Tuesday, June 9, 2026 at 1:00 PM
Valley Sanitary District Board Room
45500 Van Buren Street, Indio, CA 92201

BOARD OF DIRECTORS
REGULAR SESSION
AGENDA

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

Zoom link: https://us06web.zoom.us/j/81914165050

Meeting ID: 819 1416 5050

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

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

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

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **JUNE EMPLOYEE ANNIVERSARIES**
   - *Andy Boyd, Wastewater Operator III - 17 years*
   - *Nick Castaneda, Collection Technician III - 12 years*
   - *Jason Dafforn, General Manager - 3 years*

5. PRESENTATIONS

5.1 CERTIFICATE OF APPRECIATION FROM RIVERSIDE UNIVERSITY HEALTH SYSTEM - PUBLIC HEALTH FOR THE PARTICIPATION IN THE 2025 WASTEWATER SURVEILLANCE PROGRAM
Recommendation: Review

6. PUBLIC COMMENT

7. CONSENT CALENDAR

Consent calendar items are expected to be routine and noncontroversial, to be acted upon by the Board of Directors at one time, without discussion. If any Board member requests that an item be removed from the consent calendar, it will be removed so that it may be acted upon separately.

7.1 APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD MAY 26, 2026
Recommendation: Approve

7.2 APPROVE WARRANTS FOR JUNE 9, 2026
Recommendation: Approve

7.3 ACCEPTANCE OF A GRANT EASEMENT FOR SEWER PURPOSES
Recommendation: Approve

8. NON-HEARING ITEMS

8.1 ADOPT RESOLUTION NO. 2026-1208 APPROVING THE OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR (FY) 2026/27
Recommendation: Approve

8.2 AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR CYBER LIABILITY INSURANCE IN AN AMOUNT NOT TO EXCEED $16,406
Recommendation: Approve

8.3 AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR EARTHQUAKE INSURANCE COVERAGE FOR FISCAL YEAR 2026/27 IN AN AMOUNT NOT TO EXCEED $650,757
Recommendation: Approve

8.4 SET A PUBLIC HEARING DATE FOR JULY 28, 2026, DETERMINING CERTAIN ACCOUNTS DELINQUENT AND DIRECTING THE PLACEMENT OF THESE ACCOUNTS ON THE PROPERTY TAX ROLLS FOR COLLECTION
Recommendation: Approve

8.5 AUTHORIZE THE GENERAL MANAGER TO EXTEND THE BIOSOLIDS HAULING CONTRACT WITH SYNAGRO WEST LLC.
Recommendation: Approve

9. GENERAL MANAGER'S REPORT

9.1 RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR MAY 2026
Recommendation: Review

10. COMMITTEE REPORTS

10.1 UPDATE OF THE OPERATIONS COMMITTEE MEETING - JUNE 2, 2026
Recommendation: Discuss

11. DIRECTOR'S ITEMS

12. INFORMATIONAL ITEMS

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

14. CONVENE IN CLOSED SESSION

14.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: General Manager

14.2 CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Craig Hayes, District Counsel Unrepresented employee: General Manager

15. CONVENE IN OPEN SESSION

16. ADJOURNMENT

POSTED June 4, 2026
Holly Gould
Clerk of the Board
Valley Sanitary District

PUBLIC NOTICE

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

ITEM 5.1
REVIEW

Valley Sanitary District

DATE: **June 9, 2026**

TO: **Board of Directors**

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

SUBJECT: **CERTIFICATE OF APPRECIATION FROM RIVERSIDE UNIVERSITY HEALTH SYSTEM - PUBLIC HEALTH FOR THE PARTICIPATION IN THE 2025 WASTEWATER SURVEILLANCE PROGRAM**

Suggested Action
Review

Strategic Plan Compliance
GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact
There is no fiscal impact on the District for this award.

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

Background
The Riverside University Health System - Public health Laboratory and the Riverside County Department of Public Health recognized Valley Sanitary District (VSD) for the time, coordination, and dedication that was required to consistently collect, package, and submit wastewater samples in support of this important healthcare initiative. The continued efforts and collaboration of VSD has played a vital role in strengthening public health surveillance throughout Riverside County. The wastewater sampling and data sharing provided by the District has helped support the early detection of emerging public health threats and contributed to timely health response efforts the benefited our communities.

Recommendation
Receive the Certificate of Appreciation for participating in the 2025 Wastewater Surveillance Program

from the Riverside University Health System - Public Health, and recognize and commend the Laboratory Department for their recognition.

Attachments

5.1 Attachment A Letter from Riverside University Health System.pdf

Riverside University HEALTH SYSTEM
Public Health

May 15, 2026

Dear Wastewater Surveillance Partner,

On behalf of the Riverside University Health System – Public Health Laboratory and the Riverside County Department of Public Health, we would like to sincerely thank you for your participation in the 2025 Wastewater Surveillance Program. We recognize the time, coordination, and dedication required from your team to consistently collect, package, and submit wastewater samples in support of this important public health initiative. Your continued efforts and collaboration play a vital role in strengthening public health surveillance throughout Riverside County.

Through ongoing wastewater sampling and data sharing, your organization has helped support the early detection of emerging public health threats and contributed to timely public health response efforts that benefit our communities. Please accept the enclosed Certificate of Appreciation as a small token of our gratitude for your partnership and commitment to protecting public health. We truly appreciate the work your team does behind the scenes to support this program and the health of Riverside County residents.

Thank you again for your continued collaboration and support.

Syreeta Steele, Ph.D., PHLD (ABB)
Laboratory Director
Riverside University Health System – Public Health Laboratory
Riverside County Department of Public Health

ITEM 7.1
ACTION

Valley Sanitary District

DATE: June 9, 2026

TO: Board of Directors

FROM: Holly Gould, Clerk of the Board

SUBJECT: APPROVE THE MINUTES FOR THE BOARD OF DIRECTORS REGULAR MEETING HELD MAY 26, 2026

Suggested Action
Approve

Strategic Plan Compliance
GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

Fiscal Impact
There is no fiscal impact associated with this item.

Environmental Review
This item does not constitute a project under the California Environmental Quality Act (CEQA) and is therefore exempt from further environmental review.

Background
The meeting minutes for the Board of Directors Regular Meeting held May 26, 2026, are attached.

Recommendation
Approve

Attachments
7.1 Attachment A 26 May 2026 Minutes Draft.edited.docx

A VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
May 26, 2026

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, May 26, 2026, at 45-500 Van Buren St., Indio, CA 92201

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:
Debra Canero, Mike Duran, Gerardo Jimenez, Edgar Santana, Ruben Vasquez

Staff Present:
Jason Dafforn, General Manager; Holly Gould, Clerk of the Board; Jeanette Juarez, Chief Administrative Officer; Ian Wilson, Wastewater Operations Manager; Ron Buchwald, District Engineer; and Oscar Verdugo, Best Best & Krieger

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT – None.

5. PUBLIC HEARING

5.1 Adopt Resolution No. 2026-1205 Establishing Fees & Charges for District Services for Fiscal Year Ending June 30, 2027

President Canero asked Mr. Dafforn to summarize the actions leading to the Public Hearing. Mr. Dafforn stated that pursuant to Government Code Section 6062a, a notice of the Public Hearing was published in the Desert Sun newspaper on May 13 and May 20, 2026. President Canero read the procedures to be followed during the hearing and asked Mr. Dafforn to summarize any written communications regarding proposed Resolution 2026-1205. Mr. Dafforn informed the Board that no written communication had been received from the public. President Canero declared the Public Hearing open at 1:05 p.m. and asked Mr. Dafforn to give a brief staff report, followed by any public testimony. With no public comments, President Canero declared the Public Hearing closed at 1:06 p.m. The Board had no comments on amending the fees and charges for District services. It was the consensus of the Board to adopt Resolution No. 2026-1205, Establishing Fees & Charges for District Services for Fiscal Year Ending June 30, 2027.

"A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT AMENDING FEES AND CHARGES FOR DISTRICT SERVICES AND RESCINDING RESOLUTION NO. 2025-1197"

ACTION TAKEN:

MOTION: Secretary/Treasurer Jimenez motioned to adopt Resolution No. 2026-1205, amending fees and charges for District services and rescinding Resolution No. 2025-1197. Vice President Santana seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
RESOLUTION NO. 2026-1205

5.2 Adopt Resolution No. 2026-1206 Establishing the Gann Appropriations Limit for the Fiscal Year 2026/2027

President Canero asked Mr. Dafforn to summarize the actions leading to the Public Hearing. Mr. Dafforn stated that pursuant to Government Code Section 6062a, a notice of the Public Hearing was published in the Desert Sun newspaper on May 13 and May 20, 2026. President Canero read the procedures to be followed during the hearing and asked Mr. Dafforn to summarize any written communications regarding proposed Resolution 2026-1206. Mr. Dafforn informed the Board that no written communication had been received. President Canero declared the Public Hearing open at 1:10 p.m. and asked Mr. Dafforn to give a brief staff report, followed by any public testimony. With no public comments, President Canero declared the Public Hearing closed at 1:11 p.m. The Board had no comments on establishing the Gann appropriations limits for the fiscal year 2026/27. It was the consensus of the Board to adopt Resolution No. 2026-1206, Establishing the Gann Appropriations Limit for Fiscal Year 2026/27.

"A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ESTABLISHING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026/27"

ACTION TAKEN:

MOTION: Secretary/Treasurer Jimenez motioned to adopt Resolution No. 2026-1206, establishing the Gann appropriations limit for Fiscal Year 2026/27. Director Vasquez seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
RESOLUTION NO. 2026-1206

5.3 Public Hearing on Vacancies, Recruitment, and Retention Efforts as Mandated by Assembly Bill 2561

President Canero asked Jason Dafforn, General Manager, to summarize the actions leading up to the Public Hearing. Mr. Dafforn stated that, Pursuant to Government Code Section 6062a, a notice has been given of the Public Hearing regarding Assembly Bill 2561, relating to local public employee vacant positions. President Canero read the procedures to be followed during the hearing and asked Mr. Dafforn to summarize any written communications regarding the public hearing. Mr. Dafforn informed the Board that there were none. President Canero declared the Public Hearing open at 1:14 p.m. and asked Mr. Dafforn to give a brief staff report, followed by any public testimony. Mr. Dafforn reported that from July 1, 2025, to May 19, 2026, the District filled three (3) vacancies. As of

May 19, 2026, the District has one (1) vacancy for the student internship. The District's efforts have contributed to a strong employee retention rate of approximately 95% for Fiscal Year 2025/26. With no public comments, President Canero declared the Public Hearing closed at 1:19 p.m.

