message

July 1, 2023

Honorable Board of Directors,

I am pleased to present the Operating and Capital Budget for the fiscal year 2023/24. This budget is a guide for the District. It establishes a path for staff to follow in making day-to-day decisions to further the District's goals and objectives, as outlined in the Strategic Plan. The comprehensive budget also provides transparency for the communities and citizens that it serves.

The fiscal year 2023/24 budget is a collaborative effort focused on resource prioritization, strategic goal alignment, sound financial management, longevity, and growth.

BUDGET IN BRIEF

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

Budget	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Variance	Budget Variance (%)
Operating and Debt Service	\$ 10,167,446	\$ 16,189,076	\$ 14,757,323	\$ 18,622,894	\$ 2,433,818	15%
Capital Improvement Program	10,300,847	33,545,663	22,466,396	58,232,000	24,686,337	74%
Total	\$ 20,468,294	\$ 49,734,739	\$ 37,223,719	\$ 76,854,894	\$ 27,120,155	55%

BUDGET CHALLENGES

The District is not immune to increasing costs in critical areas such as; utility rates, aging infrastructure and replacement needs, mandatory retirement benefit contributions, health care premiums, post-employment benefits, and regulatory changes. Over the past two (2) years, the District has had to reprioritize major initiatives and capital projects due to increased operating costs, construction costs, and inflation. Although the projected revenue estimates moderate growth in upcoming years, the District will need to use its reserves to sustain operation and provide the same level of services that the community expects.

The District's greatest challenges are addressing aging infrastructure and preparing to meet the changing regulatory requirements while maintaining its affordability for ratepayers. The 20-Year Master Plan indicates a need for over \$308 million in improvements and replacement of assets, including the Recycled Water Project, with an estimated cost of \$197 million.

In the fiscal year 2022/23, a comprehensive wastewater rate study was conducted to address revenue requirements to fund the 20-year master plan. However, after careful consideration from the Board of Directors and public input from ratepayers, the Board determined that the proposed rates were not feasible. At the April 25, 2023, Regular Board of Directors meeting, the Board unanimously approved to cancel Proposition 218 notices sent to customers regarding the proposed annual sewer rate scheduled for July 1, 2023, to June 30, 2028. The Board remains committed to its desire for affordable rates while continuing to provide the level of service the community expects. The District continues to be proactive in its search for other revenue sources, such as grants and partnerships with private companies, to offset the cost of both operating and capital improvement expenditures.

REVENUE AND EXPENDITURE OVERVIEW

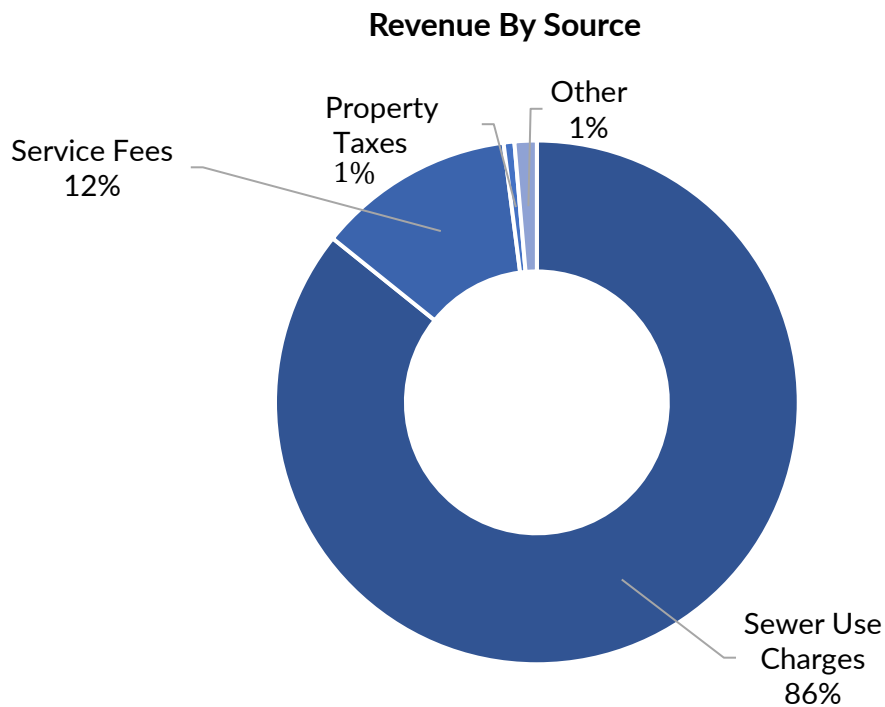
District staff prepares the financial plan with revenue and expenditure forecasts that extend to five (5) years. The predictions encompass projected changes in revenues, operating expenditures, staffing needs, reserve targets, debt ratio requirements, and capital improvement projects. The plan is presented to the Board of Directors for review and is used as the planning basis for the operating and capital budget for the year.

Revenue Sources – Where the Money Comes From

The projected revenue for the fiscal year 2023/24 is \$19.9 million, an increase of \$2.1 million or 12% over the budgeted fiscal year 2022/23 budget. The increase in projected revenue is attributed to planned sewer rate increases identified in the adopted 5-year sewer use charge rate from July 1, 2021, to June 30, 2025. Approximately 86% of the District’s revenue is derived from sewer use charges. Services fees have a moderate increase of \$505,307 or 26% due to projected new connections to sewer service and an increase in investment income due to projected market rate increases. Property taxes decreased by \$11,009 or 8% due to lower estimated sales of surplus property, inspection fees, and plan check fees. Other revenues had a projected increase of \$255,204 due to projected investment interest income due to estimated increases in market rates.

The table below depicts the revenues by source.

Revenue Source	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Variance	Budget Variance (%)
Sewer Use Charges	\$ 15,224,732	\$ 15,686,490	\$ 16,872,785	\$ 17,066,857	\$ 1,380,367	9%
Service Fees	5,361,912	1,920,546	2,608,691	2,425,853	505,307	26%
Property Taxes	177,871	142,846	173,784	131,837	(11,009)	-8%
Other	4,590	17,934	268,111	273,138	255,204	1423%
Total	\$ 20,769,105	\$ 17,767,816	\$ 19,923,371	\$ 19,897,685	\$ 2,129,869	12%



Expenditures – What the Money is Spent on

The expenditures are broken down into four (4) major categories:

- Capital Improvement Program (CIP)
- Supplies, Services, Utilities, & Other Overhead Costs
- Salaries and Benefits,
- and Debt Service.

Capital Improvement Program (CIP)

The CIP has a budget of \$58.2 million in the fiscal year 2023/24, an increase of \$24.7 million or 74% over the fiscal year 2022/23 budget. The increase is mainly due to the Recycled Water Project Phase 1, with a budget of \$39.9 million in the fiscal year 2023/24. \$35.7 million of the Recycled Water Project will be paid through the Bank of America loan fund. In the fiscal year 2023/24, the District will draw down from its capital replacement and improvement reserves to balance the budget. Although an increase in revenue is projected, the revenue growth needs to be improved to cover ongoing expenditure growth from current construction commitments.

Supplies, Services, Utilities, & Other Overhead Costs

Operational costs have increased by \$876,211 or 15% due to changes in the Consumer Price Index (CPI) and usage. Examples include costs and usage for electricity, natural gas, trash removal, chemicals, and water. Sludge disposal and transportation had an increase of \$200,000 over the previous year. Due to the rise in price per unit, chemical expenditures are expected to increase by \$130,000 over the last year. Comprehensive insurance costs are also expected to increase by \$66,000 due to insurance program increases and the cost of insuring additional assets.

Salaries and Benefits

Salaries and benefits have an increase of \$700,219 or 12% compared to the fiscal year 2022/23. The salary change is attributed to a Cost-of-Living Adjustment (COLA) of 7.5% as per the Consumer Price Index, Riverside November 2022. Also, there are projected positions that will be promoted to the next classification level due to certification. Additionally, the lab has one Full Time Employee (FTE) fully funded for the fiscal year 2023/24 that was approved in 2022/23 but not funded. Fringe benefits increased due to a budgeted 8% increase in health insurance contributions, a 3% increase in Public Employees' Medical & Hospital Care Act (PEMCHA) contributions, and an 8% in vision and dental contributions. Additionally, more employees are enrolled in the health insurance

program than in previous years. The District also budgeted a moderate increase in the CalPERS Unfunded Accrued Liability (UAL) as a projected escalator in the plan.

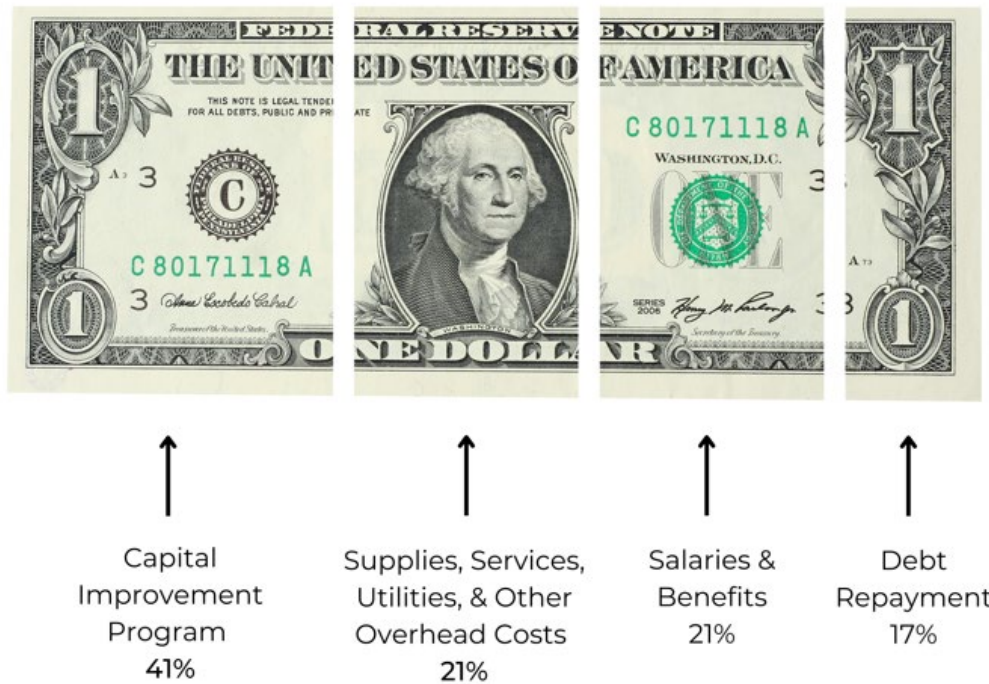
Debt Service

Debt service has an increase of \$857,388 or 19% in the fiscal year 2023/24. The debt service increase is attributed to a year's worth of payments to the Bank of America loan. The payments are made bi-annually. In the fiscal year 2022/23, only one (1) payment was required.

The table below depicts the expenditures by source.

Expense by Source	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Variance	Budget Variance (%)
Capital Improvement Program	\$ 10,300,847	\$ 33,545,663	\$ 22,466,396	\$ 58,232,000	\$ 24,686,337	74%
Supplies, Services, Utilities, & Other Overhead Costs	4,159,019	5,849,560	4,691,649	6,725,771	876,211	15%
Salaries an Benefits	4,989,554	5,926,545	5,652,704	6,626,764	700,219	12%
Debt Repayment	1,018,873	4,412,971	4,412,971	5,270,359	857,388	19%
Total	\$ 20,468,294	\$ 49,734,739	\$ 37,223,719	\$ 76,854,894	\$ 27,120,155	55%

Expenditure By Source



ACKNOWLEDGMENTS

I would like to recognize and thank the Board of Directors for their support, collaboration, and assistance in developing a fiscally responsible budget. I would also like to acknowledge the District staff whose efforts and dedication enabled the smooth and timely completion of the budget process and the production of this document.

Respectfully,

A handwritten signature in black ink that reads "Ron Buchwald". The signature is written in a cursive style with a large initial "R".

Ron Buchwald

Interim General Manager



Wastewater Facility Grit Hoppers

OVERVIEW



INDIO, CALIFORNIA “CITY OF FESTIVALS”

In 1876, the City of Indio was a railroad town with a rest area between Los Angeles, California, and Yuma, Arizona. Soon the Southern Pacific Depot Station and Hotel were built to help retain workers in the area. The City began to grow and became an agricultural region producing dates, onions, citrus, and cotton.¹ On May 16, 1930, Indio became the first incorporated City in the Coachella Valley. Today Indio is home to over 90,000 residents, and an estimated 1.4 million people visit annually to attend the Coachella Valley Music and Arts Festival and Stagecoach Country Music Festival.¹ Nicknamed the "City of Festivals," Indio has fast become a great community that offers a variety of exceptional dining, shopping, golfing, art, and entertainment experiences.

Indio is part of Riverside County, located 75 miles east of Riverside, 127 miles east of Los Angeles, and 148 miles northeast of San Diego. The City covers roughly 29 square miles and is 99.97% land and 0.03% water.³ Indio lies just three (3) miles from the San Andreas Fault, one of the most prominent faults in the world. The high mountain ranges contribute to Indio's warm climate year-round.



Image borrowed from the Riverside County 2021 webpage²

1. Indio City of Festivals. (2021). <https://www.indio.org/about/history.htm>
2. Riverside County. (2021). Riverside County. <https://rivco4.org/Cities/Indio>
3. U.S. Department of Commerce. QuickFacts Indio City, California. [http://Indio City of Festivals. \(2021\). <https://www.indio.org/about/history.htm>](http://Indio%20City%20of%20Festivals.%20(2021).%20https://www.indio.org/about/history.htm)

Points of Attraction

Adorned with a gorgeous desert backdrop, Indio has over 348 days of sunshine per year, perfect for outdoor activities. The City of Indio offers world-class golf courses, unique restaurants, a mix of retail stores, outdoor adventures, and renowned music festivals. The City has something for everyone.

Arts and Entertainment	Golfing	Festivals	Dining	Shopping
<ul style="list-style-type: none"> ▪ Coachella Valley Art Center ▪ Coachella Valley History Museum ▪ Desert Cahuilla Village ▪ History of Date Industry in the Coachella Valley ▪ Indio Performing Arts ▪ Rebirth 	<ul style="list-style-type: none"> ▪ The Lights at Indio Golf Course ▪ Eagle Falls Golf Course ▪ Golf Club at Terra Lago ▪ Big Rock Golf Course ▪ Shadow Hills Golf Club 	<ul style="list-style-type: none"> ▪ Riverside County Fair and National Date Festival ▪ Coachella Valley Music & Arts Festival ▪ Stagecoach California's Country Music Festival ▪ Indio Tree Lighting Ceremony ▪ Indio International Tamale Festival 	<ul style="list-style-type: none"> ▪ TKB Bakery & Deli ▪ uniQue Bite Eatery ▪ El Mexicali Cafe II ▪ POM ▪ Heirloom Craft Kitchen ▪ Sloan's ▪ CV Barbeque ▪ Tack Room Tavern ▪ Mario's ▪ The Café at Shields 	<ul style="list-style-type: none"> ▪ Citrus Plaza ▪ Heritage Court ▪ Indio Grand Market Place ▪ Indio Town Center ▪ The Palms ▪ Showcase at Indio ▪ Indio Plaza ▪ Shadow Hills Plaza ▪ Jefferson Plaza

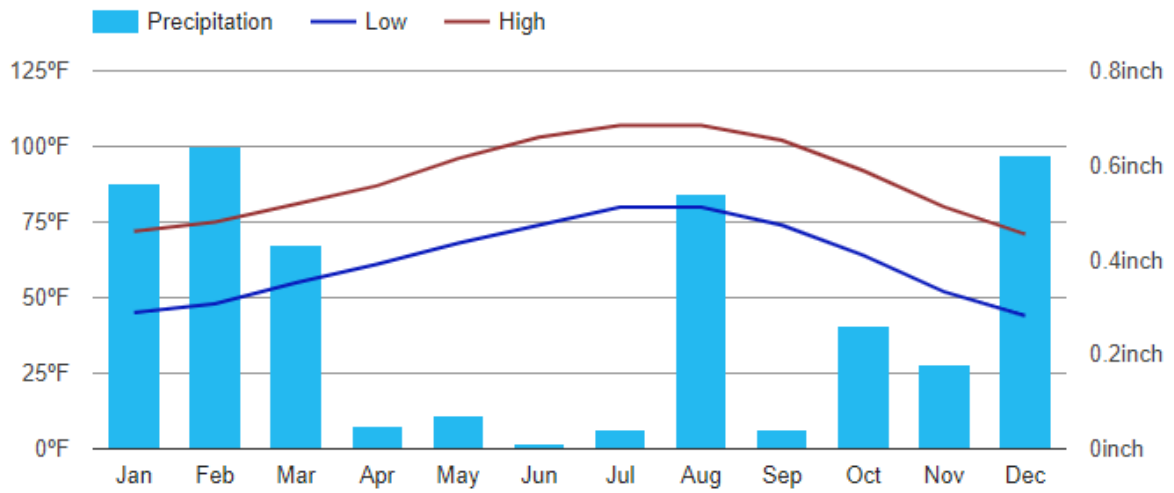
Climate

Due to its unique geographical location and high mountain ranges, Indio has some of the warmest winters on the west coast. The City has a warm winter and hot summer climate primarily due to its desert climate. There is very little rainfall throughout the year. The average annual temperature in Indio is 75.5 °F, with an estimated 3.44 inches of yearly precipitation.¹

Climate Indio - California	Jan	Feb	Mar	Apr	May	Jun
Average high in °F	72	75	81	87	96	103
Average low in °F	45	48	55	61	68	74
Average precipitation in inch	0.56	0.64	0.43	0.05	0.07	0.01

Climate Indio - California	Jul	Aug	Sep	Oct	Nov	Dec
Average high in °F	107	107	102	92	80	71
Average low in °F	80	80	74	64	52	44
Average precipitation in inch	0.04	0.54	0.04	0.26	0.18	0.62

Indio Climate Graph - California Climate Chart



4. U.S. Climate Data. (2021). U.S. Climate Data.
<https://www.usclimatedata.com/climate/indio/california/united-states/usca0512>

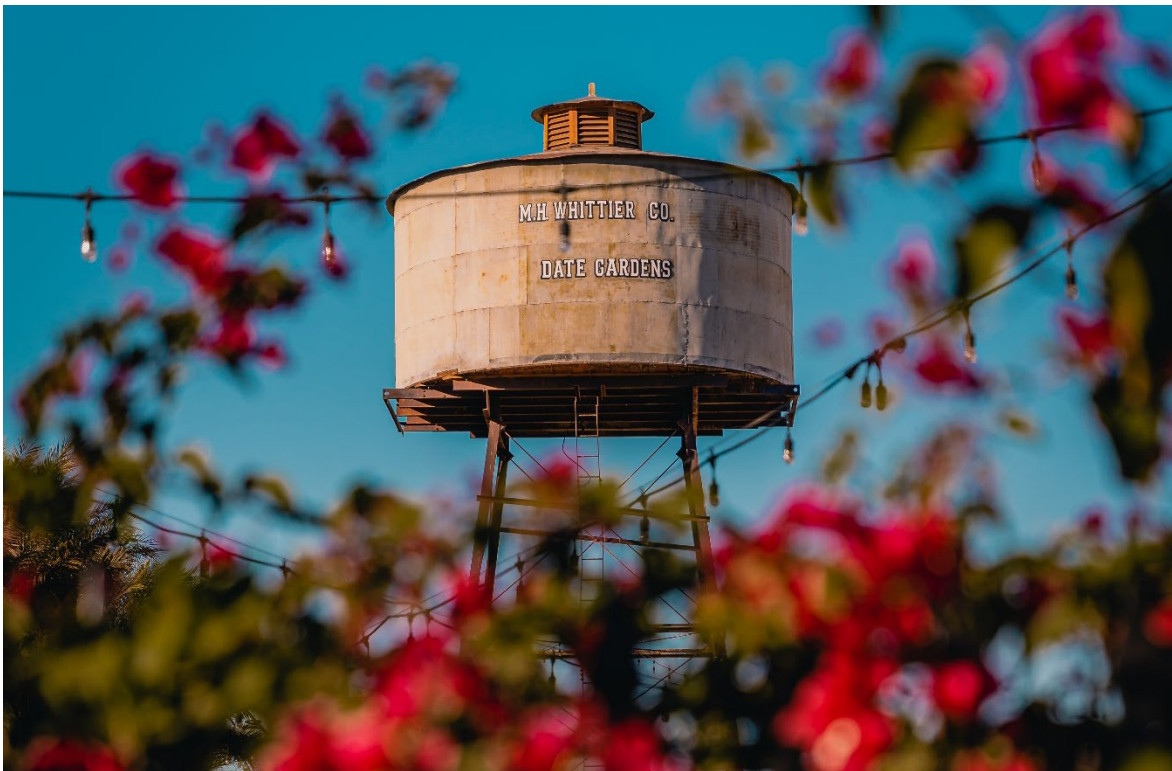


Image of the M.H. Whittier Water Tower in Indio, CA.

City Of Indio Statistical Information

The table below depicts a snapshot of the City of Indio's demographics that portray the characteristics of the population and the City.

Population	
Population as of July 1, 2022	91,980
Population Growth since April 1, 2020	3.2%
Housing	
Owner-occupied housing unit rate, 2017-2021	70.6%
Median value of owner-occupied housing units, 2017-2021	\$ 311,700
Median selected monthly owner costs - with a mortgage, 2017-2021	\$ 1,896
Median selected monthly owner costs - without a mortgage, 2017-2021	\$ 658
Median gross rent, 2017-21	\$ 1,210
Gender (% of population)	
Female	50.7%
Male	49.3%
Age (% of population)	
Under 18 Years	20.9%
65 years and over	19.6%
Education (% of Population)	
Highschool graduate or higher	80.3%
Bachelor's Degree or Higher	18.2%
Income	
Median Household income	\$ 59,399
Employment (% of Population)	
Retail Trade	11.7%
Healthcare/Social Assistance	11.6%
Accommodation/Food Services	11.4%
Construction	10.1%
Admin/Support/Waste Management Services	8.8%
Educational Services	8.1%
Arts/Entertainment/Recreation	5.9%
Transportation/Warehousing	3.4%
Manufacturing	3.4%
Professional/Scientific/Tech Services	3.2%
Real Estate/Rental/Leasing	3.0%
Agriculture	2.5%
Finance/Insurance	2.4%

5. United States Census Bureau. (n.d.). U.S. Census Bureau quick facts: Indio City, California. Indio City, California. <https://www.census.gov/quickfacts/fact/table/indiocitycalifornia/POP815221>
6. Vaillancourt, D. (2022, November). The City of Festivals takes center stage. Vision, 60–63.

ECONOMIC INDICATORS

The Indio City Council is very supportive of new enterprises and development. The City of Indio has endorsed the Downtown Specific Plan, the Highway 111 Plan, and the 2040 General Plan. The City is strategically attracting new businesses and developments, with many projects already in action, including the renovation and expansion of the Indio Grand Market Place and adding new eateries and retailers. Incoming enterprises include a four-story, 122-room Wood Spring Suites, Texas Roadhouse, Cork & Fork, Luna's Pizza Bar and Grill, and Keedy's Fountain and Grill: the JFK Memorial Hospital expansion, the Acadia Indio Behavioral Hospital, and upcoming Indio Medical Offices. The College of the Desert plans to expand its Indio campus to 80,000 square feet. According to Carl Morgan, Economic Development Director, "People are attracted to Indio because of the quality of life, schools, amenities, cool things you can do year-round...and Indio is still very affordable" (P.60).

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

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

In the fiscal year 2022/23, the District received higher than projected revenues by \$2.1 million. The additional revenue was mainly attributed to interest income earned. In May 2022, the District closed a loan through Bank of America for \$71 million to finance the Recycled Water Project. The loan is held in an interest-bearing escrow account. The higher revenue is due to higher than anticipated returns due to market rates. Also, the SUC income generated \$1.1 million more due to increased connections that paid for the entire year and a larger than projected volumetric water usage consumption. The SUC is based on a 70% fixed charge per Equivalent Dwelling Unit (EDU) plus a 30% volumetric water consumption charge by class.

