

Operations & Maintenance Budget
And
Capital Improvement Program
Fiscal Year 2020/21

BOARD OF DIRECTORS

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FACILITY OPERATIONS MANAGER
Ian Wilson

VALLEY SANITARY DISTRICT
ANNUAL COMPREHENSIVE BUDGET
FISCAL YEAR 2020/21

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July 9, 2020

Honorable Board of Directors, Citizens of Indio, and VSD Customers:

On behalf of the Executive Management Team, I am pleased to present to you the Comprehensive Budget for Fiscal Year 2020/21. The District proudly operates in accordance with all applicable laws and regulations. This Budget, which is effective July 1, 2020, through June 30, 2021, provides a financial framework for all District activities. It is balanced and consistent with policy direction from the Board of Director's and the 5-Year Strategic Plan.

The budget is a guide for 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 that it serves.

The budget process for FY 2020/21 coincides with the completion of my first year as the General Manager. There have been several noteworthy accomplishments during my time at VSD.

- Facilitated and implemented a 5-Year Strategic Plan.
- Rebranded with a new logo and moniker.
- In compliance with the California Voters Rights Act, converted from at-large to by-ward District elections starting with the November 2020 General Election.
- Implemented a new VSD website and Facebook page to enhance community engagement and outreach.
- Recognized by the Special District Leadership Foundation for commitment to transparent government.
- Initiated and implemented Lucity, a facilities maintenance software, to track and report maintenance activities.
- Completed staffing analysis and total compensation comparison to establish staffing levels to complete necessary preventive day-to-day operational tasks and identify key barriers to recruitment and retention of key positions.
- Implemented New Employee Orientation and Mentoring programs to improve the employee onboarding experience.
- Celebrated 95 years of public health and environmental stewardship in Coachella Valley.

BUDGET OVERVIEW

This budget is based on maintaining operating service levels while containing costs to increases of no more than 6% over the previous year. The services and projects supported by the budget meet the goals and objectives outlined by the Board of Directors in the Strategic Plan. For FY

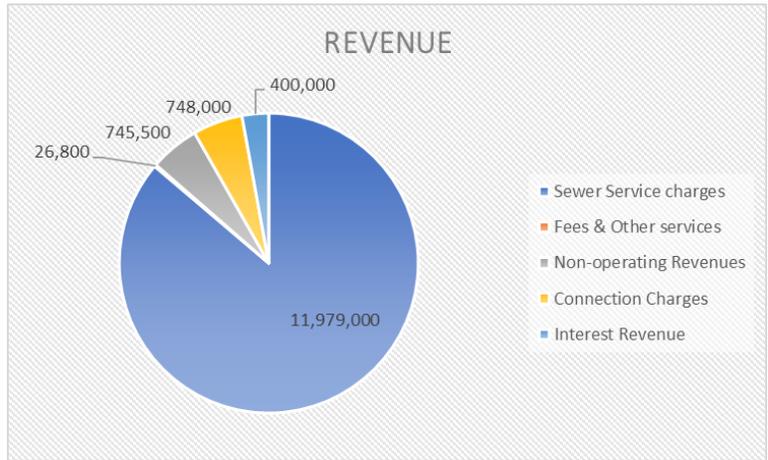
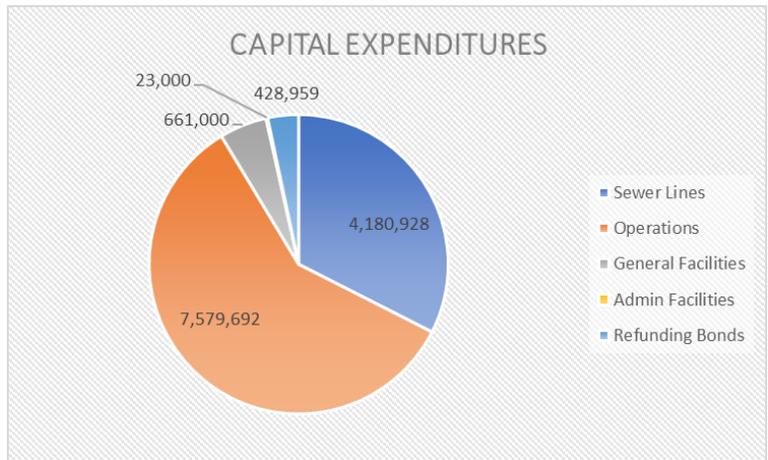
2020/21, the anticipated total revenue is \$13.90 million (needs to include all revenue) and \$8.79 million in expenditures (needs to include CIP expenditures).

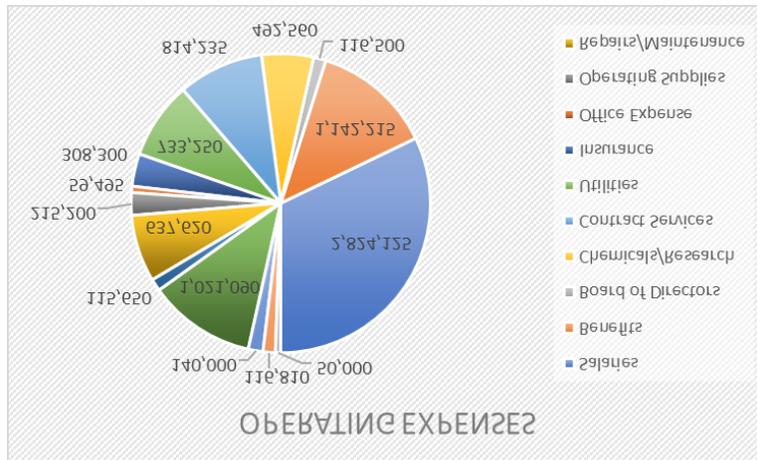
Expenditures

Of the total budget, 45.1% (\$3.97 million) is for wages and benefits. This reflects a freeze on budgeted full-time equivalent (FTE) positions. Increases in this area are primarily due to merit step increases, a nominal 1% cost of living adjustment (COLA), and changes in retirement contribution costs imposed by CalPERS for all members.

Professional & contract services account for 9.27% (\$.81 million), which demonstrates VSD’s dependency on contractors and consultants for technical and specialized services as well as its lean staffing.

Capital Improvement Program expenditures (\$12.87 million) represent 59% of the Comprehensive Budget as VSD moves forward with Recycled Water Phase I, Sewer Main Replacement and Rehabilitation, Influent Pump Station Rehabilitation, and Emergency Sewer Siphon Replacement projects as well as replacing aging equipment.





The budget also reflects a transfer of funds from the Operating Fund to the Capital Replacement Reserve Fund a total of 40% toward projects identified in the 10-Year Capital Improvement Plan. The budget also demonstrates the District’s ability to meet debt service requirements by funding principal and interest payments of \$553,361 to the SRF Loan and \$467,729 to the Wastewater Refunding Bonds.

Revenue

The District receives revenue from limited sources, the Sewer Service Charge (SSC) being the primary source of both operating and capital improvement revenue. The District has enough funds from SSC revenue to support operation and maintenance (O&M) activities. The Capital Improvement Plan identifies approximately \$229.522 million in capital improvement needs over the next 10 years. The SSC rates adopted in 2017 were insufficient to pay for these improvements and maintain operating service levels. In response, VSD conducted a rate study that indicated significant increases would be needed over the next five years.

As required by Proposition 218, the public had opportunities to comment on the proposed rate increase during a public hearing held on May 12, 2020. The District mailed out notices to its customers that it would be considering an increase of the rates from \$313 to \$330 annually, which is about a 5% increase.

On May 12, 2020, the Board approved increasing the sewer rates, effective July 1, 2020, to maintain operating service levels, fund retirement and OPEB obligations, fund critical, high risk projects identified in the Collection System and Plant Master Plans, and meet debt service requirements.

CHALLENGES

The District is not immune to increasing costs in key areas such as: mandatory retirement benefit contributions; health care premiums; utility rates; aging infrastructure and replacement needs; funding for post-employment benefits; and regulatory changes. VSD is addressing these challenges through cost sharing measures with employees, implementation of efficiency methods and partnerships with other agencies.

The District’s biggest challenge is addressing its aging infrastructure and preparing for regulatory changes such as denitrification, biosolids disposal, and water quality standards. The 5-

Year Capital Improvement Plan indicates a need for over \$175 million in improvements and replacement of assets. The District's rate analysis reflects that the District need approximately \$113 million in additional revenue to meet this need. The District continues to look for other revenue sources, such as grants, low-interest loans, and partnerships with private companies to offset the cost of capital improvements.

In addition to the fiscal challenge of operating and maintaining the District and its assets, VSD is generally affected by the economic impacts of the Coronavirus pandemic, which have been felt especially hard in the Coachella Valley. According to the Coachella Valley Economic Partnership, the Valley's unemployment rate was nearly 32%. Conservative estimates are that the economic loss could be close over \$400 million for 2020. Depending upon when and how the State of California allows for large-scale activities and tourism, the basis for the Valley's economic health, the impacts of social distancing and the new normal post-COVID-19 could have long-lasting affects that are yet to be calculated.

ACKNOWLEDGEMENTS

I would like to recognize and thank the support, cooperation, and assistance of the Board of Directors in developing a fiscally responsible budget. I would also like to acknowledge District staff whose hard work enable the smooth and timely completion of the budget process.

Respectfully submitted,

Beverli A. Marshall

Beverli A. Marshall
General Manager

Joanne Padgham

Joanne Padgham
Administration & Finance Manager

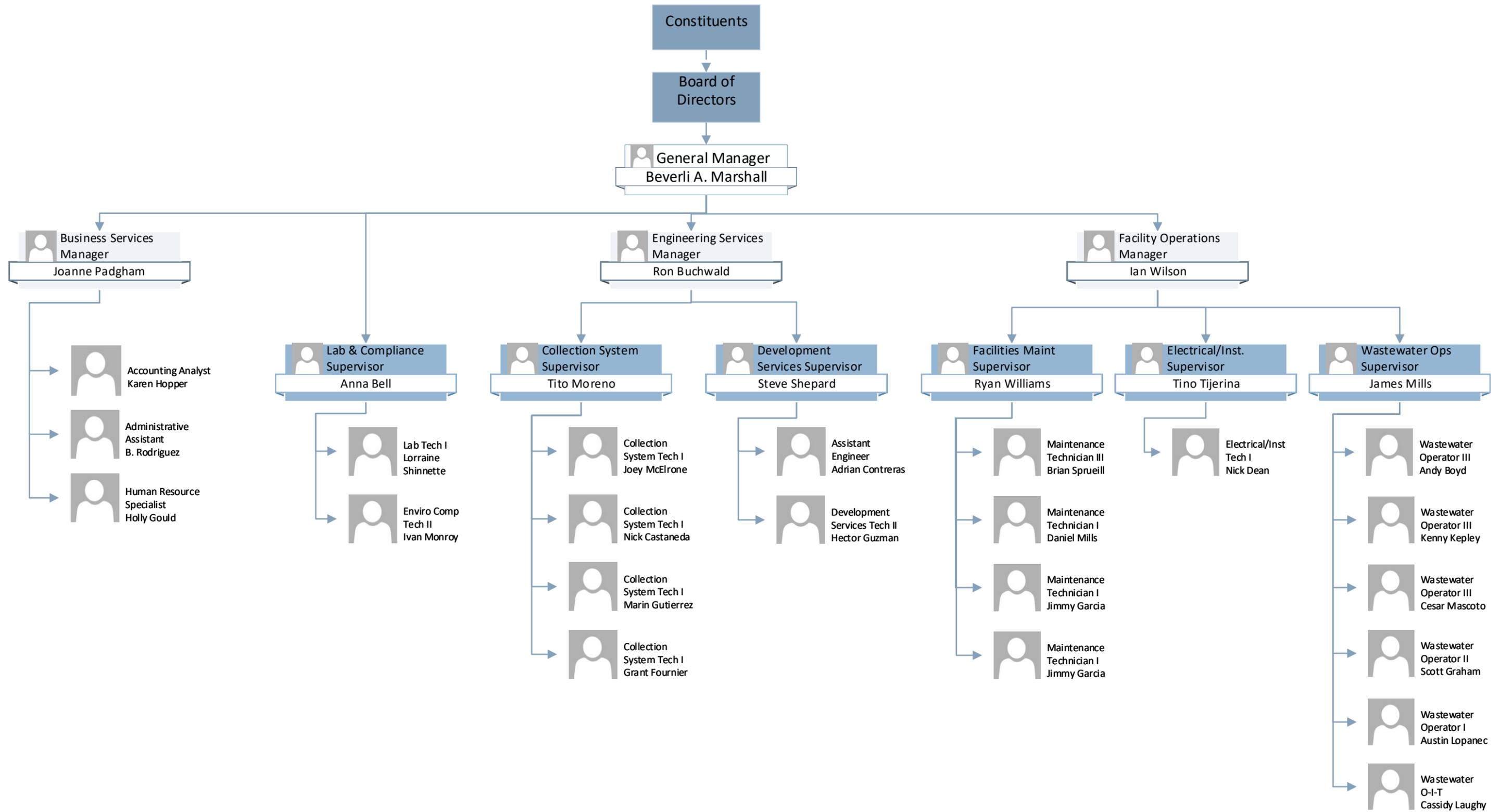
CPI-All Urban Consumers (Current Series)
Original Data Value

Series Id: CUURS49CSA0
Not Seasonally Adjusted
Series Title: All items in Riverside-San Bernardino-Ontario, CA,
Area: Riverside-San Bernardino-Ontario, CA
Item: All items
Base Period: DECEMBER 2017=100
Years: 2017 to 2019

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2017												100.000			
2018	100.916		101.897		102.929		103.139		103.241		103.616		102.732	102.023	103.441
2019	103.991		104.749		105.959		105.816		106.412		106.573		105.697	104.998	106.397

12 month percent change from January 2019 through December 2019 = **2.965**

12 month percent change from January 2018 through December 2018 = **2.732**



STAFFING RANGE ASSIGNMENTS

<u>CLASSIFICATIONS</u>	<u>AUTHORIZED POSITIONS</u>
GENERAL MANAGER	1
<u>BUSINESS SERVICES:</u>	
<i>BUSINESS SERVICES MANAGER</i>	1
ACCOUNTING ANALYST	1
ADMINISTRATIVE ASSISTANT	1
HUMAN RESOURCE SPECIALIST	<u>1</u>
SUBTOTAL	4
<u>ENGINEERING SERVICES:</u>	
<i>ENGINEERING SERVICES MANAGER</i>	1
DEVELOPMENT SERVICES SUPERVISOR	1
ASSISTANT ENGINEER	1
DEVELOPMENT SERVICES TECH II	<u>1</u>
	4
COLLECTION SYSTEMS SUPERVISOR	1
COLLECTION SYSTEMS TECH I	<u>4</u>
	5
SUBTOTAL	9
<u>OPERATIONS:</u>	
<i>FACILITY OPERATIONS MANAGER</i>	1
WASTEWATER OPERATIONS SUPERVISOR	1
WASTEWATER OPERATOR III	2
WASTEWATER OPERATOR II	2
WASTEWATER OPERATOR I	1
WASTEWATER OPERATOR IN TRAINING	<u>1</u>
	8
LAB & COMPLIANCE SUPERVISOR	1
LABORATORY TECHNICIAN I	1
ENVIRONMENTAL COMPLIANCE TECHNICIAN II	<u>1</u>
	3
ELECTRICAL/INSTRUMENTATION SUPERVISOR	1
ELECTRICAL/INSTRUMENTATION TECH I	<u>1</u>
	2
FACILITIES MAINTENANCE SUPERVISOR	1
MAINTENANCE TECH III	1
MAINTENANCE TECH I	<u>3</u>
	5
SUBTOTAL	18
TOTAL POSITIONS	32



Government Finance Officers Association

Certificate of
Achievement
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Reporting

Presented to

**Valley Sanitary District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



ABOUT THE DISTRICT

District Basics

The 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 June 1, 1925 and is governed by a five-member Board of Directors, elected at large from within the District's service area. Starting with the November 2020 general election, District directors will be elected by wards in compliance with the California Voting Rights Act. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs 32 regular employees, organized in three departments. The District's Board of Directors meet on the second and fourth Tuesdays of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

District Services

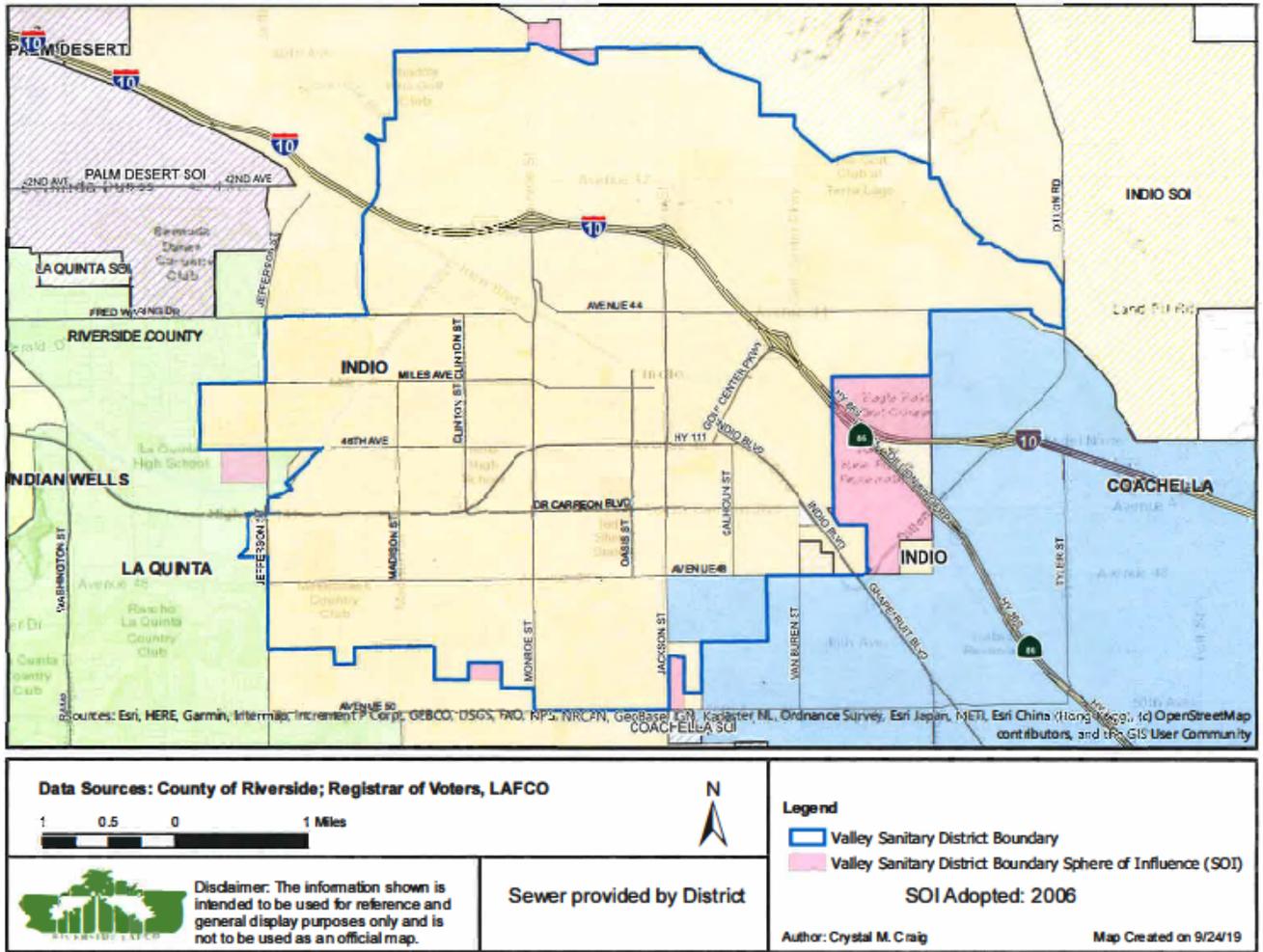
Residential customers represent approximately 97% of the District's customer base and produce approximately 81% of the sewage flow. Currently, the District can treat approximately 12.5 million gallons of sewage a day.

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

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

The District provides sanitary sewer services to approximately 27,849 connections within its 19.5 square mile service area, located in the eastern desert area of Riverside County. The District encompasses portions of the City of Indio, the City of Coachella, and adjacent unincorporated areas of Riverside County, California.

Valley Sanitary District and Sphere of Influence

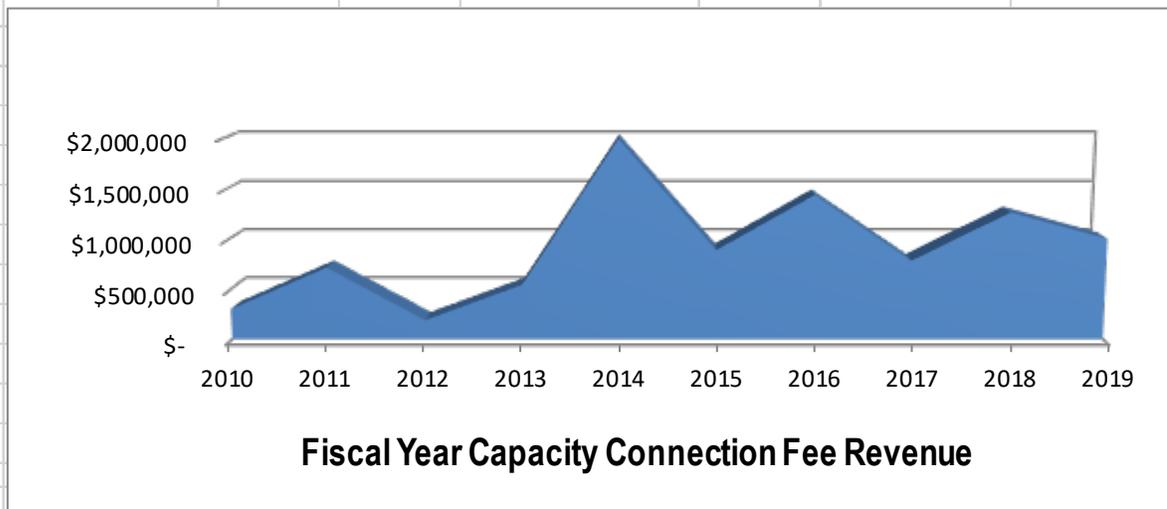
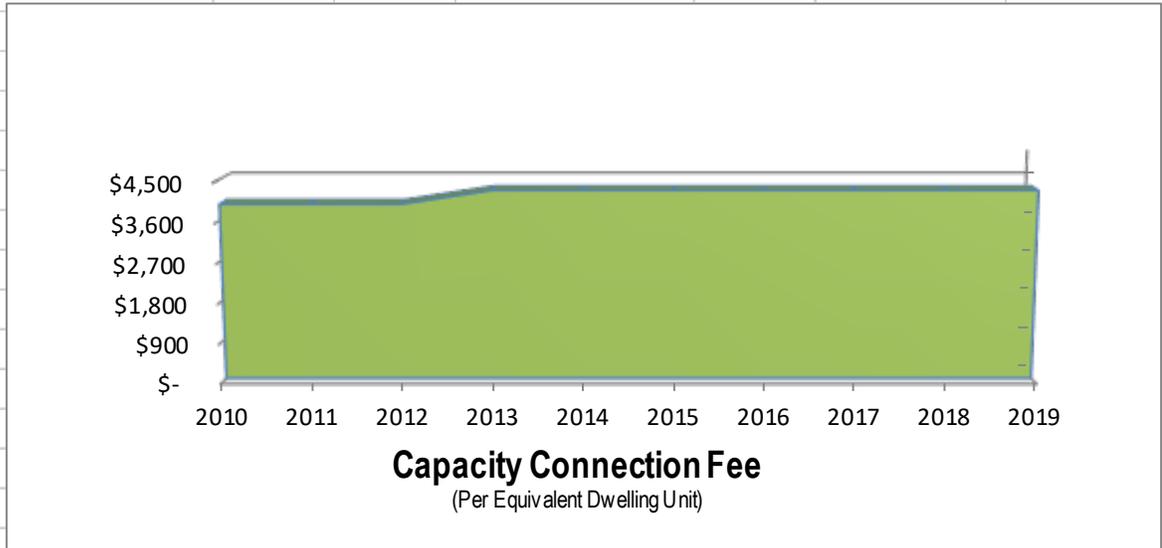


Residential and commercial development within the District’s service area has experienced an increase in activity during the last three (3) years. Indio has seen significant gains with positive indicators in each of the five (5) sectors (tourism, health care, agriculture, retail sales, and housing) primarily responsible for Indio’s economic health. An indication of the local economy is best demonstrated in the District’s connection fee income. There were over 236 new connections in fiscal year 2018/2019 and over 298 in fiscal year 2017/2018.