ACTION TAKEN:
MOTION: Vice President Santana motioned to receive and file the report on vacancies, recruitment, and retention efforts as mandated by Assembly Bill 2561. Director Duran seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3573

6. CONSENT CALENDAR

6.1 Approve the Minutes for the Board of Directors Regular Meeting Held May 12, 2026

6.2 Approve Warrants for May 26, 2026

6.3 Monthly Credit Card Report for the Period Ending April 30, 2026

6.4 Monthly Financial Report for the Period Ending April 30, 2026

6.5 Monthly Investment Report for the Period Ending April 30, 2026

Items 6.3 and 6.4 were removed from the consent calendar for further discussion.

ACTION TAKEN:
MOTION: Director Duran motioned to approve consent calendar items 6.1, 6.2, and 6.5. Vice President Santana seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3574

6.3 Monthly Credit Card Report for the Period Ending April 30, 2026

Secretary/Treasurer Jimenez requested more information on four (4) credit card charges from the California Water Environment Association (CWEA). Staff will provide the invoices at the next board meeting on June 9, 2026.

ACTION TAKEN:
MOTION: Director Duran motioned to approve the monthly credit card report for the period ending April 30, 2026. Director Vasquez seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None

MINUTE ORDER NO. 2026-3575

6.4 Monthly Financial Report for the Period Ending April 30, 2026

Jeanette Juarez, Chief Administrative Officer, reported on the monthly financial report for the period ending April 30, 2026. As of April 30, 2026, District revenues totaled $26,667,794, 6.1% above the FYTD budget, and expenditures totaled $14,784,307, 21.4% below the FYTD budget. The unaudited fund balance as of April 30, 2026, 2026, is $74,184,149.

ACTION TAKEN:

MOTION: Director Duran motioned to approve the Monthly Financial Report for the Period Ending April 30, 2026. Vice President Santana seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3576

7. NON-HEARING ITEMS

7.1 Approve Directors to Attend the California Special Districts Association (CSDA) Special District Leadership Academy in San Rafael, California, on July 19-22, 2026, and Reimburse Related Expenses

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It is recommended to approve all five (5) directors to attend the CSDA Special District Leadership Academy in San Rafael, California, from July 19 to 22, 2026, and reimburse related expenses.

ACTION TAKEN:

MOTION: Secretary/Treasurer Jimenez motioned to approve all five (5) directors to attend the CSDA Special District Leadership Academy in San Rafael, California, from July 19 to 22, 2026, and reimburse related expenses. Director Vasquez seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3577

7.2 Authorize Specific Directors to Attend the California Associations of Sanitation Agencies (CASA) 2026 Annual Conference in Napa, CA, on August 4-7, 2026, and Reimburse Related Expenses

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It is recommended to approve that Directors Canero, Santana, Duran, and Vasquez attend the CASA 2026 Annual Conference in Napa, CA, on August 4-7, 2026, and reimburse related expenses.

ACTION TAKEN:

MOTION: Vice President Santana motioned to approve Directors Canero, Santana, Duran, and Vasquez to attend the CASA 2026 Annual Conference in Napa,

CA, on August 4-7, 2026, and reimburse related expenses. Director Duran seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3578

7.3 Authorize Specific Directors to Attend the California Special District Association (CSDA) 2026 Annual Conference in Palm Desert, CA, on August 24-27, 2026, Reimburse Related Expenses, and Cancel the Board Meeting on August 25, 2026

It is recommended to approve all five (5) directors to attend the CSDA 2026 Annual Conference in Palm Desert, CA, on August 24-27, 2026, reimburse related expenses, and cancel the board meeting of August 25, 2026, due to a lack of quorum.

ACTION TAKEN:
MOTION: Director Duran motioned to approve all five (5) directors to attend the CSDA 2026 Annual Conference in Palm Desert, CA, on August 24-27, 2026, reimburse related expenses, and cancel the board meeting of August 25, 2026. Secretary/Treasurer Jimenez seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3579

7.4 Review and Discussion on Valley Sanitary District Draft Fiscal Year 2026/27 Operating and Capital Budget

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Jeanette Juarez, Chief Administrative Officer, and Ron Buchwald, District Engineer, presented the draft Operating and Capital budgets for Fiscal Year 2026/27. Since the Board last reviewed the draft budget, staff have updated the proposed Capital Budget to include five (5) additional projects, bringing the total capital projects to 29. The increase to the capital project is $1.2 million. The Board reviewed an analysis of the funding summary, including Funds 11, 12, and 13. The report also included the proposed balanced budget and projections for ending reserve balances for the fiscal year 2026/27.

7.5 Accept the 2026 Water Reclamation Facility Master Plan – Final Report

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On July 9, 2024, the Board authorized the General Manager to award a contract to Stantec Engineers to prepare a Water Reclamation Facility (WRF) Master Plan. The previous WRF Master Plan was completed in September 2015. Master plans should be updated every 5 to 10 years to remain proactive regarding new wastewater treatment regulations, population growth, city zoning upgrades, capacity, and the latest treatment technologies. The purpose of this Master Plan is to update the District's existing WRF Master Plan (2015) and provide a clear roadmap for the District to maintain aging infrastructure and plan for appropriate improvements to accommodate growth and future regulations. The results of the Master Plan Report provide an outline of priority and strategic CIP projects for the District to implement. This Master Plan provides a long-range improvement plan

that integrates infrastructure requirements for existing and future development levels. Individual projects resulting from the development of this Master Plan are based on the condition assessment, required upgrades, and/or capacity requirements. Through the master planning process, these projects are defined and justified in terms of need and risk, both as individual projects and in the context of the overall utility.

ACTION TAKEN:

MOTION: Director Duran motioned to accept the 2026 Water Reclamation Facility Master Plan Final Report. Director Vasquez seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Jimenez, Santana, Vasquez
NOES: None
MINUTE ORDER NO. 2026-3580

8. GENERAL MANAGERS REPORT

Jason Dafforn, General Manager, thanked the Board for attending recent community engagement events.

9. COMMITTEE REPORTS

9.1 Update on the Community Engagement Committee Meeting – May 19, 2026

Mr. Dafforn gave a report on the Community Engagement Committee Meeting held on May 19, 2026. The committee received updates on past and upcoming community engagement events, federal and state lobbying efforts, and the upcoming goals for increased community outreach.

10. DIRECTOR'S ITEMS

Secretary/Treasurer Jimenez shared that the 2027 CWEA Annual Conference is seeking facilities willing to host a tour for conference attendees. CWEA is also looking for a local co-chairperson for the conference tours.

11. INFORMATIONAL ITEMS – None.

12. ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 2:34 p.m. The next regular Board meeting will be on June 9, 2026.

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

ITEM 7.2
ACTION

Valley Sanitary District

DATE: **June 9, 2026**

TO: **Board of Directors**

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

SUBJECT: **APPROVE WARRANTS FOR JUNE 9, 2026**

Suggested Action
Approve

Strategic Plan Compliance
GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place

Fiscal Impact
The total charges incurred for the warrants from May 18, 2026, through June 1, 2026, are $1,015,641.39.

Environmental Review
This item does not constitute a project under the California Environmental Quality Act (CEQA) and is therefore exempt from further environmental review.

Background
The attached warrants list shows all disbursements from May 19, 2026, through June 1, 2026.

Recommendation
Approve the warrants for June 9, 2026.

Attachments
7.2 Attachment A Warrants for June 09, 2026.pdf

DISBURSEMENTS
Approved at the Board Meeting of
June 9, 2026

45044	Badger Meter, Inc	TCL2 Membrane 15mm	$95.69
45045	Charles P. Crowley Company, Inc.	Kopkit Pulsafeeder	$1,793.06
45046	Consolidated Electrical Distributors, Inc.	Electrical Vinyl Tape	$12.68
45047	Hawk Designs	24" Round Sign	$200.00
45048	Henry's Hi Pressure Wash	Fleet Washing 05/22/2026	$670.00
45049	Merrimac Energy Group	Fuel Delivery 05/18/2026	$7,153.18
45050	Pete's Road Service, Inc.	Service call front loader tires	$3,343.52
45051	ReadyRefresh by Nestle	Distilled Water 04/19/2026 - 05/14/2026	$170.92
45052	The Printing Place	Century of Service Booklet	$256.63
45053	Valley Office Equipment, Inc	Sharp Maintenance - 4/13/2026 - 5/12/2026	$135.06
45054	Alert 360	Access control - May 2026	$34.95
45055	Associated Time On Demand	Time clock installation	$125.00
45056	Branden Rodriguez	Capio Conference 2026	$493.15
45057	Caltest Analytical Laboratory	Weekly Samples 05/12/2026	$445.40
45057	Caltest Analytical Laboratory	Monthly Samples 05/24/2026	$1,281.90
45058	Daniels Tire Service, Inc.	Tire Change 05/14/2026	$803.23
45059	Desert Hose & Supply	Male JIC, Fem O ring	$26.68
45060	Diamond Environmental Services, LP	Holding Tank 05/25/2026 - 06/21/2026	$876.23
45061	DKF Solutions Group, LLC	Respirator Protection Class 05/27/2026	$3,600.00
45062	Duke's Root Control, Inc.	Root Control Chemical Treatment	$13,842.29
45063	E.S. Babcock & Sons, Inc.	Distilled Water Testing	$169.00
45063	E.S. Babcock & Sons, Inc.	Grit & Screenings	$620.00
45063	E.S. Babcock & Sons, Inc.	Weekly Samples 05/29/2026	$92.00
45063	E.S. Babcock & Sons, Inc.	PFAS - VSD 06/01/2026	$1,591.00
45064	Foster-Gardner, Inc.	Calcium Hypo	$1,530.12
45065	Interstate All Battery Center	90WPC SLA	$182.90
45065	Interstate All Battery Center	Battery Replacement	$369.03
45066	Linde Gas & Equipment Inc.	Tank Rental - 5/21/2026	$181.36
45067	Master's Refreshment Services LLC	Bottled Water Delivery - 05/22/2026	$220.00
45068	McMaster-Carr Supply Co.	Pipe Fittings	$714.75
45068	McMaster-Carr Supply Co.	Buna-O-Ring, Medium Hex Nut, Small Hand Brush	$119.99
45068	McMaster-Carr Supply Co.	Uncoated High-Speed Steel Tap Set	$115.15
45069	Mobile Modular Management Corp	Trailer Rental - June 2026	$1,001.88
45069	Mobile Modular Management Corp	Trailer Rental - June 2026	$3,183.77
45070	MRU Instruments	Biogas Analyzer	$6,247.00
45071	Napa Auto Parts	Shop towels, Break cleaner, Supplies	$149.77
45072	Nicholas Dean	CWEA Grade 4 Exam	$270.00
45073	Prudential Overall Supply	Uniforms, mats, towels etc - 05/19/2026	$685.73
45073	Prudential Overall Supply	Uniforms, mats, towels etc - 05/26/2026	$685.73
45074	Smith Pipe & Supply Inc.	PVC Pipe Plain End	$479.17
45075	Superior Truck & Auto LLC	DOT inspections	$1,950.00
45075	Superior Truck & Auto LLC	Vactor Servicing 05/27/2026	$2,232.82
45075	Superior Truck & Auto LLC	Vactor Servicing 05/28/2026	$2,056.74
45076	United Refrigeration Inc.	Nitrogen exchange, Coupling, Adapter	$66.19
45077	United Way of the Desert	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$5.00
45078	Univar Solutions	Sodium Bicarbonate 05/15/2026	$3,259.78
45078	Univar Solutions	Ferric Chloride 05/18/2026	$2,822.82
45078	Univar Solutions	Sodium Hypo 05/27/2026	$12,272.17
45079	USA Blue Book	Replacement Screen 20mesh	$317.06
45079	USA Blue Book	Replacement Stoppers for BOD	$104.12
45079	USA Blue Book	Aluminum Pans	$121.73
45079	USA Blue Book	Shelf for SHEL LAB	$205.31
202505261	FedEx	Shipping Charges 5/15/2026	$203.48
202505312	De Lage Landen Financial Services, Inc	Sharp Lease - May 2026	$212.07
202605251	Grainger	Wrench Roll red canvas	$85.11
202605260	Grainger	Adjustable relief valve	$164.92
202605261	Indio Water Authority	Water -March 2026 - Collections - adj March 2026 to a	$572.25
202605263	State Water Resources Control Board	Clean Water State Revolving Fund Payment	$553,360.71
202605264	Grainger	Eclipse window door encl.	$940.80
202605265	Grainger	Web sling flat eye 9ft	$487.63
202605266	Grainger	Window air conditioner	$587.17
202605267	Grainger	Sulfuric Acid 10%	$927.85
202605268	Grainger	Pipe cement, primer	$85.71