DISTRICT GOVERNANCE

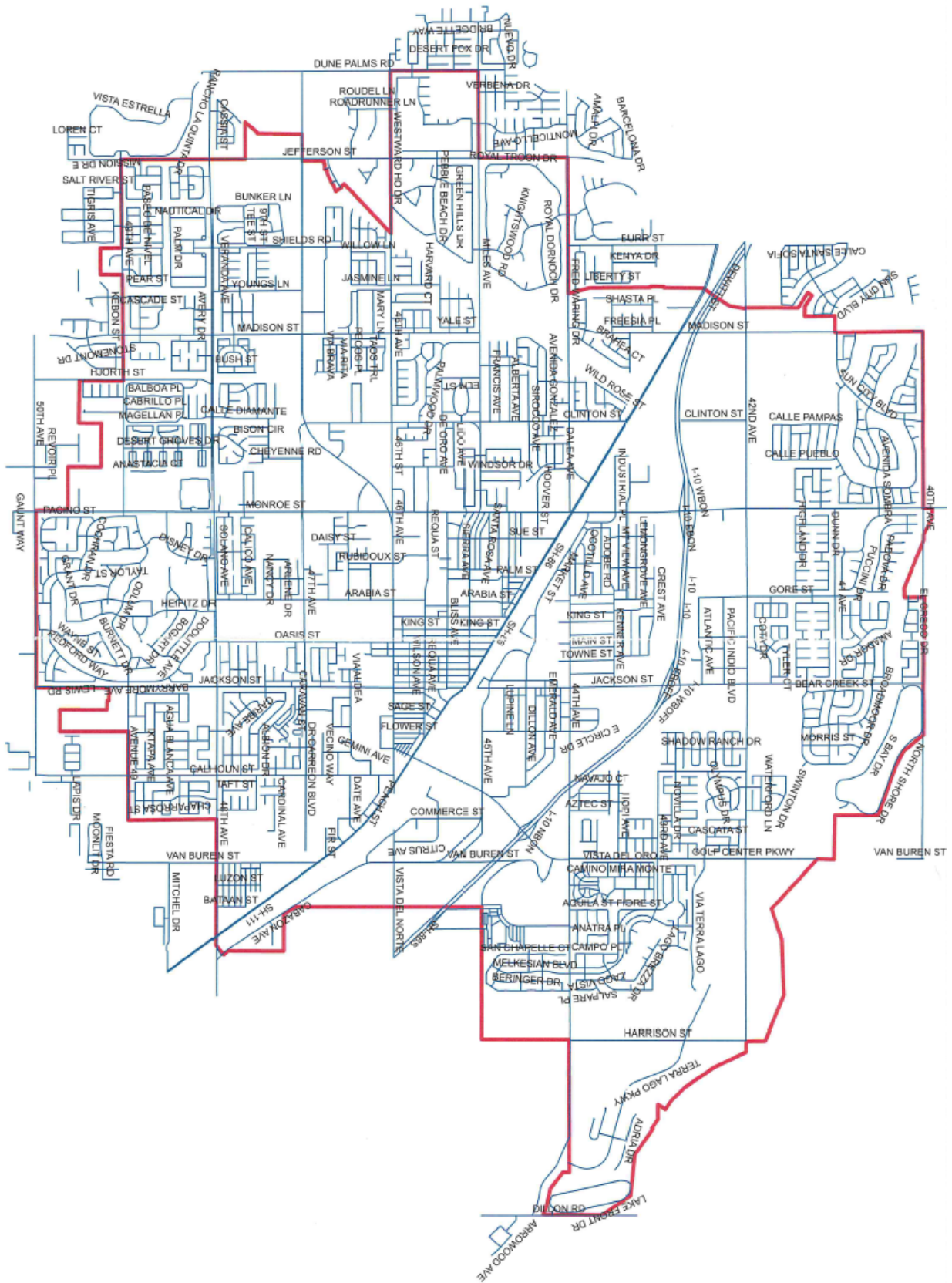
Valley Sanitary District is a California special district, which operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, § 6400 et seq. The District was formed on June 1, 1925, and is governed by a five (5) member Board of Directors. Each Director is elected through a ward-based election system. Each Director represents a specific geographic area within the District 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 community's best interests. The District's Board of Directors meets on the second and fourth Tuesdays of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

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

DISTRICT SERVICES

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



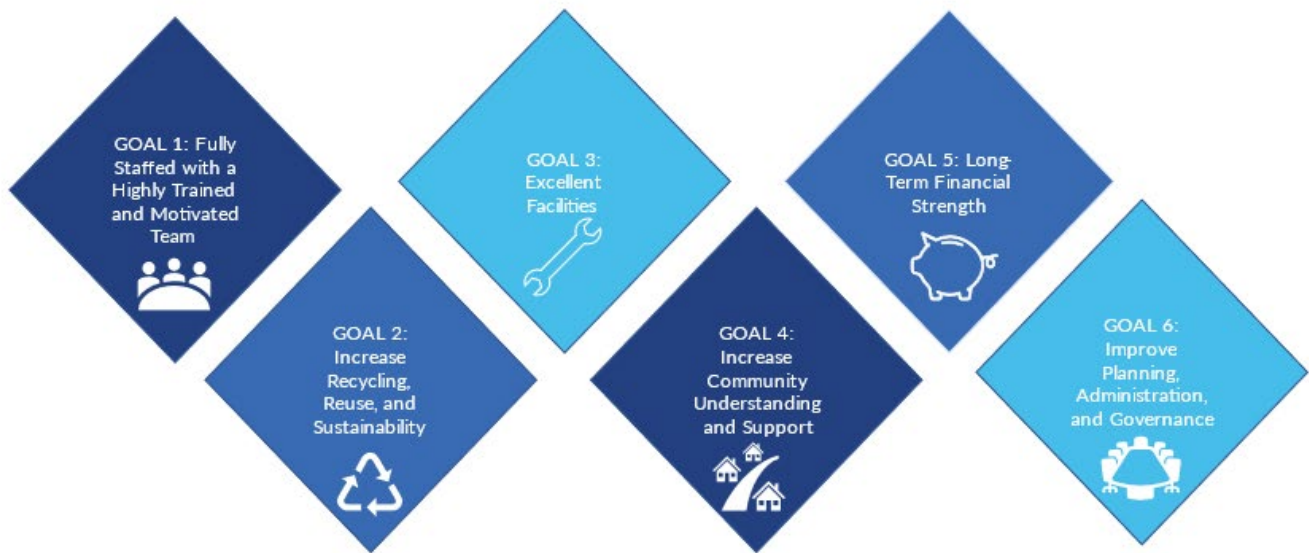
STRATEGIC PLAN

In the calendar year 2020, the District retained the services of Rauch Communication Consultants, Inc. to facilitate and coordinate the development of the District's Strategic Plan. Rauch Communication Consultants first gathered input from the Board of Directors through Board workshops. Rauch Communication Consultants then gathered input from District's employees in a meeting to allow direct and "ground-level" input to the Board during the final workshop.

The Board of Directors supported this process to allow all employees to participate in the foundation of the Strategic Plan. Three (3) Board workshops were conducted. At these workshops, the Board of Directors reviewed all input, revisited and refined the existing District Mission Statement, developed core values, and created a new vision statement for the District. The Board of Directors also identified six (6) strategic goals and objectives around and within which to organize implementation action that will support the mission and ensure the success of the vision of the District. The Strategic Plan was created to best articulate the Board of Directors' vision and strategy for the District over the next several years.

On January 20, 2023, the Board of Directors attended a workshop by Martin Rauch of Rauch Communication Consultants. The workshop included discussions on influential Board roles and responsibilities, strategic planning for the Board of Directors and General Manager, and ways to expand community participation. The District's strategic plan was reviewed and discussed, and no changes to the strategic plan were made.

Summary of Strategic Goals and Objectives



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

- Objective 1.1: Enough staff to fulfill goals and objectives safely and efficiently
- Objective 1.2: Improve preparation for both unexpected events and plan a succession of all key positions
- Objective 1.3: Improve training and professional development
- Objective 1.4: Maintain and build upon strong staff culture

Goal 2: Increase Recycling, Reuse, and Sustainability

- Objective 2.1: Increase recycling and reuse of resources and byproducts
- Objective 2.2: Improve sustainability of the overall operations (e.g., lower carbon footprint)
- Objective 2.3: Become an environmental leader in the community and industry

Goal 3: Excellent Facilities

- Objective 3.1: Facilities are managed using comprehensive long-range plans that are integrated with the financial plan
- Objective 3.2: Increase the use of technology to lower costs and improve reliability

Goal 4: Increase Community Understanding and Support

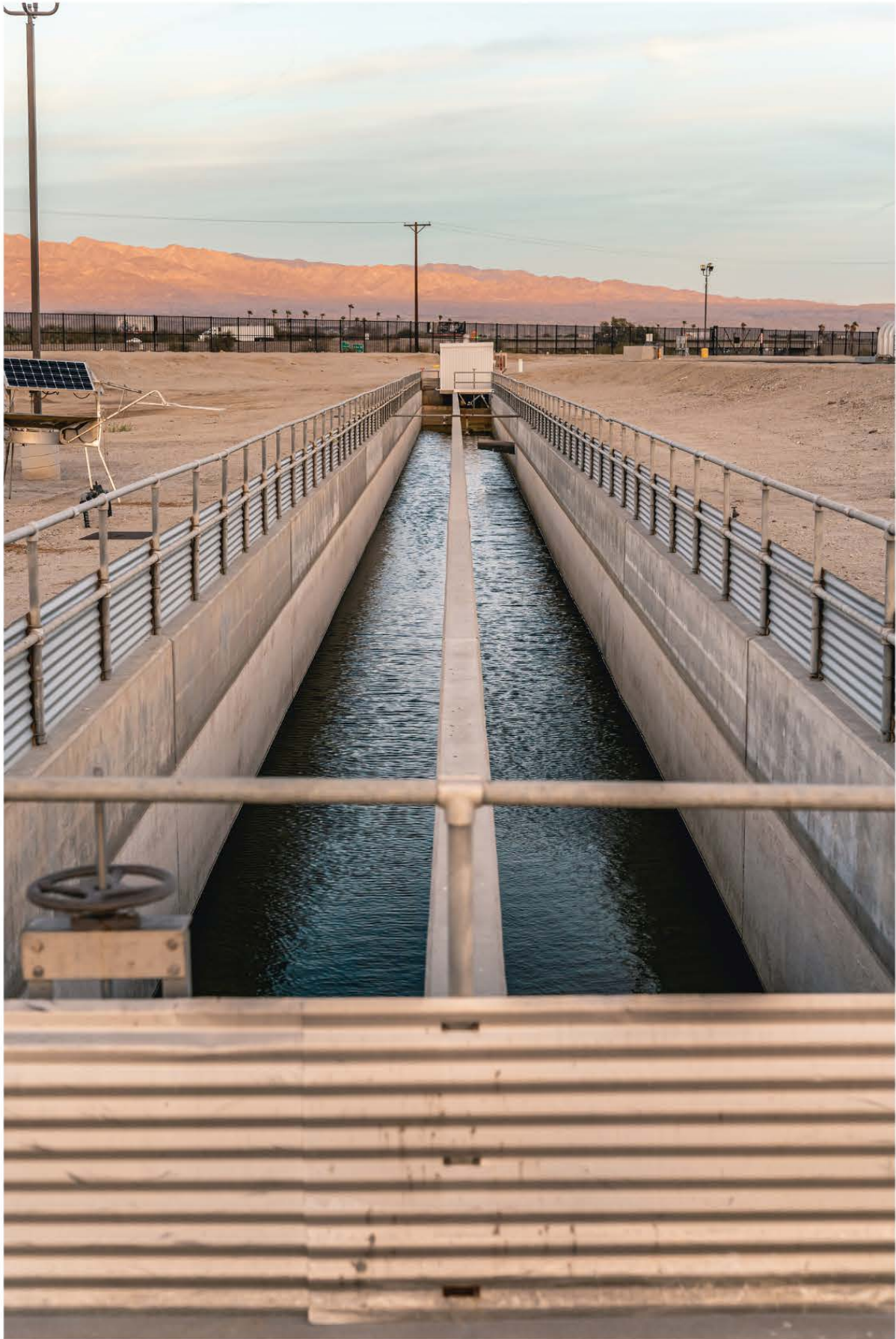
- Objective 4.1: Increase community understanding and support for the District and its program
- Objective 4.2: Increase the District's understanding of community wants, needs, and interests
- Objective 4.3: Rebrand Valley Sanitary District to increase public recognition of the District's move toward reuse and recycling

Goal 5: Long-Term Financial Strength

- Objective 5.1: Align long-term financial planning with strategic priorities
- Objective 5.2: Extend financial planning to meet long-term needs while maintaining affordability for customers
- Objective 5.3: Update rate structure to ensure it is up-to-date and fair to all classes of customers

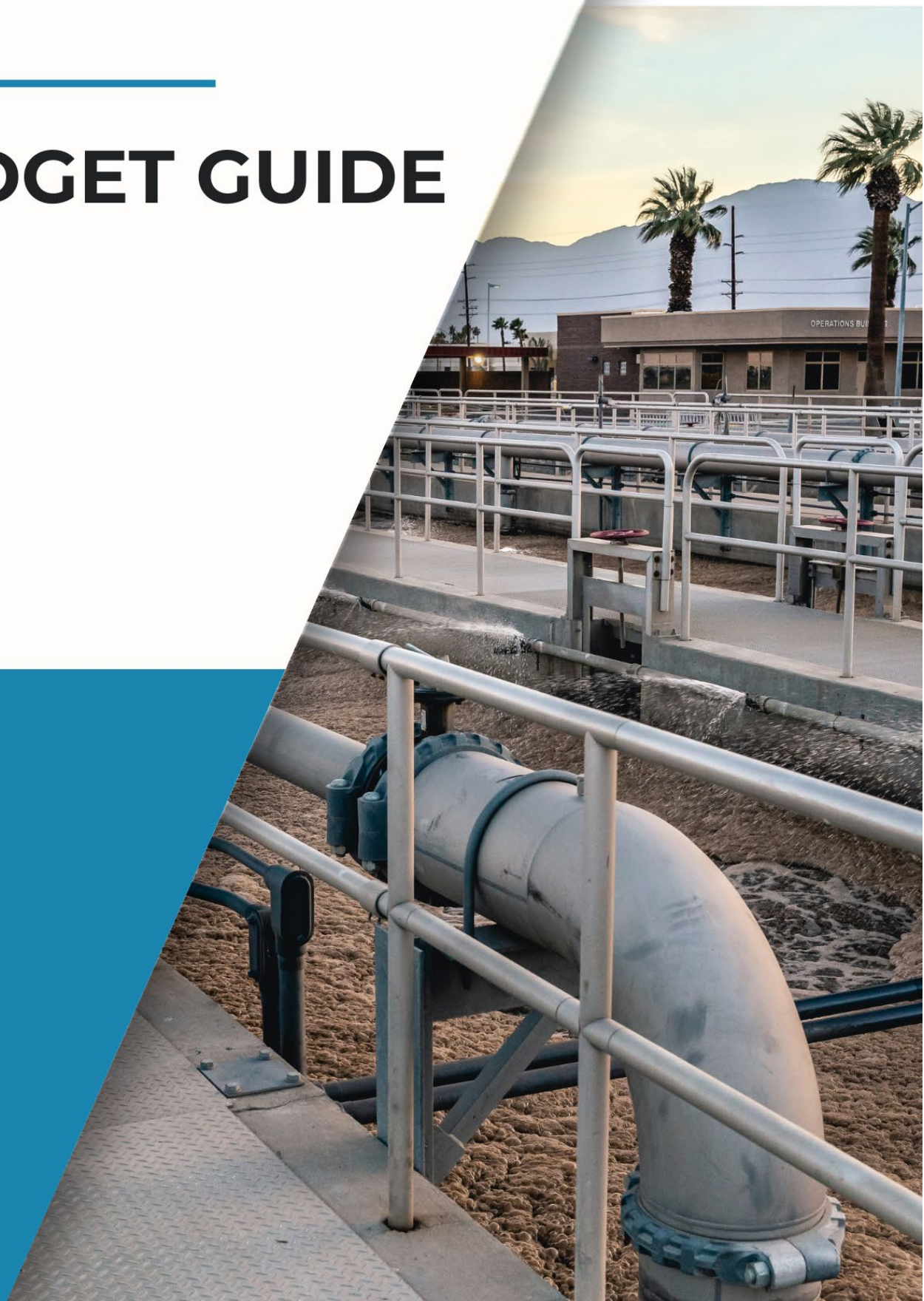
Goal 6: Improve Planning, Administration, and Governance

- Objective 6.1: Meet evolving operational and customer demands
- Objective 6.2: Increase regional collaboration
- Objective 6.3: Improve administration and management
- Objective 6.4: Increase emergency preparedness
- Objective 6.5: Improve State-Level Legislative Advocacy
- Objective 6.6: Improve Governance
- Objective 6.7: Maintain compliance with all regulatory, legislative, and permit requirements



Wastewater Facility Pond Exit

BUDGET GUIDE



PURPOSE OF THE BUDGET

The District creates an annual budget as a financial plan and operating guide for the upcoming fiscal year. The budget document is a cooperative component amongst all departments that allocates resources aligned with departmental and strategic goals. The annual budget allows for greater transparency and accountability for the District.

The annual budget serves to accomplish the following:

- Alignment with District strategic goals and departmental goals
- Detailed revenue projections and expense breakdown by department
- Sound financial management and transparency through the allocation of resources based on needs and requirements
- Presents Key Performance Indicators (KPI) and establishes targets based on goals

Once approved, the budget provides legal authority for expenditures and controls expenditure levels throughout the fiscal year. The action for approval and adoption of the annual budget is completed in June each calendar year.

The budget guides the District and establishes a path for staff to follow in making day-to-day decisions as the District strives to stay ahead of changing environmental requirements, maintain critical infrastructure, and meet the needs of the communities and citizens it serves.

The budget presentation to the Board of Directors in a publicly held meeting allows for in-depth review and alignment with District approved strategic goals. Additionally, the Board of Directors and the public are given the opportunity for a detailed review of the financial plan for the year department by department. The budget workshop allows for greater distribution of information and an opportunity for the Board of Directors to ensure the adequacy of the allocation of resources, personnel staffing, and service requirements.

Operating Budget

The operating budget comprises revenues and expenditures from the services rendered by the wastewater treatment facility. The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, supplies, materials, and other overhead costs to run day-to-day operations.

Capital Budget

The capital budget incorporates key projects to advance the District's Capital Improvement Program (CIP). These projects are intended to maintain, repair, and expand infrastructure.

Capital projects are categorized into two (2) categories depending on the system they impact.

1. Plant Facility
2. Sewage Collection

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 and large construction projects. The CIP aligns capital projects to various funding sources and the projected timeframe for the work. For some larger projects requiring financing, the financial impact can span over twenty to thirty years.

BUDGET PROCESS AND STRATEGY

The District operates on a fiscal year commencing July 1 and ending June 30. The budget process for the District is a collaborative effort among all departments based on sound financial management and longevity. The budget focuses on allocating and using resources within the strategic plan's framework to ensure the District's long-term success and development as a whole.

The budget is created through five (5) guiding principles.

Continue Building Momentum

The District is utilizing all of its efforts to continue to champion the Recycled Water Project. Although the fiscal year 2023/24 proposed rate increase was canceled, The District will continue to seek funding alternatives to complete this much-needed project. The City of Indio is in the epicenter of extreme heat and dry climate. When completed this project has the potential of recycling millions of gallons of water per year. The District will continue to monitor grant opportunities such as AB1567 to help pay for this project.

Resource Prioritization

The District examines all resources and analyzes resource requests to ensure program/service effectiveness and alignment with short- and long-term goals. A financial plan is created that the Board of Directors can use to prioritize allocating limited financial resources.

Strategic Goal Alignment

All departments must create annual goals that align with the Board-approved strategic plan. The departmental budgets are built on this premise, ensuring organizational strategic alignment.

Sound Financial Management

Financial accuracy and transparency are essential to sound financial management. The District achieves this objective by fully disclosing funding requirements and addressing projected economic challenges. The District maintains a structurally balanced budget with recurring revenues supporting recurring expenditures. The District is also required to provide financial reserves for unanticipated spending and revenue shortfalls and to respond to emergencies.

Longevity And Growth

A set vision, mission, and strategic plan ensure business continuity and growth. In the fiscal year 2023/24, the District will update its Master Plan to establish a framework for orderly growth and development of capital improvements on campus.



CONTINUE
BUILDING
MOMENTUM



RESOURCE
PRIORITIZATION



STRATEGIC GOAL
ALIGNMENT



SOUND FINANCIAL
MANAGEMENT



LONGEVITY AND
GROWTH

BUDGET DEVELOPMENT

Strategic Plan Review

In January, the Board of Directors holds a strategic plan workshop that allows the Board to examine and modify the existing plan. The Board of Directors approves the plan for the upcoming fiscal year.

Budget Kick-Off

In January, the Administration Department holds a budget kick-off meeting with all departments. Each department is presented with a technical memorandum of the strategic plan's budget processes, goals, and updates. At the budget kick-off for the new budget, the department heads are given budget request spreadsheets. The spreadsheets include all expenditures by category with the last two (2) fiscal year expenditures, the current fiscal year budget, and current fiscal year projections. All non-recurring expenditures from the previous year are deleted, and new requests are submitted for review and approval.

Budget Timeline

The department heads are provided with a budget timeline with important deliverable dates and meeting schedules.

Task	Assigned To	Day	Date
Phase 1 January			
Task 1.1 Budget Worksheets Distributed To All Departments	Chief Administrative Officer	Tuesday	3-Jan-23
Task 1.2 Budget Kickoff Meetings With All Departments	Chief Administrative Officer	Tuesday	3-Jan-23
Task 1.3 Budget Worksheets Due To Chief Administrative Officer (CAO)	All Departments	Tuesday	24-Jan-23
Task 1.4 Review Of Budget Worksheets	Chief Administrative Officer	Wednesday	25-Jan-23
Phase 2 February			
Task 2.1 Department Overview Meetings With CAO	Chief Administrative Officer	Monday	6-Feb-23
Task 2.2 Operations Committee Reviews 10 Year Capital Improvement Plan	Operations Committee	Tuesday	7-Feb-23
Task 2.3 Departmental Summaries And Goals Due To CAO	All Departments	Tuesday	7-Feb-23
Task 2.4 Organizational Charts Due To CAO	All Departments	Tuesday	7-Feb-23
Task 2.5 Departmental Performance Metrics Due To CAO	All Departments	Tuesday	14-Feb-23
Task 2.6 Budget Worksheets Due To CAO	All Departments	Tuesday	21-Feb-23
Task 2.7 Capital Improvement Project Worksheets Due	All Departments	Tuesday	21-Feb-23
Phase 3 March			
Task 3.1 Review Capital Project Requests With CAO	Chief Administrative Officer	Monday	6-Mar-23
Task 3.2 Budget Meetings With The General Manager And Department Heads	Chief Administrative Officer	Thursday	16-Mar-23
Task 3.3 Develop Budget Presentation	Chief Administrative Officer	Tuesday	21-Mar-23
Task 3.4 Budget And Finance Committee Review And Recommendations	Budget and Finance Committee	Tuesday	28-Mar-23
Phase 4 April			
Task 4.1 Draft Budget Book	Administration Department	Thursday	13-Apr-23
Task 4.2 Board Study Session For The Fiscal Year 2023/24 Fees, Charges, 10 Year CIP, and Budget	Board of Directors	Tuesday	18-Apr-23
Task 4.3 Department Overview Meetings With CAO To Discuss Board Comments And Edit Requests	Chief Administrative Officer	Thursday	20-Apr-23
Task 4.4 Final Worksheets Submitted To CAO	All Departments	Thursday	27-Apr-23
Phase 5 May			
Task 5.1 Budget Meetings With The General Manager And Department Heads	Chief Administrative Officer	Thursday	4-May-23
Task 5.2 Draft Budget And Budget Presentation Posted To Board Agenda	Clerk of the Board	Thursday	18-May-23
Task 5.3 Board Adopts Fiscal Year 2023/24 Fees and Charges for District Services	Board of Directors	Tuesday	23-May-23
Task 5.4 Board Adopts 10 Year Capital Improvement Plan	Board of Directors	Tuesday	23-May-23
Task 5.5 Board Reviews Draft Budget And Makes Final Changes	Board of Directors	Tuesday	23-May-23
Task 5.6 Department Overview Meetings With CAO To Discuss Final Changes	Chief Administrative Officer	Wednesday	24-May-23
Phase 6 June			
Task 6.1 Final Edits Due To CAO	All Departments	Thursday	1-Jun-23
Task 6.2 Final Budget Posted To Board Agenda	Clerk of the Board	Thursday	8-Jun-23
Task 6.3 Board Adopts the Fiscal Year 2023/24 Budget	Board of Directors	Tuesday	13-Jun-23
Task 6.4 Fiscal Year 2023/24 Final Budget Posted To District Website	Administration Department	Wednesday	28-Jun-23

Budget Adoption

The action for approval and adoption of the annual budget is completed in June of each calendar year. The final draft, including any changes requested in the May meeting of the operating and capital budget, is submitted to the Board of Directors for approval. The budget becomes effective July 1.



Continued Budget Monitoring

A budget variance report is submitted in the consent calendar to the Board of Directors for approval every month. The budget variance report compares revenues and expenses to the respective line-item budgets. The report identifies current monthly revenues, expenses, and fiscal year-to-date (FYTD) values by category.

Mid-Year Budget Review

In January, the Administration Department submitted a mid-year budget report to the Board of Directors. The report provides details on revenue and expenditure trends, fund balance changes, and fiscal year-end projections. The Board of Directors receives a detailed summary by category explaining variances along with the monthly variance report.

Adjustments To the Adopted Budget

Budget transfers within the departments may be made administratively and are noted in the budget variance report. Appropriation of funds above the total operating budget requires a budget amendment and Board approval.

BASIS OF BUDGETING: ACCOUNTING VERSUS BUDGETARY BASIS

Accounting Basis

The District conforms to Generally Accepted Accounting Principles (GAAP) applicable to local governments. The financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is susceptible to accrual and has been recognized as revenue in the current fiscal period.

Budgetary Basis

The basis of budgeting refers to the conversions for recognizing costs and revenue in budget development and establishing and reporting appropriations, which is the legal authority to spend or collect revenues. The District budget conforms to GAAP as applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated based on funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The District prepares its budget on a fund accounting basis, which segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions. The District maintains a minimum number of funds consistent with legal and managerial requirements.

The District uses a modified accrual basis for budgeting. All operating and capital basis of budgeting and accounting expenditures and revenue are identified in the budgeting process because of the need for appropriation authority. The budget is fully reconciled to the accounting system at the beginning of the fiscal year and in preparing the Annual Comprehensive Financial Report (ACFR) at the end of the fiscal year. Several (GAAP) adjustments are made to reflect balance sheet requirements and their effect on the budget. These include changes in designations and recognition, via studies and analysis, of accrued liabilities. Amounts needed for such long-term liabilities as the future payoff of accumulated employee vacation are budgeted as projections and, once recognized, are adjusted for actual amounts.

The District's basis for budgeting is consistent with GAAP and the ACFR, except for the following items:

- Capital expenditures within the capital improvement fund are recorded as assets on an accounting basis but are shown as expenditures on a budgetary basis.

- Depreciation of capital assets and amortization of deferred charges are only recorded on an accounting basis. These charges are not reflected in the budget document.
- Principal payments on long-term debt within the general fund are applied to the outstanding liability on an accounting basis but are shown as expenditures on a budgetary basis.
- Carryover funds represent previously budgeted funds unexpended at the end of the applicable budget period. Carryover requests approved by the Board of Directors are added to the District's current budget period. However, they are not included in the budget document or original budget submission to the Board of Directors.

FISCAL POLICIES

Financial Management

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

- **Operating Fund:** This is the general operating fund of the District. The primary revenue source for this fund is derived from rates charged to customers for services provided, and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and maintenance costs not paid through other funds are paid from this fund.
- **Special Revenue Funds:** These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for particular purposes. Currently, the District has three special revenue funds:
 - 2015 Wastewater Revenue Refunding Bonds
 - State Water Resources Control Board Revolving Fund Loan
 - Bank of America Loan Recycled Water Project Phase I

- **Fiduciary Fund:** The District reports an Agency Fund. The Agency Fund is purely custodial in nature (assets equal liabilities) and thus does not involve measurement of results of operations. The Agency Fund accounts for assets for Assessment District No. 2004 (Shadow Hills Interceptor), for which the District acts as an agent for its debt service activities.
- **Capital Improvement Fund:** Indicates the amount allocated for capital expenditures for identified projects.
- **Restricted CIP Fund:** Indicates the current fiscal year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

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

Budgeting Structure

The following principles are applied in preparing the District's Annual Operating Budget:

1. **Structurally Balanced Budget:** The District maintains a balanced budget with recurring revenues supporting recurring expenditures. Recurring expenditures primarily consist of personnel and operating costs required to operate the District but do not include one-time cost items such as new capital assets or replacement assets. Recurring revenues include charges and fees but do not include the use of fund balance. For this section, District-wide surplus for any fiscal year is defined as the increase in unreserved operating fund balance reflected in the District's audited financial statements. The District-wide deficit for any fiscal year is defined as the decrease in unreserved operating fund balance as reflected in the District's audited financial statements. The budget surplus of any department is defined as the excess of budgeted expenses over actual expenses in any fiscal year.
2. **Budget Preparation and Presentation:** The District prepares and presents its budget using current financial resources and a modified accrual basis of accounting.
 - a. **Inter-fund Borrowing:** The District does not borrow or use operating transfers to obtain cash from one fund type or reserve to fund activities of another fund type or reserve unless such use is deemed lawful and unless the Board of Directors has determined that (a) the funds to be loaned will not be needed during the lending period, and (b) the funds for repayment will be available within a two (2) year period. Any actions taken to borrow funds under these conditions must be separately presented to and approved by the Board of Directors. The term of such borrowing shall not extend beyond the last day of the subsequent fiscal year.
 - b. **Prompt Reimbursement Submission:** Recognizing that grants or other entities fund some programs on a reimbursement basis, the District applies for reimbursements on a timely basis to minimize the period that District funds are used as a float. Suppose requests for reimbursements extend

beyond the end of a fiscal year. In that case, such reimbursements are reflected as receivables in the annual financial statements to the extent allowed under accounting principles generally accepted in the United States of America (GAAP).