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

Fiscal Year Ended June 30	Fee / EDU		Revenue	
2019	\$	4,265	\$	1,010,031
2018		4,265		1,272,500
2017		4,265		791,280
2016		4,265		1,446,315
2015		4,265		897,863
2014		4,265		1,998,788
2013		4,265		548,527
2012		3,957		192,763
2011		3,957		723,985
2010		3,957		304,428

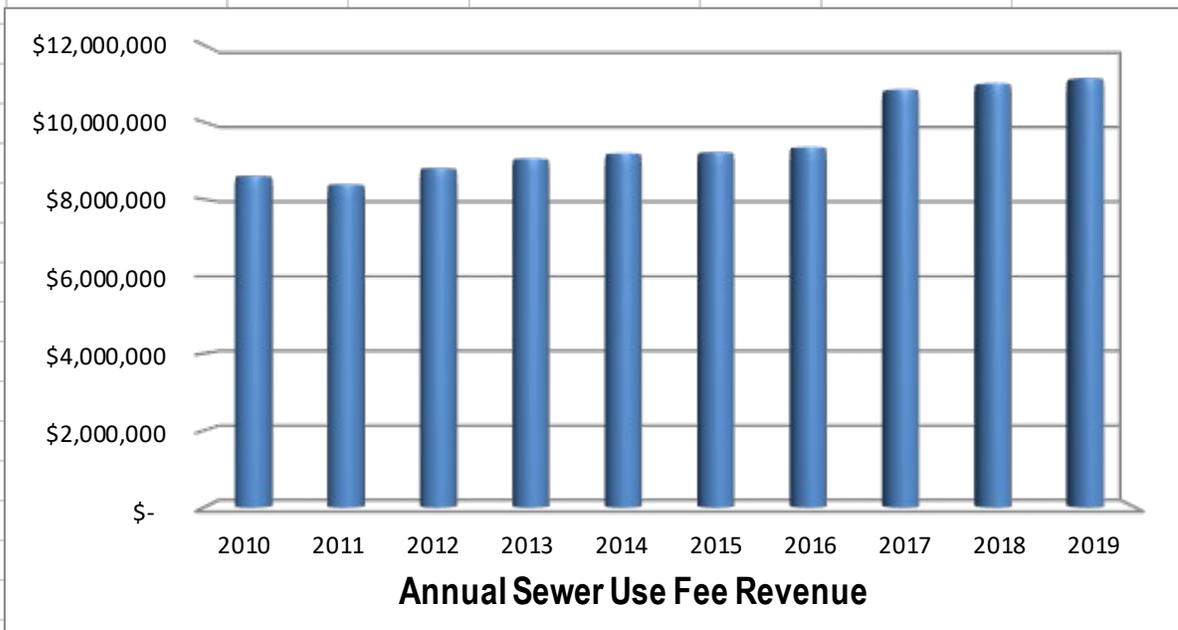
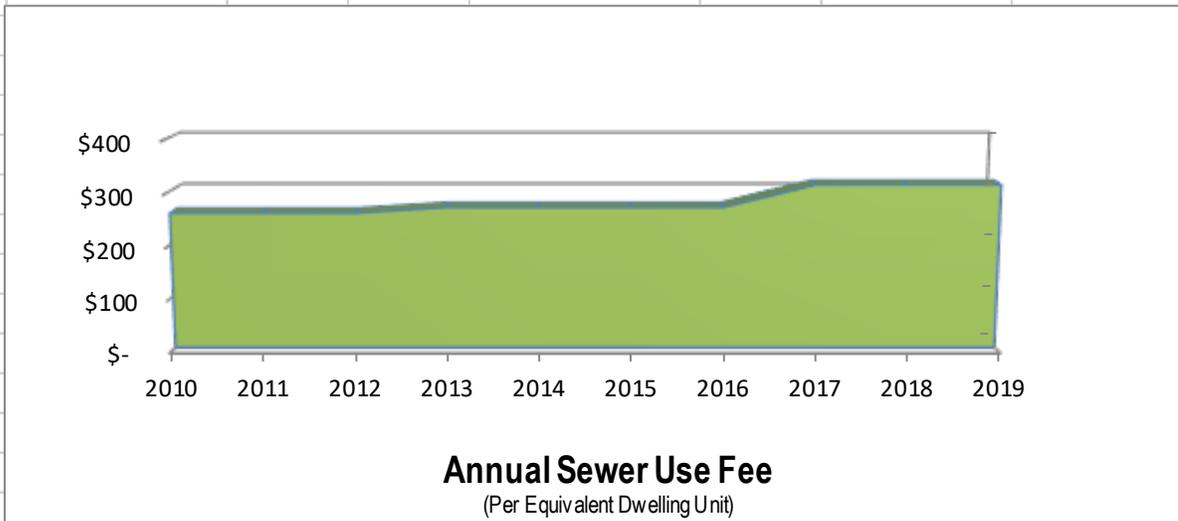
Source: Valley Sanitary District



Valley Sanitary District
Annual Sewer Use Fee and Fiscal Year Revenue
Last Ten Fiscal Years

Fiscal Year Ended June 30	Annual fee / EDU	Revenue
2019	\$ 313	\$ 11,139,580
2018	313	11,004,428
2017	313	10,846,682
2016	270	9,347,928
2015	270	9,218,538
2014	270	9,187,360
2013	270	9,053,022
2012	259	8,808,414
2011	259	8,385,726
2010	259	8,605,117

Source: Valley Sanitary District



Valley Sanitary District
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population (1)	Median Age (2)	Average Household Size (1)	Median Household Income (1)	Per Capita Personal Income (1)	Unemployment Rate (3)
2019	89,863	43.50	3.19	\$ 56,961	\$ 24,398	5.40%
2018	89,127	40.50	3.19	56,571	24,994	5.80%
2017	88,485	33.90	3.30	54,179	23,103	5.10%
2016	86,544	34.00	3.25	53,183	22,336	7.20%
2015	84,201	33.10	3.25	50,068	20,607	6.50%
2014	82,398	31.40	3.25	50,528	21,702	10.70%
2013	81,393	32.60	3.60	47,642	20,645	11.10%
2012	77,165	34.30	3.23	41,082	19,748	14.00%
2011	83,675	29.30	3.12	53,824	22,350	15.90%
2010	82,230	28.8	3.18	47,708	19,855	14.50%
Sources:	(1) California Home Town Locator					
	(2) City of Indio 2018 CAFR					
	(3) U.S. Census Bureau					

Valley Sanitary District
Principal Users
Current Year and Nine Years Ago

Principal Users	Year Ended June 30			Year Ended June 30		
	2019			2010		
	Amount Billed	Rank	Percent of District Total \$	Amount Billed	Rank	Percent of District Total \$
Desert Sands Unified School District	\$ 251,026	1	2.25%	\$ 231,287	1	2.69%
Forager Project Inc	99,221	2	0.89%	-		0.00%
The Wells Mobile Home Association	93,900	3	0.84%	77,700	3	0.90%
Smoketree Polo Club Apartments	90,144	4	0.81%	74,592	4	0.87%
Fantasy Springs Casino	88,892	5	0.80%	73,556	5	0.85%
Sunrise Point Apartments	85,136	6	0.76%	70,448	6	0.82%
Casa Monroe Apartments	70,738	7	0.64%	87,801	2	1.02%
Indio Palms Apartments	69,486	8	0.62%	60,347	8	0.70%
Clark Construction	67,295	9	0.60%	-		0.00%
Del Mar Apartments	58,844	10	0.53%	48,692	9	0.57%
Bermuda Palms Mobile Estates				-		0.00%
Arabian Gardens Mobile Estates				48,174	10	0.56%
Fred Young Housing				67,599	7	0.79%
Total	\$ 974,682			\$ 840,196		
District total customer charges			\$ 11,139,580			\$ 8,605,117

Budgetary Control

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

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinances and resolutions, prudent money management and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund (LAIF) and CalTrust.

Sewer Rates and District Revenues

District policy direction ensures that all revenues from sewer use charges generated from District customers must support all District operations including capital project funding. Accordingly, all sewer use charges are reviewed on an annual basis. The sewer use charges imposed upon the customers for service are the primary component of the District's revenue. Sewer use charges are calculated on an equivalent dwelling unit (EDU) basis.

Risk Management

The District annually renews its commercial insurance package which includes a primary package, umbrella, earthquake, and excess earthquake coverage.

The District is a member of the California Sanitation Risk Management Authority (CSRMA). CSRMA administers the District's workers' compensation and employer liability program of insurance.

Awards/Recognition

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

- ❖ CWEA Colorado River Basin Section Laboratory Person of the Year-Anna Bell
- ❖ CWEA Colorado River Basin Section Plant of the Year (medium)
- ❖ CWEA State Award Gimmicks & Gadgets – Pork Fork
- ❖ Government Finance Officers Association (GFOA)–Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Valley Sanitary District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the eighth consecutive year that the District received this prestigious award. In order to award a Certificate of achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

STRATEGIC PLAN 2020

PROCESS

In 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 through Board workshops. Rauch Communication Consultants then gathered input from the District employees in a meeting to allow direct and "ground level" input to the board during the final workshop.

The Board supported this process to allow all to participate in the foundation of the Strategic Plan. Three Board workshops were conducted. At these workshops the Board reviewed all input, revisited and refined the existing Mission Statement of the District, developed Core Values and created a new Vision Statement for the District. The Board also identified the six strategic goals and objectives around and within which to organize implementation action that will support the Mission and assure success of the Vision.

A steering committee, consisting of Senior Management and staff, work with Rauch Communication Consultants to develop the Strategic Goals that support each Strategic Element. Using this process, along with both external and internal input, the Strategic Plan was assembled in a way that best articulates the Board's Vision and Strategy for the District over the next several years.

MISSION STATEMENT

The District's Mission Statement is a declaration of the District's purpose that describes why the District exists. All activities of the District should be in support of the Mission Statement, which is reviewed annually, but is intended to be constant over the long term.

"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."

CORE VALUES

The District's Core Values serve as a guidepost to the things that the District values when faced with options and alternatives. These are used every time decisions are made as a District. In 2020, the Board created the following Core Values:

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

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

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

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

VISION STATEMENT

The Vision Statement articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan and is reviewed annually. It will typically change more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the next several year In 2025, Valley Sanitary District supports the Coachella Valley as an environmental steward, a model employer, and a leader in the wastewater industry known for its excellence.

As a result of the changes outlined in this five-year Strategic Plan, VSD will support the Coachella Valley as an environmental steward, a model employer, and a leader in the wastewater industry that is known for its excellence. We will:

- Prioritize the needs of our customers and do it cost-effectively and transparently.
- Regard staff as our most important asset. We provide a healthy work environment, cutting-edge equipment, and exceptional training opportunities.
- Protect our shared environment and safely reuse or recycle wastewater, energy, biosolids, and other useful byproducts.
- Be a trusted participant in the community through our collaboration, open communication, and educational programs.

FINANCIAL POLICIES & PROCEDURES

FINANCIAL MANAGEMENT

The Valley Sanitary District budget conforms to Generally Accepted Accounting Principles as applicable to local governments. While it is an enterprise agency, the accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which 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 the 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 two 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 the 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 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 the means by which activities are controlled. The overview of each fund provides a detailed explanation of the purpose of the fund and its planned budget for each fiscal year.

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

1. Structurally Balanced Budget: The District maintains a structurally balanced budget with recurring revenues supporting recurring expenditures. Recurring expenditures primarily consist of personnel and operating costs required to operate the District and do not include one-time cost items such as new capital assets or replacement assets. Recurring revenues include charges and fees and do not include the use of fund balance. For purposes of this section, District wide surplus for any fiscal year is defined as the increase in unreserved operating fund balance as reflected in the District's audited financial statements. 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. 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 the 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-year period. Any actions taken to borrow funds under these conditions must be separately presented to and approved by the Board of Directors and the term of such borrowing shall not extend beyond the last day of the subsequent fiscal year.

 - b) Prompt Reimbursement Submission: Recognizing that some programs are funded by grants or other entities on a reimbursement basis, the District applies for reimbursements on a timely basis to minimize the period that District funds are used as float. In the event requests for reimbursements extend beyond the end of a fiscal year, 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 equal to 40% of annual operating expenses. This reserve may be used for funding emergency and unanticipated necessary expenditures during a given fiscal year. Fund balances in excess of the 40% threshold may be used for capital improvements, or one-time expenditures.

 - d) Capital Improvement Plan: The Board annually 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 clearly delineated. The CIP is detailed for the current fiscal year and for 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 Board of Directors and provides any information regarding any 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 full and 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 web site.

- f) Basic Financial Practices: The District strives to maintain formal policies and/or procedures that reflect "best practices" in:
1. Budget development and adjustments: Establish proper budgetary preparation procedures and guidelines, calendar of events, planning models by fund, budget adjustment procedures, 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 as adopted by the Board of Directors, on or before June 30th of each year, is made available within 30 days of such adoption in both hard copy at the District office and on the District's web site.
 2. Cash management and investments: Comply with all related government codes.
 3. Debt management: Address affordability, capacity, debt issuance and management.
 4. Equipment and Vehicle Replacement: Established guidelines for determining the useful life and replacement of capitalized equipment and vehicles and provides a basis for establishing a budget and funding methodology.
 5. Procurement: Establish District-wide policies and procedures and provide appropriate checks and balances to ensure that departments adhere to the District's purchasing policies.

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 to change in interest rates. The District also participates in the CalTrust Medium Term Fund.

FEES FOR SERVICES

Fees and rate are reviewed and updated annually to ensure that they are correct and appropriate. The use of fees and rates are subject to the following general concepts:

1. Revenue will not exceed the reasonable cost of providing the service.
2. Cost recovery goals will be based on the total cost of delivering services, including direct costs, departmental administration costs and agency wide costs such as accounting, human resources, information and telecommunication technology, vehicle costs and insurance.
3. The method of assessing and collecting fees will be as simple as possible in order to reduce the associated administrative costs.
4. Rate structures will be sensitive to the "market" for similar services as well as to frequency of use for the service and the influence rates and fees have on economic development.

PROPOSITION 4 (GANN LIMIT) ANALYSIS

Each fiscal year, the Board of Directors adopts a resolution to approve an annual appropriation limit as required by Article XIII B of the California Constitution, commonly referred to as the Gann Limit. This limitation does not apply to items such as appropriations from fees (unless such fees are in excess of the cost of providing the service) and from grants provided by other agencies. The District's initial appropriation limit was established, and that amount is increased each year by the change in per capita income multiplied by the population for the County as a whole.

The change in per capita personal for fiscal year 2020-21 is 3.73. (Source: California Department of Finance). The change in population in the City of Indio between January 1, 2019 to January 1, 2020 was 664 or .74%. (Source: California Department of Finance).

The estimated tax proceeds for Fiscal Year 2020/21 to be appropriated by the District are under the Limit. The adjusted Appropriation Limit for FY 2020/21 is \$10,382,667. This is the maximum amount of tax proceeds the District can appropriate and spend in FY 2020/21. The appropriations subject to the Limit are \$745,000, which is the total anticipated tax revenue for FY 2020/21. This leaves the District

with an appropriation capacity under the Limit of \$9,637,667.

FISCAL YEAR 2020/21 APPROPRIATIONS LIMIT				
FISCAL YEAR	PRICE FACTOR PCPI*	POPULATION CHANGE**	CALCULATION FACTOR	APPROPRIATIONS LIMIT
2002	7.82	3.39	1.11475	\$3,270,388
2003	-1.27	3.88	1.02561	\$3,354,133
2004	2.3	4.27	1.06679	\$3,578,156
2005	3.8	7.7	1.11233	\$3,980,090
2006	5.6	9.88	1.15660	\$4,603,372
2007	3.96	7.69	1.11950	\$5,153,475
2008	4.42	6.94	1.11660	\$5,754,370
2009	4.29	5.57	1.10100	\$6,335,561
2010	0.62	1.57	1.20220	\$6,474,926
2011	-2.54	1.64	0.99058	\$6,413,954
2012	2.51	2.72	1.05298	\$6,753,785
2013	3.77	1.62	1.05451	\$7,121,941
2014	5.12	3.95	1.09272	\$7,782,302
2015	-0.23	1.21	1.00972	\$7,857,962
2016	3.82	2.22	1.06125	\$8,339,246
2017	5.37	1.59	1.07050	\$8,927,163
2018	3.69	1.53	1.05280	\$9,398,517
2019	3.67	1.44	1.00516	\$9,883,480
2020	3.85	1.37	1.00527	\$9,935,566
2021	3.73	0.74	1.04500	\$10,382,667
* Price (Per Capita Personal Income) data supplied by State Department of Finance.				
** Population change on City of Indio				

RESOLUTION NO. 2015-1063

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT
ADOPTING THE DISTRICT'S INVESTMENT POLICY AND RESCINDING RESOLUTION
NO. 96-850.**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) Section 53600.5, 53600.6 and 53630.1); and

WHEREAS, the Board of Directors of Valley Sanitary District may invest surplus monies not required for the immediate necessities of the District in accordance with the provisions of CGC Sections 5921 and 53601 et seq.; and

WHEREAS, it shall be the policy of Valley Sanitary District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

NOW, THEREFORE, the Board of Directors of Valley Sanitary District **HEREBY RESOLVES** that:

The Investment Policy for the Valley Sanitary District, attached, is approved.

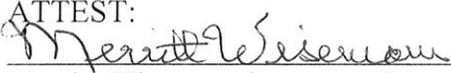
RESOLUTION NO. 96-850 is hereby rescinded.

PASSED, APPROVED, and ADOPTED this 14 day of APRIL, 2015, by the following roll call vote:

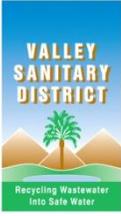
AYES: York, Friestad, Wiseman, Teague
NAYES:
ABSENT: Duran
ABSTAIN:



Douglas A. York, President

ATTEST:


Merritt Wiseman, Secretary-Treasurer



Valley Sanitary District

DISTRICT POLICIES & PROCEDURES

POLICY TITLE: Investment Policy
POLICY NUMBER: 5.50
EFFECTIVE DATE: April 14, 2015
MINUTE ORDER NO: Resolution No. 2015-1063

INVESTMENT POLICY

PURPOSE

The purpose of this policy is to provide guidelines for the prudent investment of the Valley Sanitary District's (the "District") surplus monies not required for the immediate necessities of the District in accordance with the provisions of California Government Code Sections 5921 and 53601 et seq. Effective January 1, 1996, the California Legislature modified state law pertaining to deposit and investment of public funds and this Investment Policy conforms to the model provided by the state for local public agencies (California Government Code (CGC) Sections 53600 et seq.).

It is the duty of the General Manager of the District to annually prepare and submit a statement of investment policy and such policy changes deemed necessary to said policy to the Board of Directors for their review and approval at a public meeting.

SCOPE

The investment policy applies to all financial assets of the District. These funds are accounted for in the Annual Audit Report and include: General Fund #11; Capital Project Funds #12 and #13.

Funds not included in this policy include: retirement funds, deferred compensation funds, operating cash kept in local checking accounts, monies held by the Riverside County Treasurer during tax collection and user fee collection periods.

Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of the District as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

PROCEDURE

There is a broad spectrum of investment opportunities allowed by State law; however, it is the policy of the Board of Directors to limit the range of investments for ease of administration and control by the Board of investment options. For purposes of this policy, the following rules shall govern as the District's investment policy:

1. **PRUDENCE:** Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercised in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided the deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

2. **OBJECTIVES:** As specified in CGC Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

a. Safety: Safety of principal is the foremost objective of the investment program.

Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income from the remainder of the portfolio.

b. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

c. Return on investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

3. **DELEGATION OF AUTHORITY:** Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Limited management responsibility for the investment program is hereby delegated to the Treasurer of the District. The investment program shall be consistent with this investment policy. For purposes of management of the District's investment program, the following shall apply:

a. Safekeeping and custody: All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC Section 53601.

b. Wire transfers, withdrawal of funds et cetera: The officers of the Board and management of the District shall abide by this Investment Policy, which limits the authority for making

wire transfers and withdrawing funds from the District's accounts to the Treasurer, President, or Vice President of the Board of Directors.

- c. Investment Decisions: All investment decisions outside of deposits in the Local Agency Investment Fund (LAIF) shall be made by the Board of Directors. The investment options presented to the Board by the General Manager and Treasurer shall be limited as follows, as permitted by CGC Section 53601 et seq.:
- 1) Local Agency Investment Fund (LAIF) managed by the Treasurer of the State of California.
 - 2) Bonds issued by the District: 5 year maximum maturity.
 - 3) United States Treasury Bills, Notes & Bonds: 5 year maximum maturity.
 - 4) Federally Insured Certificates of Deposit: 5 year maximum maturity.
 - 5) Collateralized bank deposits: 5 year maximum maturity.
 - 6) Fixed income instruments with an average maturity of one year or less including: Mortgage-backed securities; asset-backed securities; banker's acceptances; commercial paper; certificates of deposits; repurchase agreements backed by 102% U.S. agency securities and U.S. Treasury obligations; medium-term notes; and rated money-market funds. All securities must be rated A- or better at the time of purchase.
 - 7) United States Government Agency Notes & Bonds: 5 year maximum maturity.
 - 8) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o) as provided, provided that:
 - a. The pool's investment advisor meets the requirements of 53601(p);
 - b. The pool is rated "AA" or better by a Nationally Recognized Statistical Rating Organization (NRSRO);
 - c. The pool maintain a minimum volatility rating of "S or better";
 - d. If the District has funds invested in a pool, a copy of the pool's information statement shall be maintained on file for due diligence. In addition, the Treasurer should review the pool's summary holdings on a quarterly basis.

In no event shall the District invest any funds in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity (CGC Section 53601.6 and 53631.5).

- d. Diversification: The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. The District's diversification strategy shall be:

- 1) LAIF is a diversified investment pool; and therefore, meets the requirements for diversification. LAIF also offers liquidity of funds for operations; therefore, LAIF deposits can be counted in an assessment of cash reserves.
- 2) Cash flow projections for current operations and obligations for the current fiscal year, and any contractual obligations beyond, shall be made before investing in time limited investments.

- e. Ethics and conflicts of interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
- f. Authorized financial institutions and dealers: The Administration and Finance Manager will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that firm understands the policy and intends to present investment recommendations and transaction to the District that are appropriate under the terms and conditions of the Investment Policy.

4. **REPORTING**: In accordance with CGC Section 53646(b)(1), the Treasurer shall submit to each member of the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the District by third party contractors. The report will also include the source of the portfolio valuation. As specified in CGC Section 53646 (e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the District will meet its expenditure obligations for the next six months as required by CGC Section 53646(b)(2) and (3) respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

RESOLUTION NO. 2013-1040

**A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT
STATING THE DISTRICT'S POLICY REGARDING DISTRICT RESERVE POLICY.**

WHEREAS, the Valley Sanitary District is a governmental agency that is responsible for providing sanitary services and maintaining a sewer collection system; and

WHEREAS, the purpose of the Valley Sanitary District's (VSD) Financial Reserves Policy is to ensure that the District continues to have sufficient funding available to meet its operating, non-operating, capital and debt service obligations; and

WHEREAS, adequate reserves and sound financial policies maintain VSD's bond ratings in the capital markets, provide financing flexibility and sustain debt covenant compliance; and

WHEREAS, the Financial Reserve Policy recommends establishing various reserve categories, defines the purpose and use of these funds and identifies target levels and priority funding of the reserves.

NOW, THEREFORE, the Board of Directors of Valley Sanitary District **HEREBY RESOLVES** as follows:

Section 1: The Financial Reserve Policy is attached hereto as Exhibit "A"

Section 2: On an annual basis, the Board of Directors shall review the funding options and target levels of the Financial Reserve Policy.

Section 3. This Financial Reserve Policy shall be effective July 1, 2013.