202605269	Grainger	Manual 2-way ball valve, PVC couplings, elbows	$1,214.98
202605271	SPOK, Inc.	Pager service - May 2026	$28.62
202605272	Colonial Life	PR 04/24/2026 - 05/07/2026 PD 05/15/2026	$953.94
202605273	Colonial Life	PR 04/10/2026 - 04/23/2026 PD 05/01/2026	$953.94
202605281	CalPERS Health	Health insurance - June 2026	$69,357.71
202605282	Standard Insurance Company	Dental and vision insurance - June 2026	$5,615.80
202605283	Standard Insurance Company	Disability and life insurance - June 2026	$2,234.75
202605291	Paychex - Direct Deposit	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$118,973.13
202605292	Paychex - Fee	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$391.06
202605293	Paychex - Garnishment	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$369.07
202605294	Paychex - Tax	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$57,813.69
202605295	Mission Square (formerly ICMARC / Vantage Poir	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$1,975.00
202605296	Nationwide Retirement Solution	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$1,505.00
202605298	CalPERS 457	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$2,995.66
202605299	CalPERS Retirement	PR 05/08/2026 - 05/21/2026 PD 05/29/2026	$33,502.46
202605311	Indio Water Authority	Water - April 2026 - Collections	$602.27
202606012	Verizon Wireless	Cell service - May 2026	$1,363.70
202606021	Imperial Irrigation District	Electricity - April 2026	$77,424.27
202606091	Indio Water Authority	Water - April 2026 - Operations	$1,356.98
		Total	**$1,015,641.39**

ITEM 7.3
ACTION

Valley Sanitary District

DATE: **June 9, 2026**

TO: **Board of Directors**

FROM: **Hector Guzman, Development Services Tech III**

SUBJECT: **ACCEPTANCE OF A GRANT EASEMENT FOR SEWER PURPOSES**

Suggested Action
Approve

Strategic Plan Compliance
GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs

Fiscal Impact
There is no fiscal impact from the recommended action.

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

Background
The Stutz Packing Company recently purchase the old RA Glass packing house on Avenue 44 at Market Street near Monroe. The building was most likely built in the 1970's. Over the years, portions of the building have been constructed over the existing VSD sewer main located within their parcel. During the course of improvements on the 2 parcels, it was determined that there was no easement for public sewer main within the two (2) parcels. Staff coordinated with the owner of the property to create the easements for the existing sewer main. Some additional sewer main improvements were also performed. Acceptance of the Grant of Easement would allow for continued access and maintenance of the existing public sewer main.

Recommendation
Staff recommends that the Board of Directors authorize the General Manager to sign the Certificate of Acceptance for the Grant of Easement for sewer main purposes and to allow the recording of said sewer main easement.

Attachments

7.3 Attachment A Stutz Easement Parcel A signed by Stutz.pdf
7.3 Attachment B Stutz Easement Parcel B signed by Stutz.pdf

RECORDING REQUESTED BY:
VALLEY SANITARY DISTRICT

WHEN RECORDED MAIL TO:

VALLEY SANITARY DISTRICT
45-500 VAN BUREN
INDIO, CA. 92201

GRANT OF EASEMENT

GRANTOR: 82025 Avenue 44, LLC

PROPERTY: Stutz Packing Company

APN NO.: 610121011

THIS INDENTURE, made and entered into in Indio, California, this 12 day of February, 2026 by and between **82025 Avenue 44, LLC** herein after referred to as "Grantor," and **Valley Sanitary District**, as "Grantee."

WITNESSETH: FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Grantor does hereby grant to the Grantee, the easement and right of way to establish, construct and maintain for all time a public sewer or sewers and appurtenances in, through, on and along, that certain real property situated in the City of Indio, County of Riverside, State of California, more specifically described in Exhibit "A" and depicted in Exhibit "B," each of which exhibits is attached hereto and incorporated herein by this reference.

THIS GRANT is made by the Grantor under the full understanding and condition that the Grantee, by acceptance of this Grant, has the right to remove all things thereon that interfere with the purpose for which said easements is granted. Further, it is agreed by the Grantor that any structure placed upon, or tree, plant, or shrub planted on, along, or adjacent to said easement which injures the sewer or interferes with the maintenance thereof shall be removed by the Grantor at his expense when notified in writing to do so by the Grantee. Further, it is understood that connections to such public sewer or sewers constructed on the real property described above may be made only upon strict compliance with such rules and regulations as Grantee shall adopt from time to time and keep on file in the office of its secretary.

TO HAVE AND TO HOLD, upon the Grantee forever for the sole object and purpose of constructing and maintaining thereon public sewer or sewers and appurtenances thereto. Grantee's rights

shall include the right to construct and maintain service roads, manholes, pumping stations, and service connection structures appurtenant to said trunk sewer pipeline or lines, provided they do not interfere with Grantor's use of the property as a commercial center.

IN WITNESS HEREOF, the Grantor hereto has affixed their signature as of this 12 day of February, 2026.

GRANTOR:

82025 Avenue 44, LLC

Bobby Stutz,
Chief Operating Officer
Stutz Packing Company

EASEMENT EXHIBIT "A"

82025 AVENUE 44, INDIO, CALIFORNIA 92201

RIVERSIDE COUNTY

EASEMENT DESCRIPTION

A 20 FOOT EASEMENT FOR SANITARY SEWER PURPOSES, BEING A PORTION OF PARCEL A OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 2016-06, PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED 7/15/2016 AS INSTRUMENT NO. 2016-0296962 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SECTION 14, TOWNSHIP 5 SOUTH RANGE 7 EAST; THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER NORTH 00°07'35" EAST 335.89 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE PACIFIC RAILROAD AS SHOWN ON GREATER INDIO ADDITION NO. 1, AS SHOWN BY A MAP ON FILE IN BOOK 37, PAGES 23 AND 24 OF MAPS; THENCE LEAVING SAID WEST LINE AND ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE SOUTH 59°18'30" EAST 205.23 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 30°41'30" EAST 20.00 FEET; THENCE SOUTH 59°18'30" EAST 441.39 FEET; THENCE NORTH 89°41'30" EAST 53.13 FEET; THENCE SOUTH 30°41'30" WEST 23.33 FEET TO THE SOUTH LINE OF SAID PARCEL A; THENCE ALONG THE SOUTH LINE THEREOF SOUTH 89°41'42" WEST 46.66 FEET; THENCE NORTH 59°18'30" WEST 446.94 FEET TO THE POINT OF BEGINNING. CONTAINING 0.227 ACRES, MORE OR LESS.

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE SOUTH LINE OF THE PARCEL A OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 2016-06, RECORDED 07/15/2016 AS INSTRUMENT NO. 2016-0296962 AND BEARS NORTH 59°18'30" WEST.