- c. Reserve Policy: The District shall retain an operating reserve of 40% of annual operating expenses. This reserve may fund emergency and unanticipated expenditures during a fiscal year. Fund balances over the 40% threshold may be used for capital improvements or one-time expenditures.
- d. Capital Improvement Plan: The Board adopts a Ten-Year Capital Improvement Plan ("CIP") each fiscal year. The CIP shall address cost estimates for all necessary infrastructure improvements. Funded, partially funded, and unfunded projects are delineated. The CIP is detailed for the current fiscal year and nine (9) additional years.
- e. Financial Oversight and Reporting: The District provides regular financial reports on all funds, comparing budgeted revenue and expenditure information to actual on a monthly and year-to-date basis each month. The Administration Department is responsible for issuing the monthly reports to departments, the General Manager, and the Board of Directors and provides any information regarding potentially adverse trends or conditions. As soon after the closing of the fiscal year as is practicable, the annual audit reports of the District are prepared and reviewed by management. Financial reports, offering statements, and other financial-related documents issued to the public provide complete disclosure of all material financial matters. The final report is presented to the Board of Directors at a regularly scheduled meeting and is posted on the District's website.
- f. Basic Financial Practices: The District strives to maintain formal policies and/or procedures that reflect "best practices" in:
 - i. Budget Development and Adjustments: Establish proper budgetary preparation procedures and guidelines, calendar of events, planning models by the fund, budget adjustment procedures, the establishment of rates and fees, indirect costs, and interest income. The budget should be scheduled to allow sufficient review by the Board of Directors while allowing for sufficient citizen input. The budget document reflecting all final actions adopted by the Board of Directors on or before June 30 of each year is made available within 30 days of such adoption in hard copies at the District office and on the District's website.
 - ii. Cash Management and Investments: Comply with all related government codes.
 - iii. Debt Management: Address affordability, capacity, debt issuance, and management.

- iv. Equipment and Vehicle Replacement: Established guidelines for determining the useful life and replacement of capitalized equipment and vehicles and provided a basis for establishing a budget and funding methodology.
- v. Procurement: Establish District-wide policies and procedures and provide appropriate checks and balances to ensure that departments adhere to the District's purchasing policies.

Reserve Policy

Purpose

Prudent financial planning and fiscal responsibility include anticipating and preparing for future funding requirements and unforeseen and unexpected emergencies, disasters, and other events. The District has established reserve funds for its long-term organizational and operational stability, and the reserve funds enable the District to minimize significant rate fluctuations due to unforeseen and expected cash flow requirements. This Reserve Fund Policy ensures that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

Types of Reserve Funds

The District maintains two (2) types of funds:

1. Restricted Reserves: Restricted reserves are restricted by an outside source, such as by statute, court, or contract.
2. Designated Reserves: Designated reserves are established and set aside to be used only for a specific, designated purpose.

Specific Reserve Funds

The District maintains the following six (6) reserve funds:

1. Capital Replacement Reserve Fund: The Capital Replacement Reserve Fund (Fund 12) is a designated reserve to fund the capital improvement program and for unforeseen capital projects necessary to meet regulatory requirements, system reliability, repair, and replacement of District Assets. The District's goal is to fund the Capital Replacement Reserve at 40% of the annual operating budget (Fund 11).
2. Capital Improvement Reserve Fund: The Capital Improvement Reserve Fund (Fund 13) is a designated reserve to fund the capital improvements required due to growth and new users in the system. Developer impact fees, special developer agreements, and capacity connection charges primarily fund it.
3. Debt Service Reserve Fund: The Debt Service Reserve Fund is a restricted reserve governed by legal bond covenants and is to be used if

the District cannot meet the required debt service obligation. The bond covenants require that the Debt Service Reserve be maintained at a level sufficient to fund the maximum annual debt service payments.

4. Emergency Reserve Fund: The Emergency Reserve Fund is to be used only to cover cash flow shortages caused by an unexpected event, such as a natural disaster, water shortage, or other unforeseen expense. The District's goal is to maintain the Emergency Reserve at 5% of the annual operating budget (Fund 11).
5. Operating Reserve Fund: The Operating Reserve Fund is a designated reserve used only to cover cash flow shortages caused by a short-term, unexpected disruption of anticipated revenue or when expenses become due before the anticipated revenue to pay those expenses is received. The District's goal is to maintain the Operating Reserve in excess of 50%, or six (6) months, of the annual operating budget.
6. Vehicle & Equipment Replacement Reserve Fund: The Vehicle & Equipment Replacement Reserve Fund is a designated reserve designated to adequately fund the District's replacement of major vehicles and equipment. This fund shall be funded annually and the by amount established annually in the District operating budget.

Management of Reserve Funds

The Board of Directors, in consultation with the General Manager, is responsible for managing the reserve funds. The Board of Directors must authorize the expenditure from the District's reserve funds. The Board annually will review the balance of the reserve funds, work collaboratively with General Manager to ensure the accuracy of the annual report, evaluate the goals and purpose of each reserve fund, and recommend adjustments as may be necessary or desirable.

Per the District's Investment Policy, financial reserves may be invested or otherwise held in District financial accounts as deemed appropriate by the Board of Directors in carrying out their fiduciary responsibilities.

Investment Management

The District operates within an established formal investment policy, which applies to all investments of public funds. The overall goal is to safeguard the available operating and capital funds and achieve a maximum return on investment. Investment portfolios are managed to meet anticipated cash flow requirements. The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured

notes and asset-back securities are subject to market risk and changes in interest rates. The District also participates in the CalTrust Medium Term Fund.

CURRENT DEBT OBLIGATIONS

Debt Management

Debt premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred. The District currently has three (3) outstanding long-term loans.

Maximum Annual Debt Service

The Net Revenues of the Wastewater System, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days before the adoption of the Parity Obligations Instrument under which such proposed Parity Obligations are issued, shall at least equal One Hundred Twenty-Five percent (125%) of Maximum Annual Debt Service and debt service of any State Loans, with Maximum Annual Debt Service calculated on all Parity Obligations to be outstanding immediately after the issuance of such Parity Obligations which have a lien on Net Revenues of the Wastewater System.

Debt Ratio Calculation

Calculations as of May 11, 2023		
	Projected Net Revenues (as defined in 2015 Indenture)	
1.	for Fiscal Year ending June 30, 2023	\$ 9,353,037
2.	Maximum Annual Debt Service of the 2015 Bonds	\$ 886,688
3.	Maximum Annual Debt Service of the 2016 ISA	\$ 553,361
4.	Maximum Annual Debt Service of the 2022 ISA	\$ 5,545,760
5.	Combined Maximum Annual Debt Service of the 2015 Bonds, the 2016 ISA and the 2022 ISA (Sum of Lines 2 + 3 + 4)	\$ 6,985,808
6.	Ratio of Line 1 to Line 5	134%
8.	Line 3 must be not less than	125%
7.	In compliance	Yes

2015 Wastewater Revenue Refunding Bonds

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

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015, for \$7,540,000. The purpose of the bond issuance was to provide funds to decrease and refund on a current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on the net revenue of the District's wastewater system. The aggregate difference in debt service because of the refinancing was in the amount of \$1,596,780. The economic gain on the refinancing was \$500,181. The interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on December 1 and June 1, beginning December 1, 2015. The bonds are not subject to redemption before maturity. The unaudited outstanding balance as of June 30, 2023, is \$2,415,000.

State Water Resources Control Board Revolving Fund Loan

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

A reserve account must be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payment from unrestricted net revenues. The reserve requirement is \$553,360 for the duration of the loan. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues of at least 125% of the total debt service payments (including 2015 Wastewater Revenue Refunding Bonds).

Debt Financing Bank of America Capital Corp

The District executed the installment sale agreement with Bank of America Capital Corp for the Recycled Water Project Phase 1 in May 2022. The Reclaimed Water Project – Phase 1 will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project must meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was \$71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042. As of June 30, 2022, the unaudited outstanding balance of the Bank of America Capital Corp revolving loan is \$70,079,704.

The table below shows the unaudited debt beginning balances as of July 1, 2023.

District's Outstanding Debt	
2015 Revenue Refunding Bond	\$ 2,415,000
Bond Premium	293,161
SWRCB Loan	11,193,860
Bank of America Loan	<u>70,079,704</u>
Total	<u><u>\$ 83,981,725</u></u>



Wastewater Facility Recycled Water Project Sewer Piping

FUND SUMMARY



FINANCIAL MANAGEMENT

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

Operating Fund

This is the general operating fund of the District. The primary revenue source for this fund is derived from rates charged to customers for services provided and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and maintenance costs not paid through other funds are paid from this fund.

Special Revenue Funds

These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for specific purposes. Currently, the District has two (2) special revenue funds:

- 2015 Wastewater Revenue Refunding Bonds
- State Water Resources Control Board Revolving Fund Loan

Fiduciary Fund

The District reports an Agency Fund. The Agency Fund is purely custodial in nature (assets equal liabilities), and thus does not involve measurement of results of operations. The Agency Fund is used to account for assets for Assessment District No. 2004 (Shadow Hills Interceptor) for which the District acts as an agent for its debt service activities.

Capital Improvement Fund

Indicates the amount allocated for capital expenditures for identified projects.

Restricted Capital Improvement Fund

Indicates the current fiscal year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

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

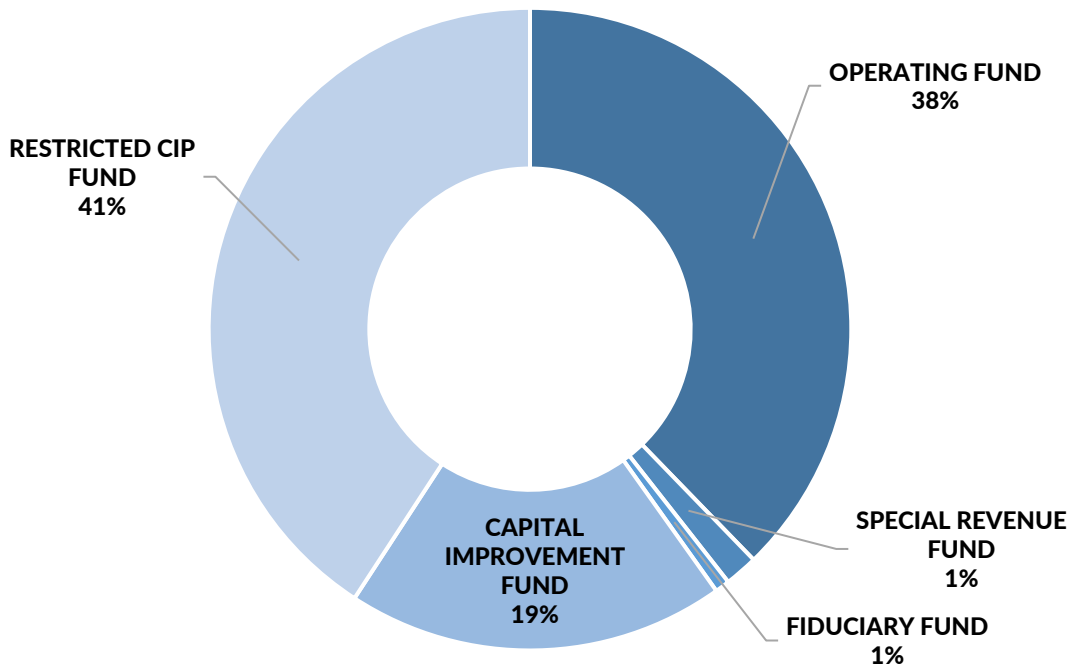
FUND BALANCE

The fund balance is the difference between assets and liabilities in the organization’s funds balance sheet. The funds are broken down by classification and constraints of how specific amounts can be spent. The fund balance is used to identify available resources that can be used to pay for long-term debt, existing programs, and new programs.

The table and chart below depict the fund balance by fund.

FUND	Beginning Balance 07/01/22	Unaudited Fund Balance 04/30/23	Variance	Variance (%)
OPERATING FUND (FUND 11)	\$ 26,900,884	\$ 24,199,168	\$ (2,701,716)	-10.0%
SPECIAL REVENUE FUND (FUND 11 AND FUND 6)	1,057,959	1,072,257	14,298	1.4%
FIDUCIARY FUND (FUND 4)	735,759	471,956	(263,803)	-35.9%
CAPITAL IMPROVEMENT FUND (FUND 13)	11,263,721	12,213,318	949,597	8.4%
RESTRICTED CIP FUND (FUND 12)	24,662,632	26,159,588	1,496,956	6.1%
TOTAL	\$ 64,620,955	\$ 64,116,287	\$ (504,668)	-0.8%

Percentage of Fund Total Balance by Fund



REVENUE BY SOURCE

The annual budgeted revenues are projected using various forecasting techniques including market research, historical analogy, moving average, exponential smoothing, and trend projections. The District reviews growth and development in the area by monitoring the planning data from the City of Indio, reviewing the annual economic forecast, and review from the Coachella Valley Economic Partnership, and local market data for real estate and development. According to the Indio development activity report, there are 3,660 new housing units in development. The District also reviews its revenue history for all revenue streams over the past three (3) years and builds forecasts accordingly.

The tables below depict the revenues by source.

Fund 11 (General Fund) Revenues by Source	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
OPERATING REVENUES:						
11-4120000-0 SEWER SERVICE CHGS-CURRENT	\$15,224,732	\$15,686,490	\$ 16,872,785	\$17,066,857	\$ 1,380,367	8.8%
11-4210000-0 PERMIT & INSPECTION FEES	44,130	35,874	27,440	20,817	(15,057)	-42.0%
11-4260000-0 SADDLES/DISCONNECT FEES	-	-	320	243	243	-
11-4270000-0 PLAN CHECK FEES	12,350	14,704	11,600	8,800	(5,904)	-40.2%
11-4285000-0 OTHER SERVICES	3,810	3,397	2,067	1,568	(1,829)	-
11-4310000-0 SALE OF SURPLUS PROPERTY	18,247	31,818	28,043	21,274	(10,544)	-33.1%
Subtotal	\$15,303,269	\$15,772,283	\$ 16,942,254	\$17,119,559	\$ 1,347,276	8.5%
NON-OPERATING REVENUES:						
11-4430000-0 TAXES - CURRENT SECURED	\$ 1,031,138	\$ 855,412	\$ 811,665	\$ 615,751	\$ (239,661)	-28.0%
11-4440000-0 TAXES - CURRENT UNSECURED	34,714	55,294	49,553	37,592	(17,702)	-32.0%
11-4450000-0 TAXES - PRIOR SECURED	8,468	-	10,767	8,168	8,168	-
11-4470000-0 SUPPLE PROP. TAXES - CURRENT	4,865	-	19,085	14,478	14,478	-
11-4480000-0 SUPPLE PROP. TAXES - PRIOR	11,256	-	11,406	8,653	8,653	-
11-4500000-0 HOMEOWNERS TAX RELIEF	6,668	6,090	4,682	3,552	(2,538)	-
11-4510000-0 INTEREST INCOME	38,503	36,068	422,557	419,905	383,837	1064.2%
11-4520000-0 UNREALIZED GAINS (LOSSES)	(43,863)	-	(9,902)	-	-	-
11-4574000-0 NON-OPERATING REVENUES	63,565	5,156	38,064	28,876	23,720	460.0%
11-4573000-0 REBATE INCOME	2,100	3,836	3,003	2,278	(1,558)	-
12-4510000-0 INTEREST INCOME	49,628	32,151	615,090	622,164	590,013	-
Subtotal	\$ 1,207,043	\$ 994,007	\$ 1,975,969	\$ 1,761,417	\$ 767,410	77.2%
Fund 11 Total Revenues by Source	\$16,510,312	\$16,766,290	\$ 18,918,223	\$18,880,976	\$ 2,114,686	12.6%

Fund 13 (Capital Improvement Fund) Revenues by Source	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent Change
OPERATING REVENUES:						
13-4200000-0 CONNECTION FEES	\$ 4,242,643	\$ 996,915	\$ 759,059	\$ 767,790	\$ (229,125)	-23.0%
Subtotal	\$ 4,242,643	\$ 996,915	\$ 759,059	\$ 767,790	\$ (229,125)	-23.0%
NON-OPERATING REVENUES:						
13-4510000-0 INTEREST INCOME	\$ 16,150	\$ 4,611	\$ 246,089	\$ 248,919	\$ 244,308	5298.4%
Subtotal	\$ 16,150	\$ 4,611	\$ 246,089	\$ 248,919	\$ 244,308	5298.4%
Fund 13 Total Revenues by Source	\$ 4,258,793	\$ 1,001,526	\$ 1,005,148	\$ 1,016,709	\$ 15,183	1.5%

Combined Total Revenues	\$20,769,105	\$17,767,816	\$ 19,923,371	\$19,897,685	\$ 2,129,869	12.0%
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REVENUE SUMMARY

Sewer Service Charges

Sewer service revenue is projected at 36,300 Equivalent Dwelling Units (EDUs). The projected increase in the rate of the sewer use charge. Following all Prop 218 mandates, the District mailed out notices to its customers with the proposed rate increases from July 1, 2021, to July 25, 2026.

Permit & Inspection Fees

Fees collected for lateral and mainline inspections. The projected decrease is attributed to a forecasted decrease in new developments.

Saddles/Disconnect Fees

If sewer service to any premises is disconnected pursuant to any provision of the District code, the owner shall be responsible and liable for payment of the fee established by the District to cover the District's costs to disconnect the sewer service. There is a slight increase in projected disconnect fees due to non-use.

Plan Check Fees

Anticipated revenue is based on a \$150 per hour fee with a one-hour minimum fee for plan checking. The projected decrease is attributed to a forecasted decrease in new developments.

Other Services

Income for administrative services provided for the VSD 2004 Assessment District. The decrease in other income is due to a decrease in administrative services provided for the VSD 2004 Assessment District

Sale of Surplus Property

Revenue is generated from the sale of surplus property. Surplus Property is property a government entity no longer needs. Personal property includes assets ranging from office equipment and furniture to scientific equipment, heavy machinery, airplanes, vessels, and vehicles. If this property cannot be donated to a state or public agency or nonprofit organization, the public can buy it. The decrease in the sale of surplus property is due to the projected disposal of obsolete assets scheduled for disposal in the fiscal year 2023/24.

Taxes - Current Secured

Secured property is generally non-movable property, such as houses, buildings, etc. Revenues are based on general valuation. The portion of revenue designated for special districts is 1%. VSD is estimated to receive 0.00028257% of the general-purpose funds county-wide. The decrease in budgeted taxes current secured is due to a decrease in the general-purpose funds county-wide.

Taxes - Current Unsecured

The unsecured property includes items such as motor homes, airplanes, boats, and other moveable personal property. The portion of revenue designated for special districts is 1%. Of this 1%, VSD is estimated to receive 0.00028257%. The decrease in budgeted taxes current unsecured is due to a decrease in the general-purpose funds county-wide.

Prior Secured

Prior secured payments are received for prior year taxes, are similar to secured taxes, and the revenue is based on the same formula. The increase in budgeted taxes priorly secured is due to an increase in the general-purpose funds county-wide.

Supplemental Property Taxes - Current

Funds are derived from supplemental tax roll changes due to the sale of property or new construction. Since July 1983, state law requires the County Assessor to reappraise property as of the date of change in ownership or completion of new construction rather than at the next tax year. The increase in supplemental property taxes – current is due to an estimated increase in the forecast.

Supplemental Property Taxes - Prior

Funds are derived from supplemental tax roll changes due to the sale of property or new construction. The increase in supplemental property taxes – prior is due to an estimated increase in the forecast.

Homeowners Tax Relief

The portion of tax funds is replaced by state resources for tax relief for homeowners. For example, if a homeowner's exemption deducts \$7,000 of the property's valuation for calculating the property owner's tax, the state replaces the taxes that the \$7,000 valuation would have provided to the county. The decrease in the budgeted homeowner's tax relief revenue is due to forecasted projections.

Non-Operating Revenues

This account includes revenue from other undefined sources such as dump fees and credit card transaction fees. The increase in nonoperating revenues is attributed to the projected increase in the collection of dump fees.

Rebate Income

The District credit card has a benefit that refunds the account a small percentage of the sum spent on purchases.

Interest Income

Return on invested funds that are held with the Local Agency Investment Fund (LAIF) and CalTrust. The increase in interest income is due to projected market rate trends.

Connection Fees

Connection Capacity Fee: \$6,353 per equivalent dwelling unit (EDU). The decrease in the connection fees is attributed to projected new developments in the fiscal year 2023/24.

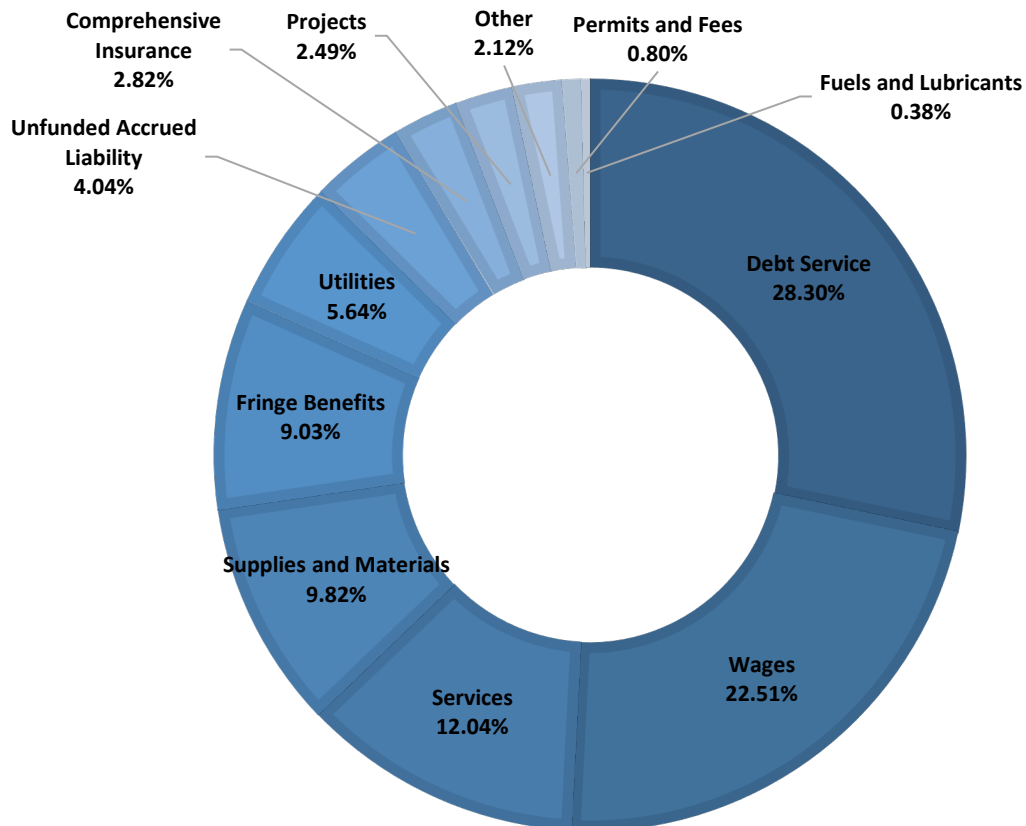
EXPENSE BY CATEGORY

The operating budget encompasses personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead costs to run day-to-day operations.

The table and chart below depict the operating expenses by category.

Expense	FY22	FY23	FY23	FY24	Budget	Percentage
	Actual	Budget	Projected	Budget	Change	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%
Total	\$ 9,467,026	\$ 16,189,076	\$ 14,757,323	\$ 18,622,894	\$ 2,433,818	15.0%

Expense by Category as a Percentage of Budget



EXPENSE SUMMARY

Debt Service

Debt service has an increase of \$857,388 or 19% in the fiscal year 2023/24. The debt service increase is attributed to a year's worth of payments to the Bank of America loan. The payments are made bi-annually. In the fiscal year 2022/23, only one (1) payment was required.

Wages

Salaries and benefits have an increase of \$700,219 or 12% compared to the fiscal year 2022/23. The salary change is attributed to a Cost-of-Living Adjustment (COLA) of 7.5% as per the Consumer Price Index, Riverside November 2022. Also, there are projected positions that will be promoted to the next classification level due to certification. Additionally, the lab has one Full Time Employee (FTE) fully funded for the fiscal year 2023/24 that was approved in 2022/23 but not funded.

Services

The increase in services is attributed to increases in legal costs of \$10K, Roach Control of \$2K, Janitorial Services, Lucity Asset Management Software, Uniforms of \$18K, and sludge disposal and transportation of \$401K.

Supplies and Materials

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. Sanitation Collections had an increase in their rental budget of \$4K.

Fringe Benefits

Fringe benefits increased due to a budgeted 8% increase in health insurance contributions, a 3% increase in Public Employees' Medical & Hospital Care Act (PEMCHA) contributions, and an 8% in vision and dental contributions. Additionally, more employees are enrolled in the health insurance program than in previous years.

Utilities

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

Unfunded Accrued Liability

The District participates in CalPERS, one of the nation's largest public pension funds. 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. The UAL is billed at the beginning of the fiscal year, with the option of prepayment at a discounted rate or monthly payments. The District also budgeted a moderate increase in the CalPERS Unfunded Accrued Liability (UAL) as a projected escalator in the plan.

Comprehensive Insurance

Comprehensive insurance costs are also expected to increase by \$66,000 due to insurance program increases and the cost of insuring additional assets.

Projects

Project costs increased due to a \$100K increase in projected East Valley Reclamation Authority (EVRA) contributions.

Other

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

Fuels and Lubricants

Fuels and lubricants increased due to increased fuel costs.