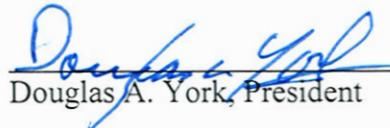
PASSED, APPROVED, and ADOPTED this 9th day of April, 2013, by the following roll call vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:



Douglas A. York, President

ATTEST:


Merritt Wiseman, Secretary-Treasurer

EXHIBIT A:
VALLEY SANITARY DISTRICT FINANCIAL RESERVE POLICY

PURPOSE

Prudent financial planning and fiscal responsibility includes anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. The Valley Sanitary 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 is to ensure that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

TYPES OF RESERVE FUNDS

The District maintains two types of funds:

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

SPECIFIC RESERVE FUNDS

The District maintains the following reserve funds:

1. ***Capital Replacement Reserve Fund*** - The Capital Replacement Reserve Fund (Fund 12) is a designated reserve to be used to fund the capital improvement program and for unforeseen capital projects that are necessary to meet regulatory requirements, system reliability, repair and replacement of District Assets. It is the goal of the District to ***fund*** on an annual basis the Capital Replacement Reserve at forty (40) percent of the annual Operations & Maintenance budget (Fund 11).
2. ***Capital Improvement Reserve Fund*** - The Capital Improvement Reserve Fund (Fund 13) is a designated reserve to be used to fund the capital improvements that are required due to growth and new users in the system. It is primarily funded by developer impact fees, special developer agreements and capacity connection charges.
3. ***Debt Service Reserve Fund*** - The Debt Service Reserve Fund is a restricted reserve that is governed by legal bond covenants and is to be used if the District is unable to 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 situation, or other unforeseen expense. It is the goal of the District to

maintain the Emergency Reserve at five (5) percent of the annual Operations & Maintenance budget (Fund 11).

5. ***Operating Reserve Fund*** - The Operating Reserve Fund is a designated reserve to be 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. It is the goal of the District to *maintain* the Operating Reserve in excess of fifty (50) percent, or six months, of the annual Operations & Maintenance budget.
6. ***Vehicle & Equipment Replacement Reserve Fund*** – The Vehicle & Equipment Replacement Reserve Fund is a designated reserve that is designated to adequately fund replacement of major vehicles and equipment by the District. This fund shall be *funded* on an annual basis and the by amount established annually in the District Operations & Maintenance budget.

MANAGEMENT OF RESERVE FUNDS

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

In accordance with 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.

RESOLUTION NO. 2020-1133
A RESOLUTION OF THE BOARD OF DIRECTORS
OF VALLEY SANITARY DISTRICT ESTABLISHING THE ANNUAL
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-21

WHEREAS, Article XIIB of the California Constitution and Government Code Section 7903 requires that a local government in California may not appropriate any proceeds of taxes that the agency receives in excess of the "appropriations limit" established for fiscal year 1978-79, adjusted annually for population and cost of living increases; and

WHEREAS, "proceeds of taxes" levied for and by the District include property taxes, user charges and user fees to the extent such proceeds exceed the costs reasonably borne by the District in carrying out its services; and

WHEREAS, the appropriations limit for fiscal year 2019-20 was \$9,935,566 as announced by the California Department of Finance for Riverside County on May 2019; and

NOW, THEREFORE, the Board of Directors of Valley Sanitary District HEREBY RESOLVES:

Section 1: The allowable change in appropriations limit is 1.0527% above the 2019-20 appropriations limit of \$9,935,566 for a new appropriations limit for fiscal year 2020-21 of \$10,382,667.

Section 2: The proposed budget for 2020-21 does not exceed the property tax spending limit pursuant to the California Constitutional limit; therefore, the Board hereby finds that the proposed budget is in compliance with California law.

PASSED, APPROVED, and ADOPTED this 9th day of June 2020, by the following vote:

AYES:
NAYES:
ABSENT:
ABSTAIN:

Mike Duran, President

ATTEST:

Debra Canero, Secretary

EXHIBIT "A"

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ESTABLISHING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-2021

2020-2021:

Per Capita Income Change = 3.73 percent

City Population Change = .74 percent

Per Capita converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{.74 + 100}{100} = 1.0074$

Calculation of factor for FY 2020-2021: $1.0373 \times 1.0074 = 1.0450$

2019-2020 Appropriations Limit X 2020-2021 calculation factor:

\$9,935,566 X 1.0450 = \$10,382,667

2020-2021 Appropriations Limit: \$10,382,667

SEWER SERVICE CHARGES

The District's primary source of revenue is the Sewer Service Charge rates, which are based on the reasonable cost of providing service to the District's customers. As allowed under Proposition 218, the District may adopt a rate increase, provided that the required notice is provided to the rate payers. The Board of Directors, after consideration of written comments submitted by rate payers, and after conducting a properly noticed public hearing, adopted a rate increase of \$330 for Fiscal Year 2020/21, an increase of \$17 over the sewer service charge of \$313 in the previous year.

The Fiscal Year budget discusses the current status of the sewer rates. Figure 1 presents the historical view of the relationship of the equivalent dwelling units (EDU), consumer price index (CPI), historical annual sewer user fee and projected sewer use fee.

Figure 1: Historical Graph of Annual Sewer Use Fee

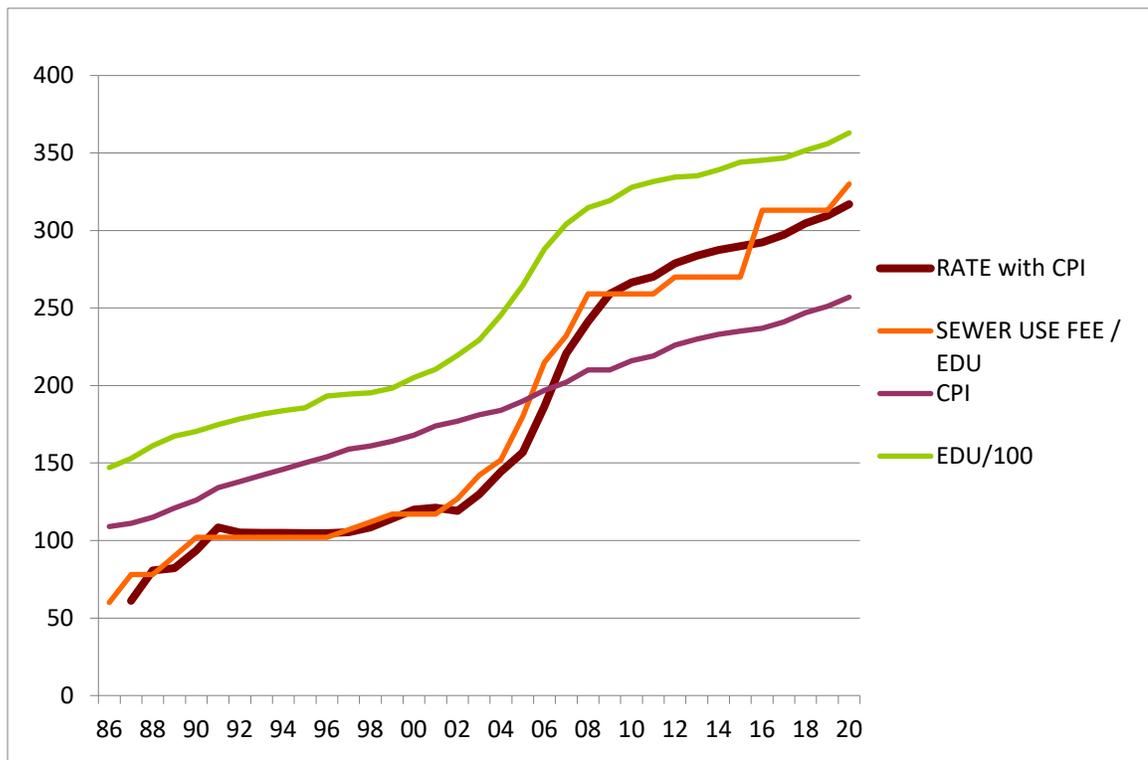


Figure 1 shows the historical relationships. Keeping rates stable is admirable; however, caution must be exercised in retaining flat sewer use fees for long periods of time when external upward pressures due to increased costs, additional regulations, safety requirements and the need to repair and maintain an aging system are required.

Comparable residential sewer use fees from other local agencies are:

Mission Springs Water District	\$639.
City of Coachella	\$574.

City of Beaumont	\$514.
Desert Water Agency (Cathedral City)	\$347.
Valley Sanitary District	\$330.
Coachella Valley Water District	\$295.
City of Banning	\$242.
City of Palm Springs	\$240.

Connection Capacity Charge

The current connection capacity charge is \$4,400 per equivalent dwelling unit (EDU). This charge is levied against new development to “buy in” to the existing system, so that growth pays for growth. A review of other local agency capacity connections charges is:

City of Beaumont	\$5,468.
Desert Water Agency	\$5,240.
City of Banning	\$5,061.
Coachella Valley Water District	\$4,851.
Valley Sanitary District	\$4,400.
City of Coachella	\$4,142.
City of Palm Springs	\$3,000.
Mission Springs Water District	\$2,520.

Retirement Benefits

On January 1, 2013, California law created a mandatory two (2) tiered CalPERS pension system, requiring any new employee to CalPERS be placed in Tier 2 (2% @ 62) plan. Existing CalPERS members are eligible for the Tier 1 (2.5% @ 55) plan. The District currently maintains two (2) different mandatory retirement plans, as shown in Table 1.

Table 1: District Mandatory Retirement Plans

Plan Name	Type	Participants	Comment
Tier 1 - CalPERS 2.5% @ 55	Defined benefit	15	Legacy members in CalPERS
Tier 2 - CalPERS 2% @ 62	Defined benefit	20	New members in CalPERS

Any new employee who is not vested in the legacy CalPERS retirement system shall be placed in the Tier 2 Plan.

Table 2 illustrates the CalPERS retirement summary for the legacy CalPERS employees (Tier 1) for fiscal years 2013/14 through 2020/21.

**Table 2: CalPERS Contribution Summary
Tier 1 – Legacy CalPERS Employees**

	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year	2016/17 Fiscal Year	2017/18 Fiscal Year	2018/19 Fiscal Year	2019/20 Fiscal Year	2020/21 Fiscal Year
District Contribution Established by CalPERS (Legacy members)	20.587%	16.035%	14.031%	15.272%	16.000%	10.832%	11.533%	12.527%
Employee Rate (2.5% at 55) (Legacy members)	8%							
Total Contribution (Legacy members)	28.587% (20.587+8%)	24.035% (20.504+8%)	22.031% (14.031+8%)	23.272% (15.272+8%)	24.000% (16.000+8%)	18.832% (10.832+8%)	19.533% (11.533+8%)	20.527% (12.527+8%)

Table 3 illustrates the CalPERS retirement summary for the new CalPERS member employees (Tier 2) for fiscal years 2013/14 through 2020/21.

**Table 3: CalPERS Contribution Summary
Tier 2 – New CalPERS Member Employees**

	2013/14 Fiscal Year	2014/15 Fiscal Year	2015/16 Fiscal Year	2016/17 Fiscal Year	2017/18 Fiscal Year	2018/19 Fiscal Year	2019/20 Fiscal Year	2020/21 Fiscal Year
District Contribution Established by CalPERS (New members)	6.70%	6.70%	6.73%	6.945%	7.300%	7.266%	7.072%	7.874%
Employee Rate (2.0% at 62) (New members)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	7.250%	7.250%
Total Contribution (New members)	13.200% (6.70+6.5%)	13.200% (6.70+6.5%)	13.230% (6.73+6.5%)	13.445% (6.945+6.5%)	13.800% (7.300+6.5%)	13.766% (7.266+6.5%)	14.322% (7.072+7.25%)	15.124% (7.874+7.25%)

LONG TERM DEBT

2015 Wastewater Revenue Refunding Bonds

On August 26, 2006 On August 6, 2006, the District issued the 2006 Certificates of Participation in the amount of \$12,915,000. The purpose of the Certificates was to fund Phase I of the District's treatment plant expansion. Interest ranging from 3.50% to 4.375% is payable semi-annually on February 1st and August 1st commencing February 1, 2007.

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015 in the amount of \$7,540,000. The purpose of the bond issuance was to provide funds to defease and refund on current basis the District's outstanding 2006 Certificates of Participation (Treatment Plant Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on net revenue of the wastewater system of the District. The aggregate difference in debt service as a result of the refinancing was in the amount of \$1,596,780. The economic gain on the refinancing was \$500,181. Interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on each December 1 and June 1 beginning December 1, 2015. The bonds are not subject to redemption prior to maturity. The outstanding balances as of June 30, 2020 and 2019 were in the amounts of \$4,565,000 and \$5,215,000 respectively.

State Water Resources Control Board Revolving Fund Loan

The District executed the installment sale agreement with the State Water Resources Control Board (SWRCB) for the construction of the Requa Avenue Sewer Interceptor Project. As part of the Requa Avenue Sewer Interceptor Project, the District constructed 4.2 miles of new gravity flow sewer pipeline and related utility improvements designed to collect and convey sanitary sewer flow within an existing public right-of-way through central Indio, California, to the existing District's Water Reclamation Plant. The SWRCB provided financial assistance. The total amount of the loan funded was \$12,920,155. 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, 2020, and 2019, the outstanding balances of the SWRCB revolving fund loan were in the amounts of \$12,247,046 and 12,586,437, respectively.

Limited Obligation Improvement Bonds

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

The bonds are limited obligations of the District payable solely from the installments of assessments levied on assessment parcels within the District and other funds pledged under the fiscal agent agreement. The District shall only be obligated to pay the principal of the bonds, or the interest thereon, from funds described in the Indenture and neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or interest on the bonds. Therefore, the limited obligation improvement bonds are not included in the Annual Operations and Maintenance Budget. As of June 30, 2020, and 2019, the outstanding balances of the bonds were in the amounts of \$4,775,000 and \$5,165,000, respectively.

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

		Business-Type Activities			Total				
		Wastewater Revenue		State Water					
		Certificates of Participation (1)	Refunding Bonds Series 2015 (2)	Control Board					
Fiscal Year Ended June 30	(net of amortization)	(net of amortization)	Revolving Fund Loan	Debt	Population (3)	Personal Income (3)	Percentage of Personal Income	Debt Per Capita	
2019	\$ -	\$ 5,910,209	\$ 12,586,437	#####	89,863	\$ 24,398	0.84%	206	
2018	-	6,630,721	12,920,155	19,550,876	89,127	24,994	0.88%	219	
2017	-	7,321,233	7,643,459	14,964,692	88,485	23,103	0.73%	169	
2016	-	7,986,745	-	7,986,745	86,544	22,336	0.41%	92	
2015	-	8,637,257	-	8,637,257	84,201	20,607	0.50%	103	
2014	9,379,080	-	-	9,379,080	82,398	21,702	0.52%	114	
2013	9,920,254	-	-	9,920,254	81,393	20,645	0.59%	122	
2012	10,436,428	-	-	10,436,428	77,165	19,748	0.68%	135	
2011	11,403,307	-	-	11,403,307	83,675	22,350	0.61%	136	
2010	11,916,864	-	-	11,916,864	82,230	19,855	0.73%	145	

Sources:	(1) Valley Sanitary District
	(2) Valley Sanitary District - Refinancing of Certificates of Participation
	(3) CA Department of Finance

OPERATING BUDGET OVERVIEW

THE BUDGET PROCESS

The District budgets for government operations on a fiscal year basis that begins July 1 and ends June 30. Every year Valley Sanitary District prepares an Operations and Maintenance Budget. This document provides enough, meaningful and useful information to elected officials, District staff and, most importantly, the public. Keeping this in mind, this budget document has been developed to serve the following primary functions:

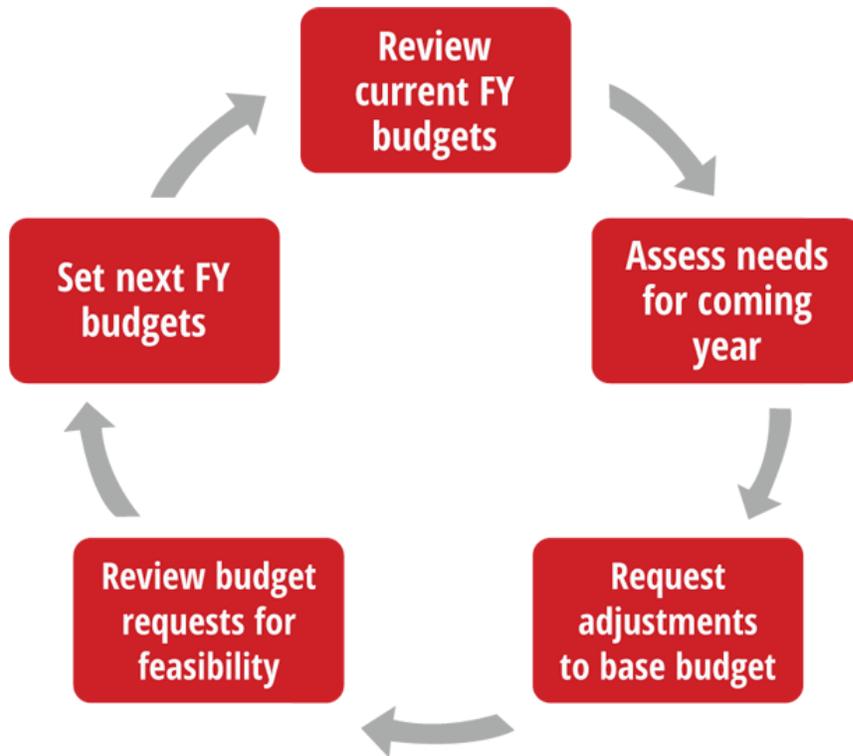
- To present the District's financial plan for the fiscal year.
- To serve as an operations guide for District management to contain operational, maintenance and capital expenses.
- To serve as a communications device for the customers and rate payers of the District, enabling the District's operations and expenses to be fully transparent and provide a mechanism for public involvement in the budget process.

This document defines what the District has accomplished in the past budget cycle, what it plans to do in the future and demonstrates how it will accomplish these goals.

The District's budget is based on management goals and objectives with the allocated resources and it paves the way for future growth and demonstrates how this growth is to be managed and sustained. The budget empowers the Board of Directors and the public to examine the budget by prioritizing strategic growth as an organization and streamlines these objectives with the resources available to the District. In addition, this format provides information in a manner in that both the Board of Directors and the public attain a better understanding of the distribution of available resources among all of the departments and measures their performance utilizing these resources to meet their objectives. The FY 2020/21 Budget includes an overview that is detailed by department.

In developing the annual budget, departments analyzed existing service levels and potential services through the lens of the established strategic priorities and modified their proposed budgets accordingly. The budget summarizes planned expenditures and revenues for all departments and programs. The detail is structured to summarize each department's cost by type and division.

The budget process begins with an evaluation of the Strategic Plan. The goals and objectives for the past budget are reviewed and changes are made to reflect what the Board of Directors believes is important for the next budget cycle. The Board reviews the budget at a budget workshop held each April and makes recommendations to staff concerning any changes. All budget discussions are made during open, publicly noticed meetings that conform to the Brown Act.



BUDGET OVERVIEW

Each year the District makes assumptions regarding revenue and expenses. While much of the operating expenses are outside of the District’s control (utilities, chemical use, treatment flow levels), it is still possible to estimate the cost from year to year.

The ever-increasing costs of employee benefits affect the District as much as other public agencies. With the COVID 19 pandemic, the Board has directed staff to freeze positions for the 2020/21 fiscal year. Staff Cost of Living Adjustments (COLA) have been given annually to employees based on the calendar year CPI-All Urban Consumers for Riverside-San Bernardino-Ontario, CA. For calendar year 2019 the CPI adjustment was 2.732%. The Board approved a 1 percent (1%) COLA for FY 2020/21.

The overall change from the Adopted Budget for Fiscal Year 2018/19 to Fiscal Year 2019/20 was an increase of approximately .85%. The overall change between Fiscal Year 2019/20 to 2020/21 is approximately 6.44%.

The following pages describe the budget in total as well as by department. Due to changes in the organization of the departments, department budgets show one year.

DEPARTMENT: COMBINED

ACCOUNT #	ACCOUNT TITLE	2019/20 CURRENT BUDGET (31 Staff)	2019/20 ANTICIPATED CLOSE	2020/21 BUDGET REQUEST (32 Staff)	BUDGET VARIANCE	PERCENT VARIANCE
11-5030-400-0	SALARIES	2,615,000	2,570,850	2,746,625	131,625	5.03%
11-5070-400-0	OVERTIME	19,500	24,000	23,800	4,300	22.05%
11-5080-400-0	CALLOUT	9,000	15,600	16,200	7,200	80.00%
11-5090-400-0	STANDBY	38,000	35,500	37,500	(500)	-1.32%
	TOTAL SALARIES	2,681,500	2,645,950	2,824,125	142,625	5.32%
11-5110-400-0	LONGEVITY	37,000	35,100	37,900	900	2.43%
11-5112-400-0	RETIREMENT	269,500	247,200	297,400	27,900	10.35%
11-5116-400-0	PAYROLL TAXES	205,200	205,600	216,300	11,100	5.41%
11-5118-400-0	UNEMPLOYMENT INSURANCE	-	250	-	-	0.00%
11-5122-400-0	WORKERS COMPENSATION	47,400	47,700	56,020	8,620	18.19%
11-5124-400-0	GROUP LIFE INSURANCE	6,650	6,100	7,030	380	5.71%
11-5126-400-0	GROUP HEALTH INSURANCE	440,700	405,500	469,709	29,009	6.58%
11-5128-400-0	DENTAL/VISION INSURANCE	30,500	38,200	20,466	(10,034)	-32.90%
11-5132-400-0	DISABILITY INSURANCE	13,750	12,000	9,640	(4,110)	-29.89%
11-5152-400-0	CLOTHING/SAFETY	39,625	22,000	27,750	(11,875)	-29.97%
	TOTAL BENEFITS	1,090,325	1,019,650	1,142,215	51,890	4.76%
		3,771,825	3,665,600	3,966,340	194,515	5.16%
11-5150-400-0	DIRECTORS' FEES	36,500	47,250	46,500	10,000	27.40%
11-5225-400-0	ELECTION	-	-	70,000	70,000	100.00%
11-5250-400-0	GAS/OIL	52,000	32,000	52,000	-	0.00%
11-5300-400-0	COMPREHENSIVE INSURANCE	296,500	296,500	308,300	11,800	3.98%
11-5350-400-0	MEMBERSHIPS/SUBSCRIPTIONS	32,860	40,000	41,495	8,635	26.28%
11-5400-400-0	OFFICE EXPENSE	16,000	12,000	16,000	-	0.00%
11-5410-400-0	COUNTY/CITY CHARGES	22,000	22,000	22,000	-	0.00%
11-5420-400-0	PERMITS & FEES	88,450	90,000	93,650	5,200	5.88%
11-5430-400-0	PRETREATMENT	1,000	1,000	-	(1,000)	-100.00%
11-5450-400-0	OPERATING SUPPLIES	160,500	140,000	215,200	54,700	34.08%
11-5470-400-0	CHEMICALS	383,770	330,000	392,560	8,790	2.29%
11-5500-400-0	CONTRACT SERVICES	417,110	350,000	601,485	184,375	44.20%
11-5550-400-0	PROFESSIONAL/LEGAL	269,230	276,000	212,750	(56,480)	-20.98%
11-5600-400-0	PUBLICATIONS	4,500	1,900	2,000	(2,500)	-55.56%
11-5700-400-0	REPAIRS/MAINTENANCE	592,200	500,000	604,120	11,920	2.01%
11-5720-400-0	SMALL TOOLS	31,500	31,500	33,500	2,000	6.35%
11-5750-400-0	RESEARCH	92,800	50,000	100,000	7,200	7.76%
11-5800-400-0	TRAVEL/MTGS/EDUCATION	81,250	105,000	104,000	22,750	28.00%
11-5801-400-0	CERTIFICATIONS/TCPS	8,794	8,000	12,810	4,016	45.67%
11-5901-400-0	TELEPHONE	19,500	22,000	20,500	1,000	5.13%
11-5902-400-0	ELECTRICITY	519,000	550,000	607,750	88,750	17.10%
11-5903-400-0	NATURAL GAS	5,000	5,000	6,000	1,000	20.00%
11-5904-400-0	TRASH COLLECTION	35,000	30,000	25,500	(9,500)	-27.14%
11-5905-400-0	UTILITY WATER	28,500	20,000	21,500	(7,000)	-24.56%
11-5950-400-0	OTHER EXPENSES	35,000	27,000	50,000	15,000	42.86%
11-9160-000-0	REFUNDING BONDS	466,425	466,425	467,729	1,304	0.28%
11-3650-000-0	CWSRF LOAN PAYMENT	553,361	553,361	553,361	-	0.00%
	CAPITAL O & M FUND	235,000	235,000	140,000	(95,000)	-40.43%
	TOTAL SERVICES & SUPPLIES	4,483,750	4,241,936	4,820,710	336,960	7.52%
	TOTAL OPERATING & MAINTENANCE BUDGET	8,255,575	7,907,536	8,787,050	531,475	6.44%