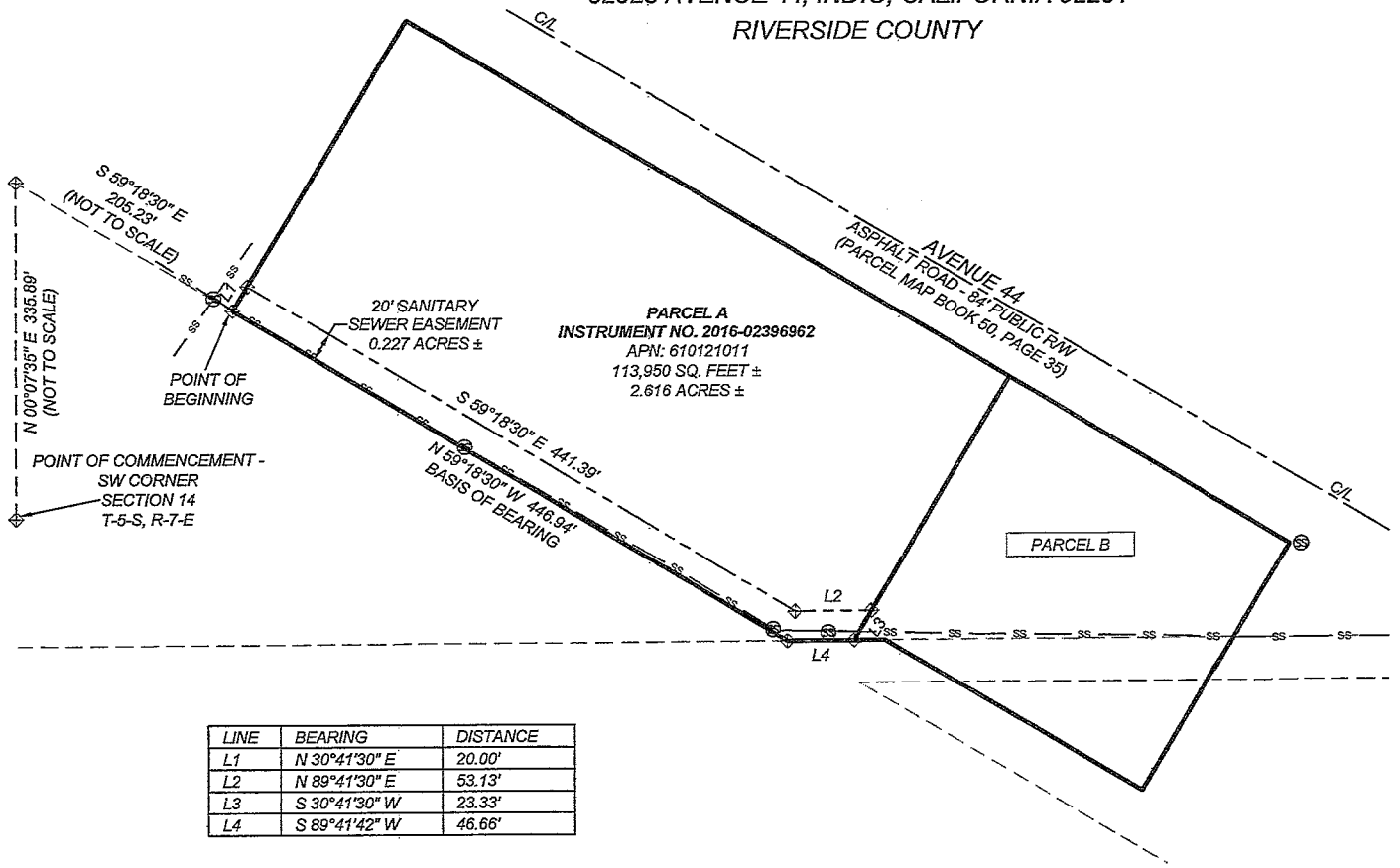
SURVEYOR JOB NUMBER: 25-7650	**DRAWN BY:** ANC - 9/11/2025
REVIEWED BY: TPN	**SHEET:** 1 OF 2

BLEW
Surveying | Engineering | Environmental
3825 N. SHILOH DRIVE - FAYETTEVILLE, AR 72703
EMAIL: SURVEY@BLEWINC.COM
OFFICE 479.443.4506 FAX: 479.582.1883
WWW.BLEWINC.COM

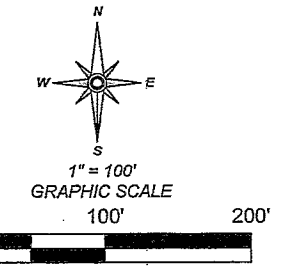
EASEMENT EXHIBIT "B"

82025 AVENUE 44, INDIO, CALIFORNIA 92201

RIVERSIDE COUNTY



LINE	BEARING	DISTANCE
L1	N 30°41'30" E	20.00'
L2	N 89°41'30" E	53.13'
L3	S 30°41'30" W	23.33'
L4	S 89°41'42" W	46.66'



SYMBOL LEGEND

- COMPUTED CORNER
- SANITARY SEWER
- R/W RIGHT-OF-WAY
- CENTERLINE (C/L)
- BOUNDARY LINE
- EASEMENT LINE
- SANITARY SEWER LINE
- SECTION LINE



SURVEYOR JOB NUMBER: 25-7650	**DRAWN BY:** ANC - 9/11/2025
REVIEWED BY: TPN	**SHEET:** 2 OF 2

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Surveying | Engineering | Environmental

3825 N. SHILOH DRIVE - FAYETTEVILLE, AR 72703
EMAIL: SURVEY@BLEWINC.COM
OFFICE: 479.443.4506 FAX: 479.582.1693
WWW.BLEWINC.COM

CALIFORNIA NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside

On February 12, 2026 before me, Adriana Ochoa, Notary Public, personally appeared Bobby Stutz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ADRIANA OCHOA
Notary Public - California
San Diego County
Commission # 2416101
My Comm. Expires Sep 15, 2026

CERTIFICATE OF ACCEPTANCE
OF GRANT OF EASEMENT

This Certificate of Acceptance pertains to the interest in real property conveyed by the Grant of Easement dated February 12, 2026.

From: 82025 Avenue 44, LLC., a California corporation ("Grantor")

To: Valley Sanitary District ("Grantee")

Said Easement Grant Deed is hereby accepted by the undersigned officer on behalf of the Grantee pursuant to authority conferred by the Grantee's governing board.

The Grantee hereby consents to recordation of such Grant Deed.

Dated: _____

VALLEY SANITARY DISTRICT

By: _____

Jason Dafforn
General Manager

RECORDING REQUESTED BY:
VALLEY SANITARY DISTRICT

WHEN RECORDED MAIL TO:

VALLEY SANITARY DISTRICT
45-500 VAN BUREN
INDIO, CA. 92201

GRANT OF EASEMENT

GRANTOR: 82025 Avenue 44, LLC

PROPERTY: Stutz Packing Company

APN NO.: 610121012

THIS INDENTURE, made and entered into in Indio, California, this 12 day of February, 2026 by and between **82025 Avenue 44, LLC** herein after referred to as "Grantor," and **Valley Sanitary District**, as "Grantee."

WITNESSETH: FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Grantor does hereby grant to the Grantee, the easement and right of way to establish, construct and maintain for all time a public sewer or sewers and appurtenances in, through, on and along, that certain real property situated in the City of Indio, County of Riverside, State of California, more specifically described in Exhibit "A" and depicted in Exhibit "B," each of which exhibits is attached hereto and incorporated herein by this reference.

THIS GRANT is made by the Grantor under the full understanding and condition that the Grantee, by acceptance of this Grant, has the right to remove all things thereon that interfere with the purpose for which said easements is granted. Further, it is agreed by the Grantor that any structure placed upon, or tree, plant, or shrub planted on, along, or adjacent to said easement which injures the sewer or interferes with the maintenance thereof shall be removed by the Grantor at his expense when notified in writing to do so by the Grantee. Further, it is understood that connections to such public sewer or sewers constructed on the real property described above may be made only upon strict compliance with such rules and regulations as Grantee shall adopt from time to time and keep on file in the office of its secretary.

TO HAVE AND TO HOLD, upon the Grantee forever for the sole object and purpose of constructing and maintaining thereon public sewer or sewers and appurtenances thereto.

Grantee's rights shall include the right to construct and maintain service roads, manholes, pumping stations, and service connection structures appurtenant to said trunk sewer pipeline or lines, provided they do not interfere with Grantor's use of the property as a commercial center.

IN WITNESS HEREOF, the Grantor hereto has affixed their signature as of this 12 day of February, 2026.

GRANTOR:

82025 Avenue 44, LLC

Bobby Stutz,
Chief Operating Officer
Stutz Packing Company

EASEMENT EXHIBIT "A"

82025 AVENUE 44, INDIO, CALIFORNIA 92201

RIVERSIDE COUNTY

EASEMENT DESCRIPTION

A 20 FOOT EASEMENT FOR SANITARY SEWER PURPOSES, BEING A PORTION OF PARCEL B OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 2016-06, PURSUANT TO CERTIFICATE OF COMPLIANCE RECORDED 7/15/2016 AS INSTRUMENT NO. 2016-0296962 OF OFFICIAL RECORDS, RIVERSIDE COUNTY, CALIFORNIA, BEING DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SECTION 14, TOWNSHIP 5 SOUTH RANGE 7 EAST; THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER NORTH 00°07'35" EAST 335.89 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE PACIFIC RAILROAD AS SHOWN ON GREATER INDIO ADDITION NO. 1, AS SHOWN BY A MAP ON FILE IN BOOK 37, PAGES 23 AND 24 OF MAPS; THENCE LEAVING SAID WEST LINE AND ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE SOUTH 59°18'30" EAST 205.23 FEET TO THE SOUTHWESTERLY CORNER OF PARCEL A; THENCE ALONG THE SOUTH LINE OF SAID PARCEL A SOUTH 59°18'30" EAST 446.94 FEET; THENCE NORTH 89°41'30" EAST 46.66 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTH LINE NORTH 30°41'30" EAST 23.33 FEET; THENCE NORTH 89°41'30" EAST 14.83 FEET; THENCE SOUTH 59°18'30" EAST 9.84 FEET; THENCE SOUTH 89°03'50" EAST 234.34 FEET; THENCE SOUTH 30°41'30" WEST 23.04 FEET; THENCE NORTH 89°03'50" WEST 228.22 FEET TO THE SOUTH LINE OF PARCEL B; THENCE ALONG THE SOUTH LINE THEREOF NORTH 59°18'30" WEST 9.61 FEET; THENCE SOUTH 89°41'30" WEST 21.30 FEET TO THE POINT OF BEGINNING. CONTAINING 0.119 ACRES, MORE OR LESS.

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE SOUTH LINE OF THE PARCEL A OF THAT CERTAIN LOT LINE ADJUSTMENT NO. 2016-06, RECORDED 07/15/2016 AS INSTRUMENT NO. 2016-0296962 AND BEARS NORTH 59°18'30" WEST.