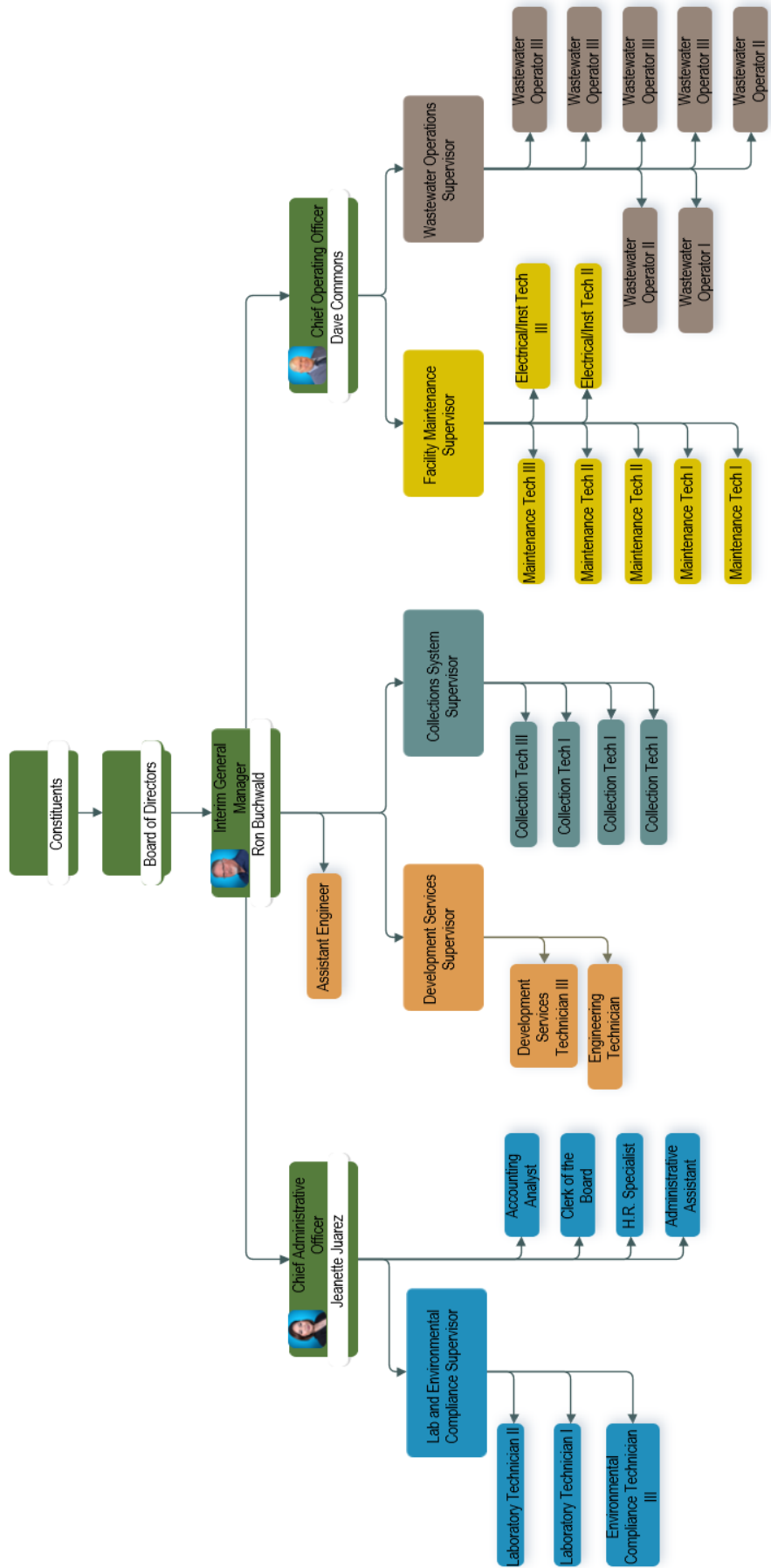


Demolition of Old Contact Chamber

PERSONNEL SUMMARY







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
	Subtotal	6
SANITATION COLLECTIONS	Collection System Supervisor	1
	Collection System Technician I	3
	Collection System Technician III	1
	Subtotal	5
ENGINEERING	Assistant Engineer	1
	Development Services Supervisor	1
	Development Services Technician III	1
	District Engineer	1
	Engineering Technician	1
	Subtotal	5
ENVIRONMENTAL COMPLIANCE SERVICES	Environmental Compliance Technician III	1
	Laboratory and Environmental Compliance Supervisor	1
	Laboratory Technician I	1
	Laboratory Technician II	1
	Subtotal	4
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
	Subtotal	8
OPERATIONS	Chief Operating Officer	1
	Wastewater Operations Supervisor	1
	Wastewater Operator I	1
	Wastewater Operator II	2
	Wastewater Operator III	4
	Subtotal	9
TOTAL POSITIONS		37

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)							-

POSITION COUNT BY DEPARTMENT

Department	FY23 Base FTE's	Changes to Base	Proposed New Positions	FY24 Base FTE's	Variance
Administration					
Administration	6.00	-	-	6.00	-
Environmental Compliance Services	4.00	-	-	4.00	-
Engineering					
Sanitation Collections	5.00	-	-	5.00	-
Engineering	5.00	-	-	5.00	-
Operations					
Maintenance	8.00	-	-	8.00	-
Operations	9.00	-	-	9.00	-
Total FTEs	37.00	-	-	37.00	-

Notes:

Full-Time Employee (FTE)

Changes to base Full-Time Employees (FTE)s are due to inter-department transfers, changes in employee status from Part-Time (PT) to Full-Time (FT), changes in grant-funded salaries, and allocations to other departments.

Full-Time Employees (FTEs) may be less than one (1) due to salaries being allocated to capital projects or for part-time employees.

BUDGET BY DEPARTMENT



DEPARTMENT DESCRIPTION

The District is comprised of seven (7) departments that work in unison to ensure that the District's purpose is fulfilled. In this section, each department will be presented individually with its organizational chart, department description, the fiscal year 2023/24 goals, accomplishments, metrics, personal summary, budget summary, and budget detail.

Operating expenses are monitored at the department level. A budget variance report is submitted to the department managers for review every month. Quarterly meetings are held with the department managers to analyze year-to-date expenditures versus the year-to-date budget. Budget transfers within the department may be made administratively. Appropriation of funds above the total operating budget requires a budget amendment and Board approval.

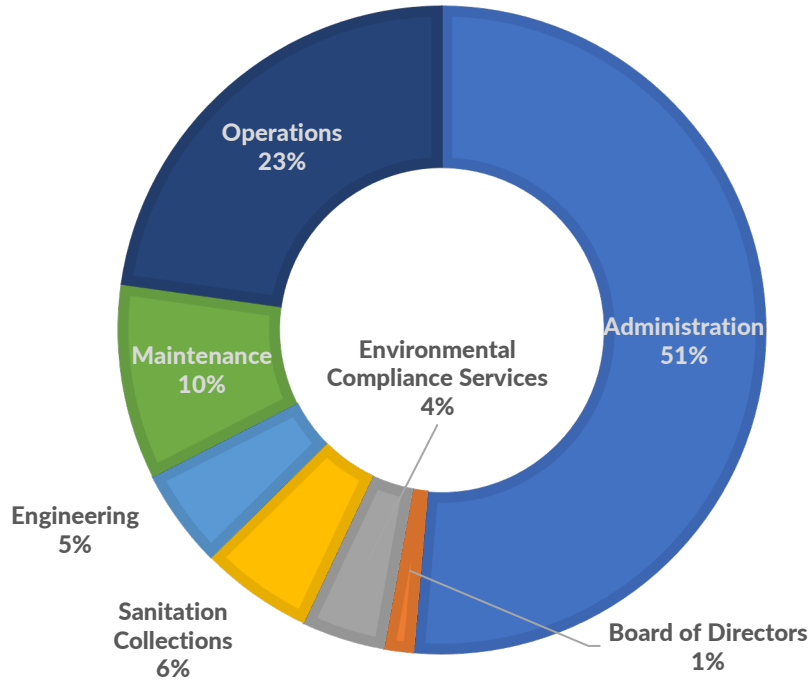
EXPENSE SUMMARY BY DEPARTMENT

The table below illustrates the expense summary by the department.

Department	FY23 Budget	FY24 Budget	% of Budget
ADMINISTRATION			
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%
ENGINEERING			
Sanitation Collections	\$ 983,201	\$ 1,041,393	6%
Engineering	829,974	919,917	5%
Subtotal	\$ 1,813,175	\$ 1,961,310	11%
OPERATIONS			
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%

The pie chart below depicts the percentage of the total operating budget by department.

PERCENTAGE OF BUDGET BY DEPARTMENT



BUDGET ALLOCATION

The budget process for the District is a collaborative effort among all departments based on sound financial management and longevity. For the fiscal year 2023/24, the operating budget focuses on allocating and using resources within the framework of the strategic plan to ensure the long-term success and development of the District as a whole. At the budget kick-off for the new budget, the department heads are given budget request spreadsheets. The spreadsheets include all expenditures by category that contain the last two (2) fiscal year expenditures, the current fiscal year budget, and current fiscal year projections. All non-recurring expenditures from the previous year are deleted, and new requests are submitted for review and approval.

WAGES AND BENEFITS

In alignment with Valley Sanitary Districts GOAL 1: Fully Staffed with a Highly Trained and Motivated Team, the fiscal year 2023/24 budget includes merit increases, promotional advancement for those expected to complete the next step in their certification process, a 7.5% Cost of Living Adjustment (COLA), and an 8% increase to healthcare premiums. Like many entities, the District is not immune to the economic trend of "The Great Resignation," which commenced in 2021, whereby employees voluntarily resigned. Economists state that some probable causes include "wage stagnation amid the rising cost of living, long-lasting job dissatisfaction, safety concerns of the COVID-19 pandemic, and the desire to work for companies with better remote-working policies"¹. According to Statista Research Department, the median household income in California increased from \$53,367 annually in 2011 to \$81,575 annually in 2021.² By ensuring that employees are adequately compensated, the District is taking a proactive approach to ensure that employees are motivated and remain engaged, as well as increase employee morale and retention.

The table below illustrates the total personnel summary by department from the fiscal year 2019/20 through the fiscal year 2023/24.

Department	FY20	FY21	FY22	FY23	FY24
Administration					
Administration	5.00	5.00	6.00	6.00	6.00
Environmental Compliance Services	2.00	3.00	3.00	4.00	4.00
Engineering					
Sanitation Collections	5.00	5.00	5.00	5.00	5.00
Engineering	5.00	4.00	5.00	5.00	5.00
Operations					
Maintenance	6.00	7.00	8.00	8.00	8.00
Operations	9.00	9.00	9.00	9.00	9.00
Total FTEs	32.00	33.00	36.00	37.00	37.00

1. Kaplan, Juliana. "The Psychologist Who Coined the Phrase 'Great Resignation' Reveals How He Saw It Coming and Where He Sees It Going. 'Who We Are as an Employee and as a Worker Is Very Central to Who We Are.'" Insider Inc., Insider Inc., 2022-10-02, www.businessinsider.com/why-everyone-is-quitting-great-resignation-psychologist-pandemic-rethink-life-2021-10.
2. O'Neil, S. (2022, November 2). The struggle for recruitment and retention: Local isolation exacerbates similar trends on state, National Levels. The Ridgecrest Daily Independent. https://www.ridgecrestca.com/news/the-struggle-for-recruitment-retention-local-isolation-exacerbates-similar-trends-on-state-national-levels/article_8e3e778e-5a07-11ed-9f60-27fb70c97af1.html

California Public Employees' Retirement System (CalPERS)

The District participates in CalPERS, one of the nation's largest public pension funds. CalPERS serves an estimated 2 million members in the retirement system. CalPERS offers a defined benefit plan where retirement benefits are based on a formula rather than contributions and earnings to a savings plan. Retirement benefits are calculated based on a member's years of service credit, age at retirement, and final compensation (average salary for a defined period of employment).

On January 1, 2013, the California Public Employees' Pension Reform Act (PEPRA) was enacted, creating a mandatory two (2) tiered CalPERS pension system. Employees hired before 01/01/2013 are part of Tier 1, also known as Classic Members. The retirement formula for Classic members is 2.5% @ 55. Employees hired after 12/31/12 and not a prior Classic Member of CalPERS are part of Tier 2 PEPRA Members. The retirement formula for PEPRA Members is 2.0% @ 62.

Periodic actuarial valuations determine the public agency-required employer contributions. These valuations are based on the benefit formulas the agency provides and the employee groups covered. The minimum required employer contribution includes the sum of two (2) components:

Normal Cost (NC) Rate, which represents the annual cost of service accrual for the upcoming fiscal year for active employees. Normal cost is shown as a percentage of payroll and paid as part of the payroll reporting process.

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. The UAL is billed at the beginning of the fiscal year, with the option of prepayment at a discounted rate or monthly payments.³

Tier	Member		Retirement Formula	Employer Normal Contribution	Employer Amortization of	
	Type	Hire Date			Unfunded Accrued Liability	Employee Contribution
1	Classic	Before 01/01/2013	2.5% @ 55	14.200%	\$ 719,198	7.960%
2	PEPRA	After 12/31/2012	2.0% @ 62	8.000%	\$ 17,408	8.250%

3. California Public Employees' Retirement System (CalPERS). (2021). Public Agency Required Employer Contributions. <https://www.calpers.ca.gov/page/employers/actuarial-resources/employer-contributions/public-agency-contributions>

Other Post-Employment Benefits (OPEB)

The District contributes to a single employer-defined benefit plan to provide post-employment medical benefits. Specifically, the District offers post-retirement medical benefits to all employees who retire from the District after attaining age 50 with at least five (5) years of service. The District participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, a Section 115 trust fund dedicated to pre-funding OPEB.

The benefits provided by the plan are as follows:

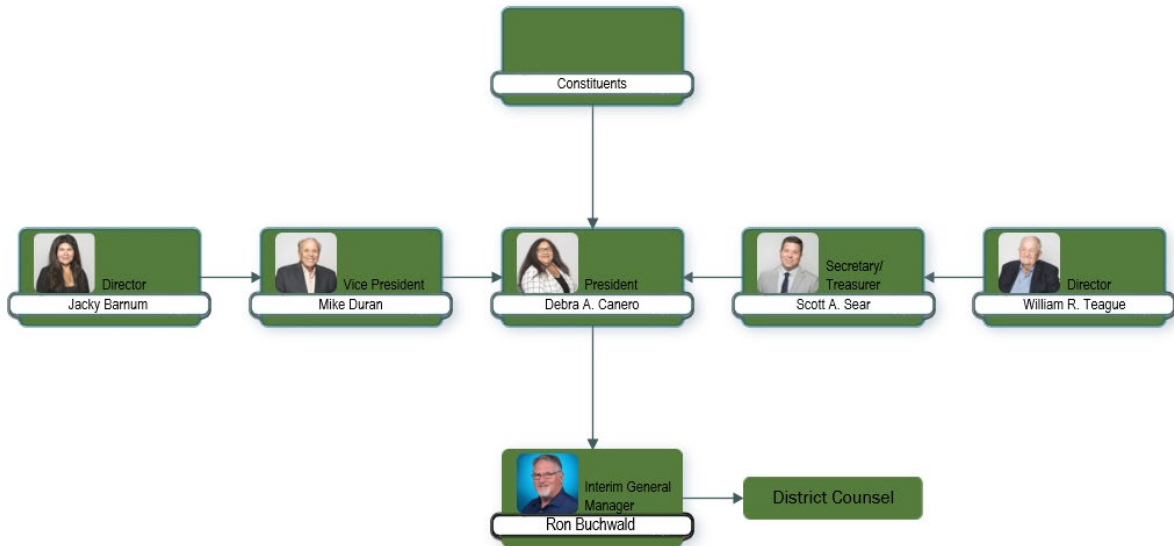
Benefits Provided by Plan	
Benefit Types Provided	Medical Only
Duration of Benefits	Lifetime
Required Services	5 Years
Minimum Age	50
Dependent Coverage	Yes
District Contribution Percentage	1
District Cap	\$157.00 per month*

*This amount will increase as provided in California Government Code Section 22892.

Annual OPEB costs are calculated based on the employer's Annual Required Contribution (ARC), an amount actuarially determined per the parameters of Governmental Accounting Standards Board (GASB) Statement 45. In the fiscal year 2023/24, there is a budgeted payment of \$68,000.

BOARD OF DIRECTORS





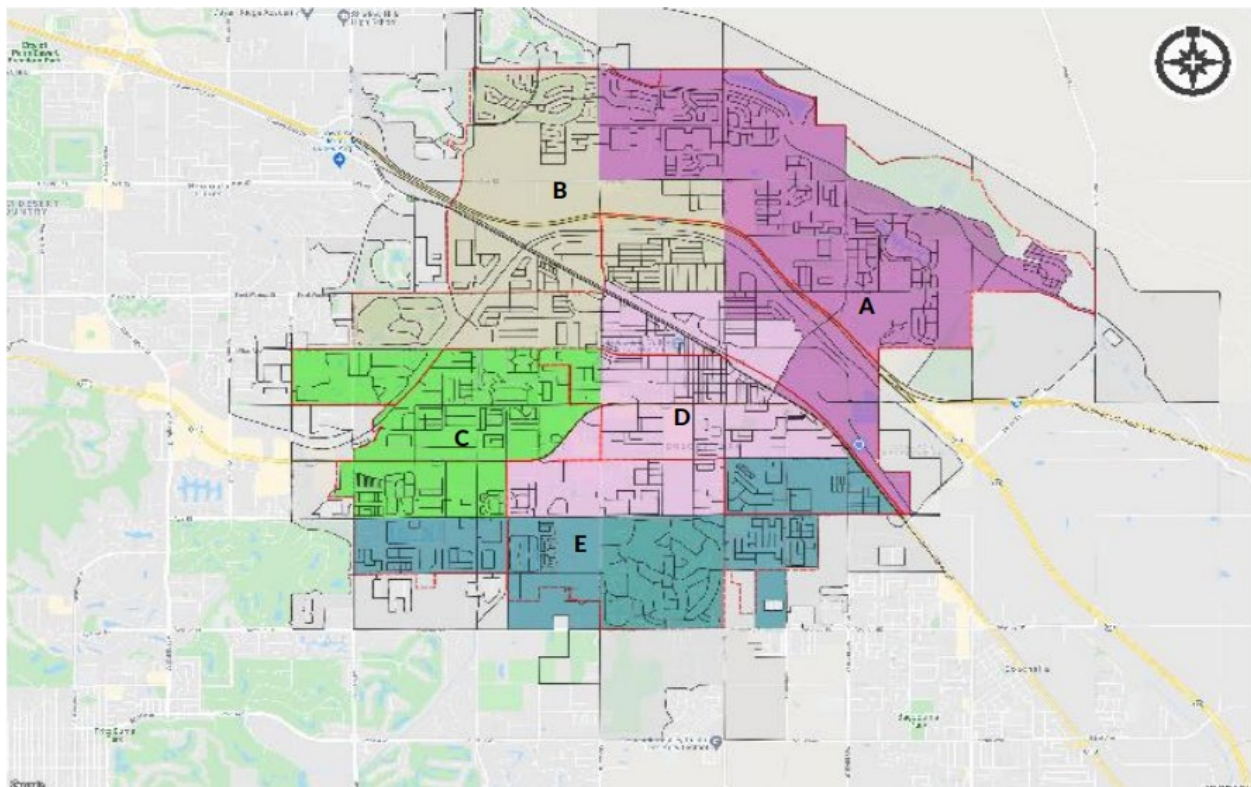
THE VALLEY SANITARY DISTRICT BOARD OF DIRECTORS



DESCRIPTION

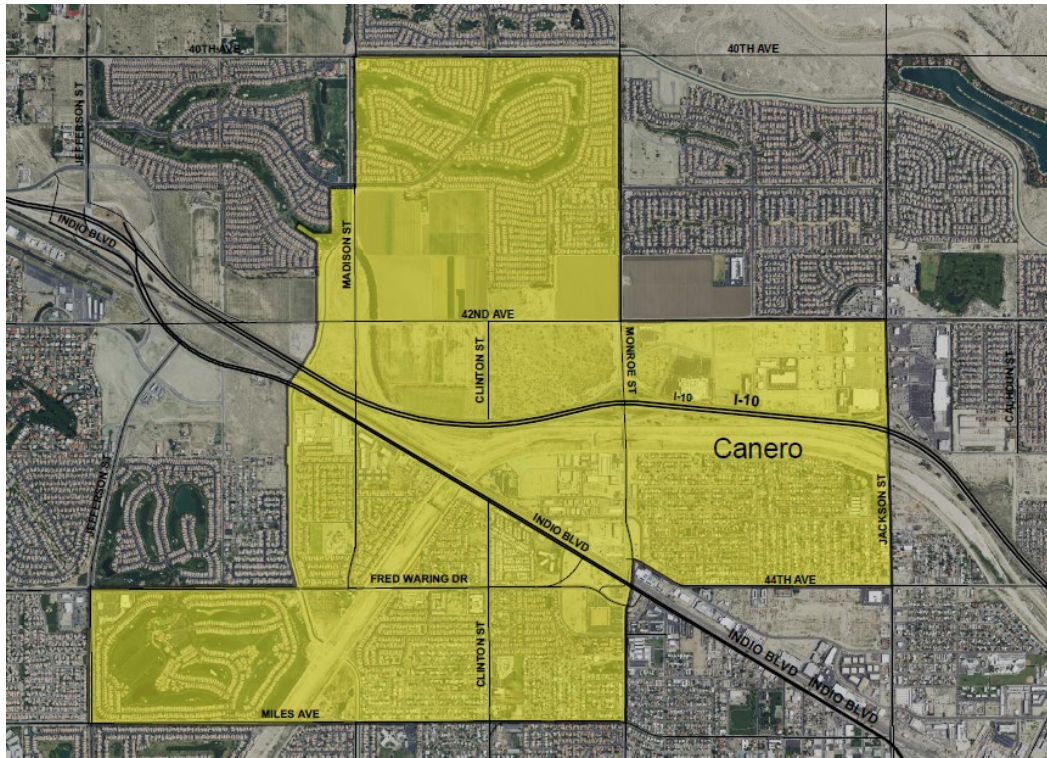
Valley Sanitary District is governed by a five (5) member Board of Directors elected from within the District's service area. Each Director represents a specific geographic area known as a ward. Under California law, the Board of Directors establishes and implements policies for the operation of the 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 with General Manager, and advocates for the District. The Board of Directors makes decisions to serve the community's best interests. The 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