DEPARTMENTAL BUDGET REQUEST SUMMARY

ACC NO.	DESCRIPTION	ENGINEERING & COLLECTIONS	OPERATIONS	ADMIN	TOTAL
11-5030-400-0	SALARIES	807,250	1,447,275	569,600	2,824,125
11-5110-400-0	LONGEVITY	8,500	26,400	3,000	37,900
11-5112-400-0	RETIREMENT	85,100	147,400	64,900	297,400
11-5116-400-0	PAYROLL TAXES	61,800	110,900	43,600	216,300
11-5118-400-0	UNEMPLOYMENT INSURANCE	-	-	-	-
11-5122-400-0	WORKERS COMPENSATION	15,700	39,050	1,270	56,020
11-5124-400-0	GROUP LIFE INSURANCE	2,150	3,580	1,300	7,030
11-5126-400-0	GROUP HEALTH INSURANCE	123,895	239,514	106,300	469,709
11-5128-400-0	DENTAL/VISION INSURANCE	5,795	10,851	3,820	20,466
11-5132-400-0	DISABILITY INSURANCE	2,830	5,110	1,700	9,640
11-5152-400-0	CLOTHING/SAFETY	8,000	19,750	-	27,750
	TOTAL BENEFITS	313,770	602,555	225,890	1,142,215
	TOTAL SALARIES/BENEFITS	1,121,020	2,049,830	795,490	3,966,340
11-5150-400-0	DIRECTORS' FEES	-	-	46,500	46,500
11-5225-400-0	ELECTION	-	-	70,000	70,000
11-5250-400-0	GAS/OIL	-	52,000	-	52,000
11-5300-400-0	COMPREHENSIVE INSURANCE	-	-	308,300	308,300
11-5350-400-0	MEMBERSHIPS/SUBSCRIPTIONS	2,300	5,750	33,445	41,495
11-5400-400-0	OFFICE EXPENSES	-	-	16,000	16,000
11-5410-400-0	COUNTY/CITY CHARGES	-	-	22,000	22,000
11-5420-400-0	PERMITS & FEES	18,500	72,150	3,000	93,650
11-5430-400-0	PRETREATMENT	-	-	-	-
11-5450-400-0	OPERATING SUPPLIES	5,000	199,200	11,000	215,200
11-5470-400-0	CHEMICALS	-	392,560	-	392,560
11-5500-400-0	CONTRACT SERVICES	140,850	259,435	201,200	601,485
11-5550-400-0	PROFESSIONAL/LEGAL	-	-	212,750	212,750
11-5600-400-0	PUBLICATIONS	-	-	2,000	2,000
11-5700-400-0	REPAIRS/MAINTENANCE	146,700	453,920	3,500	604,120
11-5720-400-0	SMALL TOOLS	2,000	31,500	-	33,500
11-5750-400-0	RESEARCH	-	100,000	-	100,000
11-5800-400-0	TRAVEL/MTGS/EDUCATION	9,000	55,000	40,000	104,000
11-5801-400-0	CERTIFICATIONS/TCPS	4,910	7,650	250	12,810
11-5901-400-0	TELEPHONE	-	-	20,500	20,500
11-5902-400-0	ELECTRICITY	4,000	603,750	-	607,750
11-5903-400-0	NATURAL GAS	-	6,000	-	6,000
11-5904-400-0	TRASH COLLECTION	-	25,500	-	25,500
11-5905-400-0	UTILITY WATER	6,500	15,000	-	21,500
11-5950-400-0	OTHER EXPENSES	10,000	30,000	10,000	50,000
11-9160-000-0	REFUNDING BONDS	-	-	467,729	467,729
11-3650-000-0	CWSRF LOAN PAYMENT	-	-	553,361	553,361
11-8660-000-0	GENERAL FACILITIES	-	-	140,000	140,000
	TOTAL SERVICES & SUPPLIES	349,760	2,309,415	2,161,535	4,820,710
	TOTAL OPERATING & MAINTENANCE BUDGET	1,470,780	4,359,245	2,957,025	8,787,050

BUDGET REVENUE PROJECTIONS

ACCOUNT #	ACCOUNT TITLE	2019/20 REVENUE PROJECTIONS	2019/20 ANTICIPATED CLOSE	2019/20 BUDGET VARIANCE	2020/21 REVENUE PROJECTIONS
FUND 11					
OPERATING REVENUES:					
11-4120-000-0	SEWER SERVICE - CURRENT	11,005,080	11,005,080	-	11,979,000 (1)
11-4140-000-0	SEWER SERVICE - PENALTIES	1,000	-	(1,000)	-
11-4210-000-0	PERMIT/INSPECTION FEES	10,000	25,000	15,000	15,000
11-4270-000-0	PLAN CHECK FEES	10,000	10,000	-	10,000
11-4285-000-0	OTHER SERVICES	1,800	1,900	100	1,800
11-4310-000-0	SALE OF SURPLUS PROPERTY	-	2,500	2,500	-
SUB-TOTALS:		11,027,880	11,044,480	16,600	12,005,800
NON-OPERATING REVENUES:					
11-4510-000-0	INTEREST REVENUE	140,000	400,000	260,000	300,000
11-4430-000-0	TAXES - CURRENT SECURED	700,000	700,000	-	700,000
11-4440-000-0	TAXES - CURRENT UNSECURED	21,000	25,000	4,000	25,000
11-4450-000-0	TAXES - PRIOR SECURED	6,000	6,000	-	6,000
11-4460-000-0	TAXES - PRIOR UNSECURED	-	-	-	-
11-4465-000-0	TAXES - PENALTIES	1,500	1,500	-	-
11-4470-000-0	TAXES - SUPPLEMENTAL CURRENT	7,000	7,000	-	6,000
11-4480-000-0	TAXES - SUPPLEMENTAL PRIOR	3,200	3,200	-	2,000
11-4500-000-0	HOMEOWNER'S TAX RELIEF	6,000	6,000	-	6,000
11-4574-000-0	NON-OPERATING REVENUE	500	500	-	500
SUB-TOTALS:		885,200	1,149,200	264,000	1,045,500
FUND 11 GRAND TOTALS:		11,913,080	12,193,680	280,600	13,051,300
FUND 13					
13-4200-000-0	CONNECTION CHARGES	895,650	1,200,000	304,350	748,000 (2)
SUB-TOTALS		895,650	1,200,000	304,350	748,000
NON-OPERATING REVENUES					
13-4510-000-0	INTEREST REVENUE	55,000	120,000	65,000	100,000
SUB-TOTALS		55,000	120,000	65,000	100,000
FUND 13 GRAND TOTALS:		950,650	1,320,000	369,350	848,000
TOTAL REVENUES:		12,863,730	13,513,680	649,950	13,899,300

(1) AT \$330/EDU (2) AT \$4,400/EDU

DEPARTMENT ADMINISTRATION/BOARD
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ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(5 Staff)</i>
11-5030-414-3	SALARIES	569,100
11-5070-414-3	OVERTIME	500
11-5080-414-3	CALLOUT	-
11-5090-414-3	STANDBY	-
	TOTAL SALARIES	569,600
11-5110-414-3	LONGEVITY	3,000
11-5112-414-3	RETIREMENT	64,900
11-5116-414-3	PAYROLL TAXES	43,600
11-5118-414-3	UNEMPLOYMENT INSURANCE	-
11-5122-414-3	WORKERS COMPENSATION	1,270
11-5124-414-3	GROUP LIFE INSURANCE	1,300
11-5126-414-3	GROUP HEALTH INSURANCE	106,300
11-5128-414-3	DENTAL/VISION INSURANCE	3,820
11-5132-414-3	DISABILITY INSURANCE	1,700
11-5152-414-3	CLOTHING/SAFETY	-
	TOTAL BENEFITS	225,890
		795,490
11-5150-414-4	DIRECTORS' FEES	46,500
11-5225-414-3	ELECTION	70,000
11-5250-414-3	GAS/OIL	-
11-5300-414-3	COMPREHENSIVE INSURANCE	308,300
11-5350-414-3	MEMBERSHIPS/SUBSCRIPTIONS	33,445
11-5400-414-3	OFFICE EXPENSES	16,000
11-5410-414-3	COUNTY/CITY CHARGES	22,000
11-5420-414-3	PERMITS & FEES	3,000
11-5430-414-3	PRETREATMENT	-
11-5450-414-3	OPERATING SUPPLIES	11,000
11-5470-414-3	CHEMICALS	-
11-5500-414-3	CONTRACT SERVICES	201,200
11-5552-414-3	PROFESSIONAL/LEGAL	212,750
11-5600-414-3	PUBLICATIONS	2,000
11-5700-414-3	REPAIRS/MAINTENANCE	3,500
11-5720-414-3	SMALL TOOLS	-
11-5750-414-3	RESEARCH	-
11-5800-414-3	TRAVEL/MTGS/EDUCATION	40,000
11-5801-414-3	CERTIFICATIONS/TCPS	250
11-5901-414-3	TELEPHONE/VOIP	20,500
11-5902-414-3	ELECTRICITY	-
11-5903-414-3	NATURAL GAS	-
11-5904-414-3	TRASH COLLECTION	-
11-5905-414-3	UTILITY WATER	-
11-5950-414-3	OTHER EXPENSES	10,000
11-9160-000-0	REFUNDING BONDS	467,729
11-3650-000-0	CWSRF LOAN PAYMENT	553,361
11-8660-000-0	GENERAL FACILITIES	140,000
	TOTAL SERVICES & SUPPLIES	2,161,535
	TOTAL OPERATING & MAINTENANCE BUDGET	2,957,025

BOARD OF DIRECTORS



PROGRAM DESCRIPTION

The Board of Directors is the legislative body of the Valley Sanitary District and is composed of five members elected at large and serving staggered four-year terms. The Board makes all policy determinations through the enactment of ordinances and resolutions and has final authority in the implementation of these policies. The Board determines how the District will obtain and spend funds and annually reviews and approves the District's budget. The Board appoints the General Manager and Board Attorney.

GOALS

- Provide effective leadership in making of public policy in order to provide efficient, responsive and highly professional services to District customers.
- Conduct regular Board meetings and special meetings on an as-needed basis.
- Establish and implement strategic policy goals and priorities for the District.
- Serve on regional boards, commissions and joint powers authorities affecting the District.
- Maintain memberships in State and regional organization serving District interests.

HIGHLIGHTS

- Oversaw the operation of the District's collection and treatment system and maintained cost efficient, effective and reliable service at one of the lowest rates in the Coachella Valley.

- Voluntarily converted from at-large directors to voting by wards in compliance with the California Voting Rights Act.
- The Board was recognized by the Special District Leadership Foundation for its commitment to transparency in government.
- Three directors attended the Special District Leadership Academy Conference as part of the Board's commitment to good governance.
- With the assistance of a facilitator, developed a Strategic Plan to set priorities that will govern future decision making.
- Active in California Association of Sanitation Agencies (CASA), California Special District Association (CSDA), California Water Environment Association (CWEA) and the Greater Coachella Valley Chamber of Commerce.
- In 2020, the District will celebrate its 95th year of serving the public.

ADMINISTRATION



PROGRAM DESCRIPTION

The Administrative Services Department provides administrative support to the Board of Directors, the General Manager and all District departments. Its functions include overall planning and coordination of District activities, and is responsible for human resources and risk management, management of the District's information systems, including the District's web site, and Board services. Public contact with the District is often initiated via this department and information management is a significant role. It provides accounting and support to all District departments.

The Human Resources division maintains wage, salary and benefits administration, employee recruitment, employee relations, District-wide employee training and recognition programs and on-going training of both employees and supervisors in expectations and process of employment by the District. The Finance division is responsible for maintaining detailed financial records; accounts payable processing, issuing, tracking and collection of accounts receivables; payroll processing; employee benefits accounting; fixed asset management; financial planning; forecasting and reporting; budget development; debt administration; centralized procurement; and coordination of the District's audits.

GOALS

- Provide effective and efficient administrative support to the Board and District departments.
- Maintain responsive and efficient customer service.
- Ensure that the District is protected against loss through risk and claim management.

- Manage District information systems, web site and social media pages.
- Implement District document retention and destruction policy.
- Provide a system of accounting and reporting that adequately describes the financial condition of the District.
- Continue to meet the requirements for the CAFR awards from the Government Finance Officers Association (GFOA).
- Meet the requirements for the Financial Reporting and Operating Budget award from the California Society of Municipal Finance Officers (CSMFO).

HIGHLIGHTS

- Completed District branding including new logo and redesign of District website and social media pages.
- Implemented electronic performance appraisal system.
- Prepared mid-year budget analysis.
- Coordinated Annual Audit and received the GFOA Annual CAFR award for 8th year in a row.

PROGRAM OBJECTIVES

- Manage the processing and on-boarding of new District employees.
- Maintain records of benefits, including employee administrative leave balances, retirement contributions, and employer-provided insurance policies.
- Recruit and retain highly qualified candidates for all positions.
- Maintain up-to-date personnel files.
- Assistance with employee relations.
- Manage and prioritize department activities on an ongoing basis.
- Work with department to implement procedures that result in cost savings, increased efficiencies and improved customer service.
- Provide general administrative support to all departments for centralized services.
- Efficiently and effectively manage District information technology and systems, including the district website and social media sites.
- Process employee payroll bi-weekly.
- Process accounts payable on a weekly basis. Issue, track and collect accounts receivable.
- Maintain accounting files on Capital Improvement project and fixed assets.
- Provide monthly budget reports to the Board and departments each month.
- Perform accounting in conformance with GAAP (Generally Accepted Accounting Principles),
- Contain costs by monitoring selected large volume purchases and suggesting contracts with competitively priced vendors.
- Continue best value procurement of supplies and services.
- Work with departments to implement procedures that result in best value and increased efficiencies.

ADMINISTRATION/BOARD

11-5400-414-3 Office Expenses	FY 2020/21 Budget Request \$16,000
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Justification:

This account includes the cost of office supplies and services for all departments, such as postage, courier, letterhead, envelopes, business cards, copy paper, binders, calendars, file folders, pens, pencils, pads, mailing labels, etc.

11-5410-414-3 Riverside County Charges	FY 2020/21 Budget Request \$22,000
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Justification:

Pursuant to Sections 29142, 27013, 29304 and 50077 of the Government Code, the County Auditor is allowed to charge for the cost of applying special assessments to the tax roll. This cost is estimated at \$.09 cents per assessment for each time a file is submitted including rejected parcels that are resubmitted plus an additional per district fee of \$127.14 per annual submittal. The Auditor's cost is based on applying the assessment to the tax roll; not for the collection of such assessment.

In accordance with Section 50077 of the Government Code and numerous other code sections, the County Treasurer is authorized to charge for the collection of special assessments included on the tax bill. For 2019/2020 the charge is estimated at \$.32 cents per parcel. This charge is in addition to the Auditor's charges and will be recovered on the first current secured settlement apportionment.

11-5420-414-3 Permits & Fees	FY 2020/21 Budget Request \$3,000
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Justification:

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. The budget request amount of \$3,000 is only an estimate allowing for an increase over last year's payment.

11-5450-414-3 Operating Supplies	FY 2020/21 Budget Request \$11,000
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Justification:

Reference manuals including labor law updates, safety materials, videos, etc.

- | | |
|---|-------|
| • Office software upgrades | 7,000 |
| • Computer supplies-printer cartridges, toner | 4,000 |

ADMINISTRATION/BOARD

11-5500-414-3	FY 2020/21
Contract Services	Budget Request
	\$201,200

• Superior Protection Consultants	79,000
• Sewer Rate and Capacity Fee Study (NBS)	50,000
• Computer maintenance (Southwest Networks)	25,100
• Outreach (newsletter)	15,000
• Backup/disaster recovery storage (Southwest Networks)	8,400
• CalPERS Actuarial Study for GASB 68 requirements	1,700
• CalPERS Health Plan annual fee	1,400
• Section 125 Plan	1,000
• Pitney Bowes (lease on postage meter)	700
• CalPERS 218 fee (Social Security agreement)	400
• OPEB Health Insurance (11-5545-414-3)	
◦ OPEB Annual Required Contribution (ARC)	10,000
◦ CalPERS OPEB Health Insurance fees	8,500
◦ Biennial OPEB Actuarial Study (due in 2021/2022)	-

11-5550-414-3	FY 2020/21
Professional/Legal	Budget Request
	\$212,750

Expenses related to legal services, other professional services, accounting services, and medical services.

• Legal services (11-5552-414-3)	40,000
• Other professional services (11-5553-414-3)	
◦ Computer consulting	50,000
◦ Prop 218 mailing	15,000
◦ NeoGov annual fee	7,500
◦ Office 365 annual billing	5,430
◦ Video conferencing	3,000
◦ CivicPlus website annual service	2,000
• Accounting services (11-5554-414-3)	
◦ Sewer rate tax roll assistance - NBS	18,000
◦ Accounting software-annual maintenance	16,000
◦ Annual audit	15,500
◦ Payroll processing	4,100
◦ Associated Time Instruments	3,600
◦ CAFR submittal to GFOA	1,120
◦ Accounting/permitting software upgrade	-
(CARRY OVER FROM 2019/2020 BUDGET - \$76,900)	
• Medical services (11-5555-414-3)	
◦ Wellness program	29,500
◦ Medical exams-DMV & pre-employment	1,000
◦ Drug/alcohol testing-five (5) employees	500
◦ First aid medical	500

ADMINISTRATION/BOARD

11-5600-414-3	FY 2020/21
Publications	Budget Request
	\$2,000

Costs for publication of official notices as required by the Government Code, which are generally published in the Desert Sun, and bid requests in online plan rooms.

11-5700-414-3	FY 2020/21
Repairs/Maintenance	Budget Request
	\$3,500

This account includes maintenance costs for copier, fax, printers, and miscellaneous repairs on computers as required.

- Innovative Document Solutions - monthly maintenance costs for copier 2,000
- Miscellaneous 1,500

11-5800-414-3/4	FY 2020/21
Travel, Meetings & Education	Budget Request
	\$40,000

Expenses incurred for attending the California Association of Sanitation Agencies (CASA) and/or the Association of California Water Agencies (ACWA) conferences held two (2) times a year, including hotel and travel expenses incurred while attending meetings, conferences, and various educational seminars. This request is for five (5) Board members, General Manager, Business Services Manager and an additional \$3,000 for each of the other three (3) administration employees.

11-5801-414-3	FY 2020/21
Certifications/Technical Certification Programs	Budget Request
	\$250

- Certified Public Accountant (CPA) renewal (Business Services Manager)
Due biennially at \$250 (even years) 250

11-5901-414-3	FY 2020/21
Telephone	Budget Request
	\$20,500

- VOIP main telephone system (Spectrum) 14,000
- Verizon Wireless 4,000
- Frontier (fire control alarms) 2,500

11-5950-414-3/4	FY 2020/21
Other Expenses	Budget Request
	\$10,000

Miscellaneous expense contingency fund

ADMINISTRATION/BOARD

11-9160-000-0	FY 2020/21
Transfer to Fund 06	Budget Request
	\$467,729

A) Principal and interest payment for Revenue Refunding Bonds, 2015: 465,229
On August 15, 2006, the District issued \$12,915,000 Certificates of Participation to fund Phase I of the District's treatment plant expansion. The bonds were refinanced on June 1, 2015 for \$7,540,000 at 2.14% interest payable semi-annually on December 1 and June 1, commencing December 1, 2015.

B) Annual administrative expenses for Revenue Refunding Bonds, 2015: 2,500

11-3650-000-0	FY 2020/21
CWSRF Loan Payment	Budget Request
	\$553,361

A) Principal and interest payment for State Revolving Fund: 553,361
The District received for a loan from the Clean Water State Revolving Fund (SRF). The current interest rate is 1.7%. The \$12.92 million loan for 30 years at 1.7% results in an annual payment of \$553,360.71.

11-8630-000-0	FY 2020/2021
ENGINEERING AND MAINTENANCE	Budget Request

A) Manhole frame and covers: - \$0
(CARRYOVER FROM 2019/2020 BUDGET - \$15,000)
Riverside County is planning on doing street improvements on Van Buren north toward Indio Blvd. The Collection

B) Belt press progressive cavity pump: -
(CARRYOVER FROM 2019/2020 BUDGET - \$20,000)
This is a critical piece of equipment to keep on hand for emergency repairs.

11-8660-000-0	FY 2020/21
GENERAL FACILITIES	Budget Request
	\$140,000

A) Water Reuse Project (EVRA JPA): 100,000
(CARRYOVER FROM 2019/2020 BUDGET - \$150,000)
The District will continue efforts for the East Valley Reclamation Authority on the Reclaimed/Recycled Water Project. This is for consulting services to assist both agencies as a jointly funded project.

B) Coachella Valley Integrated Regional Water Management Plan (IRWMP): 40,000
(CARRYOVER FROM 2019/2020 BUDGET - \$44,000)
The Coachella Valley Regional Water Management Group was formed as a collaboration of the six (6) Coachella Valley public water and/or sewer agencies: City of Coachella/Coachella Water Authority, Coachella Valley Water District, Desert Water Agency, City of Indio/Indio Water Authority, Mission Springs Water District and Valley Sanitary District to coordinate and share information concerning water supply planning and projects that address the long-term and short-term solutions to the Coachella Valley's critical water related needs.

11-8680-000-0	FY 20120/2021
ADMINISTRATION	Budget Request
	\$0

A) Phone system upgrade: -
(CARRYOVER FROM 2019/2020 BUDGET - \$25,000)
The District phone system requires software and hardware upgrades. This will also include consultants needed.

DEPARTMENT: ENGINEERING/COLLECTIONS

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(9 Staff)</i>
11-5030-410-1	SALARIES	782,950
11-5070-410-1	OVERTIME	1,600
11-5080-410-1	CALLOUT	4,000
11-5090-410-1	STANDBY	18,700
TOTAL SALARIES		807,250
11-5110-410-1	LONGEVITY	8,500
11-5112-410-1	RETIREMENT	85,100
11-5116-410-1	PAYROLL TAXES	61,800
11-5118-410-1	UNEMPLOYMENT INSURANCE	-
11-5122-410-1	WORKERS COMPENSATION	15,700
11-5124-410-1	GROUP LIFE INSURANCE	2,150
11-5126-410-1	GROUP HEALTH INSURANCE	123,895
11-5128-410-1	DENTAL/VISION INSURANCE	5,795
11-5132-410-1	DISABILITY INSURANCE	2,830
11-5152-410-1	CLOTHING/SAFETY	8,000
TOTAL BENEFITS		313,770
		1,121,020
11-5150-410-1	DIRECTORS' FEES	-
11-5225-410-1	ELECTION	-
11-5250-410-1	GAS/OIL	-
11-5300-410-1	COMPREHENSIVE INSURANCE	-
11-5350-410-1	MEMBERSHIPS/SUBSCRIPTIONS	2,300
11-5400-410-1	OFFICE EXPENSE	-
11-5410-410-1	COUNTY/CITY CHARGES	-
11-5420-410-1	PERMITS & FEES	18,500
11-5430-410-1	PRETREATMENT	-
11-5450-410-1	OPERATING SUPPLIES	5,000
11-5470-410-1	CHEMICALS	-
11-5500-410-1	CONTRACT SERVICES	140,850
11-5550-410-1	PROFESSIONAL/LEGAL	-
11-5600-410-1	PUBLICATIONS	-
11-5700-410-1	REPAIRS/MAINTENANCE	146,700
11-5720-410-1	SMALL TOOLS	2,000
11-5750-410-1	RESEARCH	-
11-5800-410-1	TRAVEL/MTGS/EDUCATION	9,000
11-5801-410-1	CERTIFICATIONS/TCPS	4,910
11-5901-410-1	TELEPHONE	-
11-5902-410-1	ELECTRICITY	4,000
11-5903-410-1	NATURAL GAS	-
11-5904-410-1	TRASH COLLECTION	-
11-5905-410-1	UTILITY WATER	6,500
11-5950-410-1	OTHER EXPENSES	10,000
	CAPITAL O & M FUND	-
TOTAL SERVICES & SUPPLIES		349,760
TOTAL OPERATING & MAINTENANCE BUDGET		1,470,780

DEPARTMENT: ENGINEERING

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(4 Staff)</i>
11-5030-410-1	SALARIES	457,250
11-5070-410-1	OVERTIME	-
11-5080-410-1	CALLOUT	-
11-5090-410-1	STANDBY	-
	TOTAL SALARIES	457,250
11-5110-410-1	LONGEVITY	6,000
11-5112-410-1	RETIREMENT	54,300
11-5116-410-1	PAYROLL TAXES	35,000
11-5118-410-1	UNEMPLOYMENT INSURANCE	-
11-5122-410-1	WORKERS COMPENSATION	6,700
11-5124-410-1	GROUP LIFE INSURANCE	1,200
11-5126-410-1	GROUP HEALTH INSURANCE	32,595
11-5128-410-1	DENTAL/VISION INSURANCE	1,595
11-5132-410-1	DISABILITY INSURANCE	1,730
11-5152-410-1	CLOTHING/SAFETY	-
	TOTAL BENEFITS	139,120
		596,370
11-5150-410-1	DIRECTORS' FEES	-
11-5225-410-1	ELECTION	-
11-5250-410-1	GAS/OIL	-
11-5300-410-1	COMPREHENSIVE INSURANCE	-
11-5350-410-1	MEMBERSHIPS/SUBSCRIPTIONS	-
11-5400-410-1	OFFICE EXPENSE	-
11-5410-410-1	COUNTY/CITY CHARGES	-
11-5420-410-1	PERMITS & FEES	-
11-5430-410-1	PRETREATMENT	-
11-5450-410-1	OPERATING SUPPLIES	-
11-5470-410-1	CHEMICALS	-
11-5500-410-1	CONTRACT SERVICES	-
11-5550-410-1	PROFESSIONAL/LEGAL	-
11-5600-410-1	PUBLICATIONS	-
11-5700-410-1	REPAIRS/MAINTENANCE	-
11-5720-410-1	SMALL TOOLS	-
11-5750-410-1	RESEARCH	-
11-5800-410-1	TRAVEL/MTGS/EDUCATION	-
11-5801-410-1	CERTIFICATIONS/TCPS	-
11-5901-410-1	TELEPHONE	-
11-5902-410-1	ELECTRICITY	-
11-5903-410-1	NATURAL GAS	-
11-5904-410-1	TRASH COLLECTION	-
11-5905-410-1	UTILITY WATER	-
11-5950-410-1	OTHER EXPENSES	-
	TOTAL SERVICES & SUPPLIES	-
	TOTAL OPERATING & MAINTENANCE BUDGET	596,370

ENGINEERING DIVISION



PROGRAM DESCRIPTION

The Engineering Division is responsible for the management and technical support necessary to:

- Implement the District's capital improvement program. This includes the sewer main rehabilitation or replacement program for the existing collection system, pump stations, treatment plant, and facilities.
- Determine needed facilities for growth in the District. Provide review of tentative maps and sewer construction plans. Enforce design standards for sewer construction and provide construction inspection services.
- Provide permit services, including fee estimates and inspection of sewer lateral replacements and repairs for approximately 28,000 properties in the District.