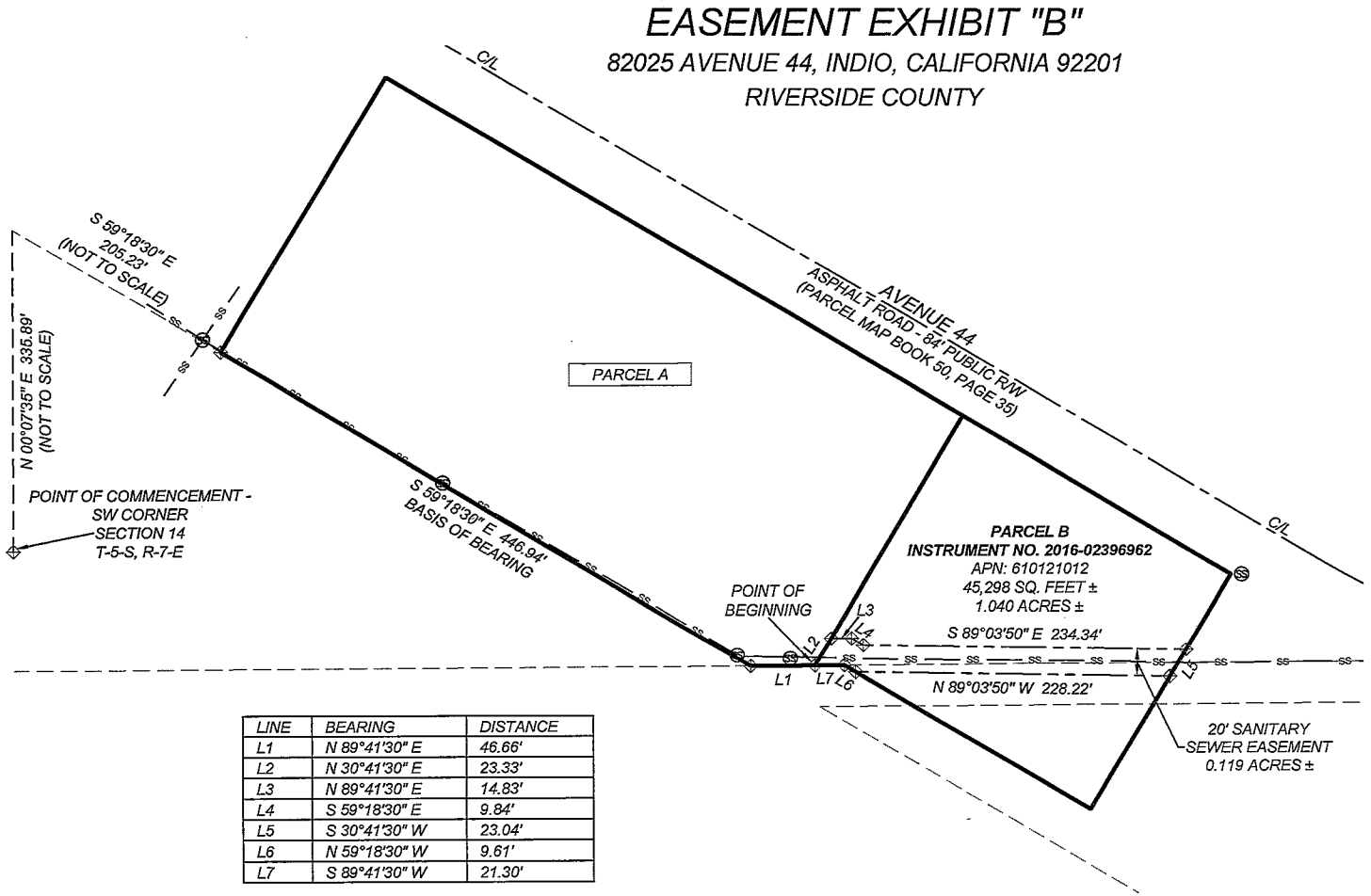


SURVEYOR JOB NUMBER: 25-7650	**DRAWN BY:** ANC - 9/11/2025
REVIEWED BY: TPN	**SHEET:** 1 OF 2

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3825 N. SHILOH DRIVE - FAYETTEVILLE, AR 72703
EMAIL: SURVEY@BLEWINC.COM
OFFICE: 479.443.4506 FAX: 479.582.1883
WWW.BLEWINC.COM

EASEMENT EXHIBIT "B"

82025 AVENUE 44, INDIO, CALIFORNIA 92201
RIVERSIDE COUNTY



LINE	BEARING	DISTANCE
L1	N 89°41'30" E	46.66'
L2	N 30°41'30" E	23.33'
L3	N 89°41'30" E	14.83'
L4	S 59°18'30" E	9.84'
L5	S 30°41'30" W	23.04'
L6	N 59°18'30" W	9.61'
L7	S 89°41'30" W	21.30'

N
W E
S

1" = 100'
GRAPHIC SCALE
0' 100' 200'

SYMBOL LEGEND
- COMPUTED CORNER
- SANITARY SEWER
- R/W RIGHT-OF-WAY
- CENTERLINE (C/L)
- BOUNDARY LINE
- EASEMENT LINE
- SANITARY SEWER LINE
- SECTION LINE

PROFESSIONAL LAND SURVEYOR
HEATH
MYERS
No. 9910
Exp 9/30/2026
STATE OF CALIFORNIA

SURVEYOR JOB NUMBER: 25-7650	**DRAWN BY:** ANC - 9/11/2025
REVIEWED BY: TPN	**SHEET:** 2 OF 2

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CALIFORNIA NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside

On February 12, 2026 before me, Adriana Ochoa, Notary Public, personally appeared Bobby Stutz, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ADRIANA OCHOA
Notary Public - California
San Diego County
Commission # 2416101
My Comm. Expires Sep 15, 2026

CERTIFICATE OF ACCEPTANCE
OF GRANT OF EASEMENT

This Certificate of Acceptance pertains to the interest in real property conveyed by the Grant of Easement dated February 12, 2026.

From: 82025 Avenue 44, LLC., a California corporation ("Grantor")

To: Valley Sanitary District ("Grantee")

Said Easement Grant Deed is hereby accepted by the undersigned officer on behalf of the Grantee pursuant to authority conferred by the Grantee's governing board.

The Grantee hereby consents to recordation of such Grant Deed.

Dated: _____

VALLEY SANITARY DISTRICT

By: _____

Jason Dafforn
General Manager

ITEM 8.1
ACTION

Valley Sanitary District

DATE:	**June 9, 2026**
TO:	**Board of Directors**
FROM:	**Jeanette Juarez, Chief Administrative Officer**
SUBJECT:	**ADOPT RESOLUTION NO. 2026-1208 APPROVING THE OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR (FY) 2026/27**

Suggested Action
Approve

Strategic Plan Compliance
GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place

Fiscal Impact
The proposed operating and capital budgets for FY 2026/27 are $22,278,069 and $19,855,000, respectively.

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

Background
The approval and adoption of the annual Budget is completed each June, ensuring the District enters the new fiscal year with a clear financial plan and operational direction. Guided by the leadership and continued support of the Board of Directors, the FY 2026/27 budget reflects the collaborative effort of the entire Valley Sanitary District team. This Budget demonstrates a commitment to strategic resource allocation, alignment with long-term goals, responsible financial management, and sustainable growth.

This comprehensive, balanced, and strategic Budget enhances transparency while funding essential public services, protecting the environment, and supporting the communities we serve.

For FY 2026/27:

- Operating Budget: $22,278,069
- Capital Budget: $19,855,000

The operating Budget covers all necessary costs to maintain day-to-day operations. This includes personnel expenses, contributions to the California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL) payments, debt service obligations, insurance premiums, and other general administrative and operational costs.

The capital budget funds key infrastructure investments in the District's Capital Improvement Program (CIP). For FY 2026/27, 29 capital projects have been proposed. Notable initiatives include:

- Recycled Water Project – Phase II Design
- Digester #2 Cleaning and Equipment Maintenance
- New Campus Design and Construction
- Biosolids Conversion Project Design

These projects represent the District's ongoing commitment to environmental stewardship, regulatory compliance, and enhanced service delivery.

Recommendation

Adopt Resolution No. 2026-1208 approving the operating and capital budget for FY 2026/27.

Attachments

8.1 Attachment A Resolution No. 2026-1208 Budget FY26-27.doc
8.1 Attachment B FY 2026-27 Operating and Capital Budget

RESOLUTION NO. 2026-1208

A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ADOPTING THE OPERATION BUDGET AND CAPITAL BUDGET FOR FISCAL YEAR 2026/27

The Board of Directors declares that the following statements are true and accurate.

On April 16, 2026, the General Manager submitted to the Board of Directors a proposed Operating and Capital Budget, and a list of capital improvement projects for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

On April 16, 2026, the Board of Directors reviewed the proposed Operating and Capital Budget; including projected revenues, employee benefits, fees, and charges for District services and capital projects.

On May 26, 2026, the Board of Directors held an advertised public hearing at their regular Board meeting to hear public testimony on the proposed changes to fees and charges and establish the Gann Appropriations Limit for Fiscal Year 2026/27.

The Board of Directors determined that the budget is necessary for the operation and maintenance of District services and facilities.

The Board of Directors of Valley Sanitary District **RESOLVES** that the Operating and Capital Budget for Fiscal Year 2026/27 is approved as presented.

Total Operating Budget	$22,278,069
Total Capital Budget	$19,855,000
Total Revenue (General Fund)	$28,360,607
Total Revenue (Capital Fund)	$2,405,649

This resolution is passed, approved, and adopted this 9th day of June 2026, by the following roll call vote.

AYES:
NAYES:
ABSENT:
ABSTAIN:

_____
Debra Canero, President

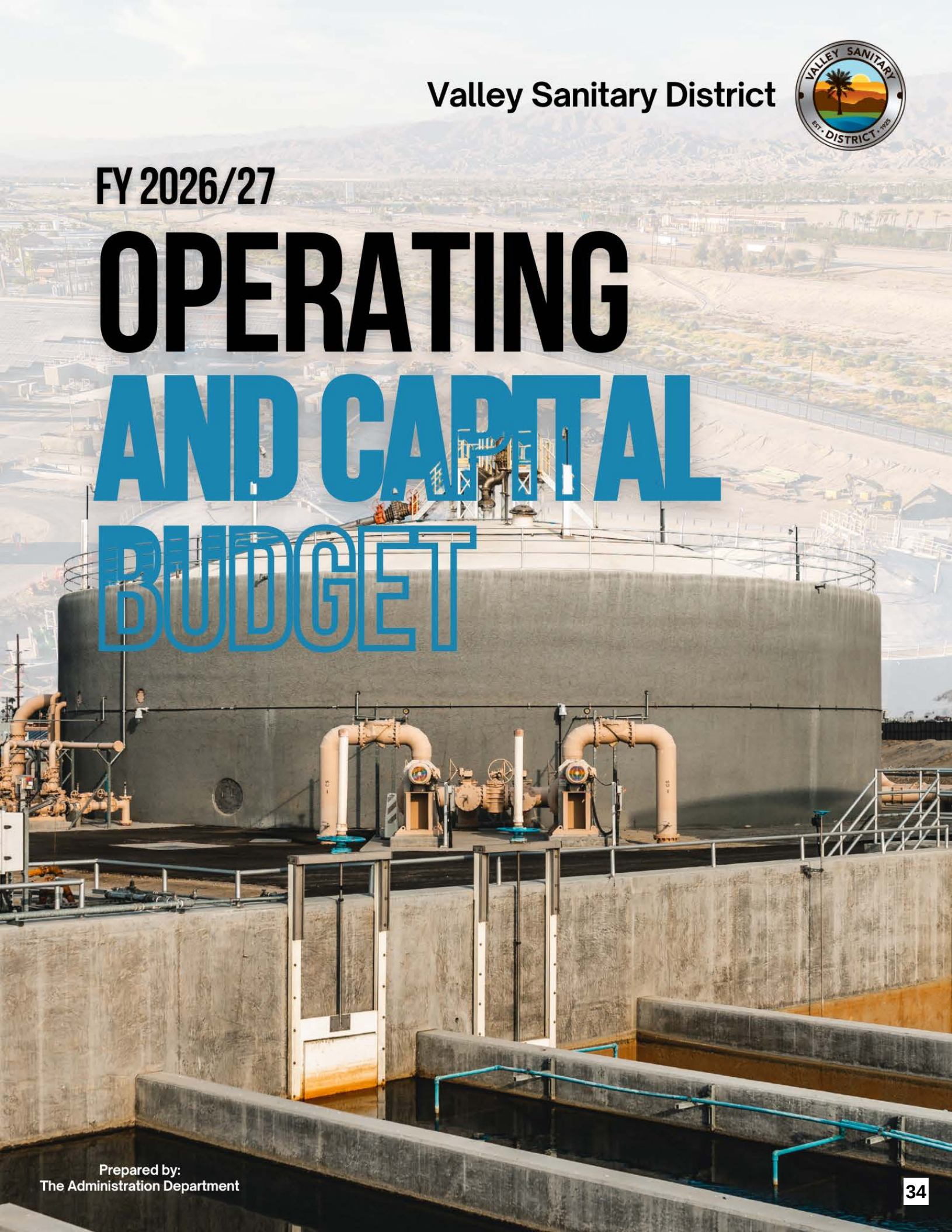
ATTEST:

_____
Gerardo Jimenez, Secretary/Treasurer

Valley Sanitary District

FY 2026/27

OPERATING AND CAPITAL BUDGET



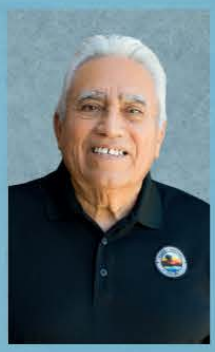
Prepared by:
The Administration Department

VALLEY SANITARY DISTRICT
OPERATING & CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR 2026/27

BOARD OF DIRECTORS



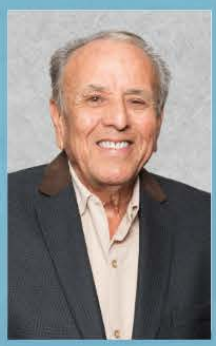
Debra Canero
President



Ruben Vasquez
Director



Edgar Santana
Vice President



Mike Duran
Director



Gerardo R. Jimenez
Secretary/Treasurer

SENIOR STAFF

Jason Dafforn
General Manager

Jeanette Juarez
Chief Administrative Officer

Ron Buchwald
District Engineer

Ian Wilson
Wastewater Operations Manager

VALLEY SANITARY'S MISSION STATEMENT

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

Meet Our Board



DEBRA CANERO
BOARD PRESIDENT

First and foremost, I am a stakeholder of Valley Sanitary District. I am a lifelong resident of the Coachella Valley and reside in the beautiful City of Indio, CA, for the last 46 years. I retired in 2019 and have the experience and time to give to our community. I am serving as the first female President of Valley Sanitary District and it is the with great honor. My goal is to be the voice of those citizens who are busy working, raising their family, and/or going to school. I was there once upon a time and now it is my turn to be their voice.



EDGAR SANTANA
VICE PRESIDENT

Representing Ward A, Edgar Santana has been a proud resident of Indio for the last 21 years. Originally from the Los Angeles area, Edgar moved out to the Coachella Valley for work in 1999. Edgar has a 25-year career in Law Enforcement working for the California Department of Corrections and Rehabilitation. Edgar has been married to Brenda Santana for 27 years who is an Educator in the Palm Spring Unified School District. They have 3 three grown children who were all raised in Indio. His passion is attending his kids sporting events and coaching wrestling. With over 18 years of experience, Edgar is currently an assistant wrestling coach at Palm Desert High School. He loves staying active and spending as much time as possible outdoors. His hobbies and interest include traveling, cooking and attending music concerts with friends and family. Director Santana prides himself in being an effective leader who understands that teamwork and collaboration leads to success in community building and service.

Meet Our Board



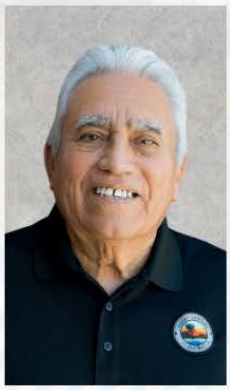
GERARDO JIMENEZ
SECRETARY/TREASURER

Elected in 2024, Director Jimenez serves on the Valley Sanitary District Board representing Division E. He is a retired Grade 5 Wastewater Operator–the highest certification level in the field–with a long career at the City of Coachella. He remains active in the industry through his involvement with the CORBS, a branch of CWEA. His deep industry knowledge helps guide the District's efforts to maintain efficient, forward-thinking wastewater services.



MIKE DURAN
BOARD DIRECTOR

Mike L. Duran has served on the Valley Sanitary District Board since 2002, bringing extensive business management experience as president and CEO of Duran's Termite & Pest Control, Inc. His leadership extends to various community roles, including serving on the Structural Pest Control Board appointed by Governor Edmund G. Brown, Jr., and as a Reserve Police Lieutenant. With certifications in business management and adult/vocational instruction, Mike demonstrates a commitment to professional growth and civic duty. A graduate of Leadership Coachella Valley and the Indio Leadership Academy, he remains dedicated to advancing Indio's prosperity. Mike's objective is clear: to contribute to a brighter future for Indio and its residents through his service on the board.



RUBEN VASQUEZ
BOARD DIRECTOR

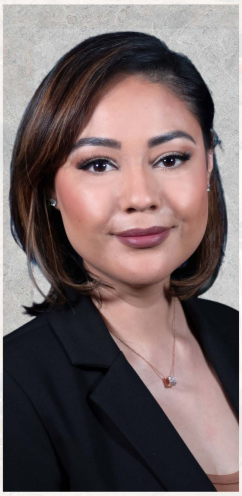
Born in Indio, California, and raised in Coachella, Ruben M. Vasquez is a proud graduate of Coachella Valley High School. After attending College of the Desert, he served in the U.S. Army and is a Vietnam veteran. Following his military service, he built a successful 38-year career as a roofer and contractor, including owning and operating his own roofing company for 20 years. A passionate fan of old cars and karaoke, he enjoys spending his free time restoring classics and singing with friends. He has been married to his high school sweetheart for 56 years. Valley Sanitary District marks the first board he has had the honor to serve on.

Meet Senior Staff



JASON DAFFORN
GENERAL MANAGER

Jason Dafforn is a licensed Professional Engineer in the State of California with over 27 years of experience in both private and public utility management and oversight. Jason is a graduate of Purdue University with a Bachelor of Science Degree in Engineering. He has been managing public utilities for the past 13 years with a passion for environmental stewardship and public transparency. Jason is a certified Design-Build Associate with significant wastewater construction experience including facility upgrades, pump stations, lift stations, reservoirs, wastewater collection and water distribution system upgrades, and renewable energy projects.



JEANETTE JUAREZ
CHIEF ADMINISTRATIVE OFFICER

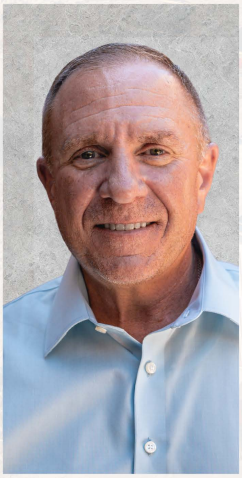
Jeanette Juarez serves as the Chief Administrative Officer at Valley Sanitary District, where she provides executive oversight of the District's administrative operations, including finance, accounting, budgeting, audits, investments, human resources, procurement, information technology, communications, and organizational development. With more than 17 years of experience in accounting, financial management, and business leadership, including eight years in the public sector, Jeanette brings a strategic, forward-thinking, and solutions-driven approach to organizational leadership. Since joining the District in 2020, she has led initiatives to strengthen operational effectiveness, enhance financial stewardship, modernize policies and business processes, and support long-term organizational sustainability. She is committed to cultivating a collaborative and accountable workplace culture that emphasizes employee development, professional growth, and continuous improvement. Jeanette holds a Master of Business Administration from the University of Redlands and a Bachelor of Science in Business Administration from the University of Phoenix. She is actively engaged in professional organizations including CSMFO, GFOA, and CALPELRA, and is currently pursuing certification through GFOA's Certified Public Finance Officer Program.

Meet Senior Staff



RON BUCHWALD
DISTRICT ENGINEER

As the District Engineer at Valley Sanitary District, Ron Buchwald brings over 33 years of experience in the design and construction of complex water and wastewater systems, including 24 years in a supervisory capacity. Ron holds a bachelor's degree in civil engineering from California Polytechnic University Pomona and a master's degree in public administration from California State University San Bernardino. Ron maintains a certificate of registration as a Professional Engineer issued by the State of California. His leadership ensures the effective management and integration of various functions, programs, and staff engaged in engineering design, construction, and maintenance activities. Ron's commitment to excellence and his ability to analyze complex issues makes him an asset to the Valley Sanitary District team.



IAN WILSON
WASTEWATER OPERATIONS MANAGER

As the Wastewater Operations Manager at Valley Sanitary District, Ian Wilson brings more than 26 years of comprehensive experience in both industrial and domestic wastewater operations, spanning the private and public sectors. He holds a bachelor's degree from the University of California, Santa Barbara, and is a certified Grade IV wastewater operator in the state of California. A long-time resident of the Coachella Valley, Ian has dedicated much of his career to operations within the region, actively engaging in community outreach and education initiatives. With over a decade of supervisory experience, he is committed to mentoring and developing the next generation of wastewater professionals.