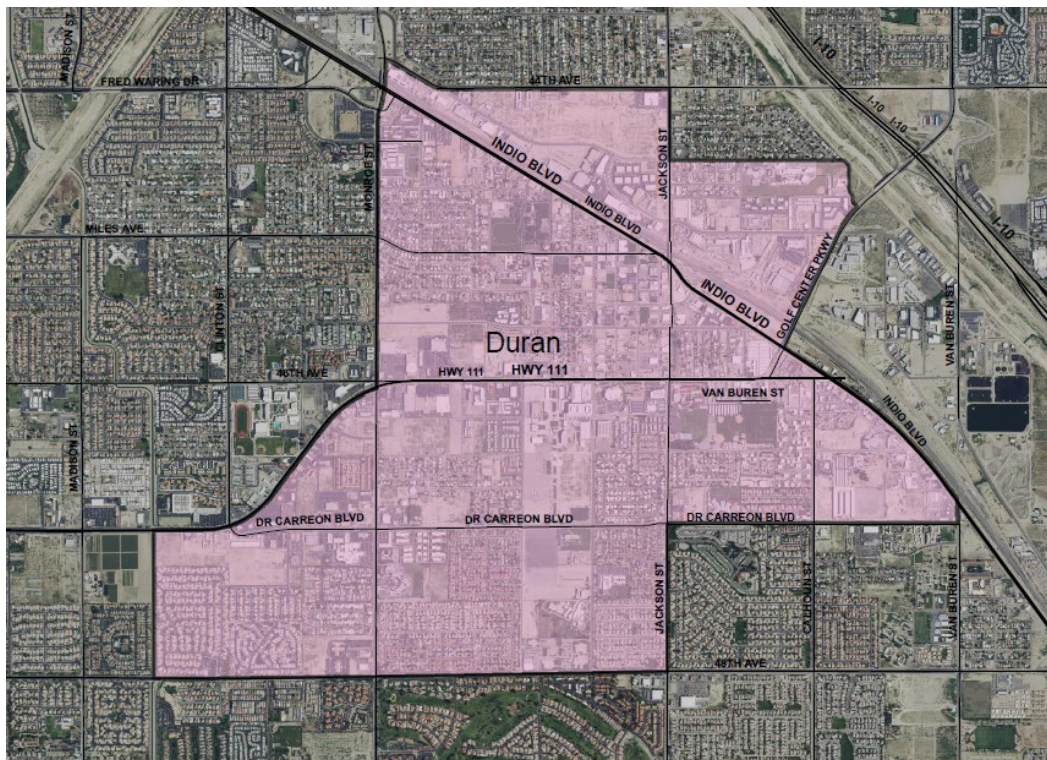


DIVISION MAPS PER BOARD MEMBER

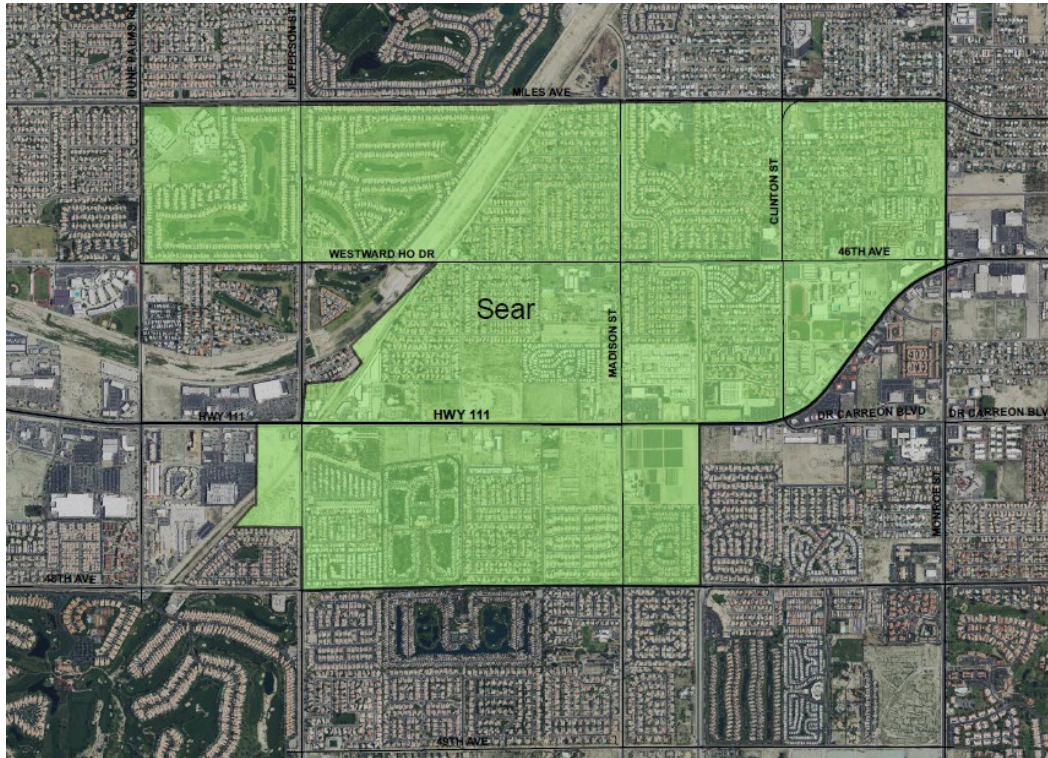
Ward B – President Debra Canero



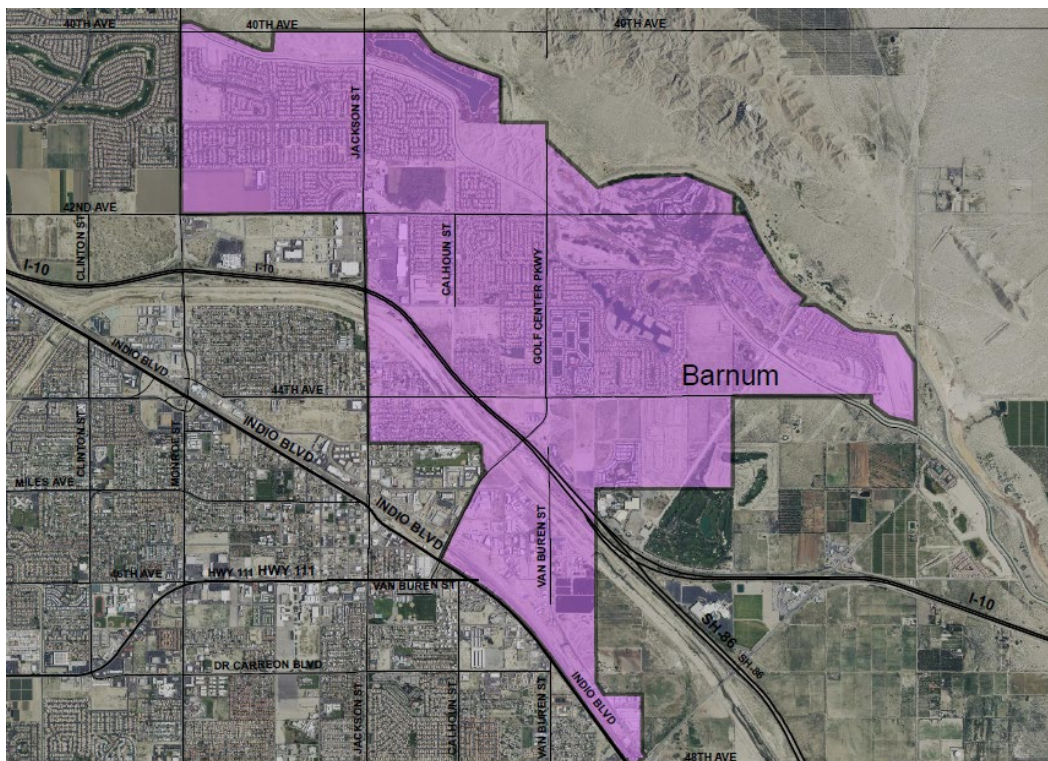
Ward D – Vice President Mike Duran



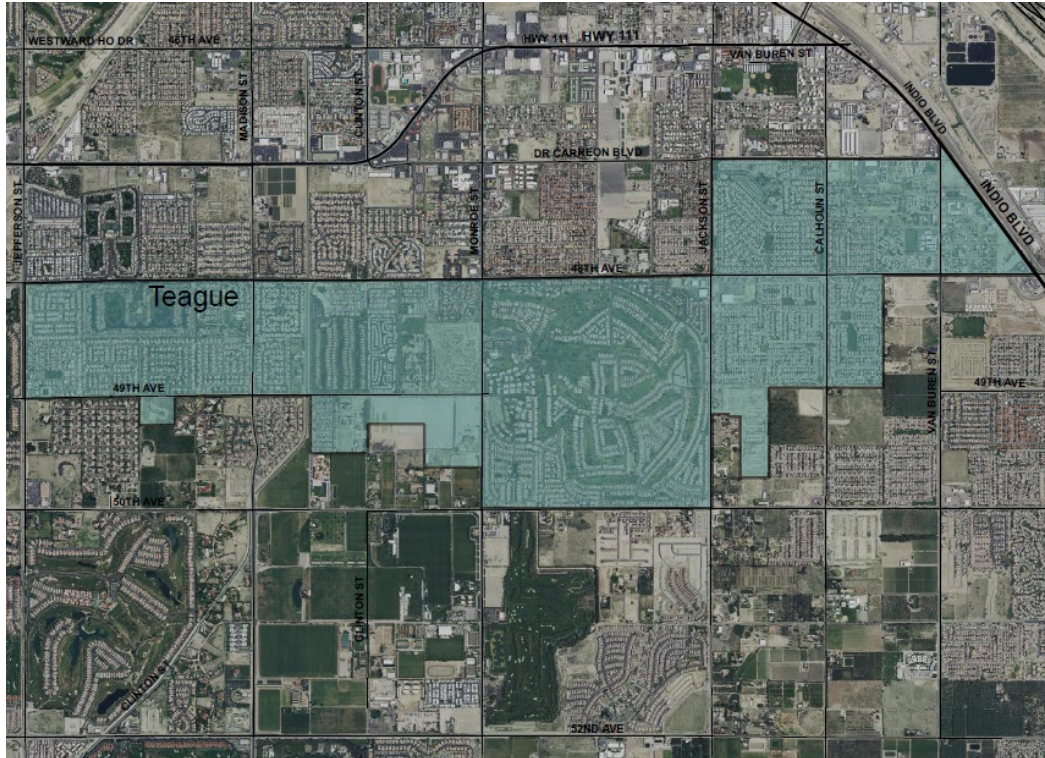
Ward C – Secretary/Treasurer Scott Sear



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 Engagement 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 Attended	YTD-April	
	FY 2021/22	FY2022/23
California Association of Sanitation Agencies (CASA) Annual Conference	X	X
California Special District Association (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 12, 2023, the District conducted a plant facility tour with Congressman Ruiz’s Director of Stakeholder Engagement to discuss infrastructure needs and active projects.
- On April 19, 2023, VSD received notice from Innovative Federal Strategies that Senators Feinstein and Padilla had submitted the District’s request to the Senate Appropriations Committee for consideration in the Interior Appropriations bill.
- On May 8, 2023, the District conducted a plant facility tour with Senator Feinstein’s Field Representative to discuss infrastructure needs and active projects.
- Completed the “Evolution of Modern Sanitation” exhibit at the Coachella Valley History Museum.

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 at state and federal levels to obtain grant funding for the Recycled Water Project and the Biosolids Conversion Project.
- Advance public outreach to increase community awareness and engagement of Valley Sanitary District through increased web-based impressions.
- Continue to promote the “Send Agenda” feature of Peak Agenda Software that enables constituents to subscribe and receive via email 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	Total	5.00	5.00	0.00

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)	-16.9%
11-5225414-4 ELECTION	-	-	70,000	-	-	(70,000)	-100.0%
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	-	0.0%
11-5901414-4 TELEPHONE AND INTERNET	-	1,231	3,600	1,240	3,600	-	0.0%
11-5800414-4 CONFERENCES AND MEETINGS	-	34,990	47,304	31,457	49,640	2,336	4.9%
Total Expenses	-	\$154,177	\$308,469	\$151,711	\$273,906	\$(34,563)	-11.2%

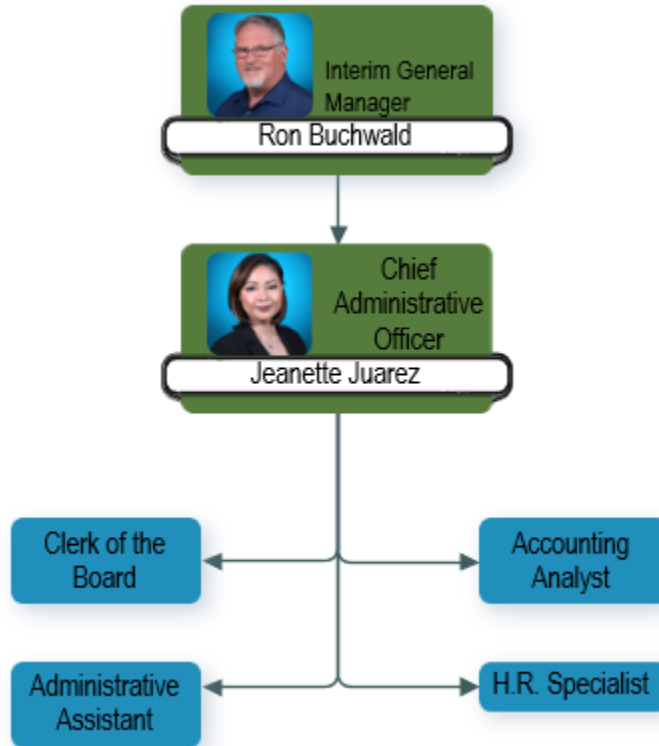
BOARD OF DIRECTOR'S BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030414-4 SALARIES AND WAGES		\$ 94,985	\$ 113,400	\$ 18,415
11-5116414-4 FICA AND MEDICARE		4,180	10,206	6,026
11-5126414-4 HEALTH INSURANCE		10,900	9,060	(1,840)
Subtotal		\$ 110,065	\$ 132,666	\$ 22,601
11-5225-414-4 ELECTION				
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)
Subtotal		\$ 70,000	\$ -	\$ (70,000)
11-5500414-4 CONTRACTS				
Professional and Technical Services		\$ 35,000	\$ 35,000	\$ -
Subtotal		\$ 35,000	\$ 35,000	\$ -
11-5552414-4 LEGAL SERVICES				
Costs Associated with General Legal Counsel		\$ 30,000	\$ 40,000	\$ 10,000
Subtotal		\$ 30,000	\$ 40,000	\$ 10,000
11-5400414-4 OFFICE SUPPLIES				
Postage, Courier, Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils, Pads, Mailing Labels, Etc.		\$ 2,500	\$ 3,000	\$ 500
Subtotal		\$ 2,500	\$ 3,000	\$ 500
11-5950414-4 OTHER EXPENSES				
Miscellaneous Expense Contingency Fund		\$ 10,000	\$ 10,000	\$ -
Subtotal		\$ 10,000	\$ 10,000	\$ -

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5901414-4 TELEPHONE AND INTERNET				
	Cell Phones-4 Board Members	\$ 3,600	\$ 3,600	\$ -
	Subtotal	\$ 3,600	\$ 3,600	\$ -
11-5800414-4 CONFERENCES AND MEETINGS				
	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
	Subtotal	\$ 47,304	\$ 49,640	\$ 2,336
	Total Expenses	\$ 308,469	\$ 273,906	\$ (34,563)

ADMINISTRATION





DESCRIPTION

The Administration Department includes Human Resources, Finance, Clerk of the Board, and 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 through 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.

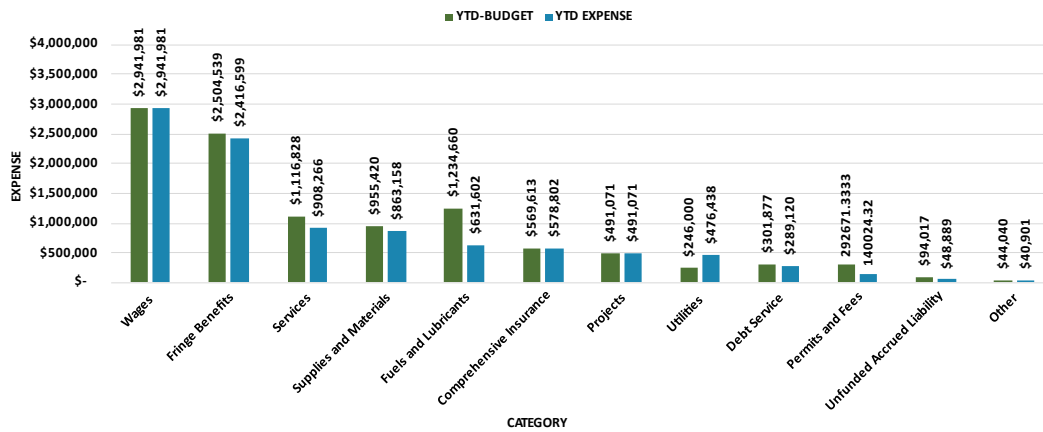
The Clerk of the Board is responsible for preparing and publishing postings, maintaining records of Board actions, processing public records requests, providing administrative support to the Board of Directors, and coordinating required legal filings.

The Administration Department manages and implements policies, goals, and strategic plans for the District.

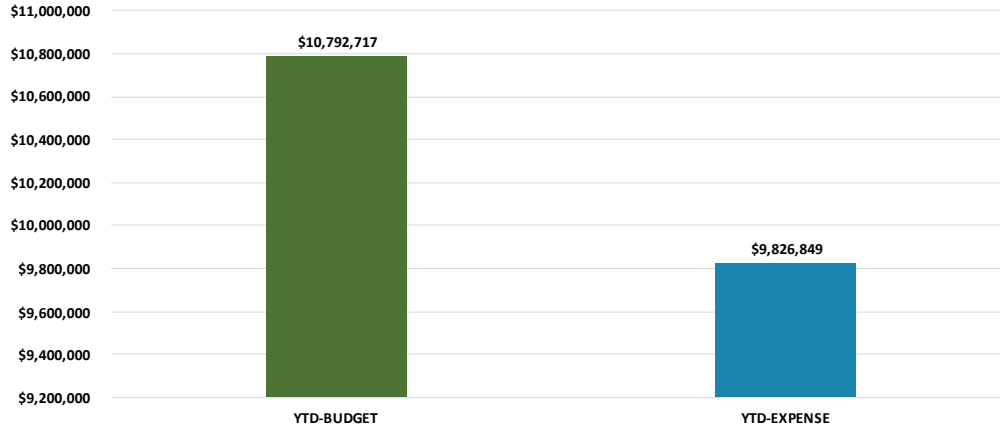
METRICS

Finance

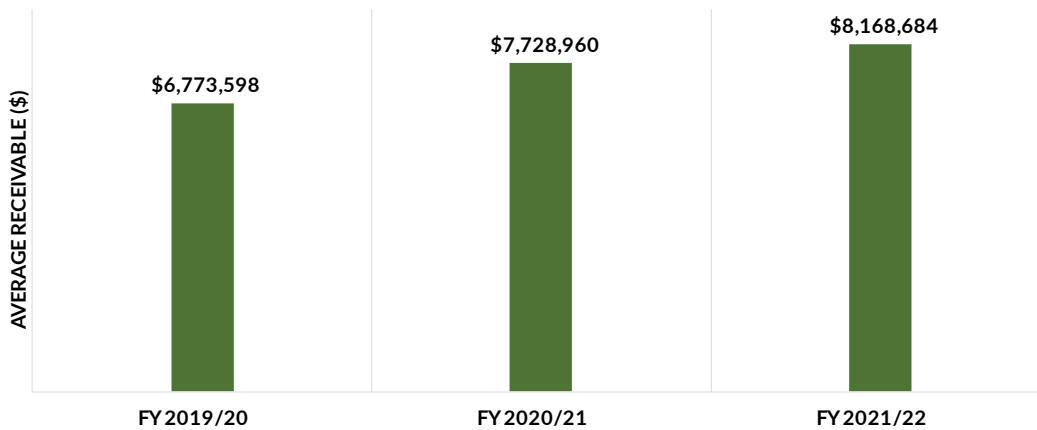
YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE (FEBRUARY 2023)



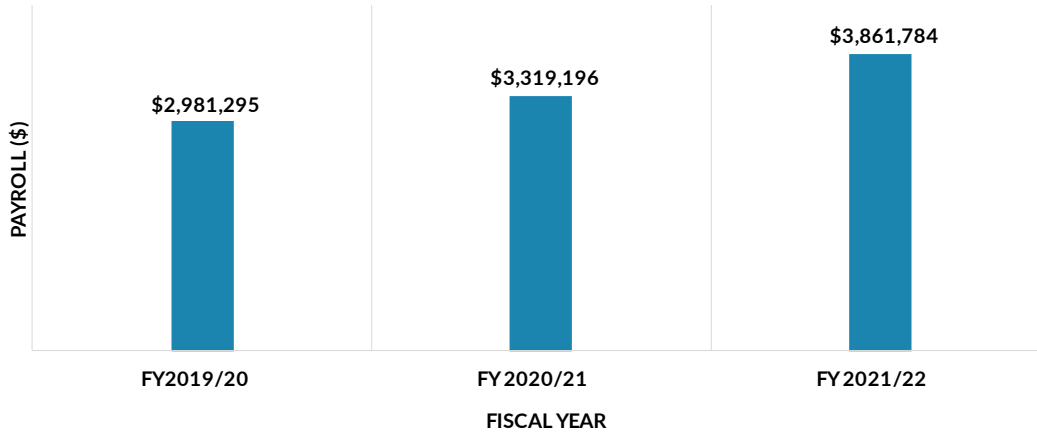
YEAR-TO-DATE BUDGET VS. YEAR-TO-DATE EXPENSE (FEBRUARY 2023)



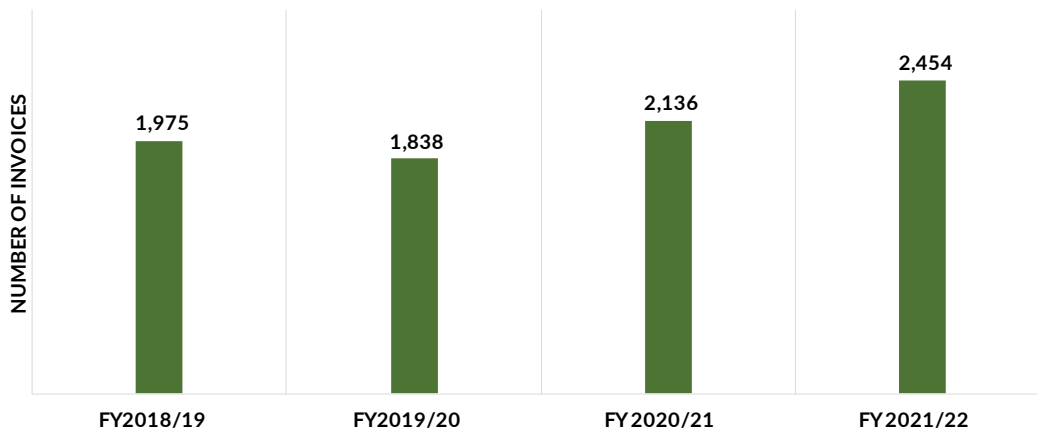
AVERAGE ACCOUNTS RECEIVABLE



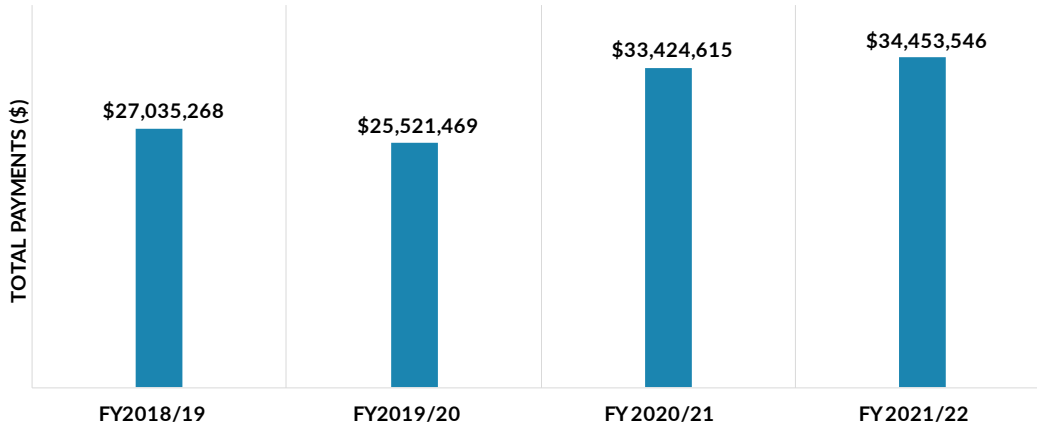
PAYROLL



NUMBER OF INVOICES PROCESSED



TOTAL PAYMENTS



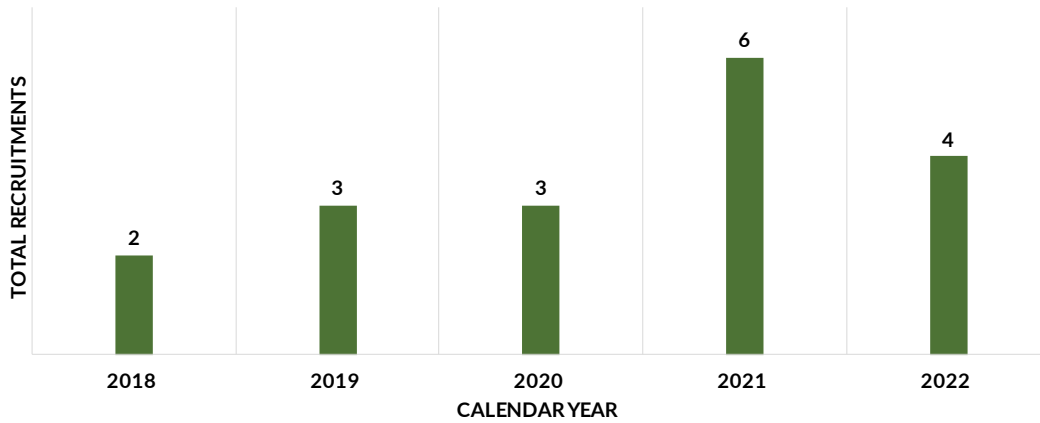
Clerk of the Board

MEETINGS AND RECORDS

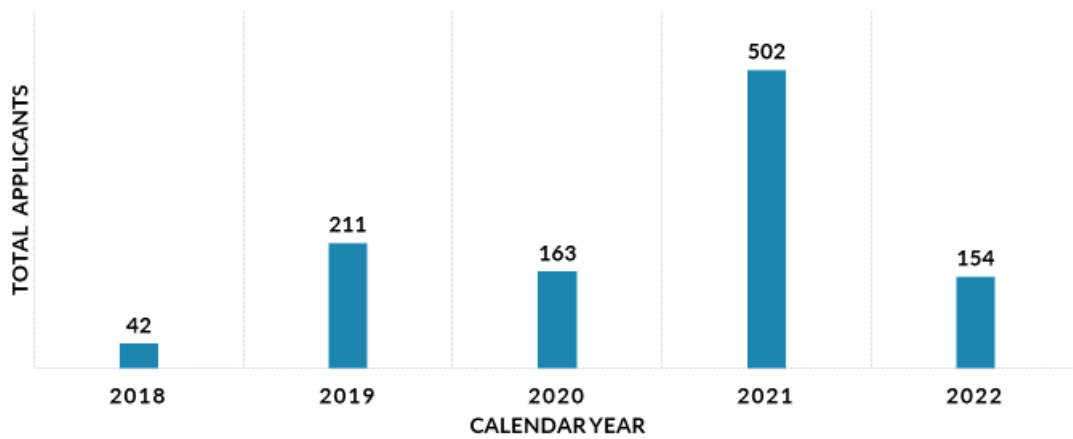
Board Items	FY20	FY21	FY22	YTD-April FY23
Regular Board Meetings	21	23	22	16
Special Board Meetings	7	4	3	10
East Valley Reclamation Authority Meetings	4	4	3	2
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Human Resources

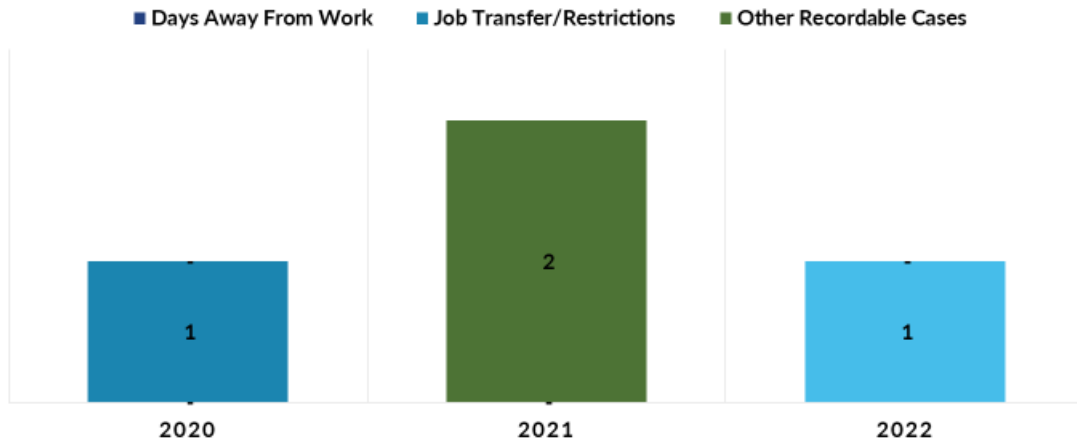
RECRUITMENTS



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) Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2022.
- Received California Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award for the fiscal year 2022/23.
- 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 the 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, an Employee Benefits Fair was held, with health screenings for employees.
- Joined the 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 contract management.
- Implement new elements of the credit card policy to increase efficiency in the purchasing and accounts payable process.
- Conduct quarterly meetings with department heads 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 District. Greater emphasis on submissions for various grant funding opportunities.