Department services are managed by the Engineering Services Manager.

GOALS

- To provide engineering analysis and project development for cost effective implementation of all District capital projects.

- To effectively plan and implement future replacement and improvements to the infrastructure in order to maintain an efficient, reliable system and to provide timely response with plan review for new development.
- To establish standards and provide inspection of all sewer construction, including private laterals and to maintain accurate reproducible records of infrastructure improvement and land records.
- To keep informed of all construction that may affect District facilities and provide accurate field marking of District lines for the Underground Service Alert (USA) program to minimized damage to District sewers.

HIGHLIGHTS

- Directed design approval, implementation and construction inspection for all capital projects.
- Major Capital Projects completed in FY 2019/20:
 - added slurry seal to the asphalt of the treatment plant
 - repaired the blower building roof
 - performed two point repairs to collection system sewer mains
 - purchased several new vehicles and equipment to replace old or underperforming vehicles or equipment
- Continuing with design of several CIP replacement or rehabilitation projects

PROGRAM OBJECTIVES

- Provide research, design, bidding and construction inspection services for District capital improvement projects.
- Prioritized capital improvement projects to meet District needs and comply with new regulatory requirements and maintain an update 10-year capital plan.
- Continue education and cross training of personnel to improve service and keep informed of the latest technological advances in mapping, construction and wastewater industries.

DEPARTMENT: COLLECTIONS

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(5 Staff)</i>
11-5030-410-1	SALARIES	325,700
11-5070-410-1	OVERTIME	1,600
11-5080-410-1	CALLOUT	4,000
11-5090-410-1	STANDBY	18,700
TOTAL SALARIES		350,000
11-5110-410-1	LONGEVITY	2,500
11-5112-410-1	RETIREMENT	30,800
11-5116-410-1	PAYROLL TAXES	26,800
11-5118-410-1	UNEMPLOYMENT INSURANCE	-
11-5122-410-1	WORKERS COMPENSATION	9,000
11-5124-410-1	GROUP LIFE INSURANCE	950
11-5126-410-1	GROUP HEALTH INSURANCE	91,300
11-5128-410-1	DENTAL/VISION INSURANCE	4,200
11-5132-410-1	DISABILITY INSURANCE	1,100
11-5152-410-1	CLOTHING/SAFETY	8,000
TOTAL BENEFITS		174,650
		524,650
11-5150-410-1	DIRECTORS' FEES	-
11-5225-410-1	ELECTION	-
11-5250-410-1	GAS/OIL	-
11-5300-410-1	COMPREHENSIVE INSURANCE	-
11-5350-410-1	MEMBERSHIPS/SUBSCRIPTIONS	2,300
11-5400-410-1	OFFICE EXPENSE	-
11-5410-410-1	COUNTY/CITY CHARGES	-
11-5420-410-1	PERMITS & FEES	18,500
11-5430-410-1	PRETREATMENT	-
11-5450-410-1	OPERATING SUPPLIES	5,000
11-5470-410-1	CHEMICALS	-
11-5500-410-1	CONTRACT SERVICES	140,850
11-5550-410-1	PROFESSIONAL/LEGAL	-
11-5600-410-1	PUBLICATIONS	-
11-5700-410-1	REPAIRS/MAINTENANCE	146,700
11-5720-410-1	SMALL TOOLS	2,000
11-5750-410-1	RESEARCH	-
11-5800-410-1	TRAVEL/MTGS/EDUCATION	9,000
11-5801-410-1	CERTIFICATIONS/TCPS	4,910
11-5901-410-1	TELEPHONE	-
11-5902-410-1	ELECTRICITY	4,000
11-5903-410-1	NATURAL GAS	-
11-5904-410-1	TRASH COLLECTION	-
11-5905-410-1	UTILITY WATER	6,500
11-5950-410-1	OTHER EXPENSES	10,000
	CAPITAL O & M FUND	
TOTAL SERVICES & SUPPLIES		349,760
TOTAL OPERATING & MAINTENANCE BUDGET		874,410

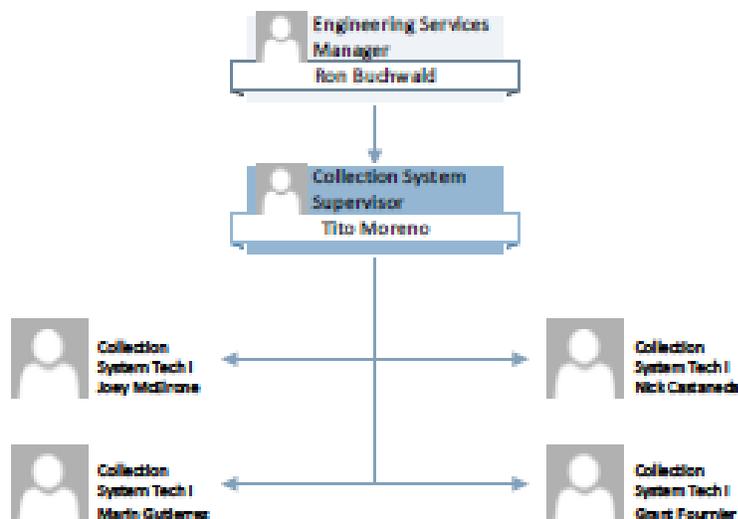
COLLECTION SYSTEM



PROGRAM DESCRIPTION

The Collection System division responds to customer requests for service and performs preventive and corrective maintenance for the wastewater mains in the Valley Sanitary District. The division also provides on-call response.

Services are managed by the Engineering Services Manager with direct supervision by the Collection System Supervisor.



GOALS

- To minimize and eliminate overflows into the environment and to provide uninterrupted service to our customers.
- To reduce spills.
- Continue to prolong the life and improve reliability of the Collection System.
- To provide customers with quick, knowledgeable and complete response by District service crews when requested with a goal of 100% satisfaction.
- To identify and correct pipeline defects and infiltration and inflow sources in main lines through video inspection and repairs.
- To hydro clean 700,000 feet of pipeline annually.
- Schedule TV inspection of all District sewer mains every 10 years. In addition, to provide post-stoppage review and other requests for TV inspection as needed.
- No lost time due to injuries or accidents.

HIGHLIGHTS

- Rodded and flushed 1,022,000 feet of main line in 2019/20 and maintained maximum capacity of lines surcharged during storm events.
- The TV inspection team video-inspected 180,000 of main line in 2019/20.
- During 2019/20, the collection systems team responded to 27 service requests.
- The collection systems team responded to 99% of all service requests in less than one hour at any time of the day or night.
- Implemented public outreach program about the use of non-flushable wipes.
- Increased preventive maintenance.

PROGRAM OBJECTIVES

- To clean 1,350,000 feet of pipelines with hydro-flushing vehicles (VACTOR Trucks) every two years for mains smaller than 15-inch and every three years for 15-inch mains and larger.
- Provide video inspection of all new main line segments. Continue to video inspect and clean problem lines and segments where stoppages occur. The goal is to complete televising of the entire collection system on a 10-year cycle.
- Identify and continue providing additional customer services, including assistance with locating private sewer laterals.
- Continue training for crew on safety and continually enhance customer service.
- To increase the number of repairs and rehabilitation on sewer mains and manholes to help maintain the systems integrity and reliability.

COLLECTIONS

11-5152-410-1	FY 2020/21
Clothing	Budget Request
	\$8,000
Covers supply of uniforms, laundry service, safety steel-toe boots, safety vests & glasses, gloves, hard hats, etc.	
• Cintas uniforms-eight (8) employees	4,600
• Boots-eight (8) employees (\$250 per employee)	2,000
• Gloves-eight (8) employees	1,400
11-5350-410-1	FY 2020/21
Memberships/Subscriptions	Budget Request
	\$2,300
• California Water Environment Association (CWEA) membership renewal for nine (9) staff members at \$200 each (Engineer add extra \$150). This membership includes renewal to the Colorado River Basin Local Section	
	1,950
• <u>NASSCO Inc:</u> National Association of Sewer Service Companies; updates new criteria related to PACP Inspection Standards	350
11-5420-410-1	FY 2020/21
Permits & Fees	Budget Request
	\$18,500
• State General Waste Discharge annual permit fee (SWRCB)	16,000
• City of Indio (annual encroachment permit)	1,500
• Miscellaneous permits and/or fees	1,000

COLLECTIONS

11-5500-410-1		FY 2020/21
Contract Services		Budget Request
		\$140,850
• Roach control program	47,500	
• Rain for Rent emergency contingency service	25,000	
• Lucity program annual renewal	15,000	
• Root control program	15,000	
• Emergency Response consultant	10,000	
• City of Indio - ERICA radio member fee	6,000	
• Bentley Enterprise Annual Licensing - SewerGems	4,500	
• Verizon Wireless	4,000	
• Underground Dig Alert	3,500	
• Pipelogix annual renewal	3,000	
• ESRI ARCVIEW 10.0 annual renewal	3,000	
• Annual monitoring fee/pump stations	2,000	
• Miscellaneous contractual services	1,000	
• Autocad annual maintenance & helpdesk	1,000	
• SPOK Arch wireless beepers	350	
11-5700-410-1		FY 2020/21
Repairs and Maintenance		Budget Request
		\$146,700
• <u>Vactor parts/repairs/planned expenditures:</u>	75,200	
1) Contingency for emergency repairs	40,000	
2) Vactor oil and lube service	12,000	
3) 800 feet of one-inch sewer jet hose	6,600	
4) Tires	6,000	
5) Nozzles for jetting	3,600	
6) High pressure pump parts	2,500	
7) Diesel exhaust fluid for new Vactor	1,500	
8) One-inch leader hose	1,000	
9) Proofer skid for jetting lines	1,000	
10) Fire hose	600	
11) Tiger tail hose guide	400	
• Mainline repair	20,000	
• TV van parts and repair	15,000	
• Manhole covers	15,000	
• Equipment rentals	8,500	
• Pump station repairs and parts	11,000	
• Equipment repairs	2,000	

COLLECTIONS

11-5720-410-1	FY 2020/21
Small Tools	Budget Request
	\$2,000

- Miscellaneous small tool acquisition and replacement
2,000

11-5800-410-1	FY 2020/21
Travel, Meetings, & Education	Budget Request
	\$9,000

Justification:

Travel expenses for conferences and training seminars, registration fees, meals, lodging and related expenses.

- Allowance for nine (9) employees at \$1,000 per employee
9,000

11-5801-410-1	FY 2020/21
Certifications	Budget Request
	\$4,910

Justification:

- State Water Resource Control Board: Operator certification programs

Job Title	Grade	Renewal Fee
Operator TI	I	170
Operator DI	I	170

- California Water Environment Association: Technical certification programs

Collection System Supervisor	CST IV	110
Collection System Tech I (4)	CST I	400
Development Service Tech II	CST I	100
Development Service Tech II	CST IV	110
Allowance for advancement (certification testing)		1,400

- PACP certification for two (2) employees 2,000
- AWWA Grade D4/T3 (District Engineer) 300
- Professional Engineer (PE) (District Engineer & Associate Engineer)
Due biennially at \$150 150

COLLECTIONS

11-5902-410-1	FY 2020/21
Electricity	Budget Request
	\$4,000

IID electricity cost for four (4) lift stations: Barrymore, Carver, Vandenberg, and Calhoun.

11-5905-410-1	FY 2020/21
Utility Water	Budget Request
	\$6,500

Water service from the Indio Water Authority.

11-5950-410-1	FY 2020/21
Other Expenses	Budget Request
	\$10,000

Miscellaneous expense contingency fund.

DEPARTMENT: OPERATIONS/MAINTENANCE/LAB

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(18 Staff)</i>
11-5030-411-1	SALARIES	1,394,575
11-5070-411-1	OVERTIME	21,700
11-5080-411-1	CALLOUT	12,200
11-5090-411-1	STANDBY	18,800
	TOTAL SALARIES	1,447,275
11-5110-411-1	LONGEVITY	26,400
11-5112-411-1	RETIREMENT	147,400
11-5116-411-1	PAYROLL TAXES	110,900
11-5118-411-1	UNEMPLOYMENT INSURANCE	-
11-5122-411-1	WORKERS COMPENSATION	39,050
11-5124-411-1	GROUP LIFE INSURANCE	3,580
11-5126-411-1	GROUP HEALTH INSURANCE	239,514
11-5128-411-1	DENTAL/VISION INSURANCE	10,851
11-5132-411-1	DISABILITY INSURANCE	5,110
11-5152-411-1	CLOTHING/SAFETY	19,750
	TOTAL BENEFITS	602,555
		2,049,830
11-5150-411-1	DIRECTORS' FEES	-
11-5225-411-1	ELECTION	-
11-5250-411-1	GAS/OIL	52,000
11-5300-411-1	COMPREHENSIVE INSURANCE	-
11-5350-411-1	MEMBERSHIPS/SUBSCRIPTIONS	5,750
11-5400-411-1	OFFICE EXPENSE	-
11-5410-411-1	COUNTY/CITY CHARGES	-
11-5420-411-1	PERMITS & FEES	72,150
11-5430-411-1	PRETREATMENT	-
11-5450-411-1	OPERATING SUPPLIES	199,200
11-5470-411-1	CHEMICALS	392,560
11-5500-411-1	CONTRACT SERVICES	259,435
11-5550-411-1	PROFESSIONAL/LEGAL	-
11-5600-411-1	PUBLICATIONS	-
11-5710-411-1	REPAIRS/MAINTENANCE	453,920
11-5720-411-1	SMALL TOOLS	31,500
11-5750-411-1	RESEARCH	100,000
11-5800-411-1	TRAVEL/MTGS/EDUCATION	55,000
11-5801-411-1	CERTIFICATIONS/TCPS	7,650
11-5901-411-1	TELEPHONE	-
11-5902-411-1	ELECTRICITY	603,750
11-5903-411-1	NATURAL GAS	6,000
11-5904-411-1	TRASH COLLECTION	25,500
11-5905-411-1	UTILITY WATER	15,000
11-5950-411-1	OTHER EXPENSES	30,000
	TOTAL SERVICES & SUPPLIES	2,309,415
	TOTAL OPERATING & MAINTENANCE BUDGET	4,359,245

DEPARTMENT: OPERATIONS

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(8 Staff)</i>
11-5030-411-1	SALARIES	661,700
11-5070-411-1	OVERTIME	16,000
11-5080-411-1	CALLOUT	9,500
11-5090-411-1	STANDBY	12,400
	TOTAL SALARIES	699,600
11-5110-411-1	LONGEVITY	15,600
11-5112-411-1	RETIREMENT	77,000
11-5116-411-1	PAYROLL TAXES	53,600
11-5118-411-1	UNEMPLOYMENT INSURANCE	-
11-5122-411-1	WORKERS COMPENSATION	18,600
11-5124-411-1	GROUP LIFE INSURANCE	1,575
11-5126-411-1	GROUP HEALTH INSURANCE	93,709
11-5128-411-1	DENTAL/VISION INSURANCE	3,930
11-5132-411-1	DISABILITY INSURANCE	2,340
11-5152-411-1	CLOTHING/SAFETY	7,800
	TOTAL BENEFITS	274,154
		973,754
11-5150-411-1	DIRECTORS' FEES	-
11-5225-411-1	ELECTION	-
11-5250-411-1	GAS/OIL	52,000
11-5300-411-1	COMPREHENSIVE INSURANCE	-
11-5350-411-1	MEMBERSHIPS/SUBSCRIPTIONS	1,950
11-5400-411-1	OFFICE EXPENSE	-
11-5410-411-1	COUNTY/CITY CHARGES	-
11-5420-411-1	PERMITS & FEES	63,950
11-5430-411-1	PRETREATMENT	-
11-5450-411-1	OPERATING SUPPLIES	130,600
11-5470-411-1	CHEMICALS	392,560
11-5500-411-1	CONTRACT SERVICES	180,185
11-5550-411-1	PROFESSIONAL/LEGAL	-
11-5600-411-1	PUBLICATIONS	-
11-5710-411-1	REPAIRS/MAINTENANCE	107,770
11-5720-411-1	SMALL TOOLS	1,000
11-5750-411-1	RESEARCH	-
11-5800-411-1	TRAVEL/MTGS/EDUCATION	20,000
11-5801-411-1	CERTIFICATIONS/TCPS	3,700
11-5901-411-1	TELEPHONE	-
11-5902-411-1	ELECTRICITY	603,750
11-5903-411-1	NATURAL GAS	6,000
11-5904-411-1	TRASH COLLECTION	25,500
11-5905-411-1	UTILITY WATER	15,000
11-5950-411-1	OTHER EXPENSES	10,000
	TOTAL SERVICES & SUPPLIES	1,613,965
	TOTAL OPERATING & MAINTENANCE BUDGET	2,587,719

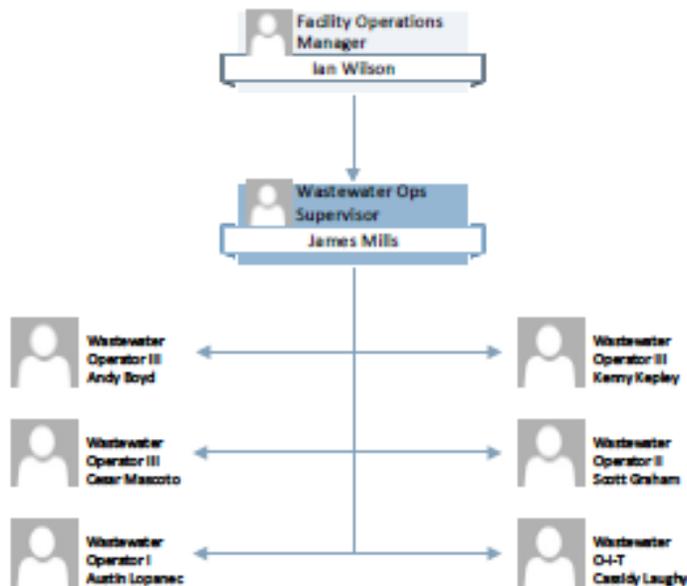
OPERATIONS



PROGRAM DESCRIPTION

The Operations division is responsible for the safe, legal, economical, and environmentally acceptable treatment and reclaiming of all sanitary wastewater flows for the Valley Sanitary District.

Division services are managed by the Facility Operation Manager with direct supervision by the Wastewater Operations Supervisor.



GOALS

- To operate the wastewater treatment and disposal system of Valley Sanitary District for current and future customers with safe, efficient, and cost-effective treatment services.
- To have 100% compliance with all NPDES limits for conventional pollutants.
- To continue providing current plant personnel with opportunities to attend seminars and technical sessions to expand their interest and knowledge of the wastewater industry.

HIGHLIGHTS

- Drained, inspected, and repaired, as necessary, both primary clarifiers.
- Drained two of the three secondary clarifiers to perform annual routine inspection and maintenance.
- Drained all 4 aeration basins for inspection and performed preventive maintenance.
- Participated with lab personnel on various sampling programs and performed process related laboratory analysis.
- Continued to receive the highest inspection rating from the Regional Water Quality Control Board (RWQCB) for the annual NPDES compliance inspection.
- Fully implemented the department's annual safety training programs.
- Worked with consultant engineers to optimize processes and improve reliability.
- Improved Activated Sludge Plant treatment performance by minimizing ammonia levels in plant effluent.
- Displayed great teamwork by working with the collections and maintenance departments to clean the primary effluent line to the treatment ponds.
- Received the Plant of the Year (medium) award from the Colorado River Basin Section of the California Water Environment Association.
- CWEA State Award in the Operations and Maintenance Gimmicks & Gadgets category for the Pork Fork. The Pork Fork is a gadget that VSD staff made to remove rags and debris from the Pit Hog Dredge by Liquid Waste Technologies. An appropriate name based on the pig tail curl at the end of the tool, and it is used on a dredge referred to as a "Pit Hog".



PROGRAM OBJECTIVES

- Comply with all requirements put forth in the district's NPDES permit.
- Dewater, sample, and remove bio-solids.
- Dewater, inspect, and perform necessary work on Aeration Basins.
- Dewater, clean and prepare for inspection by personnel two primary and three secondary clarifiers.
- Provide refresher training in the lab.
- Participate with lab personnel in the various sampling programs.
- Continue to fully implement the Department's Annual Safety Training programs.
- Participate in Ammonia Study mandated by the Regional Water Quality Control Board.