California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

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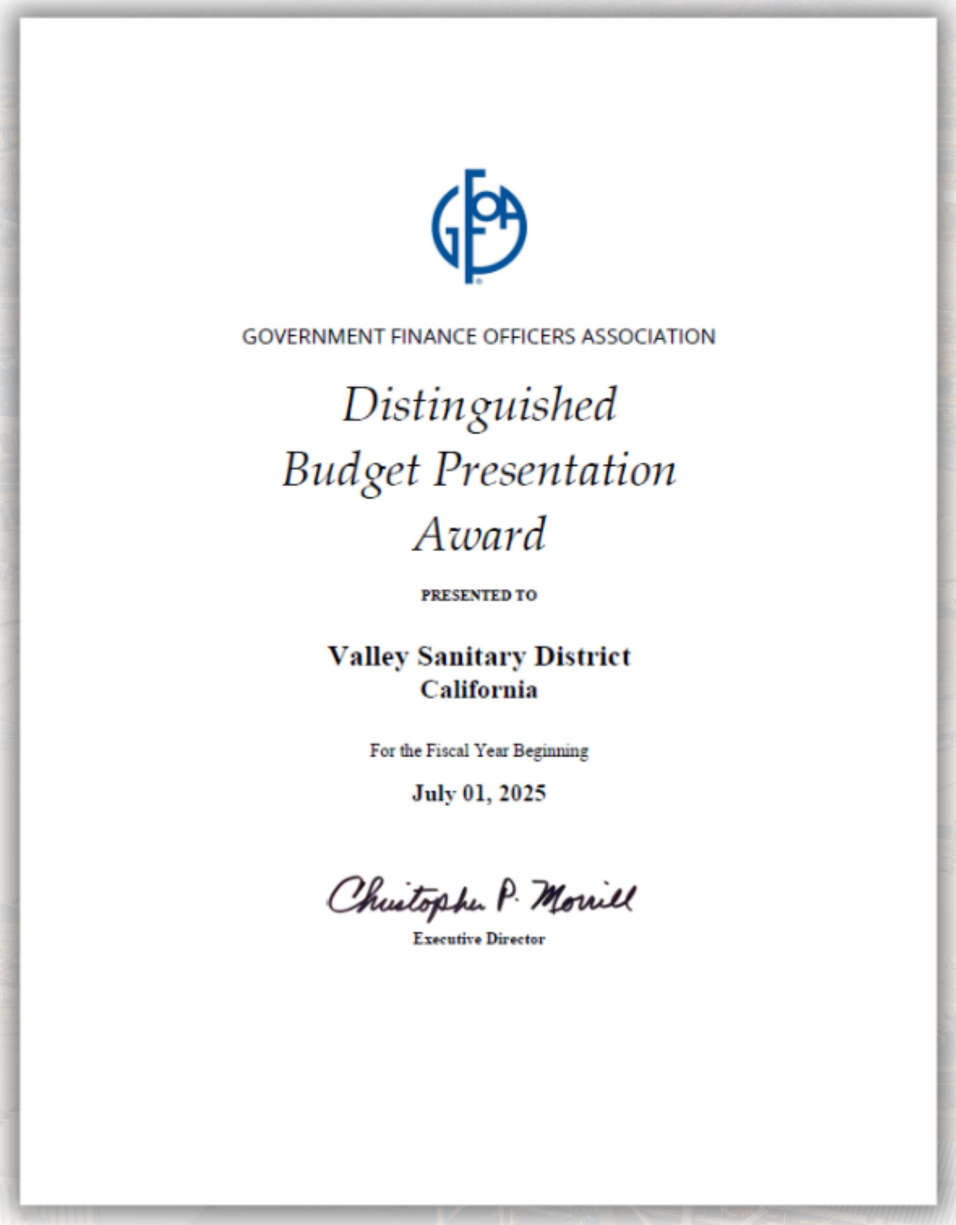
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CSFMO's Operating Budget Excellence Award for FY 2025-2026

The CSMFO Budget Excellence Award recognizes agencies that demonstrate best practices in preparing clear, transparent, and high-quality budget documents that effectively communicate financial plans to the public and stakeholders.



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July 01, 2025

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Executive Director

GFOA's Distinguished Budget Presentation Award for FY 2025-2026

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

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BUDGET MESSAGE





General Manager's Budget Message

July 1, 2026

Honorable Board of Directors,

It is my pleasure to present the Valley Sanitary District's Fiscal Year (FY) 2026/27 Operating and Capital Budget.

This budget reflects the collaborative efforts of the entire Valley Sanitary District (VSD) team and the continued leadership and guidance of the Board of Directors. It has been developed through thoughtful prioritization of resources, alignment with strategic objectives, prudent financial planning, and a continued commitment to long-term sustainability.

The District remains steadfast in its mission to protect public health, preserve environmental resources, maintain operational excellence, and deliver reliable wastewater services to the communities we serve. Our core values, Transparency, Responsibility, Respect, and Integrity continue to guide our decisions, operations, and organizational priorities.

MAJOR ORGANIZATIONAL PRIORITIES FY 2026/27

A primary focus for FY 2026/27 is maintaining fiscal responsibility through disciplined budgeting, strategic resource allocation, and ongoing evaluation of expenditures. The District remains committed to strengthening its financial position while supporting operational needs, capital improvements, and long-term strategic initiatives.

Another significant initiative is the implementation of the District's new five-year wastewater rate structure. This updated framework is intended to provide greater transparency, financial stability, and sustainable funding for essential wastewater services. The revised rate plan will support critical infrastructure investments while balancing affordability for customers.

Strategic planning efforts are also underway for the development of a new District campus. This initiative reflects the District's commitment to modernization, operational efficiency, and future growth. Planning efforts will address long-term space requirements, technological advancements, and sustainable facility design to ensure the District is well-positioned to meet future operational demands.

In addition, succession planning remains a key organizational priority. The District recognizes the importance of workforce development and leadership continuity. Through targeted training, professional development, and leadership preparation, the District aims to cultivate a resilient and adaptable workforce capable of sustaining high levels of service and operational performance.

A notable distinction between this year's priorities and prior planning cycles is the inclusion of the new campus initiative. This strategic investment represents a significant step toward organizational growth and modernization and reflects the District's long-term vision for operational sustainability.

MAINTAINING SERVICE LEVELS

No significant reductions or changes to service levels are anticipated during FY 2026/27. The District remains committed to maintaining current service standards while advancing key initiatives and infrastructure projects.

Efforts continue to expand the use of recycled water for irrigation purposes in support of sustainability and resource conservation goals. Additionally, the District continues to advance its biosolids conversion initiative, which is intended to provide local agricultural users with an alternative fertilizer source while promoting environmental stewardship and sustainable waste management practices.

ADDRESSING POLICY AND ECONOMIC ISSUES

Policy Issues

The District remains committed to continuously updating and strengthening its policies and governance practices. A key focus for FY 2026/27 is the implementation and administration of the newly adopted Board of Directors Policy Manual.

This effort includes ensuring Board members and staff are fully familiar with updated policies and procedures and integrating those standards into day-to-day operations. Ongoing training, periodic policy reviews, and feedback mechanisms will support effective implementation and promote consistency, accountability, transparency, and regulatory compliance throughout the organization.

Economic Factors

The District utilizes economic forecasts from the State of California and budget projections from the City of Indio to evaluate broader economic trends and support strategic financial planning. Key economic indicators, including unemployment rates, projected job growth, real personal income forecasts, development activity, and departmental funding trends, are analyzed to assess the overall financial environment.

This information supports the development of a comprehensive financial plan that includes projected revenues, expenditures, reserve balances, staffing needs, and capital investment requirements.

Although economic volatility continues to present challenges, the District remains well-positioned to navigate uncertain conditions due to its strong financial foundation and conservative fiscal practices. This stability enables the District to adapt to changing economic conditions while minimizing impacts on operations and service delivery.

Additionally, grant funding continues to provide important financial support for capital improvement projects and infrastructure investments. These external funding sources help offset project costs and reinforce the District's commitment to long-term fiscal sustainability.

The District remains committed to prudent financial management through ongoing monitoring of economic conditions, strategic forecasting, and disciplined resource allocation.

Regulatory Issues

Potential regulations related to per- and polyfluoroalkyl substances (PFAS) continue to pose significant challenges for wastewater agencies throughout California and the nation. If implemented, PFAS regulations could require substantial investments in advanced treatment technologies, specialized equipment, enhanced monitoring programs, and additional reporting requirements.

Compliance with PFAS regulations may significantly increase operational and capital costs while impacting the District's ability to fund and prioritize other infrastructure improvements. Additionally, these emerging regulatory requirements may necessitate expanded public communication efforts related to environmental and public health considerations.

The District will continue monitoring regulatory developments and evaluating operational strategies necessary to maintain compliance while preserving reliable wastewater operations.

Legislative Issues

The District is monitoring new legislation related to "flushable wipes," which is intended to reduce system blockages, maintenance costs, and operational disruptions caused by improper disposal practices.

Additionally, evolving Accessory Dwelling Unit (ADU) regulations continue to affect wastewater service planning, connection demands, and infrastructure capacity considerations. The District remains committed to supporting responsible community growth while maintaining operational reliability and financial sustainability.

Proposed limitations to the plan check process, including restrictions to two (2) review iterations, may streamline project approvals but could also require more comprehensive initial submissions from applicants and agencies alike.

Furthermore, ongoing affordable housing initiatives may impact the District's ability to collect capacity fees necessary to fund infrastructure expansion and system improvements required to support new development.

BUDGET IN BRIEF

The FY 2026/27 Budget is comprehensive, balanced, and strategically aligned with the District's operational and capital priorities. The budget provides transparency while funding essential services, protecting environmental resources, and supporting the communities we serve.

For FY 2026/27, the District's operating budget totals $22.3 million, while the capital budget totals $19.9 million.

The operating budget funds essential day-to-day activities, including personnel costs, CalPERS contributions, Unfunded Accrued Liability (UAL) payments, debt service obligations, insurance premiums, utilities, and other operational expenses.