Clerk of the Board Goals

- Continue to promote the “Send Agenda” feature of Peak Agenda Software that enables constituents to subscribe and receive via email 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 and 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	Total FTEs	6.00	6.00	0.00

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 RECERTIFICATIONS	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 INS.	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 FEES	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	2.1%
11-9190000-0 BANK OF AMERICA LOAN	-	-	2,970,422	2,970,422	3,828,748	858,326	28.9%
Total Expenses	\$ 3,682,462	\$ 3,519,377	\$ 8,408,388	\$ 8,219,955	\$ 9,566,467	\$ 1,158,079	13.8%

ADMINISTRATION BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030414-3 SALARIES AND WAGES		\$ 785,662	\$ 851,769	\$ 66,107
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATIONS		2,800	2,700	(100)
11-5070414-3 OVERTIME		5,000	5,000	-
11-0000414-3 TOTAL FRINGE BENEFITS		286,101	334,831	48,730
Subtotal		\$ 1,079,563	\$ 1,194,300	\$ 114,737
11-3650000-0 CSWRCB RESERVE FUND				
Principal and Interest Payment for State Revolving Fund (SRF)		\$ 553,361	\$ 553,361	\$ -
Subtotal		\$ 553,361	\$ 553,361	\$ -
11-9160000-0 TRANSFER TO FUND 6				
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	-
Subtotal		\$ 889,188	\$ 888,250	\$ (938)
10-2650000-0 BANK OF AMERICA LOAN				
Principal and Interest Payment for Recycled Water Project Phase 1		\$ 2,970,422	\$ 3,828,748	\$ 858,326
Subtotal		\$ 2,970,422	\$ 3,828,748	\$ 858,326
11-5122414-3 WORKERS' COMPENSATION				
Workers' Compensation Insurance PremiumS		\$ 81,623	\$ 88,363	\$ 6,740
Subtotal		\$ 81,623	\$ 88,363	\$ 6,740
11-5554414-3 ACCOUNTING SERVICES				
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 (Paychex)		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	-
Subtotal		\$ 77,771	\$ 81,761	\$ 3,990

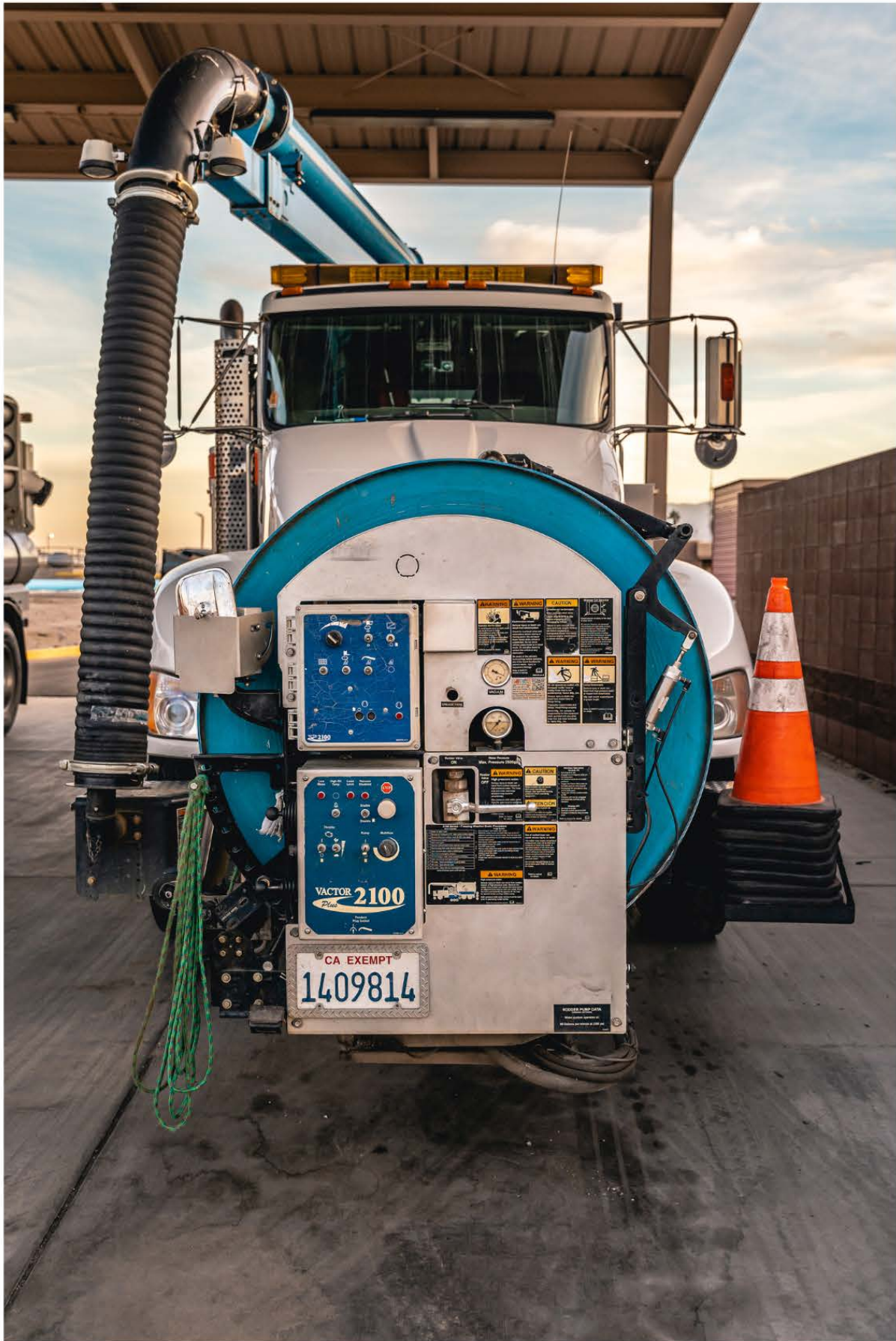
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5300414-3 COMPREHENSIVE INSURANCE				
	Earthquake Insurance	\$ 202,902	\$ 215,000	\$ 12,098
	Umbrella Business Insurance (e.g., Liability, Auto, and General)	133,798	186,000	52,202
	Environmental Pollution	23,993	25,433	1,440
	Cyber Insurance	10,500	11,130	630
	Subtotal	\$ 371,193	\$ 437,563	\$ 66,370
11-5500414-3 CONTRACTS				
	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)
	Subtotal	\$ 733,252	\$ 707,829	\$ (25,423)
11-5410414-3 COUNTY EXPENSE				
	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	-
	Subtotal	\$ 23,100	\$ 23,100	\$ -

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5552414-3 LEGAL SERVICES				
	Costs Associated with General Legal Counsel	\$ 40,000	\$ 45,000	\$ 5,000
	Subtotal	\$ 40,000	\$ 45,000	\$ 5,000
11-5555414-3 MEDICAL SERVICES				
	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)
	Subtotal	\$ 32,943	\$ 3,843	\$ (29,100)
11-5350414-3 MEMBERSHIPS				
	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	-
	Subtotal	\$ 48,148	\$ 53,153	\$ 5,005

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5553414-3 MISC. PROFESSIONAL SERVICES				
	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)
	Subtotal	\$ 109,391	\$ 138,483	\$ 29,092
11-5400414-3 OFFICE SUPPLIES				
	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	-
	Subtotal	\$ 23,500	\$ 23,500	\$ -
11-5450414-3 SUPPLIES				
	Office Software Upgrades	\$ 7,000	\$ 7,000	\$ -
	Computer Supplies-Printer Cartridges and Toner	4,000	4,000	-
	Subtotal	\$ 11,000	\$ 11,000	\$ -
11-5545414-3 OPEB HEALTH INSURANCE				
	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
	Subtotal	\$ 81,719	\$ 82,119	\$ 400
11-5950414-3 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 20,000	\$ 10,000
	Subtotal	\$ 10,000	\$ 20,000	\$ 10,000

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS				
	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
	Subtotal	\$ 736,606	\$ 752,121	\$ 15,515
11-5420414-3 PERMITS AND FEES				
	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	\$ -
	Subtotal	\$ 3,000	\$ 3,000	\$ -
11-5600414-3 PUBLICATIONS				
	Costs For Publication of Official Notices and Bid Requests in Online Platforms	\$ 3,500	\$ 3,500	\$ -
	Subtotal	\$ 3,500	\$ 3,500	\$ -
11-5700414-3 REPAIRS AND MAINTENANCE				
	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	-
	Subtotal	\$ 19,375	\$ 19,375	\$ -
11-5810414-3 TUITION REIMBURSEMENT				
	Tuition Assistance Program	\$ 12,000	\$ 12,000	\$ -
	Subtotal	\$ 12,000	\$ 12,000	\$ -
11-5901414-3 TELEPHONE AND INTERNET				
	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
	Subtotal	\$ 30,969	\$ 34,334	\$ 3,365

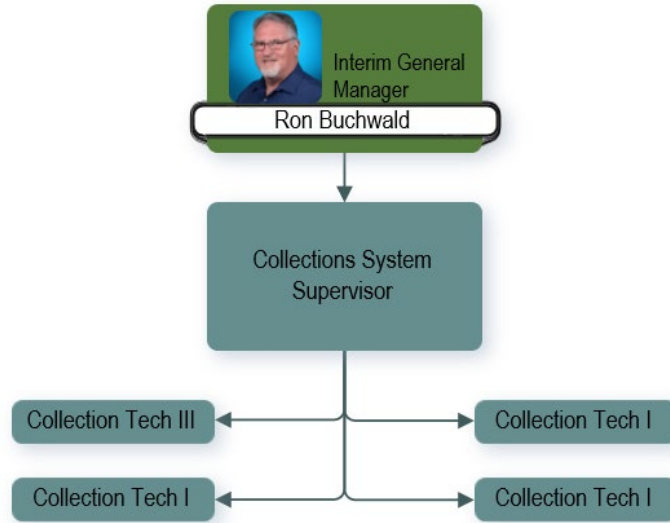
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5800414-3 CONFERENCES AND MEETINGS				
	Leadership Academy	\$ 25,000	\$ 25,000	\$ -
	ARC Flash Training (Electrical Safety)	25,000	25,000	-
	Costs Associated with Employee Travel and Training	14,302	14,302	-
	Harassment Training	5,000	5,000	-
	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	-
	Subtotal	\$ 97,764	\$ 97,764	\$ -
11-8680000-0 ADMINISTRATIVE FACILITIES				
	New Time Keeping System	\$ 30,000	\$ 30,000	\$ -
	SCADA Server Replacement (2)	-	25,000	25,000
	Procurement Software	30,000	-	(30,000)
	Subtotal	\$ 60,000	\$ 55,000	\$ (5,000)
11-8660000-0 GENERAL PLANT FACILITIES				
	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	-
	Subtotal	\$ 309,000	\$ 409,000	\$ 100,000
	Total Expense	\$ 8,408,388	\$ 9,566,467	\$ 1,158,079



Sanitary Collections Vactor Truck

SANITATION COLLECTIONS





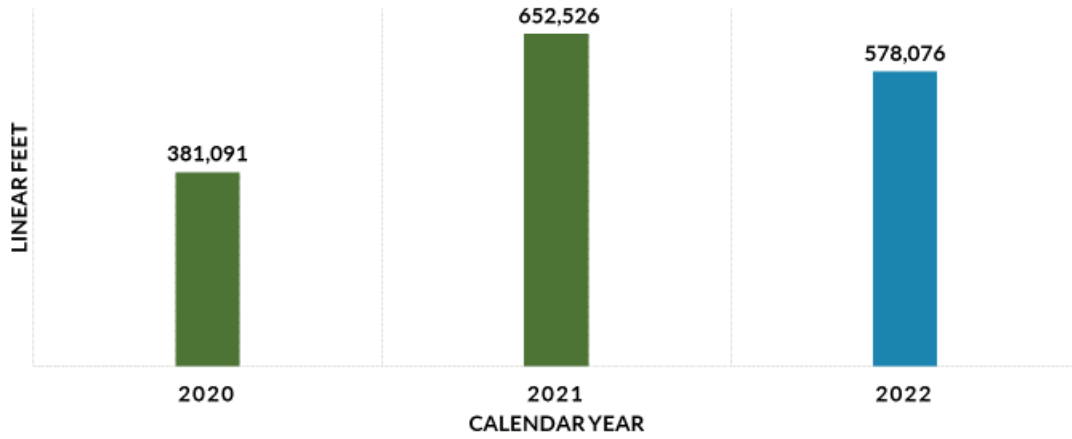
DESCRIPTION

The Sanitation Collections Department services and maintains 254 miles of sewer main with pipe sizes ranging from 6 to 54 inches. Four (4) lift stations consist of eight (8) pumps, wet wells, and dry wells that require periodic maintenance and inspection.

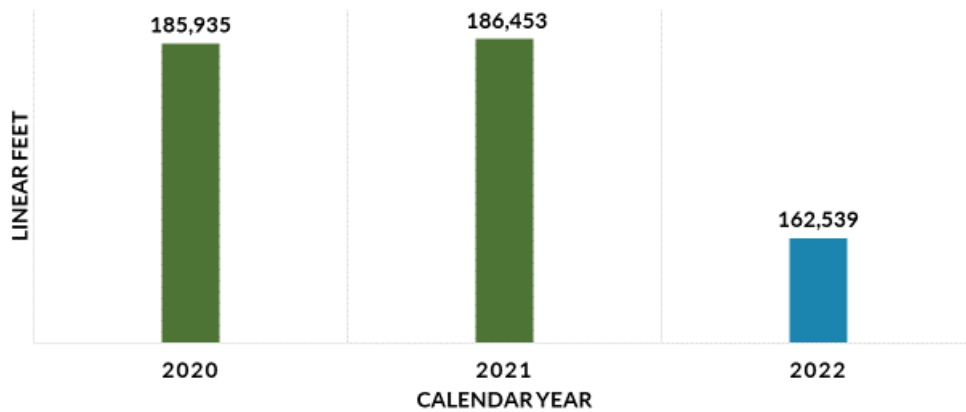
There are 4,500 manholes in the collection system that require periodic maintenance and inspections to prevent and identify deterioration of the structures.

METRICS

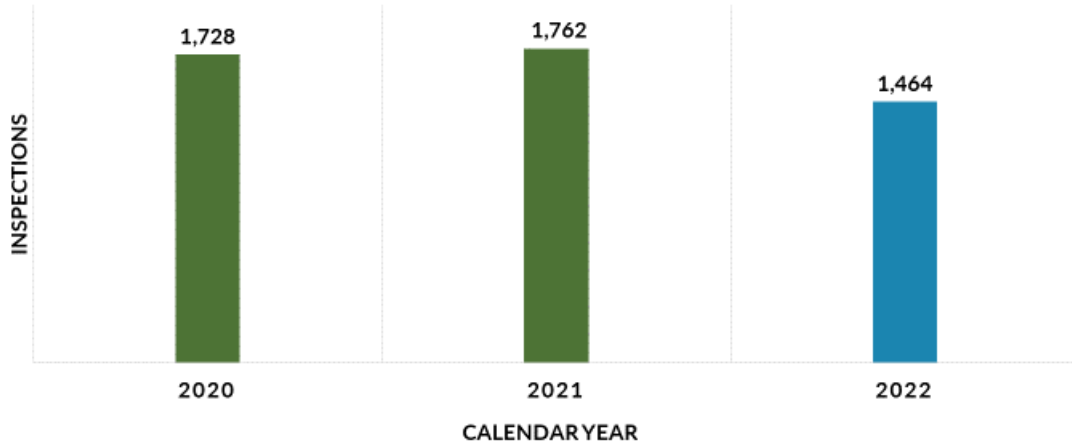
VACTOR/ JETTING OF LINES



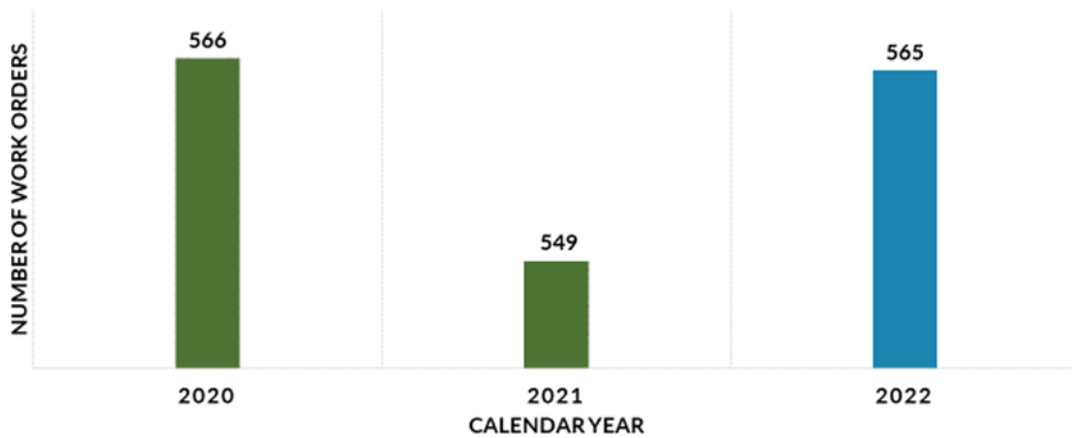
PIPE ASSESSMENT INSPECTION



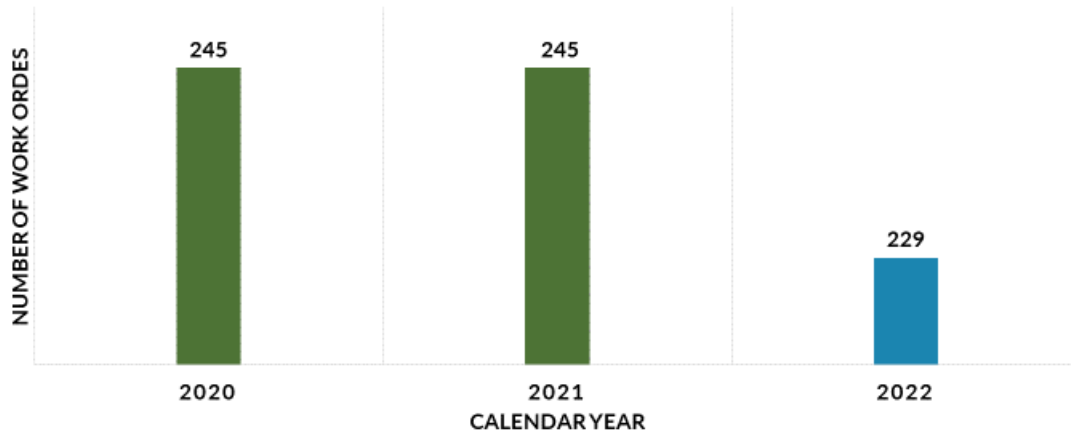
MANHOLES INSPECTED



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	Total FTEs	5.00	5.00	0.00

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 RECERTIFICATIONS	-	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	-	0.0%
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	-	-	-	-	-	0.0%
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 INS.	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	-	0.0%
11-5950410-1 OTHER EXPENSES	3,129	-	10,000	-	10,000	-	0.0%
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	-	0.0%
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	-	0.0%
Total Expenses	\$ 1,183,857	\$ 791,488	\$ 983,201	\$ 740,602	\$ 1,041,393	\$ 58,192	5.9%

SANITATION COLLECTIONS BUDGET DETAIL

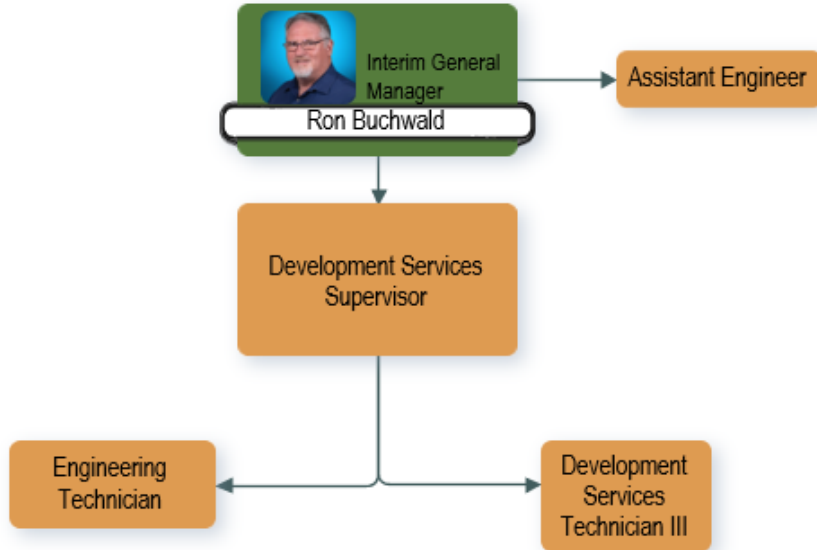
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030410-1 SALARIES AND WAGES		\$ 382,518	\$ 410,150	\$ 27,632
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,250	1,250	-
11-5080410-1 CALLOUT		5,000	6,000	1,000
11-5070410-1 OVERTIME		1,600	1,600	-
11-5090410-1 STANDBY PAY		41,216	44,892	3,676
11-0000410-1 TOTAL FRINGE BENEFITS		207,564	222,211	14,647
Subtotal		\$ 639,148	\$ 686,103	\$ 46,955
11-5801410-1 CERTIFICATIONS				
	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	-
Subtotal		\$ 5,120	\$ 5,120	\$ -
11-5500410-1 CONTRACTS				
	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	-
Subtotal		\$ 112,583	\$ 115,220	\$ 2,637

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5350410-1 MEMBERSHIPS				
	CWEA Membership Renewal	\$ 1,650	\$ 1,650	\$ -
	Updates New Criteria Related to PACP Inspection Standards	400	400	-
	Subtotal	\$ 2,050	\$ 2,050	\$ -
11-5450410-1 SUPPLIES				
	Traffic Control Signs/Cones/Safety Equipment	\$ 3,000	\$ 3,000	\$ -
	Miscellaneous Supplies	2,000	2,000	-
	Subtotal	\$ 5,000	\$ 5,000	\$ -
11-5950410-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 10,000	\$ -
	Subtotal	\$ 10,000	\$ 10,000	\$ -
				\$ -
11-5420410-1 PERMITS AND FEES				-
	(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	-
	Subtotal	\$ 23,600	\$ 24,200	\$ 600
11-5700410-1 REPAIRS AND MAINTENANCE				
	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	-
	Subtotal	\$ 154,500	\$ 159,000	\$ 4,500

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

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 followed. It conducts plan checks for new developments and provides permitting and inspection services for new construction and remodeling/tenant improvements involving commercial, industrial, and residential properties.

The District has a robust Capital Improvement Program, including the Recycled Water Project Phase 1 Design-Build, Sewer Siphon Replacement, the Biosolid Conversion Project, and 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 Permits	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	Total FTEs	5.00	5.00	0.00

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 RECERTIFICATIONS	-	1,072	1,250	1,000	1,250	-	0.0%
11-5070414-1 OVERTIME	-	40	1,000	278	1,000	-	0.0%
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	-	-	-	-	-	0.0%
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 INS.	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	-	0.0%
11-5950414-1 OTHER EXPENSES	-	-	-	135	-	-	0.0%
11-5420414-1 PERMITS AND FEES	-	-	1,000	-	1,000	-	0.0%
11-5720414-1 TOOLS AND EQUIPMENT	-	-	1,000	-	1,000	-	0.0%
11-5152414-1 UNIFORM SERVICES	-	2,499	4,700	1,811	4,700	-	0.0%
11-5800414-1 CONFERENCES AND MEETINGS	-	4,116	6,761	5,619	6,761	-	0.0%
Total Expenses	\$633,696	\$691,437	\$829,974	\$834,944	\$919,917	\$ 89,943	10.8%

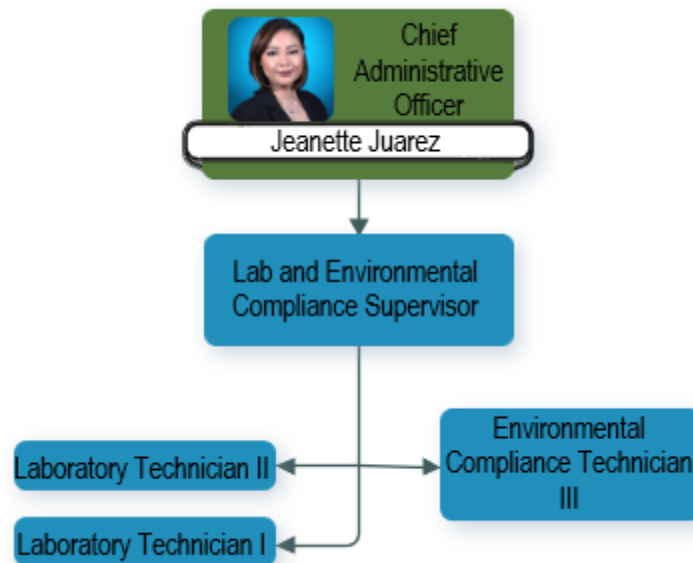
ENGINEERING BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030414-1 SALARIES AND WAGES		\$612,551	\$673,223	\$ 60,672
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,250	1,250	-
11-5080414-1 CALLOUT		-	-	-
11-5070414-1 OVERTIME		1,000	1,000	-
11-5090414-1 STANDBY PAY		-	-	-
11-0000414-1 TOTAL FRINGE BENEFITS		192,642	221,913	29,271
Subtotal		\$807,443	\$897,386	\$ 89,943
11-5801414-1 CERTIFICATIONS				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	\$ 2,400	\$ 2,400	\$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	450	450	-
	American Water Works Association (AWWA) Grade D4/T3 (District Engineer)	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 Engineer)	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	-
Subtotal		\$ 3,870	\$ 3,870	\$ -
11-5500414-1 CONTRACTS				
	ESRI ARCVIEW 10.0 Annual Renewal	\$ 3,000	\$ 3,000	\$ -
	Autocad Annual Maintenance and Helpdesk	1,000	1,000	-
Subtotal		\$ 4,000	\$ 4,000	\$ -

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

ENVIRONMENTAL COMPLIANCE SERVICES





DESCRIPTION

The Environmental Compliance Services Department is comprised of the Laboratory Division and the Pretreatment Division. The focus of the department 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

Evaluate, inspect, and permit 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.