DEPARTMENT: MAINTENANCE

ACCOUNT #	ACCOUNT TITLE	2020/21 BUDGET REQUEST <i>(7 Staff)</i>
11-5030-410-1	SALARIES	509,000
11-5070-410-1	OVERTIME	2,400
11-5080-410-1	CALLOUT	600
11-5090-410-1	STANDBY	3,200
-----		-----
	TOTAL SALARIES	515,200
-----		-----
11-5110-410-1	LONGEVITY	9,600
11-5112-410-1	RETIREMENT	52,650
11-5116-410-1	PAYROLL TAXES	39,500
11-5118-410-1	UNEMPLOYMENT INSURANCE	-
11-5122-410-1	WORKERS COMPENSATION	14,250
11-5124-410-1	GROUP LIFE INSURANCE	1,390
11-5126-410-1	GROUP HEALTH INSURANCE	113,630
11-5128-410-1	DENTAL/VISION INSURANCE	5,341
11-5132-410-1	DISABILITY INSURANCE	1,920
11-5152-410-1	CLOTHING/SAFETY	8,400
-----		-----
	TOTAL BENEFITS	246,681
-----		-----
		761,881
=====		=====
11-5150-410-1	DIRECTORS' FEES	-
11-5225-410-1	ELECTION	-
11-5250-410-1	GAS/OIL	-
11-5300-410-1	COMPREHENSIVE INSURANCE	-
11-5350-410-1	MEMBERSHIPS/SUBSCRIPTIONS	1,875
11-5400-410-1	OFFICE EXPENSE	-
11-5410-410-1	COUNTY/CITY CHARGES	-
11-5420-410-1	PERMITS & FEES	2,500
11-5430-410-1	PRETREATMENT	-
11-5450-410-1	OPERATING SUPPLIES	38,500
11-5470-410-1	CHEMICALS	-
11-5500-410-1	CONTRACT SERVICES	61,400
11-5550-410-1	PROFESSIONAL/LEGAL	-
11-5600-410-1	PUBLICATIONS	-
11-5700-410-1	REPAIRS/MAINTENANCE	321,150
11-5720-410-1	SMALL TOOLS	22,500
11-5750-410-1	RESEARCH	-
11-5800-410-1	TRAVEL/MTGS/EDUCATION	32,000
11-5801-410-1	CERTIFICATIONS/TCPS	2,850
11-5901-410-1	TELEPHONE	-
11-5902-410-1	ELECTRICITY	-
11-5903-410-1	NATURAL GAS	-
11-5904-410-1	TRASH COLLECTION	-
11-5905-410-1	UTILITY WATER	-
11-5950-410-1	OTHER EXPENSES	10,000
-----		-----
	TOTAL SERVICES & SUPPLIES	492,775
=====		=====
	TOTAL OPERATING & MAINTENANCE BUDGET	1,254,656
=====		=====

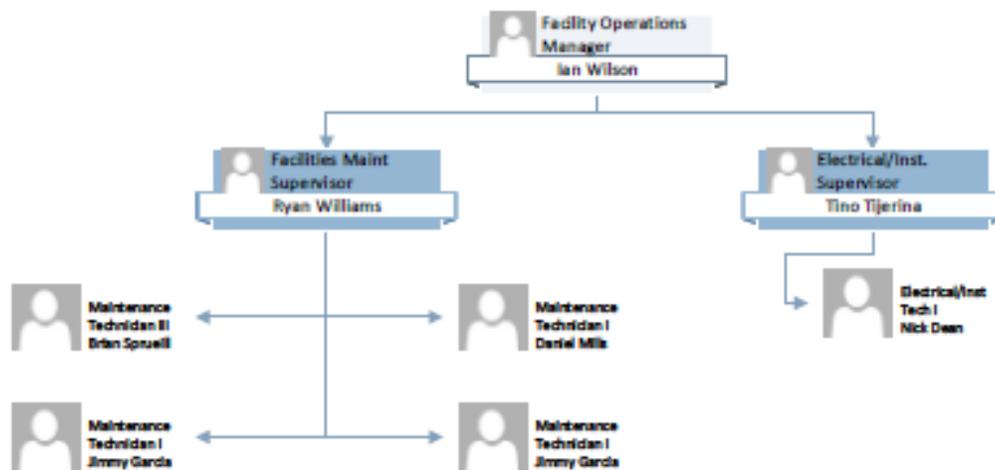
MAINTENANCE DEPARTMENT



PROGRAM DESCRIPTION

The Maintenance Department is responsible for the reliability and integrity of systems and equipment for Valley Sanitary District. The Maintenance Department manages and executes predictive and preventive maintenance programs, corrective and rehabilitative maintenance, in-house equipment and process improvements. The department serves a primary role in the development and execution of capital projects and equipment purchases. The department coordinates and oversees contractors working in the plant.

Services are managed by the Facilities Operations Manager with direct supervision by the Facilities Maintenance Supervisor and Electrical/Instrumentation Supervisor.



GOALS

- To maintain appropriate capacities and effective operations and assure no spills or overflows.
- To maintain the wastewater treatment facilities and lift stations at a level that assures uninterrupted quality service to our customers; and ensures no process interruptions due to equipment break downs.
- To promote the development and education of staff to assure the ongoing ability to operate, maintain, troubleshoot and repair all systems and equipment.
- To continue upgrading all equipment and facilities – concentrating on improved reliability, ease-of-maintenance, reduced operating and maintenance costs.
- To complete critical Capital Improvement Projects.
- To complete all scheduled and necessary equipment purchases.

HIGHLIGHTS

- Maintained the reliability of equipment and Plant processes via:
 - ✓ Comprehensive preventive maintenance – leading to no significant equipment failures and minimal interruptions to plant processes
 - ✓ Enhanced reliability with an increased inventory of back-up (spare) pumps and motors
- Supervision of programs and systems:
 - ✓ Computerized Maintenance Management System (CMMS)
- Personnel highlights:
 - ✓ Staff CWEA Certifications:
 - Grade IV Plant Maintenance Technician (1)
 - Grade III Plant Maintenance Technician (1)
 - Grade I Plant Maintenance Technician (3)
 - Grade IV Electrical/Instrumentation Technician (1)
 - Grade I Electrical/Instrumentation Technician (1)
 - ✓ Continued training of staff to address our increasing dependence on modern technologies

- ✓ Cross-training in trade disciplines

PROGRAM OBJECTIVES

- Perform required preventive and predictive maintenance to eliminate spills, overflows, bypasses or discharge permit violations, and to minimize the possibility of equipment breakdowns.
- Continue the comprehensive training of department personnel.
- Continue to promote and provide a safe and healthy environment for all District personnel, contractors, visitors – and the community we serve.
- Complete all one-year Capital Projects and Equipment Purchases.
- Assess and plan for future needs.

MAINTENANCE

11-5152-410-1	FY 2020/21
Clothing	Budget Request
	\$7,450
Covers supply of uniforms, laundry service, safety steel-toe boots, safety vests & glasses, gloves, hard hats, etc.	
• Cintas uniforms-seven (7) employees	5,000
• Boots-seven (7) employees (\$250 per employee)	1,750
• Gloves-seven (7) employees	700
11-5350-410-1	FY 2020/21
Memberships/Subscriptions	Budget Request
	\$1,875
• California Water Environment Association (CWEA) membership renewal for seven (7) staff members at \$200 each. This membership includes renewal to the Colorado River Basin Local Section	1,400
• NFPA (National Fire Protection Association)	475
11-5420-410-1	FY 2020/21
Permits & Fees	Budget Request
	\$2,500
• Fire Department (fuel tank permit)	2,500

MAINTENANCE

11-5450-410-1	FY 2020/21
Operating Supplies	Budget Request
	\$38,500
• Cintas mats, shop towels, etc.	17,600
• Landscaping supplies	12,500
• 55-gallon cleaning concentrates, cleaning supplies, paper towels, toilet paper, cups, soap, and cleaners	6,400
• <u>Miscellaneous supplies:</u>	2,000
Examples include duct tape, rubber tape, canvas tape, WD-40, greaseless lubricant, wax, lithium grease, wire ties, wire heat shrink tubing, and pipe glue	
11-5550-410-1	FY 2020/21
Contract Services	Budget Request
	\$61,400
• Tree trimming and spraying	15,000
• Boiler maintenance service contract	14,000
• My Safety Officer	5,200
• Safety Kleen parts, washer service, light bulb disposal and batteries	4,500
• Alliance building alarm monitoring	4,500
• Annual fire suppression service for sodium hypochlorite facility	4,000
• Annual fire extinguisher service	2,800
• Rudy's pest control service for building and facilities	2,700
• Western Pump - annual AQMD test	2,500
• Gantry crane service	2,000
• Pyro-Comm fire alarm monitoring	1,750
• Safety Kleen used oil filter disposal	1,050
• Miscellaneous contractual services	1,000
• Desert Arc Recycling	400

MAINTENANCE

11-5700-410-1

Repairs and Maintenance

FY 2020/21

Budget Request

\$321,150

• Routine miscellaneous repairs and maintenance (contingency)	70,000
• Boiler maintenance	30,000
• Rebuild RAS pumps	35,000
• General facility maintenance	27,000
• Rebuild two (2) influent pumps	25,000
• Equipment rentals	20,000
• Belt press building maintenance parts	15,000
• Dredge panel and spare parts	14,000
• Service generators 2,3 & 4	12,000
• Aerator maintenance	10,000
• Safety equipment for confined space entry	8,200
• Vehicle repairs and smog checks	8,000
• Clean District flooring	7,000
• Turblex blower parts	7,000
• CAT tractor and dump truck repairs	5,000
• Fleet vehicle operating supplies	5,000
• Gas detectors for confined space entry	5,000
• Check valves for drainage pumps	4,500
• Irrigation repairs and maintenance	3,000
• Road base for all dirt roads around treatment plant	2,750
• Arc flash safety equipment	2,700
• Hose replacement	2,000
• Replace hose reel swivels	2,000
• Gallery sump pump replacements	1,000

MAINTENANCE

11-5720-410-1	FY 2020/21
Small Tools	Budget Request
	\$22,500

- | | |
|--|--------|
| • Electrical conduit bender | 12,500 |
| • Miscellaneous small tool acquisition and replacement | 10,000 |

11-5800-410-1	FY 2020/21
Travel, Meetings, & Education	Budget Request
	\$32,000

Justification:

Travel expenses for conferences and training seminars, registration fees, meals, lodging and related expenses.

- | | |
|---|--------|
| • Safety training | 25,000 |
| • Allowance for seven (7) employees at \$1,000 per employee | 7,000 |

11-5801-410-1	FY 2020/21
Certifications	Budget Request
	\$2,850

- State Water Resource Control Board: Operator certification programs

Job Title	Grade	Renewal Fee
Operator TI	I	170
Operator DI	I	170
Operator III	III	300

- California Water Environment Association: Technical certification programs

Collection System Tech I (1)	CST I	100
Maintenance Supervisor	MT IV	100
Maintenance Tech I (3)	MT I	300
Maintenance Tech III (1)	MT III	100
Electrical Instrumentation Supervisor	E/I IV	110
Electrical/Instrumentation Technician	E/I I	100
Allowance for advancement (certification testing)		1,400

DEPARTMENT: LABORATORY2020/21
BUDGET
REQUEST
(3 Staff)

ACCOUNT #	ACCOUNT TITLE	
11-5030-411-1	SALARIES	223,875
11-5070-411-1	OVERTIME	3,300
11-5080-411-1	CALLOUT	2,100
11-5090-411-1	STANDBY	3,200

	TOTAL SALARIES	232,475

11-5110-411-1	LONGEVITY	1,200
11-5112-411-1	RETIREMENT	17,750
11-5116-411-1	PAYROLL TAXES	17,800
11-5118-411-1	UNEMPLOYMENT INSURANCE	-
11-5122-411-1	WORKERS COMPENSATION	6,200
11-5124-411-1	GROUP LIFE INSURANCE	615
11-5126-411-1	GROUP HEALTH INSURANCE	32,175
11-5128-411-1	DENTAL/VISION INSURANCE	1,580
11-5132-411-1	DISABILITY INSURANCE	850
11-5152-411-1	CLOTHING/SAFETY	3,550

	TOTAL BENEFITS	81,720

		314,195
=====		
11-5150-411-1	DIRECTORS' FEES	-
11-5225-411-1	ELECTION	-
11-5250-411-1	GAS/OIL	-
11-5300-411-1	COMPREHENSIVE INSURANCE	-
11-5350-411-1	MEMBERSHIPS/SUBSCRIPTIONS	1,925
11-5400-411-1	OFFICE EXPENSE	-
11-5410-411-1	COUNTY/CITY CHARGES	-
11-5420-411-1	PERMITS & FEES	5,700
11-5430-411-1	PRETREATMENT	-
11-5450-411-1	OPERATING SUPPLIES	30,100
11-5470-411-1	CHEMICALS	-
11-5500-411-1	CONTRACT SERVICES	17,850
11-5550-411-1	PROFESSIONAL/LEGAL	-
11-5600-411-1	PUBLICATIONS	-
11-5710-411-1	REPAIRS/MAINTENANCE	25,000
11-5720-411-1	SMALL TOOLS	8,000
11-5750-411-1	RESEARCH	100,000
11-5800-411-1	TRAVEL/MTGS/EDUCATION	3,000
11-5801-411-1	CERTIFICATIONS/TCPS	1,100
11-5901-411-1	TELEPHONE	-
11-5902-411-1	ELECTRICITY	-
11-5903-411-1	NATURAL GAS	-
11-5904-411-1	TRASH COLLECTION	-
11-5905-411-1	UTILITY WATER	-
11-5950-411-1	OTHER EXPENSES	10,000

	TOTAL SERVICES & SUPPLIES	202,675
=====		
	TOTAL OPERATING & MAINTENANCE BUDGET	516,870
=====		

LABORATORY & ENVIRONMENTAL COMPLIANCE



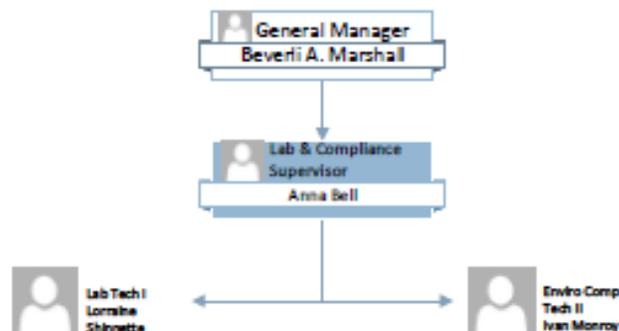
PROGRAM DESCRIPTION

The Lab and Compliance division provides services and oversight in the following areas:

1. National Pollutant Discharge Elimination System (NPDES) permit compliance
2. Laboratory operations and implementation of the Pretreatment and Pollution Prevention Programs
3. NPDES permit compliance involves maintaining compliance with permit parameters, implementing investigations and additional sampling programs to address specific pollutants, developing action plans to reduce these pollutants and reporting levels of progress to the Regional Board.
4. The laboratory conducts analysis of various plan samples for process control, NPDES permit parameters and special projects as needed.

The Pretreatment Program includes evaluating facilities and discharges within the District's service area that could adversely affect the collection system and/or treatment plant, evaluating permit applications and issuing permits, performing inspections, sampling, monitoring and conducting enforcement as needed. The Pollution Prevention Program focuses on educating commercial businesses and residents on pollutants that are harmful to the collection system, treatment plant and the environment and how to reduce or eliminate them. Public information, plant tours, and participation in outreach activities are significant elements of this program.

Division services are managed by the General Manager with direct supervision by the Lab & Compliance Supervisor.



GOALS

- Maintain 100% compliance with the District's NPDES permit requirements, including the Pretreatment and Pollution Prevention programs.
- Promote and maintain a positive, safe and productive work environment while cultivating a sense of environmental stewardship.
- Promote and maintain representative sampling, perform exceptional analyses and accurately report data collected to evaluate industrial and commercial discharges, the operational status of the treatment plant and the quality of the biosolids generated.
- Effectively regulate discharges of industrial, commercial and other types of wastewater to protect the sanitary sewer system, the treatment plant, District staff, the public and the environment.
- Effectively implement the pollution prevention program and provide public outreach to reduce and/or prevent the discharge of pollutants to the collection system, treatment plant and the environment; this includes implementing tools to measure the progress of these efforts.
- Maintain Environmental Laboratory Accreditation Program (ELAP) certification for conventional pollutants and coliform bacteria.

HIGHLIGHTS

- Collected over 7,000 samples and oversaw more than 12,000 process-related tests, including industrial and commercial discharger tests last year.

- Performed inspections and sampled regulated industrial facilities; performed sampling at commercial facilities and inspection at food service establishments and dentist offices in the District's service area.
- Conducted plant tours.
- Distributed informational materials, brochures, and notices regarding proper discharge of wastes to residents, commercial businesses and during public events.
- Wrote the District's Spill Prevention, Control and Countermeasures Plan, and submitted annual reports for the District's NPDES permit compliance.
- CWEA Colorado River Basin Section Laboratory Person of the Year-Anna Bell
- Anna Bell, Laboratory & Compliance Supervisor, is featured in the CWEA/CASA magazine *Clean Water 2020 Emerging Leaders* edition.

PROGRAM OBJECTIVES

- Perform all required sampling, inspections, studies and outreach to comply with the District's NPDES permit, Pretreatment and Pollution Prevention Programs, FOG program, process control and source identification.
- Maintain compliance with all programs and requirement listed above.
- Maintain ELAP certification of laboratory functions.
- Continue to educate and increase the level of awareness on pollution prevention and water quality issues with the goals of changing behavior and decreasing the volume of pollutants entering the treatment plant.

PERFORMANCE MEASURES

The Laboratory & Compliance division maintained 100% compliance with our NPDES Permit, Pretreatment and Pollution Prevention Program requirement for Fiscal Year 2019/20.

LABORATORY

11-5152-411-1**Clothing****FY 2020/21****Budget Request****\$3,550**

Covers supply of uniforms, laundry service, safety steel-toe boots, safety glasses, etc.

- Cintas uniforms-three (3) employees 2,500
- Boots-three (3) employees (\$250 per employee) 750
- Gloves, ear plugs, safety items-three (3) employees 300

11-5350-411-1**Memberships/Subscriptions****FY 2020/21****Budget Request****\$1,925**

- CAL (Coalition of Accredited Laboratories) 1,000
- California Water Environment Association (CWEA) membership renewal for three (3) employees @ \$200 each. This membership includes renewal to the Colorado River Basin Local Section 600
- Membership in the Water Environment Federation 250
- Membership to TNI (NELAC) Association 75

11-5420-411-1**Permits & Fees****FY 2020/21****Budget Request****\$5,700**

- Environmental Laboratory Certification Program (ELAP) 4,000
- Quality assurance testing 1,500 *
- Miscellaneous 200

* Quality assurance testing is required by the Health and Safety Code §100870, and the California Code of Regulations, Title 22, §64809. This includes Environmental Laboratory Accreditation (ELAP) programs.

LABORATORY

11-5450-411-1**Operating Supplies****FY 2020/21****Budget Request****\$30,100**

- Laboratory chemicals, reagents, detergents, filters, glassware, instrument batteries, Dissolved Oxygen (DO) probe modules, buffers, storage solutions, medias, quality controls and miscellaneous supplies 20,000
- Ready Fresh - distilled water for laboratory, fresh water and coffee service 5,000
- Miscellaneous small tools, torches, pliers, small air pumps, etc. 2,000
- Outreach materials for distribution for public relations efforts 1,600
- Laptop / tablet with printer for field work 1,500

11-5500-411-1**Contract Services****FY 2020/21****Budget Request****\$17,850**

- Watertrax - Lab Information Management System (LIMS) annual support 8,500
- Third Party Assessor Authority (TPAA) for On-Site Assessment (OSAs) 6,000
- Calibration/replacement of class I scale weights 1,300
- Calibration/certification of fume hood 1,000
- Scale calibration service (2 balances) 750
- Calibration of NIST certified thermometer 300

LABORATORY

11-5710-411-1	FY 2020/21
Repairs & Maintenance	Budget Request
	\$25,000
<ul style="list-style-type: none"> • Laboratory instrument replacement 15,000 • Contingency for instrument repairs & maintenance 5,000 • Meter and probe replacement 5,000 	
11-5720-411-1	FY 2020/21
Small Tools	Budget Request
	\$8,000
<i>Justification:</i>	
<ul style="list-style-type: none"> • Composite sampler supplies 5,000 • Small tools for acquisition or replacement 2,000 • Sampling equipment acquisition and replacement 1,000 	
11-5750-414-2	FY 2020/21
Research & Monitoring	Budget Request
	\$100,000
<ul style="list-style-type: none"> • Cal Test - monthly EFF-001C plant effluent testing 15,000 • ES Babcock - biosolids testing for sludge (12 samples) 15,000 • Nautilus Environmental - bioassay monitoring 10,000 • Pretreatment IU sampling requirements 6,000 • Additional testing - laboratory reserve 4,000 • California Toxics Rule (CTR) annually 4,000 • ES Babcock - quarterly testing (RSW-002, EFF-001C, INF, etc) 4,000 • FedEx shipping/delivery for lab samples 5,000 • Additional testing as required by permit overlimit regulations 2,000 • <u>Laboratory contingency:</u> 35,000 <p>Contingency for two (2) Toxicity Identification Evaluation Ph.1, Ph.II & III Base Line, estimated ten (10) accelerated monitoring of bioassays, and grit/screening samples.</p>	

LABORATORY

11-5800-411-1	FY 2020/21
Travel, Meetings, & Education	Budget Request
	\$3,000

Travel expenses for conferences and training seminars, registration fees, meals, lodging and related expenses

- Allowance for three (3) employees at \$1,000 per employee 3,000
 Possible annual conferences: AWWA, P3S, Tristate, CWEA, etc misc

11-5801-411-1	FY 2020/21
Certifications/Technical Certification Programs	Budget Request
	\$1,100

Justification:

- State Water Resource Control Board:
 Operator Certification Program

Job Title	Renewal Date	Grade	Renewal Fee
Operator V	July 2022	IV	

- California Water Environment Association

Job Title	Renewal Date	Grade	Renewal Fee
Laboratory Analyst	January	II	100
Lab Technician	March	I	100
Environmental Compliance Inspector	March	I	100
Allowance for advancement (certification testing)			800

11-5950-411-1	FY 2020/21
Other Expenses	Budget Request
	\$10,000

Miscellaneous expense contingency fund

JOINT POWERS AUTHORITY



PROGRAM DESCRIPTION

On December 18, 2013, the District entered into a joint powers agreement with the City of Indio (City) to form the East Valley Reclamation Authority (EVRA) to plan, program, finance, design and operate a reclaimed water facility to bring a sustainable water supply and manage the water resources for the customers of the Indio Water Authority (a blended component unit of the City) and the District. The costs and expenses of the JPA are generally shared equally by the City and the District unless otherwise determined by the JPA's Board of Directors, except that the District is responsible for 100% of the costs and expenses associated with the design and construction of facilities for the District's compliance with any permit terms. Annually, the District contributes \$25,000 to the JPA. As of June 30, 2020, the District reported investments in the joint venture in the amount of \$155,000.

CAPITAL EXPENDITURES**2020/21 BUDGET**

ACCOUNT #	DESCRIPTION	2019/20 BUDGET	2019/20 ANTICIPATED CLOSE	2020/21 BUDGET REQUEST
FUND 13				
13-8623-000-0	E & M - SEWER LINES	40,000	40,000	-
13-8630-000-0	E & M FACILITIES	-	-	-
13-8643-000-0	OPERATIONS	-	-	2,549,877
13-8660-000-0	GENERAL FACILITIES	-	-	-
13-8680-000-0	ADMIN FACILITIES	-	-	-
TOTAL FUND 13		40,000	40,000	2,549,877
TOTAL CAPITAL OUTLAY BUDGET		40,000	40,000	2,549,877

PROJECTED EXPENSES OUT OF RESERVES				
12-8632-000-0	E & M - SEWER LINES	1,588,410	450,000	4,180,928
12-8642-000-0	OPERATIONS	121,000	103,000	5,029,815
12-8660-000-0	GENERAL FACILITIES	737,500	50,000	661,000
12-8680-000-0	ADMIN FACILITIES	22,500	15,000	23,000
12-9140-000-0	TRANSFER - REFUNDING BONDS	427,763	427,763	428,959
TOTAL FROM RESERVES		2,897,173	1,045,763	10,323,702

CAPITAL EXPENDITURES

FUND 12

CAPITAL REPLACEMENT FUND	FUND TOTAL REQUEST	\$10,323,702
12-8632-000-0		FY 2020/21
ENGINEERING AND MAINTENANCE		Budget Request
		\$4,180,928

- A) Private lateral grant program: 54,000
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, including the connection fee. 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.
- B) Collection system repairs/rehabilitation/replacement Program Management: 834,074
In order to properly bid the repairs, rehabilitation, and/or replacement of sewer mains and manholes, a consultant will be needed to perform the design and provide the specifications. This will greatly enhance the bidding process and provide for competitive bidding as well as help staff complete the anticipated workload.
- C) Sewer main rehabilitation or replacement construction: 1,809,854
(CARRYOVER FROM 2019/2020 BUDGET - \$500,000)
The sewer mainlines are video inspected as part of the scheduled preventive maintenance. The sewer mains need to be lined or replaced when the condition of the sewer main has deteriorated to a point that a repair will not return the sewer main to a serviceable condition. The sewer mains needing repairs are prioritized by the severity of the deterioration and are rehabilitated or replaced according to an established schedule.
- D) Sewer main emergency repairs: 112,000
Video inspection of sewer pipelines reveals deficiencies that may include cracks, holes and offset joints. Deficiencies isolated to a single or several small areas of an otherwise serviceable pipeline may be repaired to restore pipe integrity in lieu of pipeline replacement.
- E) Sewer siphon replacement at Westward Ho: 325,000
In order to properly bid the replacement of the sewer siphon crossing the Coachella Stormwater channel at Westward Ho damaged by the flooding on February 14, 2019, a consultant will be needed to perform the design and provide the specifications.
- F) Sewer siphon replacement at Westward Ho: 1,000,000
Replace sewer siphon crossing the Coachella Stormwater channel at Westward Ho damaged by the flooding on February 14, 2019.
- G) Contingency for emergency repairs: 46,000
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.