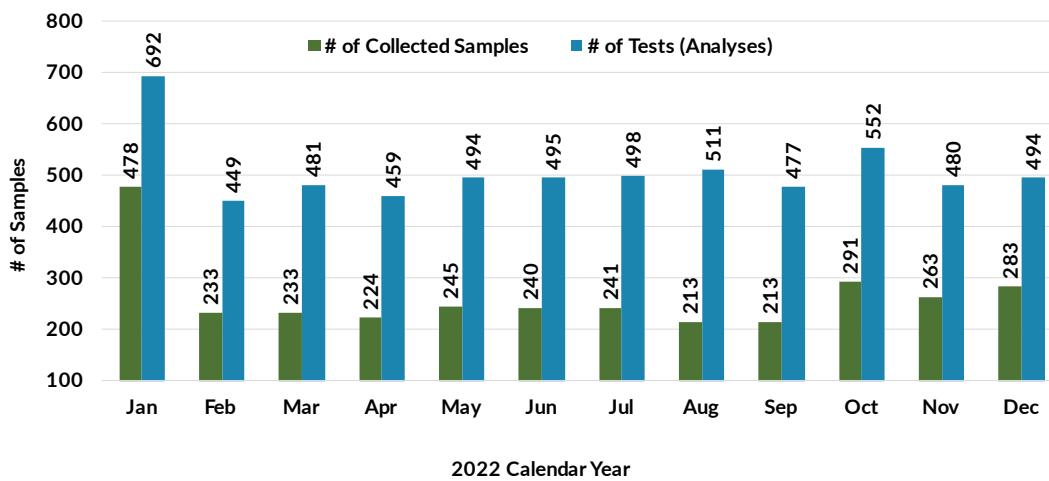
Inspects manufacturing processes as sources of industrial waste and their effects on wastewater treatment processes by monitoring sample handling and preservation, field

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

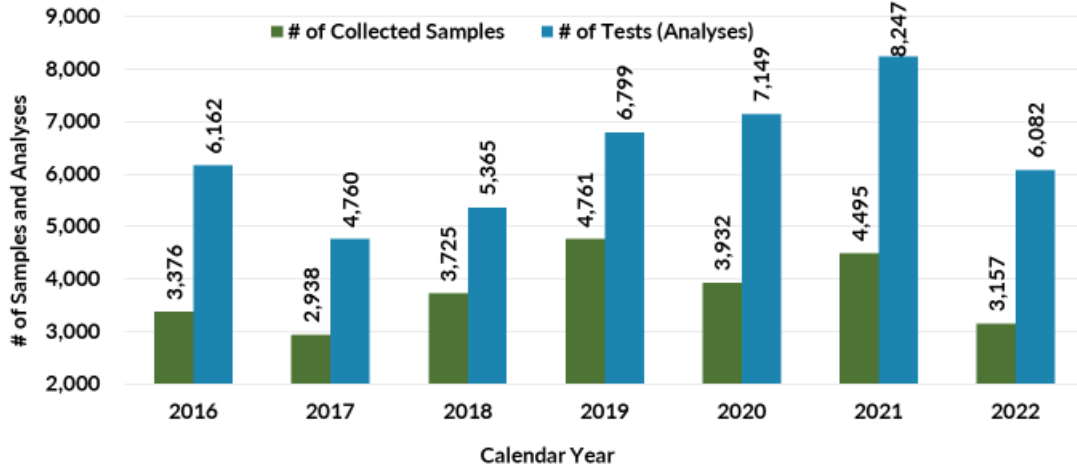
METRICS

Laboratory

LABORATORY SAMPLE WORKLOAD



LABORATORY WORKLOAD

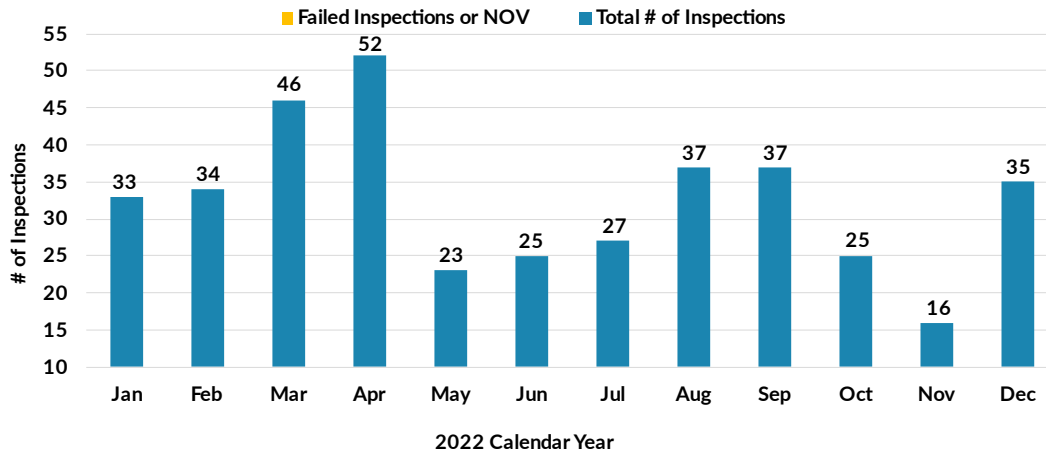


LABORATORY TASKS CY22

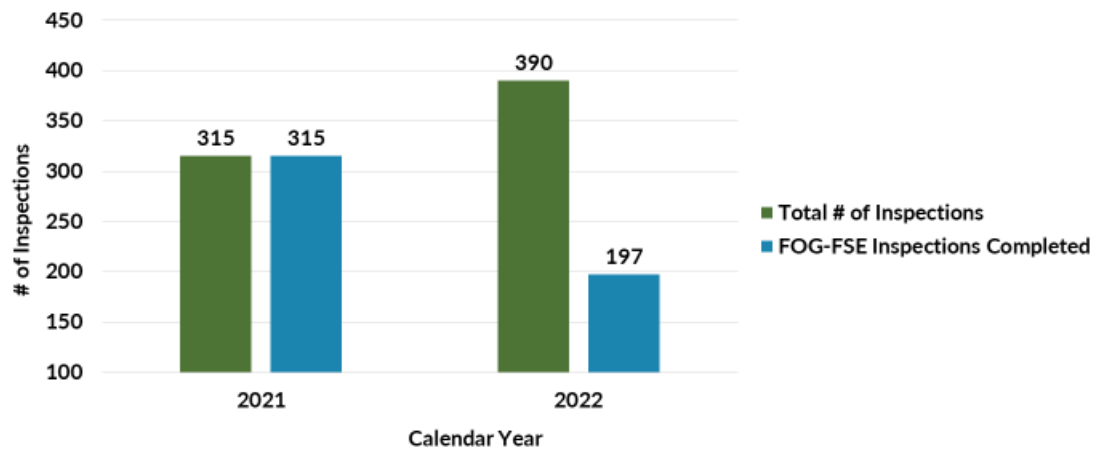
Laboratory	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
# of Collected Samples	478	233	233	224	245	240	241	213	213	291	263	283	3,157
# of Tests (Analyses)	692	449	481	459	494	495	498	511	477	552	480	494	6,082
# of Samples sent to Contract Labs	41	21	13	17	19	31	30	33	26	42	40	44	357
# of 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
SILJ 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), and Norovirus.
- Continued participation in the Centers for Disease Control and Prevention (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

- Updated 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, projects, and succession planning.

PERSONNEL SUMMARY

FY24 Physical Count	Classification	FY23 Base FTEs	FY24 Base FTEs	Variance
1	Environmental Compliance Technician III	1.00	1.00	0.00
1		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	Total FTEs	4.00	4.00	0.00

EXPENSE BUDGET SUMMARY

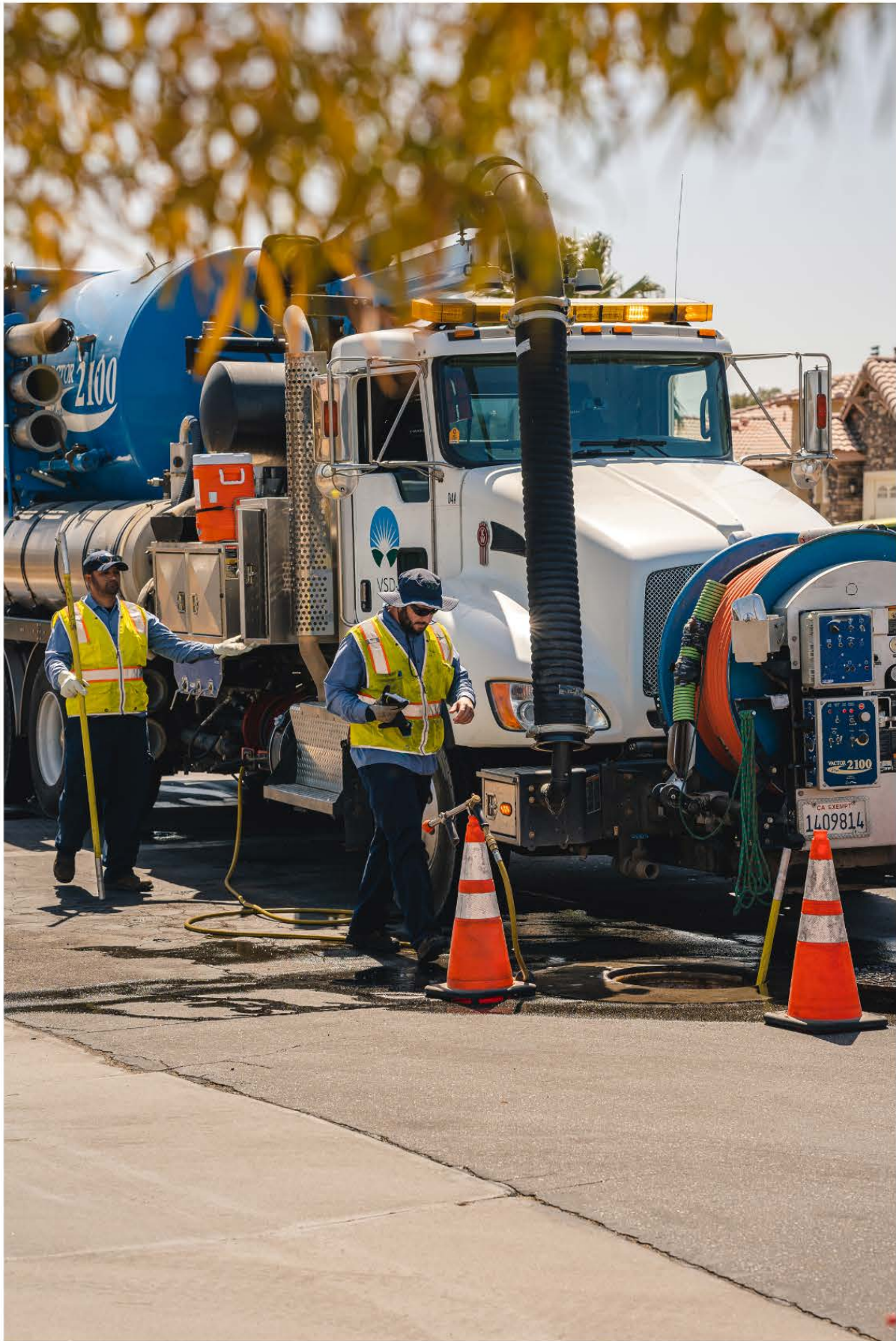
General Ledger Code	FY21	FY22	FY23	FY23	FY24	Budget	Percent
	Actual	Actual	Budget	Projected	Budget	Change	Change
11-5030414-2 SALARIES AND WAGES	\$208,272	\$245,233	\$289,422	\$249,299	\$390,097	\$100,675	34.8%
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS	-	570	750	800	1,000	250	33.3%
11-5080414-2 CALLOUT	560	-	-	-	-	-	0.0%
11-5110414-2 LONGEVITY	1,108	738	1,200	1,177	1,200	-	0.0%
11-5070414-2 OVERTIME	469	186	2,500	645	2,500	-	0.0%
11-5090414-2 STANDBY PAY	1,840	-	-	-	-	-	0.0%
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	-	-	-	-	-	0.0%
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 INS.	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)	-26.6%
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	-	0.0%
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	25.0%
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%
Total Expenses	\$414,620	\$521,327	\$689,928	\$519,319	\$773,849	\$ 83,921	12.2%

ENVIRONMENTAL COMPLIANCE BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030414-2 SALARIES AND WAGES		\$ 289,422	\$ 390,097	\$ 100,675
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS		750	1,000	250
11-5070414-2 OVERTIME		2,500	2,500	-
11-0000414-2 TOTAL FRINGE BENEFITS		101,800	143,504	41,704
Subtotal		\$ 394,472	\$ 537,101	\$ 142,629
11-5801414-2 CERTIFICATIONS				
	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
Subtotal		\$ 1,350	\$ 1,510	\$ 160
11-5500414-2 CONTRACTS				
	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)
Subtotal		\$ 87,600	\$ 40,300	\$ (47,300)

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5350414-2 MEMBERSHIPS				
	Coalition of Accredited Laboratories (CAL)	\$ 2,000	\$ 1,000	\$ (1,000)
	California Water Environment Association (CWEA) Membership Renewal	600	775	175
	Water Environment Federation (WEF)	400	400	-
	TNI (NELAC) Association	100	100	-
	Subtotal	\$ 3,100	\$ 2,275	\$ (825)
11-5450414-2 SUPPLIES				
	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 (e.g. Computer, Printer, etc.)	1,500	1,500	-
	Field Ammonia Sensors and DO Sensor Probe Replacements	16,900	-	(16,900)
	Subtotal	\$ 45,806	\$ 29,300	\$ (16,506)
11-5950414-2 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 10,000	\$ -
	Subtotal	\$ 10,000	\$ 10,000	\$ -
11-5420414-2 PERMITS AND FEES				
	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	-
	Subtotal	\$ 11,200	\$ 10,000	\$ (1,200)

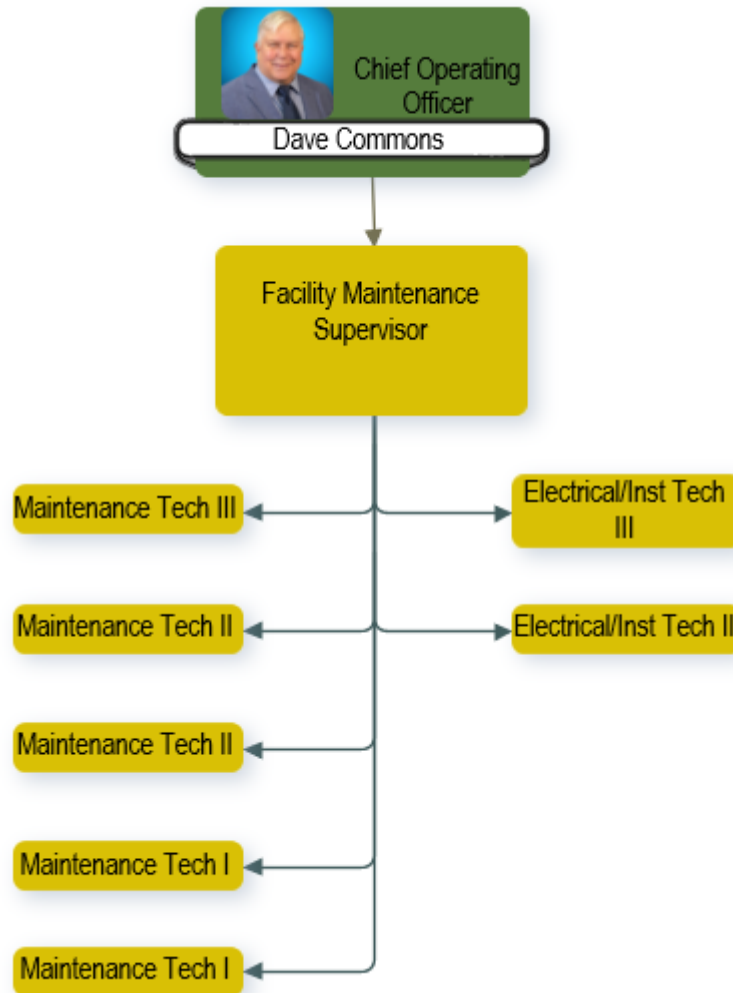
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5700414-2 REPAIRS AND MAINTENANCE				
	Laboratory Instrument Replacement	\$ 10,000	\$ 10,000	\$ -
	Contingency for Instrument Repairs and Maintenance	5,000	5,000	-
	Meter and Probe Replacement	5,000	5,000	-
	Subtotal	\$ 20,000	\$ 20,000	\$ -
11-5750414-2 RESEARCH AND MONITORING				
	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	-
	Subtotal	\$ 97,000	\$ 101,500	\$ 4,500
11-5720414-2 TOOLS AND EQUIPMENT				
	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	-
	Subtotal	\$ 8,000	\$ 10,000	\$ 2,000
11-5152414-2 UNIFORM SERVICES				
	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	-
	Subtotal	\$ 5,400	\$ 3,863	\$ (1,537)
11-5800414-2 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	\$ 6,000	\$ 8,000	\$ 2,000
	Subtotal	\$ 6,000	\$ 8,000	\$ 2,000
	Total Expenses	\$ 689,928	\$ 773,849	\$ 83,921



Sanitary Collections Vactor Truck Crew

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’s service area. The department performs necessary preventative maintenance on all equipment throughout the facility, including office and plant buildings. The department is also responsible for maintaining all fleet and construction equipment; including 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 is 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 completed training 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 #2 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.
- Completed significant repairs to the secondary water pumps.
- 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	Total FTEs	8.00	8.00	0.00

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 RECERTIFICATIONS	-	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	5.2%
11-5070412-1 OVERTIME	4,125	1,759	5,000	5,430	5,000	-	0.0%
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	-	-	-	-	-	0.0%
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 INS.	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	10.0%
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	10.0%
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%
Total Expenses	\$ 1,335,676	\$ 1,256,630	\$ 1,642,188	\$ 1,441,534	\$ 1,808,805	\$ 166,617	10.1%

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 RECERTIFICATIONS		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
Subtotal		\$ 907,267	\$ 1,037,700	\$ 130,433
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
Subtotal		\$ 4,960	\$ 5,800	\$ 840

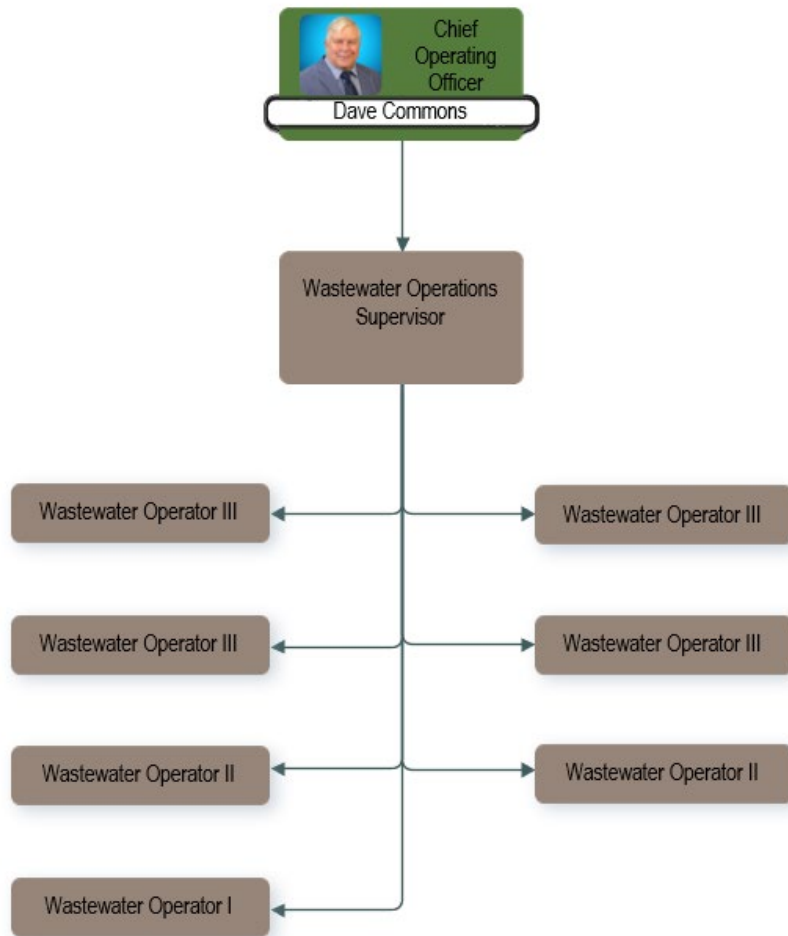
General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5500412-1 CONTRACTS				
	Janitorial and Landscaping Services (Desert Arc)	\$ 65,000	\$ 71,500	\$ 6,500
	Central Square EAM Asset Management Lucity	30,000	33,000	3,000
	Boiler Maintenance Service Contract	14,000	14,000	-
	Trailer Rental	10,000	11,000	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
	Subtotal	\$ 180,520	\$ 197,510	\$ 16,990
11-5350412-1 MEMBERSHIPS				
	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
	Subtotal	\$ 2,900	\$ 3,190	\$ 290
11-5450412-1 SUPPLIES				
	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	-
	Subtotal	\$ 63,000	\$ 64,820	\$ 1,820

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5950412-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	\$ 10,000	\$ 11,000	\$ 1,000
	Subtotal	\$ 10,000	\$ 11,000	\$ 1,000
11-5420412-1 PERMITS AND FEES				
	Fire Department (Fuel Tank Permit)	\$ 2,100	\$ 2,310	\$ 210
	Subtotal	\$ 2,100	\$ 2,310	\$ 210
11-5700412-1 REPAIRS AND MAINTENANCE				
	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)
	Subtotal	\$ 392,762	\$ 427,795	\$ 35,033

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5720412-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	\$ 13,750	\$ 14,000	\$ 250
	Safety Table Saw and Fabrication Tooling	18,550	-	(18,550)
	Subtotal	\$ 32,300	\$ 14,000	\$ (18,300)
11-5152412-1 UNIFORM SERVICES				
	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
	Subtotal	\$ 14,620	\$ 16,080	\$ 1,460
11-5650412-1 COVID-19 SUPPLIES				
	Personal Protective Equipment (PPE)	\$ 10,000	\$ 11,000	\$ 1,000
	COVID-19 Compliance Expenditures	5,759	-	(5,759)
	Subtotal	\$ 15,759	\$ 11,000	\$ (4,759)
11-5800412-1 CONFERENCES AND MEETINGS				
	Allowance for Eight (8) Employees	\$ 16,000	\$ 17,600	\$ 1,600
	Subtotal	\$ 16,000	\$ 17,600	\$ 1,600
	Total Expenses	\$ 1,642,188	\$ 1,808,805	\$ 166,617

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 of wastewater per Day (MGD). The wastewater is treated through one of two individual treatment processes:

- Activated sludge process
- Oxidation ponds

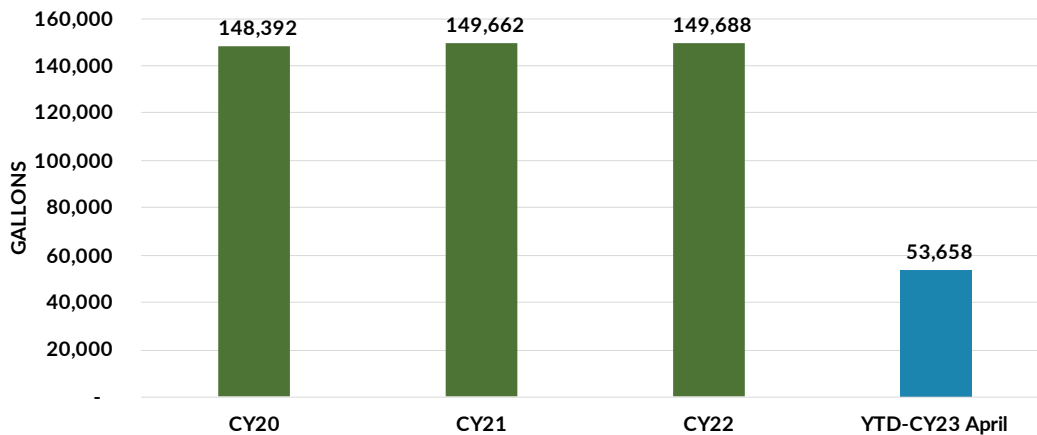
The activated sludge process treats most of the wastewater entering the Water Reclamation Facility, which is currently 5.5 - 6.5 million gallons daily. The activated sludge process presently has a maximum treatment capacity of 10 MGD.

The oxidation ponds receive all waste solids and approximately 0.5 MGD. The maximum treatment capacity of the oxidation ponds is 2.5 MGD.

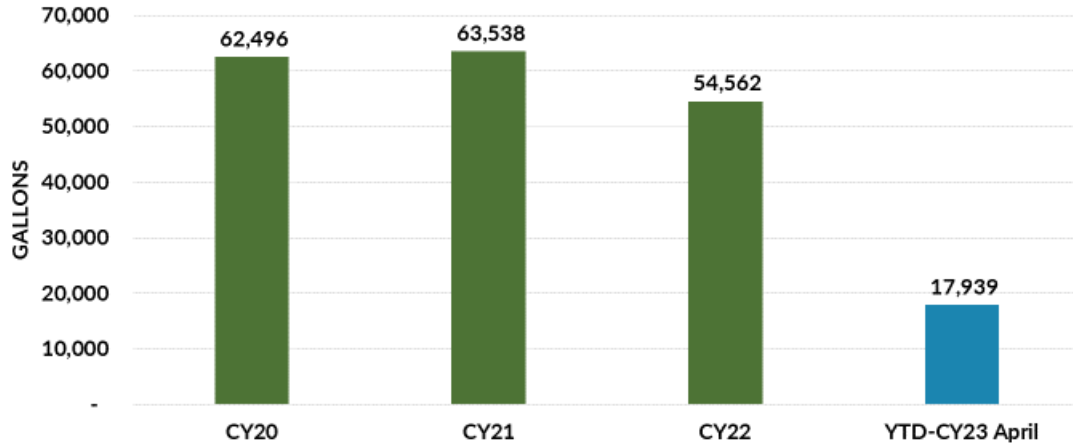
The two (2) treatment processes combined give the Water Reclamation Facility a total treatment capacity of 12.5 MGD. The treated wastewater is discharged into the Whitewater Storm Channel and becomes a source of freshwater replenishment to the Salton Sea.