CAPITAL EXPENDITURES

**12-8642-000-0
OPERATIONS**

**FY 2020/21
Budget Request
\$5,029,815**

- | | |
|---|-----------|
| A) <u>Phase 2B/2C plant expansion design:</u> | 3,449,815 |
| Phase 2B plant expansion will replace an aging and capacity restricting Grit Chamber, and provide redundancy by adding a second digester, expanding the bar screens, adding two biofilters, a sludge holding tank and a sludge thickener building. Phase 2B will be prior to but sequential with Phase 2C plant expansion. | |
| B) <u>Influent pump station rehabilitation design build:</u> | 1,200,000 |
| Stantec has been chosen to assist the District as an Owner's Representative during the rehabilitation of the influent pump station structure which is showing significant signs of deterioration. Stantec will provide assistance in the preparation of RFQ & RFP documents for the procurement of a progressive design builder, sewage bypass plans, and construction management. | |
| C) <u>Perimeter fence extension & fortification:</u> | 130,000 |
| <u>(CARRYOVER FROM 2019/2020 BUDGET - \$150,000)</u>
Completing the perimeter fence project including the south end of the property. | |
| D) <u>Steel waterline activated sludge plant:</u> | - |
| <u>(CARRYOVER FROM 2019/2020 BUDGET - \$142,000)</u>
The above ground, steel waterline adjacent to the aeration basins is old and prone to leaks, especially at the grooved joints and has outlived its useful life. The new steel waterline will have traditional joints that will provide a longer life. | |
| E) <u>Van Buren slope protection:</u> | 250,000 |
| The slope along the south end of the District's property is being eroded during flooding events which is causing the posts of the chain link fence to become exposed. The City of Indio is working with the District to develop a solution to protect the slope (within City right-of-way) and provide a minimal fee permit to perform the work. | |
| F) <u>Recycled water main extension:</u> | - |
| <u>(CARRYOVER FROM 2019/2020 BUDGET - \$60,000)</u>
In order to save significant potable water when cleaning the pond chlorine contact chamber, staff would like to extend the secondary effluent pipeline system about 250 feet to the pond chlorine contact chamber. This will allow the use of secondary effluent water to be used to clean the chamber instead of potable water. | |

CAPITAL EXPENDITURES

12-8660-000-0	FY 2020/21
GENERAL FACILITIES	Budget Request
	\$661,000

A) Vehicle & Equipment Replacement Fund: 638,000
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 ten (10) to twenty (20) year replacement schedule. The total cost is calculated over a twenty (20) year window using an estimated inflation percentage.

Vehicles/equipment to be replaced in 2020/21 include:

- Pool car
- John Deer Riding Lawnmower
- Caterpillar Telehandler Forklift
- Ford 350 Utility Truck
- New Storage Trailer
- Welding Trailer
- Sodium Bisulfite Tank
- Main Line Magnetic Meter
- Drainage Grit Pump
- Aerator

D) Contingency for emergency repairs: 23,000
This account provides a contingency amount in the Capital Improvement Program for replacement of critical equipment or systems in General Facilities which could unexpectedly fail during the fiscal year.

12-8680-000-0	FY 2020/21
ADMINISTRATION	Budget Request
	\$23,000

A) Contingency for emergency repairs: 23,000
This account provides a contingency amount in the Capital Improvement Program for replacement of critical equipment or systems in the administration department which could unexpectedly fail during the fiscal year.

12-9140-000-0	FY 2020/21
Transfer to Fund 06	Budget Request
	\$428,959

A) Principal and interest payment for Revenue Refunding Bonds, 2015: 426,459
On August 15, 2006, the District issued \$12,915,000 Certificates of Participation to fund phase I of the District's treatment plant expansion. The bonds were refinanced on June 1, 2015 for \$7,540,000 at 2.14% interest payable semi-annually on December 1 and June 1, commencing December 1, 2015.

B) Annual administrative expenses for Revenue Refunding Bonds, 2015: 2,500

CAPITAL EXPENDITURES

FUND 13

CAPITAL IMPROVEMENT FUND	FUND TOTAL REQUEST	\$2,549,877
13-8643-000-0		FY 2020/21
OPERATIONS		Budget Request
		\$2,549,877

- A) Phase 2B/2C plant expansion design: 2,299,877
Phase 2B plant expansion will replace an aging and capacity restricting Grit Chamber, and provide redundancy by adding a second digester, expanding the bar screens, adding two biofilters, a sludge holding tank and a sludge thickener building. Phase 2B will be prior to but sequential with Phase 2C plant expansion.
- B) New Training & Office Library Building - Owners Representative: -
(CARRYOVER FROM 2019/2020 BUDGET - \$100,000)
Design architect for new training and office library building.
- C) Additional Parking & Landscaping: 250,000
The District is need of additional parking for employees and customers. Staff proposes to remove the lawn at the front of the property and replace it with additional parking and drought tolerant landscaping around and near the gate openings.

VEHICLE AND MAJOR EQUIPMENT REPLACEMENT FUND

Make/Model	Fiscal Year ->		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTAL
	Current	Replacement	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	
New Car for GM	\$60,000.00	\$60,000.00	60,000										80,635										140,635
John Deere 777 Riding Lawnmower	\$6,500.00	\$20,000.00	20,000										26,878										46,878
Ford Flat Bed	\$7,000.00	\$60,000.00																				105,210	105,210
Ford F250 Traffic Utility Truck	\$5,000.00	\$38,000.00																			64,692		64,692
Ford Dump Truck 750	\$20,000.00	\$100,000.00																				175,351	175,351
Caterpillar Backhoe 420D	\$48,000.00	\$160,000.00		164,800																			164,800
Caterpillar Telehandler Forklift	\$76,000.00	\$230,000.00	230,000																				230,000
Cat Skid Steer	\$55,000.00	\$90,000.00				98,345																	98,345
Kobota 4WD Tractor	\$39,000.00	\$45,000.00															68,067						68,067
CAT Loader 926M	\$160,000.00	\$175,000.00																	280,824				280,824
Ford F150 4X4 Crew Cab	\$18,500.00	\$50,000.00		51,500						63,339													114,839
Ford F350 Utility Truck	\$20,000.00	\$150,000.00	150,000										201,587										351,587
Ford F150	\$15,800.00	\$21,000.00					22,947																53,786
Ford F 150 Supercrew	\$24,000.00	\$27,000.00				29,504										30,839							69,154
Ford F150 4X4	\$25,000.00	\$28,000.00														39,650							78,365
Ford F150 4X2	\$20,000.00	\$21,000.00							33,433										44,932				60,537
Confined Space Storage Trailer	\$12,500.00	\$12,500.00	12,500								25,827									34,710			12,500
Welding Trailer	\$21,000.00	\$21,000.00	21,000																				21,000
Sewer Jet on trailer	\$42,000.00	\$60,000.00					65,564																65,564
Kenworth T440 Vactor	\$415,000.00	\$415,000.00				453,482										609,441							1,062,923
OZ 3 Pan & Tilt Camera & Transport	\$40,000.00	\$50,000.00		51,500											69,212				80,235				260,650
Ford E 450 CCTV Van	\$130,000.00	\$150,000.00									179,108								240,706				419,814
John Deere XUV 620i Cart	\$6,000.00	\$15,000.00		15,450												20,764							36,214
John Deere 4X2 Gator Cart	\$6,000.00	\$15,000.00		15,450												20,764							36,214
Kobota RX 9000 Cart	\$12,000.00	\$15,000.00												19,002									19,002
Kawasaki Mule 600 Cart	\$8,000.00	\$15,000.00		15,450												20,764							36,214
Club Car Carryall 700E #1	\$13,000.00	\$15,000.00									17,911								24,071				41,981
Club Car Carryall 700E #2	\$13,000.00	\$15,000.00									17,911								24,071				41,981
Club Car Carryall 700E #3	\$13,000.00	\$15,000.00									17,911								24,071				41,981
Club Car Carryall 700E #4	\$13,000.00	\$15,000.00									17,911								24,071				41,981
Club Car Carryall 700E #5	\$13,000.00	\$15,000.00									17,911								24,071				41,981
Hotwood Pontoon Boat	\$9,000.00	\$10,000.00													13,842					24,071			41,981
6' Trash Pump Godwin	\$21,000.00	\$30,000.00										38,003											38,003
LWT Dredge #2	\$56,000.00	\$115,000.00										145,679											145,679
Dredge #1	\$56,000.00	\$115,000.00										145,679											145,679
Aeration Basin No. 1 Diffusers	\$25,000.00	\$70,000.00									83,584								112,329				195,913
Aeration Basin No. 2 Diffusers	\$25,000.00	\$70,000.00									83,584								112,329				195,913
Aeration Basin No. 3 Diffusers	\$25,000.00	\$70,000.00									83,584								112,329				195,913
Aeration Basin No. 4 Diffusers	\$25,000.00	\$70,000.00									83,584								112,329				195,913
Influent Pump #1	\$40,000.00	\$69,000.00											92,730										92,730
Influent Pump #2 - Rebuilt 2018	\$25,000.00	\$69,000.00									87,407												87,407
Influent Pump #3 - Empty	\$0.00	\$69,000.00																					0
Influent Pump #4	\$15,000.00	\$69,000.00									84,861												84,861
Influent Pump #5	\$15,000.00	\$69,000.00									84,861												84,861
Influent Pump #6	\$50,000.00	\$69,000.00												95,512									95,512
RAS Pump #1	\$12,000.00	\$35,000.00									43,046							54,529					97,574
RAS Pump #2	\$12,000.00	\$35,000.00									43,046												43,046
RAS Pump #3	\$12,000.00	\$35,000.00																				61,373	61,373
RAS Pump #4 - Rebuilt 2017	\$12,000.00	\$35,000.00									43,046												43,046
RAS Pump #5	\$12,000.00	\$35,000.00									43,046												43,046
CAT 800KW Diesel Generator #2	\$90,000.00	\$305,000.00		314,150																			314,150
CAT 150KW Diesel Generator #3	\$55,000.00	\$80,000.00									92,742												92,742
CAT 600KW Diesel Generator #4	\$121,000.00	\$220,000.00													313,667								313,667
Aerator North Cell ATI 15 HP	\$10,000.00	\$23,000.00																				39,156	39,156
Aerator North Cell House - 2017	\$8,000.00	\$38,000.00				41,524																	41,524
Aerator South Cell Vertical #1	\$7,500.00	\$38,000.00									46,735												46,735
Aerator South Cell Vertical #2	\$7,500.00	\$38,000.00									46,735												46,735
Solar Mixer Pond 3	\$50,000.00	\$50,000.00	50,000																				50,000
Aerator Pond 3 Vertical #1	\$7,500.00	\$38,000.00									46,735												46,735
Aerator Pond 2 - #1 S & N	\$5,000.00	\$38,000.00	38,000																				38,000
Aerator Pond 2 - #2 S & N	\$2,000.00	\$38,000.00																	55,804				55,804
Aerator Pond 2 - #3 S & N	\$18,000.00	\$38,000.00																55,804					55,804
Aerator Pond 2 - #4 S & N	\$18,000.00	\$38,000.00	38,000																				38,000
Aerator Pond 2 - #5 S & N	\$19,500.00	\$38,000.00															55,804						55,804
Aerator Pond 2 - #6 S & N	\$19,500.00	\$38,000.00														57,478							57,478
Washer compactor	\$10,000.00	\$35,000.00											47,037										47,037
VFD Drives Influent Pump 1	\$3,500.00	\$12,000.00									14,329												14,329
VFD Drives Influent Pump 2	\$3,500.00	\$12,000.00									14,329												14,329
VFD Drives Influent Pump 3 Offline	\$3,500.00	\$12,000.00																					0
VFD Drives Influent Pump 4	\$3,500.00	\$12,000.00																				21,042	21,042
VFD Drives Influent Pump 5	\$3,500.00	\$12,000.00									14,329												14,329
VFD Drives Influent Pump 6	\$3,500.00	\$12,000.00									14,329												14,329
Drainage Pumps Grit Chambers 1	\$1,000.00	\$4,500.00									5,534									7,438			12,972
Drainage Pumps Grit Chambers 2	\$1,000.00	\$4,500.00										5,871											5,871
Grit pumps 1	\$1,000.00	\$15,000.00																	23,370				23,370
Grit pumps 2	\$1,000.00	\$15,000.00																	23,370				23,370
Grit Classifier 1	\$2,000.00	\$30,000.00																	46,739				46,739

Private Lateral Grant Program

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 including the connection fee. The maximum amount of assistance for any one (1) private sewer lateral replacement or repair is fifty percent (50%) of the approved cost up to a maximum reimbursement of \$4,000.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	NA	NA
Bidding & Permitting	July 1, 2020	June 30, 2021
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Construction	54,000.	00.
TOTAL	54,000.	00.
TOTAL BUDGET		54,000.

Location

Collection System within District boundaries

Collection System Repairs/Rehabilitation/Replacement Design and Construction

Description

The sewer mainlines are video inspected as part of the scheduled preventive maintenance. The sewer mains need to be lined or replaced when the condition of the sewer main has deteriorated to a point that a repair will not return the sewer main to a serviceable condition. The sewer mains needing repairs are prioritized by the severity of the deterioration and are rehabilitated or replaced according to an established schedule.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	July 1, 2020	June 30, 2021
Bidding & Permitting	July 1, 2020	June 30, 2021
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Bidding & Permitting	00.	00.
Design	834,074.	00.
Construction	1,809,854.	00.
TOTAL	2,643,928.	00.
TOTAL BUDGET		2,643,928.

Location

Collection System within District boundaries

Sewer Main Emergency Repairs

Description

Video inspection of sewer pipelines reveals deficiencies that may include cracks, holes and offset joints. Deficiencies isolated to a single or several small areas of an otherwise serviceable pipeline may be repaired to restore pipe integrity in lieu of pipeline replacement.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	July 1, 2020	December 31, 2020
Bidding & Permitting	January 1, 2021	February 28, 2021
Construction	March 1, 2021	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Bidding & Permitting	00.	00.
Design	00.	00.
Construction	112,000.	00.
TOTAL	112,000.	00.
TOTAL BUDGET		112,000.

Location

Collection System within District boundaries

Emergency Sewer Siphon Replacement Design and Construction

Description

Replace the sewer siphon crossing the Coachella Stormwater Channel at Westward Ho Drive damaged by the flooding on February 14, 2019.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	April 29, 2020	February 14, 2021
Bidding & Permitting	February 15, 2021	May 14, 2021
Construction	May 15, 2021	December 1, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Bidding & Permitting	00.	00.
Design	325,000.	00.
Construction	1,000,000.	00.
TOTAL	1,325,000.	00.
TOTAL BUDGET		1,325,000.

Location

CVWD Storm Water Channel located near Westward Ho Drive

Contingency for Emergency Repairs

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.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	July 1, 2020	June 30, 2021
Bidding & Permitting	NA	NA
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Contingency	92,000.	00.
TOTAL	92,000.	00.
TOTAL BUDGET		92,000.

Location

Within the Engineering/Maintenance Department

Reclaimed Water Project Phase 1 Design Build

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 two biofilters, a sludge holding tank and a sludge thickener building. The costs below represent this coming Fiscal Year as well as the project total over three years (the duration of the design build project).

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	July 1, 2020	May 1, 2021
Bidding & Permitting	N/A	N/A
Construction	July 1, 2021	June 30, 2022

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	3,449,815.	2,299,877.
Bidding & Permitting	00.	00.
CM & Construction	00.	00.
TOTAL	3,449,815.	2,299,877.
TOTAL BUDGET	5,749,692.	

Budget (Total \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	2,615,083.	961,491.
Bidding & Permitting	00.	00.
CM & Construction	19,754,314.	7,263,097.
TOTAL	22,369,397.	8,224,588.
TOTAL BUDGET	30,593,985.	

Location

VSD Water Reclamation Facility

Influent Pump Station Rehabilitation Design Build

Description

Stantec has been chosen to assist the District as an Owner's Representative during the rehabilitation of the influent pump station structure which is showing significant signs of deterioration. Stantec will provide assistance in the preparation of RFQ & RFP documents for the procurement of a progressive design builder, sewage bypass plans, and construction management.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	July 1, 2020	April 14, 2021
Bidding & Permitting	N/A	N/A
Construction	April 15, 2021	March 1, 2022

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	500,000.	00.
Bidding & Permitting	00.	00.
CM & Construction	700,000.	00.
TOTAL	1,200,000.	00.
TOTAL BUDGET		1,200,000.

Location

VSD Water Reclamation Facility

Perimeter Fence Extension and Fortification

Description

Completing the perimeter fence project at the southwest end of the property. This project needs to be designed prior to construction to cross over uneven terrain.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	100,000.	00.
Bidding & Permitting	00.	00.
Construction	180,000.	00.
TOTAL	280,000.	00.
TOTAL BUDGET		280,000.

Location

VSD Water Reclamation Facility

Steel Waterline Activated Sludge Plant

Description

The above ground, steel waterline adjacent to the aeration basins is old and prone to leaks, especially at the grooved joints and has outlived its useful life. The new steel waterline will have traditional joints that will provide a longer life.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Construction	142,000.	00.
TOTAL	142,000.	00.
TOTAL BUDGET		142,000.

Location

VSD Water Reclamation Facility

Van Buren Slope Protection

Description

The slope along the south end of the District's property is being eroded during flooding events which is causing the posts of the chain link fence to become exposed. The City of Indio is working with the District to develop a solution to protect the slope (the slope is within City right-of-way) and provide a minimal fee permit to perform the work.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Construction	250,000.	00.
TOTAL	250,000.	00.
TOTAL BUDGET		250,000.

Location

VSD fence line along wetlands area on Van Buren Street

Recycled Water Main Extension

Description

In order to save significant potable water when cleaning the pond chlorine contact chamber, staff would like to extend the secondary effluent pipeline system about 250 feet to the pond chlorine contact chamber. This will allow the use of secondary effluent water to be used to clean the chamber instead of potable water.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	NA	NA
Design	NA	NA
Bidding & Permitting	NA	NA
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Bidding & Permitting	00.	00.
Design	00.	00.
Construction	60,000.	00.
TOTAL	60,000.	00.
TOTAL BUDGET		60,000.

Location

VSD Water Reclamation Facility

Vehicle and Equipment Replacement Fund

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 ten (ten) to twenty (20) year replacement schedule. The total cost is calculated over a twenty (20) year window using an estimated inflation percentage.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Annual Fund amount	638,000.	00.
TOTAL	638,000.	00.
TOTAL BUDGET		638,000

Location

VSD Water Reclamation Facility

Principal and Interest Payment for Revenue Refunding Bonds 2015

Description

On August 15, 2006, the District issued \$12,915,000 Certificates of Participation to fund phase I of the District's treatment plant expansion. The bonds were refinanced on June 1, 2015 for \$7,540,000 at 2.14% interest payable semi-annually on December 1 and June 1, commencing December 1, 2015.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	N/A	N/A

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Bidding & Permitting	00.	00.
Administrative expenses	2,500.	00.
Annual Bond amount	426,459.	00.
TOTAL	428,959.	00.
TOTAL BUDGET		428,959.

Location

VSD Water Reclamation Facility

New Training and Office Library Building Owner's Representative

Description

Design architect for new training and office library building.
--

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	June 8, 2020	April 9, 2021
Bidding & Permitting	N/A	N/A
Construction	N/A	N/A

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	100,000.
Bidding & Permitting	00.	00.
Construction	00.	00.
TOTAL	00.	100,000.
TOTAL BUDGET		100,000.

Location

VSD Water Reclamation Facility

Additional Parking and Landscaping

Description

The District is need of additional parking for employees and customers. Staff proposes to remove the lawn at the front of the property and replace it with additional parking and drought tolerant landscaping around and near the gate openings.

Anticipated Schedule

Description	Start	Complete
Environmental clearance	N/A	N/A
Design	N/A	N/A
Bidding & Permitting	N/A	N/A
Construction	July 1, 2020	June 30, 2021

Budget (Current \$)

Description	Fund 12	Fund 13
Environmental clearance	00.	00.
Design	00.	00.
Bidding & Permitting	00.	00.
Construction	00.	250,000.
TOTAL	00.	250,000.
TOTAL BUDGET		250,000.

Location

VSD Water Reclamation Facility



March 2020

2020 STRATEGIC PLAN

Prepared by: Rauch Communication Consultants Inc.



BOARD OF DIRECTORS

Mike L. Duran, President
Scott A. Sear, Vice President
Debra A. Canero, Secretary
Dennis M. Coleman, Director
William R. Teague, Director

GENERAL MANAGER

Beverli A. Marshall



Valley Sanitary District 2020 Strategic Plan

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Expectations

The first question asked in the first workshop was for each of the participants to share their initial expectations for the workshop by considering their own goals for the workshop, and what they hoped the outcome would be. The expectations are organized into topic headings below.

Board

- Determine how we can best work together as a board to benefit stakeholders.

Facilities

- Continue to maintain facilities that are conducive to the public.

Alignment

- Set short- and long-range goals in alignment and foresee issues so we can align our planning and avoid rate shocks.
- Direction for board and staff goals, mission statement – all understanding and moving in the same direction.
- Hear board in one voice – unify the Board.
- Form a better idea of the direction we should go that will best benefit the community.
- Identify a clear path forward that we all agree on.

Practical Roadmap

- Roadmap: identify goals for operations, prioritizing capital projects, and financing to pay for it.

Image and Branding

- Establish a strong image for the district and reflect that in all we do.

Rating the District Today (from Workshop #1)

Before considering where the District wants to go in the future, it is important to understand where it is today. In this exercise, each participant in the workshop was asked to rate various aspects of the District based on its current performance. Each participant selected aspects of the District to rate and graded them on a scale of 1 to 10 (10 being excellent). The average scores, along with the total number of votes in each category, are included to the left of each category.

BELOW ARE THE CATEGORIES AND RATINGS PROVIDED BY THE PARTICIPANTS	
<p>Avg. 8.4 9, 9, 9, 9, 9, 8, 8, 8, 7 9 votes</p>	<p>Staffing. Always working together, eager to learn and take the initiative. This is a family style organization and people love to come to work here. The District has good leadership and provides the tools staff needs. Overall it is a great staff, both the older staff and new staff. Regarding challenges, the District is short in staffing in a few areas, like lab operations, electricians, and maintenance. The District hasn't planned well for succession and increasing workloads from regulations. Some staff are over-taxed.</p>
<p>Avg. 7.8 9, 8, 8, 6 4 votes</p>	<p>Board. Good Board. New directors are working hard, getting up to-speed and contributing. Board is committed to staff and supports staff. Both experienced and new directors are enthusiastic</p>
<p>Avg. 7.7 9, 9, 5 3 votes</p>	<p>Facilities. We are proactive in facilities maintenance. Management, CIP planning, and reporting are all good or excellent. We have good equipment and the field staff represents the District well. Emergency preparedness is lacking; we need more robust emergency preparedness and training.</p>
<p>Avg. 7.5 9, 8, 8, 7.5, 5 5 votes</p>	<p>Finance. Finances are strong in near term and there are plans to address the long-term. The District has strong reserves, but cash flow is not strong enough and will be depleted within eight or nine years. The budget is transparent and easy to read. The District can do better in terms of policies, financial awards, and financial education. The Board could use more information in workshops.</p>
<p>Avg. 7 7.5, 7 2 vote</p>	<p>Regulatory. Regarding regulations, the District is ok for now, but needs to keep learning and adding resources to meet new regulations. Regarding legislative engagement, the District is strong in federal, but needs more focus at the state level. The District does follow the CASA monitoring on legislation to help determine what to support or oppose.</p>
<p>Avg. 6.5 8, 5 2 votes</p>	<p>Planning. We are dedicated, thinking and not complacent. However, lean staffing and limited resources limits planning for the future.</p>
<p>Avg. 4 6, 5, 3, 2 4 votes</p>	<p>Outreach. People don't know and haven't even heard of the District. It will be hard to ask people for increased rates over time if they don't know us. While outreach is improving, we need to improve branding and to show what a great board, staff, and District we have. We need to tell our story and be out at schools, public events, and businesses.</p>
<p>Avg. 4 4 votes</p>	<p>Reclamation. This is a critical, big, and costly task.</p>

Challenges and Opportunities Facing the District

Below is a list of key issues and challenges identified in the process that are expected to face the District in the future. Each participant was asked to predict what challenges and opportunities the District would confront in the future. The feedback is as follows:

Facilities

Need more emergency preparation and training. \$100 million+ cost of facility upgrades over ten years.

Finance

Need to develop a new rate structure next year. Are we moving in the right direction and making good decisions? Acting in the right order and efficiently?

Planning

Need to be prepared to meet the needs of the City General Plan, population growth, and tribal requirements.

Staff

Need to evolve as new generations join the workforce by developing new recruitment and retention approaches and management styles. Must manage retirements, succession, and institutional knowledge; need to promote diversity.

Outreach

Need to get people to know us, to understand and support us by reaching out to ratepayers, city council, tribal, and regional water management groups. Need rebranding. Need more collaboration. Can't operate in a vacuum. Must partner.

Reclamation

This is critical to support community sustainability; we must be part of it.

Operations

Must stay up to date with technology.

Regulatory and Legislative

Current permitting is good. There will be future tribal and state regulatory challenges, including around human resources, finance, transparency, tertiary, nitrogen removal, etc.

Mission, Vision, and Values

Mission

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.

Vision

As a result of the changes outlined in this five-year Strategic Plan, Valley Sanitary District will support the Coachella Valley as an environmental steward, a model employer, and a leader in the wastewater industry that is known for its excellence. We will:

- Prioritize the needs of our customers and do it cost-effectively and transparently.
- Provide a healthy work environment, cutting-edge equipment, and exceptional training opportunities for staff, our most important asset.
- Provide leadership in protecting our shared environment and safely reuse or recycle wastewater, energy, biosolids, and other useful byproducts.
- Serve as a trusted participant in the community through our collaboration, open communication, and educational programs.

Values

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

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

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

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

Areas of Current Emphasis

The participants were asked to identify and vote on the most important issues that the District must resolve in the coming years. The results of that vote are shown below, along with a summary of the responses by category. *This exercise was designed to advance the discussion and indicate areas of current emphasis as described below rather than to generate actionable, quantitative priorities. Everything on this list is important, as are many items that don't appear in this list. In the context of current areas of emphasis, funding is lower than the items above it, but still a high priority.*

8 Votes	Highly Trained Staff. Everything depends on having a good staff, with adequate people to meet regulatory needs, and resilient to meet future requirements.
8 Votes	Recycled Water. We must get recycled water completed and online.
8 Votes	CIP Planning. Short and long-range CIP planning and feasibility evaluation. Plant, collection, recycled and how to implement.
8 Votes	Establish a Brand. Have a concrete plan to build a brand for the District and ensure the public knows it.
4 Votes	Safety. Plant and staff safety protocol, training, and equipment.
3 Votes	Complete and Up-to-Date Policies. Complete written policies and make sure they are up to date and approved.
3 Votes	Strategic Plan. Mission statement and strategic plan are a true reflection of direction.
1 Vote	Funding. Need enough funding for CIP plans.

Goals, Objectives, and Implementation Plan

Introductory Notes

Key Areas of Change. This Strategic Plan focuses only on key areas where there is change or a desire for additional clarity of direction. Numerous existing and ongoing initiatives, programs, and actions are not incorporated into this plan.

Priorities. The notation “(High)” after an action indicates a high-priority action. A high priority is defined as a “must do” that is not receiving adequate attention from staff due to inadequate resources or a new or additional effort for staff to undertake to fulfill a critical goal or objective. Some actions are urgent in terms of timing but are not necessarily a high priority. For example, it is urgent to get out payroll in the next few weeks but not a high strategic priority, just a workaday task.

Timing. Goals and objectives marked “annually” or “ongoing” will be reported on at least once each year during the budget planning season. This will allow the General Manager to use the feedback received from the Board when preparing the new fiscal year budget.

Implementation. Staff developed a complete set of initiatives to implement the goals and objectives. The implementation actions are summarized on the following pages, indicated by third-level numbering (such as 1.1.1) with non-bold type.

Summary of the 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 planned 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 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 4.2: 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

Detailed Goals, Objectives, and Implementation Plan

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

Strategic Challenge. The District's greatest strength has been its highly motivated and experienced staff and their willingness to work together to serve our community. Looking to the future, everything the District does will continue to depend on having an excellent staff, with adequate people to meet the needs of the District's customers and community.

The following objectives and implementation actions must be completed to fulfill Goal 1.

OBJECTIVE 1.1: Enough staffing to fulfill goals and objectives safely and efficiently

- 1.1.1: Conduct staffing analysis and make adjustments and hires if appropriate**
- 1.1.2: Develop and implement retention plan (will relate to benefits, pay, training, etc.)**
- 1.1.3: Evaluate and update pay and benefits if appropriate**

OBJECTIVE 1.2: Improve preparation for both unexpected events and planned succession of all key positions

- 1.2.1: Develop and implement a succession plan**
- 1.2.2: Develop and implement internship program to develop pipeline of potential new workers**
- 1.2.3: Develop and implement water/wastewater education program with College of the Desert to develop pipeline of new workers**

OBJECTIVE 1.3: Improve training and professional development

- 1.3.1: Develop and implement training best practices for supervisors**
- 1.3.2: Identify and implement opportunities for training and professional development**
- 1.3.3: Develop and implement mentorship program**

OBJECTIVE 1.4: Maintain and build upon the strong staff culture

- 1.4.1: Identify what makes us special, develop a plan to maintain and strengthen the culture, and implement**

GOAL 2: Increase Recycling, Reuse, and Sustainability

Strategic Challenge. Valley Sanitary District is located in a Desert with a stressed aquifer and water supplies are increasingly unreliable both regionally and statewide. One result is that Indio must pay about one million dollars each year to Coachella Valley Water District for over pumping and drawing down the aquifer. Nitrogen in the groundwater is a water quality issue that water recycling could help with by de-nitrifying the water. It is critical that the wastewater is recycled or reused to help maintain the groundwater aquifer, and to benefit people and the environment.

The following objectives and implementation actions must be completed to fulfill Goal 2.

OBJECTIVE 2.1: Increase recycling and reuse of resources and byproducts

- 2.1.1: Plan and implement recycled water with IWA through EVRA and other potential partners**
- 2.1.2: Evaluate and implement biogas and co-generation of power as appropriate**
- 2.1.3: Evaluate and implement reuse of biowaste as appropriate**
- 2.1.4: Seek grant funding for water recycling, biowaste, and other recycling and reuse projects.**

OBJECTIVE 2.2: Improve sustainability of the overall operation (e.g., lower carbon footprint)

- 2.2.1: Identify how to measure sustainability, and set benchmarks and actions to improve**
- 2.2.2: Optimize cost and benefit of the solar array**

GOAL 3: Excellent Facilities

Strategic Challenge. The District requires over \$100 million in facility upgrades and replacements in the coming decade. These facilities must work every day and around-the-clock without fail. It is critical that they be built and maintained to the highest standards with long-term cost-effectiveness in mind.

The following objectives and implementation actions must be completed to fulfill Goal 3.

OBJECTIVE 3.1: Facilities are managed using comprehensive long-range plans that are integrated with the financial plan

3.1.1: Identify what should be part of the preventive maintenance plan and implement it

3.1.2: Annual review of CIP and align with budget, rate analysis, and changing needs

OBJECTIVE 3.2: Increase use of technology to lower costs and improve reliability

3.2.1: Develop and implement technology recommendations to increase efficiency and effectiveness for all functional areas

GOAL 4: Increase Community Understanding and Support

Strategic Challenge. The District's customers and ratepayers are not sufficiently informed about who the District is, the quality of services it provides, or its importance. This will become untenable over time as the District will need to ask the community for additional funding to meet quality, health, safety, and environmental expectations and regulations. Simply put, the District must have the understanding and support of its customers if it is to serve them effectively in the future.

The following objectives and implementation actions must be completed to fulfill Goal 4.

OBJECTIVE 4.1: Increase community understanding and support for the District and its program

4.1.1: Develop outreach plan, budget, etc.

4.1.2: Implement outreach plan

OBJECTIVE 4.2: Increase the District's understanding of community wants, needs, and interests

4.2.1: Develop community listening tools in outreach plan (potentially surveys, sewer 101 group, track press, track calls, etc.)

4.2.2: Develop and implement actions to respond to identified community needs

OBJECTIVE 4.3: Rebrand Valley Sanitary District to increase public recognition of the District's move toward reuse and recycling

4.3.1: Develop and implement rebranding strategy in coordination with outreach plan in 4.1.1.

OBJECTIVE 4.4: Become an environmental leader in the community and industry

4.4.1: Define results desired from environmental leadership

4.4.2: Identify and implement additional green initiatives to meet results in 2.3.1

GOAL 5: Long-Term Financial Strength

Strategic Challenge. The district has substantial reserves. However, cash flow is not strong enough for long-term sustainability. While the budget is detailed, transparent, and easy to read, it will need to be updated to align with the strategic plan.

The following objectives and implementation actions must be completed to fulfill Goal 5.

OBJECTIVE 5.1: Align long-term financial planning with strategic priorities

5.1.1: Review rates to align with strategic priorities, CIP needs, and changing conditions

OBJECTIVE 5.2: Extend financial planning to meet long-term needs while maintaining affordability for customers

5.2.1: Define "affordable" and update financial plan to address short-term and long-term needs balanced with the definition

OBJECTIVE 5.3: Update rate structure to ensure it is up-to-date and fair to all classes of customers

5.3.1: Update the rate structure to ensure it is up to date with current best practices, reflects current customer usage, and complies with legal mandates

5.3.2: Implement rate structure changes based on analysis

GOAL 6: Improve Planning, Administration and Governance

Strategic Challenge. The District has a dedicated, capable, and motivated staff. Regarding regulations, the District is in good shape currently, but needs to keep learning and adding resources to meet increasingly stringent regulations. Regarding legislative engagement, the District is strong in federal related matters, but needs more focus at the state level.

The following objectives and implementation actions must be completed to fulfill Goal 6.

OBJECTIVE 6.1: Meet evolving operational and customer demands

6.1.1: Develop and implement plan to address changing operational and customer response needs

OBJECTIVE 6.2: Increase regional collaboration

6.2.1: Define results desired from regional collaboration

6.2.2: Develop plan to increase regional collaboration

6.2.3: Implement plan to increase regional collaboration

OBJECTIVE 6.3: Improve administration and management

6.3.1: Review 10% of policies annually and update as needed

6.3.2: Transition from paper to digital processes to increase efficiency

OBJECTIVE 6.4: Increase emergency preparedness

6.4.1: Update Emergency Preparedness Plan (EPR)

6.4.2: Implement EPR recommendations

OBJECTIVE 6.5 Improve State level legislative advocacy

6.5.1: Evaluate needs for a state advocate

6.5.2: Retain state advocate if appropriate

OBJECTIVE 6.6: Improve Governance

6.6.1: Conduct annual Board self-assessment

6.6.2: Update new director orientation packet and process

OBJECTIVE 6.7: Maintain compliance with all regulatory, legislative, and permit requirements

6.7.1: Regularly review policies and procedures for compliance with permit

6.7.2: Implement changes identified in review process

Implementing the Plan

Monitoring, Implementation, and Oversight Actions

The District will take the following steps to ensure that the Strategic Plan is implemented, and results are achieved:

- The District will publish the Mission, Vision, Values, Goals, and Objectives on posters and handouts and display them around the District.
- Staff will incorporate the Mission, Vision, Values, Goals, and Objectives into the employee handbook, as well as orientation and training materials for new employees and Board and Committee members.
- The General Manager will present the Strategic Plan to the entire staff so they are familiar with it and can better undertake their individual roles in fulfilling it.
- The management and supervisory team will actively execute the Implementation Plan.
- The management team will monitor and track Strategic Plan goals, objectives, and implementation actions.
- The performance evaluation of the General Manager will include performance in implementing the strategic plan as one of the areas of evaluation.
- Committees will incorporate Strategic Plan monitoring as appropriate, and staff will provide an annual report to the entire Board on progress in implementing the plan.
- Staff will reference Strategic Plan items on Board meeting agendas as appropriate.
- The Board, with staff support, will review and update the Strategic Plan every three years and roll it forward.

Detailed Implementation Plan

A detailed Implementation Plan is being maintained in a separate spreadsheet by staff.

Appendix: Notes from the Staff Workshop

On December 4, 2019, nearly the entire staff participated in a strategic planning workshop that was designed to provide an opportunity to learn about the strategic plan and work to-date by the Board, to have questions answers and input to the Board. This was conducted immediately prior to the Second Board workshop where the results of the staff workshop were reviewed by the Board.

Questions Discussed in the Staff Workshop

Following a review of the draft plan developed to-date by the Board and Management Team, staff worked individually and in groups to respond to the following questions:

1. If your group had the power to make up to three changes. What three things would you choose to do to make the District better, and, why did you choose these?
2. Is there anything else your groups wants the Board to hear as they plan the District's long-term future?
3. It is important to focus on just a few priority issues, recognizing that in practice it is not possible to accomplish everything at once and that there are limits on time, money and personnel resources. Please take a moment to review all the issues and items we have discussed suggest some priorities to vote on. Each person was given four stickers that they could apply to any topic or topics as a "vote" representing their priorities.

A summary of the results of the discussion is found on the following page.

Summary Notes From the Staff Workshop

Note that ✓ = Repeated Comment

STAFF COMPENSATION PLAN 22 Votes

Evaluate and implement a compensation package that helps recruit and retain high quality staff

MORE STAFF 21 Votes

✓ Increase staff development and training

✓✓✓ Add staff due to shortage. This will improve safety since sometimes field workers are alone without backup.

There are great employees here

TECHNOLOGY IMPROVEMENTS 21 Votes

Tablets to better share information and communicate. Reduces staffing needs

Need an asset management system for development

Upgrade SCADA. Have a field Toughbook and Wi-Fi so staff can work in the field

Could use density meters and to improve technology

Need staffing for new technology.

TRAINING 20 Votes

Broader professional development

Help in passing exams

Onsite training and invite other districts here to train

More budget for training

More cross training to better utilize people, help with succession and cross certification

More management training

We need a space for training

MORE BOARD / STAFF COMMUNICATION 20 Votes

Help the Board understand more about the value the staff brings

More communication about the Board actions and directions to staff. Options include: through GM communication, by passing on the minutes, through management communication, or videotaping board meetings

Staff engage more in planning like for the CIP

BOARD NOTE: Board wants to avoid micromanaging but suggested a quarterly luncheon with the Board.

BETTER COMMUNICATION BETWEEN DEPARTMENTS 5 Votes

For example, formalize relationships on how engineering interacts with and impacts operations

COMMUNICATION TO THE PUBLIC 5 Votes

Make more interesting and brochure-like rather than just reading

FACILITIES 2 Votes

More lockers, more space for people

SUPPLIES AND EQUIPMENT 2 Votes

Enough supplies and equipment

Redundant parts for emergencies

Keeping redundant parts is tough with limited staffing.

LATERALS

Provide insurance to customers to extend laterals closer to the curb. Extend the lateral grant program.



Prepared by:



GLOSSARY OF TERMS

Actual: Report of actual expenses or revenue for a given fiscal year. Actual expenses and revenue usually vary from the budgeted amount.

ADA: Americans with Disabilities Act

Adopted Budget: The budget formally approved by the Board of Directors.

Amended Budget: The budget formally amended during a fiscal year to reflect unanticipated expenditures and revenue.

Appropriation: A legal authorization made by the Board to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Valuation: A value established for real property for use as a basis in levying property taxes. Annual increases in valuation are limited to a maximum of 2%; however, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Audit: The primary objective of an audit is to determine if the District's annual financial statements fairly present the District's financial position and result of operations and conform to generally accepted accounting principles (GAAP). The audit function is always prepared by an independent Certified Public Accountant (CPA).

Authorized Positions: Inventory of positions approved by the Board of Directors that may or may not have funding (see Budgeted Positions.)

Benefit Assessment: Charges levied on parcels to pay for public improvements or services provided within a pre-determined district or area according to the benefit the parcel receives from the improvement or services.

Biennial Budget: Plans of current expenditures and the proposed means of financing them over a two-year period. The Biennial Budget is the primary means by which most purchases, expenditures and service delivery activities of the agency are controlled.

Biochemical Oxygen Demand (BOD): A measure of the oxygen used by micro-organisms to decompose waste.

Board of Directors: Five individuals elected by the residents of the District to set policy direction for the District.

Bonds: A form of borrowing (debt financing) that reflects a written promise from the District to repay a sum of money on a specific date at a specified interest rate. Bonds are used to finance large capital projects such as buildings, streets, utility infrastructure and bridges.

Budget: A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services. The District uses a financial plan covering the fiscal year July 1 through June 30.

Budget Amendment: The Board has the sole responsibility for adopting the District's budget and may amend or supplement the budget at any time after adoption by majority vote. The General Manager has the authority to approve administrative adjustments to the budget as long as those changes do not have a significant policy impact nor affect budgeted year-end balances.

Budgeted Positions: Inventory of positions to be funded in the budget.

CalPERS: A state-wide pooled trust used by local government and state agencies to fund employee retirement benefits.

Capital Improvement Plan (Plan): A plan to provide for the renovation or replacement of existing public facilities and assets and for the construction or acquisition of new ones. The plan sets forth each project or other contemplated expenditure in which the District is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Improvement Program Budget: The means for financing the projects identified in the Capital Improvement Plan, to be incurred in a given fiscal year. Included are expenditures made for land, building, permanent public works projects, major construction or renovation of structures and major landscaping or park improvements.

Capital Outlay: Expenditures that result in the acquisition of, or addition to, fixed assets.

Capital Project Funds: This fund type is used to account for financial resources used in the acquisition or construction of major capital facilities other than those financed by Proprietary or Trust Funds.

Capital Improvement Plan (CIP): The District's plan of projected capital improvement projects for a five-year period.

Debt: Borrowing funds needed and pledging future revenues to make current expenditures. Traditionally, debt financing is used only for one-time capital improvements whose life will exceed the term of financing and where expected revenues are sufficient to cover the long-term debt.

Debt Capacity: The difference between the amount of outstanding debt the District has and the maximum amount of debt that the District can incur within its legal, public policy and financial limitations.

Debt Service: The principal and interest on bonds and other debt instruments according to a pre-determined schedule.

Department: A major organizational unit of the District that has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Designated Fund Balance: Amounts set aside for planned actions.

Development Fees: Fees charged to new development that has an impact on the District's facilities and related collection and treatment capacity.

Division: A minor organizational unit within a Department that has been assigned the responsibility for an operation within a functional area.

Employee Benefits: The cost to the District for contribution to employee retirement, health insurance, life, disability, Medicare, workers' compensation and unemployment compensation programs.

Encumbrances: Funds not yet expended but delegated or set aside in anticipation of expenditures in the form of a purchase order, contract or other commitment, chargeable to an appropriation. These funds cease to be an encumbrance when paid.

Enterprise Funds: Used to account for operations that are financed and operated in a manner similar to private sector enterprises and it is the intent of the District that the costs (including depreciation) of providing goods and services to the general public be financed or recovered primarily through user charges. At this time, all District operations are considered an Enterprise Fund.

Equivalent Dwelling Units (EDU): A representative unit for the demand and flow that a typical residential unit disposes into the sewer system in a day. This measurement is used to determine the connection fee and annual sewer service charge for non-residential customers of the District.

Expenditure: Designates the cost of goods delivered or services rendered, whether paid or unpaid. Where accounts are kept on the modified accrual basis of accounting, costs are recorded when goods are received, or services rendered. Where accounts are kept on a cash basis, expenditures are recognized when the cash payments are made. The District uses modified accrual basis accounting

Fee: A charge to the consumer for the cost of providing a particular service. Fees may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, including associated overhead.

Fiscal Year: A 12-month period of time used to record financial transactions. The District has specified July 1 to June 30 as its fiscal year.

Fixed Assets: Fixed assets are of a long-term nature, such as land, buildings, machinery, furniture and other equipment. These assets have a life expectancy in excess of one year and a total acquisition cost in excess of \$5,000.

Franchise Fees: A form of rent for use of public streets and roadways. Federal and state laws limit the amount of some franchise fees.

Full-Time Equivalent (FTE): The decimal equivalent of part-time position converted to a full-time base (i.e., one person working half-time would equate to 0.5 FTE).

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations reserves and equities.

Fund Balance: The excess of assets over liabilities and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses within a specified fund.

Generally Accepted Accounting Principles (GAAP): Uniform standards for financial accounting and reporting that govern the form and content of the basis financial statements of an agency.

Grant: A contribution from a government, non-profit or for-profit agency to the District for a specific purpose and time period.

Inter-Departmental Charge: Charges from one department to another for services performed on a cost-for-service basis.

Inter-Fund Transfers: Represent transfers of funds from one governmental fund to another governmental fund when both funds are part of the same reporting entity. An operating transfer is a legally authorized transfer between funds in which one fund is responsible for the initial receipt of funds and another fund is authorized to use the resources to finance its operating expenditures or expenses.

Investment Revenue: Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

Permits: Charge designed to reimburse the District for costs of reviewing and approving private property improvements within the District's system area.

Mandated Services: District services provided to comply with State or Federal laws.

Master Plan: Long-range planning document that provides the framework for capital improvement projects.

Memorandum of Understanding (MOU): A document outlining the terms and details of an agreement between parties, including the responsibilities of each party. This term is often used to describe agreements between the agency and unions.

Million Gallons per Day (MGD): One million gallons per day equals 3.07-acre feet, or about 700 gallons per minute.

National Pollutant Discharge Elimination System (NPDES): A permit system authorized by the U. S. Environmental Protection Agency, Clean Water Act, to control water pollution by regulating discharge of treated sewage, stormwater and urban runoff into waters of the United States.

Operating Fund: This is the primary operating fund of the District. All revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the Operating Fund. Operating Fund resources can be utilized for any legitimate governmental purpose with the exception of subvention or grant revenues restricted for a specific purpose.

Operating: This is the portion of the budget that pertains to daily operations providing ongoing governmental services that excludes capital improvement activities.

Ordinance: A formal legislative enactment by the Board of Directors. It has full force and effect of law within the District boundaries unless it is in conflict with any higher form of law, such as a State statute or constitutional provision. An ordinance has a higher legal standing than a resolution.

Other Post-Employment Benefits (OPES): These are benefits, other than retirement pensions, that are provided to employees who retire from the District.

Personnel Expenditures: Salaries and wages paid to employees.

Professional Services: Services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training or direct assistance. For purposes of this document, the following are, but not limited to, professional services:

Architectural, construction management, construction surveys, material testing, inspection services, appraising, ad campaigns, engineering, environmental, finance, fine arts, insurance, land surveying, landscape architectural, legal management consultants, management information consultants, janitorial, landscape maintenance, grounds keeping, medical, document processing services, municipal program implementation, performing arts, personnel, psychological, sports and underwriting. Providers of such services are hereinafter referred to individually as "consultant" or collectively as "consultants".

Projected: The amount of expenditures or revenue anticipated for the fiscal year based on analysis of actual expenses or receipt of revenue.

Property Tax: The California State Constitution provides that the combined maximum property tax rate on any given property is equal to 1% of its assessed value unless an additional amount has been approved by votes for special taxes or general obligation

bonds. The County assesses properties, bills and collects these property taxes. The County remits the District's share, including all penalties and interest. The purpose of this tax is to allow the District to provide general services to its citizens.

Proposed Budget: The version of the annual budget submitted to the Board of Directors for its consideration. It may be approved with or without changes made by The Board resolution.

Purchase Order: Authorizes the delivery of specific goods or services and incurrence of their debt.

Public Works Project: As pertains to bidding on public contracts and as defined in the Public Contract Code, includes any of the following:

- a. Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility, building, road or other public improvement of any kind.
- b. Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility.
- c. Painting or repainting any publicly owned, leased or operated facility.
- d. Public project does not include maintenance work.

Reimbursable Expenses: An expenditure that will be repaid through a billing, contract or agreement with a third party.

Reserve: An account used to earmark a portion of the fund balance as legally segregated for a specific use.

Resolution: A special order of the Board that requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Restricted Asset: Monies, or other resources, that have restrictions on their use by legal or contractual requirements. In governmental accounting, special treatments are applied to restricted assets arising out of debt in Enterprise Funds.

Revenue: Monies received from taxes, fees, permits, licenses, interest and inter-governmental sources during the fiscal year.

Revenue Bonds: Bonds issued to construct facilities and are repaid from revenue produced by the operation of those facilities.

Secured Property: Real property in which the value of the lien on the real property and personal property located thereon is sufficient to assure payment of the tax.

Service Charges: Charges imposed to support services to individuals or to cover the cost of providing such services.

Sewer Use Charge (SUC): Charge established by the District to adequately fund the ongoing costs of providing sewer service to properties within the District. Revenues from the SUC fund operations and maintenance of and improvements to the sewer system. Rates may not exceed the amounts adopted by the Board without proper notice to customers.

Special Revenue Fund: Used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Suspended Solids (SS): Particulates dissolved in liquid. See also Total Suspended Solids.

Taxes: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying for such services.

Total Suspended Solids (TSS): Particulate weight obtained by separating particles from a water sample using a filter, usually measured as milligrams per liter (mg/l).

Trust and Agency Funds: Also known as Fiduciary Funds, these funds are used to account for assets held by the District in a trustee capacity or as an agent for private individuals, organizations or other government agencies.

Unsecured Property: Real property in which the value of the lien is not sufficient to assure payment of the property tax.

Valley Sanitary District (VSD): The District's wastewater treatment facility located at 45500 Van Buren Street, Indio, CA 92201.