METRICS

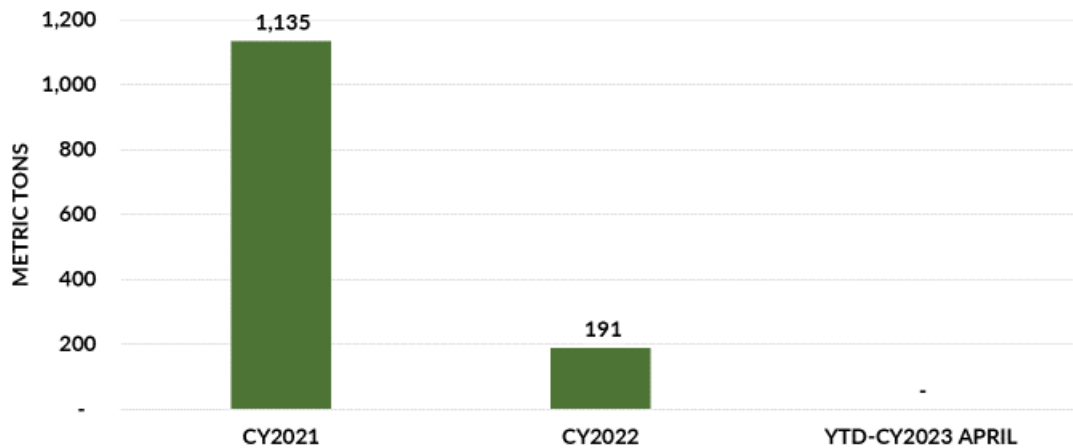
CHEMICAL USE BY CALENDAR YEAR SODIUM HYPOCHLORITE (GALLONS)



CHEMICAL USE BY CALENDAR YEAR SODIUM BISULFITE (GALLONS)



Biosolids Transport Summary (Metric Tons)



FISCAL YEAR 2022/23 ACCOMPLISHMENTS

- Completed ammonia study to determine if 3.0 PPM could be achieved.
- Completed pressure washer diffusers, for four (4) aeration basins.
- Received Wastewater Operator of the Year Award from CWEA-CORBS.
- Two (2) Wastewater Operators achieved the Grade III Wastewater Operator Certification.
- One (1) Wastewater Operator 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	Total FTEs	9.00	9.00	0.00

EXPENSE BUDGET SUMMARY

General Ledger Code	FY21 Actual	FY22 Actual	FY23 Budget	FY23 Projected	FY24 Budget	Budget Change	Percent 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 RECERTIFICATIONS	-	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	50.0%
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	-	-	-	-	-	0.0%
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 INS.	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	10.0%
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	-	0.0%
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%
Total Expenses	\$ 2,845,694	\$ 2,532,591	\$ 3,326,928	\$ 2,849,259	\$ 4,238,557	\$ 911,629	27.4%

OPERATIONS BUDGET DETAIL

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5030411-1 SALARIES AND WAGES		\$ 858,046	\$ 921,732	\$ 63,686
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATIONS		2,250	2,250	-
11-5080411-1 CALLOUT		6,500	14,000	7,500
11-5070411-1 OVERTIME		18,000	27,000	9,000
11-5090411-1 STANDBY PAY		18,135	19,753	1,618
11-0000411-1 TOTAL FRINGE BENEFITS		349,050	404,652	55,602
Subtotal		\$ 1,251,981	\$ 1,389,387	\$ 137,406
11-5801411-1 CERTIFICATIONS				
	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)
Subtotal		\$ 8,780	\$ 7,420	\$ (1,360)
11-5470411-1 CHEMICALS				
	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
Subtotal		\$ 594,240	\$ 700,000	\$ 105,760

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5500411-1 CONTRACTS				
	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
	Subtotal	\$ 243,522	\$ 663,500	\$ 419,978
11-5250411-1 GAS OIL AND FUEL				
	Gas and Oil for District Vehicles (SC Fuels)	\$ 66,060	\$ 70,000	\$ 3,940
	Subtotal	\$ 66,060	\$ 70,000	\$ 3,940
11-5350411-1 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewals	\$ 2,100	\$ 2,400	\$ 300
	Water Environment Federation (WEF)	800	1,000	200
	Subtotal	\$ 2,900	\$ 3,400	\$ 500
11-5450411-1 SUPPLIES				
	Polymer for Belt Press 18 Totes (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	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
	Subtotal	\$ 122,500	\$ 152,700	\$ 30,200
11-5950411-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	\$ 20,000	\$ 22,000	\$ 2,000
	Subtotal	\$ 20,000	\$ 22,000	\$ 2,000

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5420411-1 PERMITS AND FEES				
	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
	Subtotal	\$ 77,025	\$ 85,260	\$ 8,235
11-5700411-1 REPAIRS AND MAINTENANCE				
	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
	Subtotal	\$ 64,000	\$ 73,000	\$ 9,000
11-5720411-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	\$ 1,000	\$ 1,000	\$ -
	Subtotal	\$ 1,000	\$ 1,000	\$ -
11-5152411-1 UNIFORM SERVICES				
	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
	Subtotal	\$ 15,200	\$ 16,200	\$ 1,000
11-5902411-1 ELECTRICITY				
	Imperial Irrigation District (IID)	\$ 634,453	\$ 806,586	\$ 172,133
	Tesla PPA	139,467	153,414	13,947
	Subtotal	\$ 773,920	\$ 960,000	\$ 186,080

General Ledger Code		FY23 Budget	FY24 Budget	Variance
11-5903411-1 NATURAL GAS				
	Natural Gas Usage for the Administration, Laboratory, Operations Buildings and Digester Boiler (SoCalGas)	\$ 7,000	\$ 8,000	\$ 1,000
	Subtotal	\$ 7,000	\$ 8,000	\$ 1,000
11-5904411-1 GRIT AND SCREENING REMOVAL				
	Screenings and Grit Hauling to Lambs Canyon, California (Burrtec)	\$ 40,000	\$ 44,000	\$ 4,000
	Subtotal	\$ 40,000	\$ 44,000	\$ 4,000
11-5905411-1 WATER				
	Potable Water (Indio Water Authority)	\$ 20,000	\$ 22,000	\$ 2,000
	Subtotal	\$ 20,000	\$ 22,000	\$ 2,000
11-5800411-1 CONFERENCES AND MEETINGS				
	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
	Subtotal	\$ 18,800	\$ 20,690	\$ 1,890
	Total Expenses	\$ 3,326,928	\$ 4,238,557	\$ 911,629

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 22 capital projects requested in the fiscal year 2023/24 for a total of \$58,232,000. 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

System	Recurring Project	Project Number	Project	Total
Plant Facility	✓	21-0001	Vehicle and Equipment Replacement Fund	\$ 1,634,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000
Sewage Collection	✓	21-0003	Sewer Repairs and/or Rehabilitation	120,000
Sewage Collection	✓	21-0004	Contingency for Emergency Repairs	100,000
Sewage Collection		21-0005	Sewer Main Rehabilitation or Replacement Design	2,200,000
Plant Facility		21-0007	Recycled Water Project Phase 1 (Amend #1 & #2)	39,900,000
Sewage Collection		21-0008	Emergency Sewer Siphon Replacement Design/CM	9,285,000
Sewage Collection		21-0009	Emergency Sewer Siphon Replacement Construction	1,436,000
Plant Facility		21-0013	Laboratory Information Management System (LIMS)	70,000
Plant Facility		23-0002	Concrete Repairs to ASP Plant	100,000
Plant Facility		23-0003	Electrical Control Panel Replacements Blower Building	120,000
Plant Facility		23-0005	Trimax PLC Upgrades SCADA	70,000
Plant Facility		23-0006	Water Reclamation Facility Master Plan	400,000
Plant Facility		23-0008	Steel Waterline Replacement - Phase 2	450,000
Plant Facility		24-0001	Repairs to two (2) Primary Clarifiers	130,000
Plant Facility		24-0002	Plant Instrumentation Upgrade	100,000
Plant Facility		24-0003	Nitrification Reduction ASP upgrade	100,000
Plant Facility		24-0004	Bathroom Upgrade	100,000
Plant Facility		24-0005	Upgrade District Security Cameras	100,000
Plant Facility		24-0006	Biosolids Conversion Project	1,000,000
Plant Facility		24-0007	Turblex Blowers Maintenance and Repairs	100,000
Plant Facility		24-0008	Recycled Water Use Plan	667,000
			Total	\$ 58,232,000

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 18 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 Bank of America 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). The District was awarded a water recycling funding program planning grant for \$500,000 through the State Water Resource Control Board. The grant has a 25% match requirement and the District will use \$167,000 from the Capital Replacement Reserve Fund (Fund 12). Funding for this project has been provided in full or in part under Proposition 13 the Water Quality, Supply, and Infrastructure Improvement Act of 2014, and Proposition 68 through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use. 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).

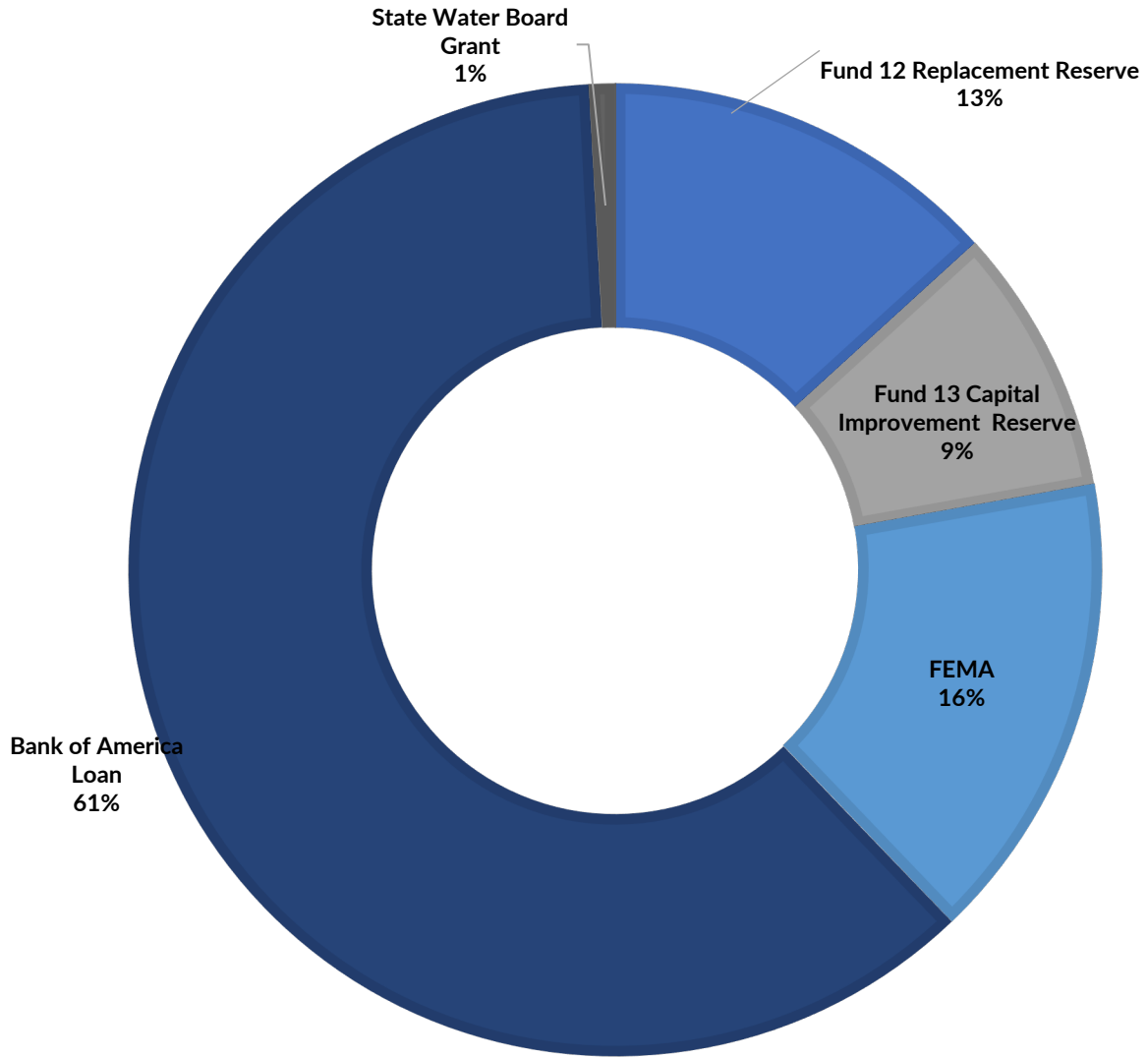
FUNDING SUMMARY

Funding for the planned capital improvement projects is provided through five (5) funding sources. Most of the funding (approximately 62% 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 16% or \$9.1M for the Emergency Sewer Siphon Replacement Design and Construction. The District will use \$500,000 or 1% in discretionary funding awarded from the State Water Resource Control Board. All other projects will be funded using the District's Capital Replacement Reserve Fund (Fund 12) and the Capital Improvement Reserve Fund (Fund 13).

The table and graph below depict the funding sources for the fiscal year 2023/24 capital budget.

Funding Source	FY24 Budget
Fund 12 Replacement Reserve	\$ 7,719,150
Fund 13 Capital Improvement Reserve	5,200,000
FEMA	9,112,850
Bank of America Loan	35,700,000
State Water Board Grant	500,000
Total Funds Requested	\$ 58,232,000

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
PLANT FACILITY					
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	-	-	-	-
Steel Waterline Replacement - Phase 2	450,000	-	-	-	-
Turblex Blowers Maintenance and Repairs	100,000	-	-	-	-
Additional Parking & Landscaping	-	500,000	-	-	-
Recycled Water Use Plan	667,000	-	-	-	-
Future Operation Projects	-	600,000	600,000	600,000	600,000
SUBTOTAL - PLANT	\$ 45,041,000	\$ 38,687,679	\$ 32,803,670	\$ 12,693,090	\$ 34,205,847
SEWAGE COLLECTION					
Lateral Grant Program	\$ 50,000	\$ 52,020	\$ 53,060	\$ 54,121	\$ 55,203
Sewer Main Rehabilitation or Replacement Design	2,200,000	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	-	-	-	-
SUBTOTAL - COLLECTIONS	\$ 13,091,000	\$ 7,734,885	\$ 9,152,210	\$ 9,156,111	\$ 7,908,731
CONTINGENCY	\$ 100,000	\$ 104,040	\$ 106,121	\$ 108,243	\$ 110,408
TOTAL	\$ 58,232,000	\$ 46,526,604	\$ 42,062,001	\$ 21,957,444	\$ 42,224,986

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2028/29	2029/30	2030/31	2031/32	2032/33
PLANT FACILITY					
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	-	-	-	-	-
Steel Waterline Replacement - Phase 2	-	-	-	-	-
Turblex Blowers Maintenance and Repairs	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Recycled Water Use Plan	-	-	-	-	-
Future Operation Projects	600,000	600,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	\$ 35,340,023	\$ 12,395,823	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
SEWAGE COLLECTION					
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.	-	-	-	-	-
SUBTOTAL - COLLECTIONS	\$ 6,567,315	\$ 5,126,952	\$ 3,923,855	\$ 2,679,886	\$ 4,987,073
CONTINGENCY	\$ 112,616	\$ 114,868	\$ 117,165	\$ 119,508	\$ 121,898
TOTAL	\$ 42,019,954	\$ 17,637,643	\$ 6,841,020	\$ 5,599,394	\$ 7,908,971

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2033/34	2034/35	2035/36	2036/37	2037/38
PLANT FACILITY					
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	-	-	-	-	-
Steel Waterline Replacement - Phase 2	-	-	-	-	-
Turblex Blowers Maintenance and Repairs	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Recycled Water Use Plan	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000
SEWAGE COLLECTION					
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.	-	-	-	-	-
SUBTOTAL - COLLECTIONS	\$ 783,348	\$ 3,404,061	\$ 7,522,536	\$ 913,815	\$ 925,570
CONTINGENCY	\$ 124,336	\$ 126,823	\$ 129,359	\$ 131,946	\$ 134,585
TOTAL	\$ 3,707,684	\$ 6,330,884	\$ 10,451,895	\$ 3,845,761	\$ 3,860,155

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2038/39	2039/40	2040/41	2041/42	2041/43
PLANT FACILITY					
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	-	-	-	-	-
Steel Waterline Replacement - Phase 2	-	-	-	-	-
Turblex Blowers Maintenance and Repairs	-	-	-	-	-
Additional Parking & Landscaping	-	-	-	-	-
Recycled Water Use Plan	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	\$ 2,800,000	\$ 2,800,000	\$ 64,185,391	\$ 64,185,391	\$ 64,185,391
SEWAGE COLLECTION					
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.	-	-	-	-	-
SUBTOTAL - COLLECTIONS	\$ 937,664	\$ 950,107	\$ 962,909	\$ 972,000	\$ 1,015,000
CONTINGENCY	\$ 137,277	\$ 140,023	\$ 142,823	\$ 142,823	\$ 142,824
TOTAL	\$ 3,874,941	\$ 3,890,130	\$ 65,291,123	\$ 65,300,214	\$ 65,343,215

FISCAL YEAR 2023/24 CAPITAL PROJECT JUSTIFICATION



FY 2023/24 Capital Expenditures Valley Sanitary District Capital Project Justification

- Project Number:** 21-0001 Recurring Project
- Project Name:** Vehicle and Equipment Replacement Fund
- Category:** Equipment – Heavy Duty
Vehicle – Truck, Heavy Duty (Hydro, Vactor, Dump, etc.)
- Sub-Category:** Replacement
- Project Description:** This fund is used to replace District vehicles and significant, higher-cost equipment. The annual contribution is based on data collected on all vehicles and equipment using a 10 to twenty 20-year replacement schedule. The total cost is calculated over a 20-year window using an estimated inflation percentage. List purchases for each year.
- Project Justification:** This fund is necessary in order to maintain an efficient vehicle fleet and equipment to proper specifications.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 825,000
Carryover Fund 12	12-8660000-0	2023/24	\$ 809,000
Total			\$ 1,634,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0002 Recurring Project

Project Name: Lateral Grant Program

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement - Private Lateral

Project Description: The Private Lateral Replacement Grant Program is designed to help the property owner defray a portion of the costs required to replace or repair their lateral. The maximum amount of assistance for any one (1) private sewer lateral replacement or repair is 50% of the approved cost up to a maximum reimbursement of \$4,000.

Project Justification: This grant program is offered to customers to help offset the major cost of repairing or replacing a sewer lateral.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 50,000
Total			\$ 50,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0003 Recurring Project

Project Name: Sewer Repairs and/or Rehabilitation

Category: Infrastructure – Sewer Lines

Sub-Category: Emergency Repairs

Project Description: This fund is to repair sewer mains that are in need of emergency repair such as those with holes or severe cracks which could lead to sink holes or cause other damage.

Project Justification: Video inspection of sewer pipelines may reveal deficiencies that include severe cracks or holes that require immediate attention or may create further damage to the sewer main or street above.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 120,000
Total			\$ 120,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0004 Recurring Project

Project Name: Contingency for Emergency Repairs

Category: Improvements – General

Sub-Category: Emergency Repairs

Project Description: There are no anticipated expenditures to be funded from this category; however, this account provides a contingency amount in the Capital Improvement Program for replacement of critical equipment or systems which could unexpectedly fail during the fiscal year.

Project Justification: Contingency fund needed to pay for the repair or replacement of critical equipment or systems.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 50,000
12 Replacement Fund	12-8660000-0	2023/24	\$ 25,000
12 Replacement Fund	12-8680000-0	2023/24	\$ 25,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0005

Project Name: Sewer Main Rehabilitation or Replacement Project

Category: Infrastructure – Sewer Lines

Sub-Category: Rehabilitation/Improvement

Project Description: This project is to complete the current design and construction projects of the rehabilitation and replacement program that needs to be postponed due to budgetary constraints. These projects began in FY 2022/23 but were not able to be completed by the end of the fiscal year.

Project Justification: Defective sewer mains lead to sewer overflows, sink holes and other costly issues and may lead to regulatory violations. Maintaining the sewer collection system requires repairing, rehabilitation and/or replacement of sewer mains and manholes.

Project Schedule:

Start Date	Completion Date
Jul-21	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 2,200,000
Total			\$ 2,200,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0007

Project Name: Recycled Water Project Phase 1

Category: Infrastructure – Treatment Plant

Sub-Category: Expansion

Project Description: Reclaimed Water Project Phase 1 will replace an aging and capacity restricting Grit Chamber, and provide redundancy by adding a second digester, expanding the bar screens, adding a biofilter, a sludge holding tank and a sludge thickener.

Project Justification: These improvements are necessary in order to meet future regulations and produce reclaimed water.

Project Schedule:

Start Date	Completion Date
Jul-20	Jun-25

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-8660000-0	2023/24	\$ 4,200,000
Bank of America Loan	10-8600000-0	2023/24	\$ 35,700,000
Total			\$ 39,900,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0008

Project Name: Emergency Sewer Siphon Replacement Design/CM

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement

Project Description: Replace the sewer siphon crossing the Coachella Stormwater channel at Westward Ho Drive damaged and exposed by the flooding event on February 14, 2019.

Project Justification: The existing siphon is only slightly buried and would be damaged beyond repair during the next flood event. The new siphon will be constructed below the new scour depth of the channel to avoid the sewer main becoming exposed during future storm events.

Project Schedule:

Start Date	Completion Date
Feb-19	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 1,392,750
FEMA	12-8632000-0	2023/24	\$ 7,892,250
Total			\$ 9,285,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0009

Project Name: Emergency Sewer Siphon Replacement Construction

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement

Project Description: Replace the sewer siphon crossing the Coachella Stormwater channel at Westward Ho Drive damaged and exposed by the flooding event on February 14, 2019.

Project Justification: The existing siphon is only slightly buried and would be damaged beyond repair during the next flood event. The new siphon will be constructed below the new scour depth of the channel to avoid the sewer main becoming exposed during future storm events.

Project Schedule:

Start Date	Completion Date
Feb-19	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2023/24	\$ 215,400
FEMA	12-8632000-0	2023/24	\$ 1,220,600
Total			\$ 1,436,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 21-0013

Project Name: Laboratory Information Management System (LIMS)

Category: Software

Sub-Category: Systems

Project Description: Laboratory Information Management System (LIMS) is a type of software designed to improve laboratory productivity and efficiency by keeping track of data associated with samples, experiments, laboratory workflows and instruments.

Project Justification: Environmental Laboratory Accreditation Program (ELAP) regulations are adopting the TNI 2016 Standard. The updated regulations require additional documentation and management of inventory, equipment maintenance, consumables, samples, and scientific data and results. Utilizing LIMS software can act as an additional staff member by automating workflows and tracking important information, data, and QA/QC that the laboratory generates daily.

Project Schedule:

Start Date	Completion Date
Jul-21	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8642000-0	2023/24	\$ 70,000
Total			\$ 70,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 23-0002

Project Name: Concrete Repairs to ASP Plant

Category: Improvements-General

Sub-Category: Rehabilitation/Improvement

Project Description: Repair broken and damaged concrete on ASP plant basins and related tanks.

Project Justification: Concrete repair is the process of fixing a hardened concrete surface that over time has lost the ability to hold the binding concrete materials together due to damage or environmental exposure.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-866000-00	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 23-0003

Project Name: Electrical Control Panel Replacements Blower Building

Category: Infrastructure – Treatment Plant

Sub-Category: Replacement

Project Description: Replacement of the Master Control Panel (MCP) and three (3) Local Control Panels (LCP) in the Blower Building.

Project Justification: The panels have met their useful life and must be replaced.

Project Schedule:

Start Date	Completion Date
Jul-22	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8642000-0	2023/24	\$ 120,000
Total			\$ 120,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 23-0005

Project Name: Trimax PLC Upgrades SCADA

Category: Software

Sub-Category: Upgrade

Project Description: Upgrade and improve the SCADA system for the treatment plant.

Project Justification: The SCADA system needs upgrades and improvements to better allow employees to operate the treatment plant remotely.

Project Schedule:

Start Date	Completion Date
Jul-22	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8642000-0	2023/24	\$ 70,000
Total			\$ 70,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 23-0006

Project Name: Water Reclamation Facility Master Plan

Category: Improvements General

Sub-Category: Study

Project Description: Prepare a new water reclamation facility master plan.

Project Justification: A facilities master plan establishes a framework for orderly growth and development of capital improvements on campus. This is a two year project.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-25

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Reserve Fund	12-8660000-0	2023/24	\$ 400,000
Total			\$ 400,000



**FY 2022/23 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 23-0008

Project Name: Steel Waterline Replacement - Phase 2

Category: Infrastructure – Treatment Plant

Sub-Category: Replacement

Project Description: Replace the above ground, steel waterline adjacent to the aeration basins and activated sludge tank including adjacent piping and froth sprayers.

Project Justification: The steel pipelines are old and prone to leaks, especially at the joints, and has outlived its useful life. Some of the froth sprayers are also in need of replacement. Sprayers that are still salvagable will be kept as future replacements.

Project Schedule:

Start Date	Completion Date
Apr-23	Aug-23

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8642000-0	2022/23	\$ 450,000
Total			\$ 450,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0001

Project Name: Repairs to two (2) Primary Clarifiers

Category: Infrastructure - Treatment Plant

Sub-Category: Rehabilitation/Improvement

Project Description: Perform maintenance and repairs of Primary Clarifiers 1 and 2.

Project Justification: Both clarifiers have not been regularly serviced since their installation and are need maintenance and repairs to the chains, flights, drives, and other appurtenances.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 130,000
Total			\$ 130,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0002

Project Name: Plant Instrumentation Upgrade

Category: Infrastructure – Treatment Plant

Sub-Category: Upgrade

Project Description: Purchase and installation of new analytical instruments for plant effluent monitoring.

Project Justification: Monitoring of effluent pH, temperature, and dissolved oxygen are required by VSD's NPDES permit. This equipment will also be able to be used to monitor nitrification and denitrification once the plant is upgraded to allow tertiary treatment.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8642000-0	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0003

Project Name: Nitrification reduction ASP upgrade

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Install pipes and pumps for recirculation of waste activated sludge to the front of the Activated Sludge Plant (ASP).

Project Justification: The pipes and pumps will allow the ASP to more effectively reduce nitrogen and ammonia to acceptable limits. The Regional Water Quality Control Board has stated that ammonia limits will be set by the next Permit renewal.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0004

Project Name: Bathroom Upgrade

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Install a shower in the bathroom of the Lab Building.

Project Justification: This project will add a shower and some lockers to the bathroom in the Lab Building. This will free up the women's lockers and showers in the Operations Building. This will free up lockers and space for the male Operators.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0005

Project Name: Upgrade District Security Cameras

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Upgrade District Security Cameras.

Project Justification: Several District Security Cameras are old and in need of replacement. Some are of low producing video quality. Staff will work with Southwest IT company to replace and upgrade several cameras.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0006

Project Name: Biosolids Conversion Project

Category: Improvement/General

Sub-Category: Rehabilitation/Improvement

Project Description: Convert biosolids to a fertilizer for use in agriculture.

Project Justification: Lystek is company who specializes in converting biosolids to a fertilizer to be used on agriculture. Biosolids are increasingly becoming more difficult to use as a land use component. Staff would like to work with Lystek to see if converting the biosolids to a fertilizer will be profitable.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-25

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-86430000-0	2023/24	\$ 1,000,000
Total			\$ 1,000,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0007

Project Name: Turblex Blowers Maintenance and Repairs

Category: Infrastructure - Treatment Plant

Sub-Category: Rehabilitation/Improvement

Project Description: Repair and replace parts of the three existing blowers to return them to reliable operation.

Project Justification: Failure of the blowers would be catastrophic for the treatment plant. At least two blowers are needed at any one time and all three are showing significant signs of wear and tear. Maintenance is required soon.

Project Schedule:

Start Date	Completion Date
Jul-23	Jun-24

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 100,000
Total			\$ 100,000



**FY 2023/24 Capital Expenditures
Valley Sanitary District
Capital Project Justification**

Project Number: 24-0008

Project Name: Recycled Water Use Plan

Category: Infrastructure - Treatment Plant

Sub-Category: Study

Project Description: Development of a Recycled Water Use Plan for Valley Sanitary District (VSD) that will evaluate the feasibility and efficiency of alternatives for the appropriate use of recycled water produced by VSD's treatment operation.

Project Justification: This Project intends to evaluate the feasibility and efficiency of alternatives for the appropriate use of recycled water produced by Valley Sanitary District's treatment operation to reduce reliance on imported water supplies from the Colorado River and help to alleviate the overdraft condition of the Coachella Valley Groundwater Basin (CVGB) and improve its water quality.

Project Schedule:

Start Date	Completion Date
Jun-22	Nov-25

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2023/24	\$ 167,000
Water Recycling Funding Program			
Planning Grant	12-8660000-0	2023/24	\$ 500,000
Total			\$ 667,000



Recycled Water Project - Phase I Piping Installation



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