The capital budget supports the District's Capital Improvement Program (CIP), which includes 29 capital projects planned for FY 2026/27. Major projects include:

- Recycled Water Project – Phase II Design
- Digester No. 2 Cleaning and Equipment Maintenance
- New District Campus Design and Construction
- Biosolids Conversion Project

	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Variance	Budget Variance (%)
Operating Budget & Debt Service	$ 15,612,711	$ 22,577,813	$ 17,593,822	$ 22,278,069	$ (299,744)	-1.3%
Capital Budget	33,217,515	22,829,494	18,706,124	19,855,000	(2,974,494)	-13.0%
Grand Total	**$ 48,830,226**	**$ 45,407,307**	**$ 36,299,946**	**$ 42,133,069**	**$ (3,274,238)**	**-7.2%**

BUDGET CHALLENGES

The District continues to face rising costs associated with utilities, aging infrastructure replacement, retirement obligations, healthcare premiums, post-employment benefits, and evolving regulatory requirements. Over the past several years, inflationary pressures and escalating construction costs have required the District to reprioritize major initiatives and capital investments.

In FY 2025/26, the District completed a comprehensive Wastewater Rate Study to address long-term operational and infrastructure funding needs. Following the required Proposition 218 notification process, the Board of Directors approved the District's wastewater rate adjustments during a public hearing held on May 12, 2026.

The approved rate structure will help maintain financial stability, preserve operational and emergency reserves, and support future infrastructure financing needs. These investments are essential to ensuring reliable wastewater services, protecting environmental resources, supporting future growth, and maintaining compliance with increasingly stringent regulatory requirements.

The Board remains committed to balancing affordability with operational excellence. To support this objective, the District continues pursuing alternative funding opportunities, including grants and strategic partnerships, to help offset both operational and capital expenditures.

REVENUE AND EXPENDITURE OVERVIEW

District staff developed a five-year financial plan that includes detailed revenue and expenditure projections. These forecasts incorporate anticipated changes in operating costs, staffing levels, reserve targets, debt obligations, and capital improvement needs. The financial plan serves as the foundation for the development of the annual operating and capital budgets.

Revenue Sources – Where the Money Comes From

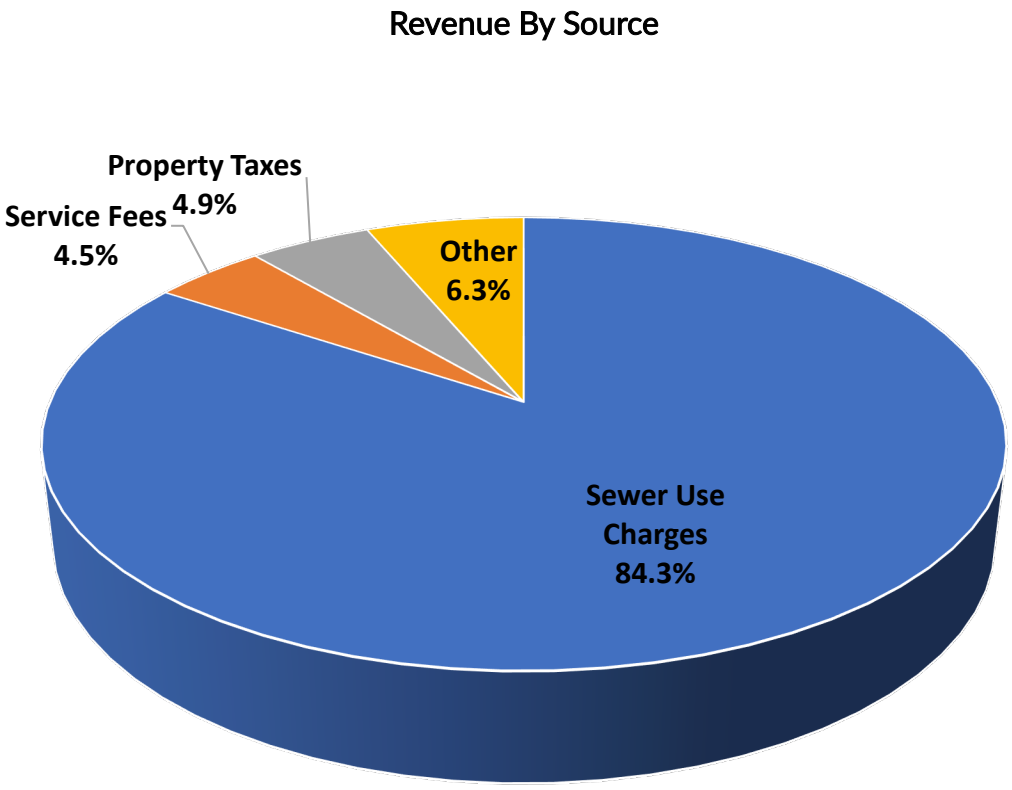
Total projected revenue for FY 2026/27 is approximately $30.7 million, representing an increase of $3.5 million, or 13.0%, over the FY 2025/26 adopted budget.

The increase is primarily attributable to scheduled sewer rate adjustments established under the District's newly adopted five-year Sewer Use Charge (SUC) rate plan, effective July 1, 2026, through June 30, 2031. Sewer use charges continue to represent the District's primary revenue source, accounting for approximately 84.3% of total revenues.

Connection fee revenues are projected to decrease by approximately $103,000, or 9.2%, based on anticipated development activity within the service area. Interest income is also projected to decline due to lower market interest rates.

The table below provides a breakdown of projected revenue by source.

Revenue Summary	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent
Sewer Use Charges	21,916,973	21,695,832	22,779,044	25,937,248	4,241,416	19.5%
Service Fees	4,397,480	1,761,560	1,205,046	1,383,262	(378,298)	-21.5%
Property Taxes	1,580,816	1,399,019	1,171,368	1,500,916	101,897	7.3%
Other	2,207,956	2,379,920	1,501,392	1,944,830	(435,090)	-18.3%
Total	30,103,225	27,236,331	26,656,852	30,766,256	3,529,925	13.0%



Expenditures – What the Money is Spent on

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

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

Capital Improvement Program (CIP)

The FY 2026/27 CIP is budgeted at approximately $19.8 million, representing a decrease of $2.9 million, or 13.0%, compared to FY 2025/26. This decrease is primarily due to the completion of Recycled Water Project Phase I.

To balance the budget, the District will utilize approximately $866,813 from capital replacement and improvement reserves.

Despite projected revenue growth, increasing construction and operational costs continue to place pressure on available resources, reinforcing the importance of strategic planning and disciplined financial management.

Supplies, Services, Utilities, & Other Overhead Costs

Operational costs for FY 2026/27 are projected to decrease by approximately $299,744, or 1.3%.

The budget reflects the District's continued commitment to maintaining reliable operations, investing in critical infrastructure, and ensuring long-term financial sustainability.

Key cost drivers include:

- A 4.5% wage increase tied to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-U)
- Increased healthcare and fringe benefit costs
- Rising insurance premiums due to market conditions and higher property valuations
- Ongoing CalPERS Unfunded Accrued Liability payments

Debt service obligations will decrease following the final payment of the 2015 Wastewater Revenue Refunding Bonds scheduled for June 30, 2026.

Salaries and Benefits

Salaries and benefits are projected to increase by approximately $273,376, or 3.8%, compared to the FY 2025/26 budget.

Salary adjustments primarily reflect a 4.5% Cost-of-Living Adjustment (COLA) based on the 2025 annual average Consumer Price Index for the Riverside region.

Fringe benefit increases are driven by:

- An 8% increase in health insurance contributions
- A 2.7% increase in PEMHCA contributions
- An 8% increase in vision and dental insurance costs

The District's current Unfunded Accrued Liability (UAL) balance is approximately $2.1 million. In September 2023, the Board approved a five-year Fresh Start payoff strategy to fully eliminate the UAL obligation.

Debt Service

Debt service expenditures will decrease by approximately $742,665 due to the completion of the Wastewater Revenue Refunding Bonds, Series 2015, with final payment scheduled for June 30, 2026.

The table below provides a detailed breakdown of expenditures by source for FY 2026/27.

	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Variance	Budget Variance (%)
Capital Improvement Program	$ 33,217,515	$ 22,829,494	$ 18,706,124	$ 19,855,000	$ (2,974,494)	-13.0%
Supplies, Services, Utilities, & Other Overhead Costs	8,152,019	9,235,646	5,148,106	9,387,334	151,688	1.6%
Salaries and Benefits	6,845,185	7,692,176	6,795,725	7,983,409	291,233	3.8%
Debt Repayment	4,590,650	5,649,991	5,649,991	4,907,326	(742,665)	-13.1%
Grand Total	**$ 52,805,369**	**$ 45,407,307**	**$ 36,299,946**	**$ 42,133,069**	**$ (3,274,238)**	**-7.2%**

Your Dollars at Work



Capital Improvement Program 47.1%

Supplies, Services, Utilities, & Other Overhead Costs 22.3%

Salaries & Benefits 18.9%

Debt Repayment 11.7%

The dollar image is divided into visual sections to illustrate how constituent funds are distributed across the District's various operations and services.

ACKNOWLEDGMENTS

The development of the FY 2026/27 Budget required extensive collaboration and careful evaluation across all District departments. Staff worked diligently to analyze revenue trends, establish expenditure priorities, and identify opportunities for operational efficiencies while maintaining the high level of service expected by our community.

Although economic uncertainty remains, the assumptions and projections contained within this budget are aligned with current economic indicators and reflect the District's long-standing commitment to conservative and responsible fiscal management.

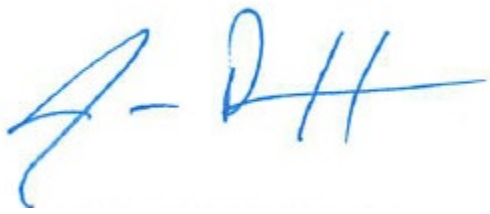
The District will continue to closely monitor budget performance throughout the fiscal year and provide regular updates to the Board of Directors to ensure operational and financial objectives remain aligned.

I would like to extend my sincere appreciation to the Board of Directors for their continued leadership and support. I also thank our community for their ongoing trust and understanding as we navigate complex financial and regulatory challenges.

Special recognition is extended to the Administration Department for their dedication in preparing this budget document, as well as to the managers and supervisors throughout

the organization for their collaboration and contributions during the budget development process. Finally, I would like to thank all District employees for their continued professionalism, commitment, and hard work in supporting the District's daily operations and long-term success.

Respectfully submitted,



JASON DAFFORN, PE

General Manager



OVERVIEW



INDIO, CALIFORNIA "CITY OF FESTIVALS"

In 1876, the City of Indio was a railroad town with a rest area between Los Angeles, California, and Yuma, Arizona. Soon, the Southern Pacific Depot Station and Hotel were built to help retain workers in the area. The City began to grow and became an agricultural region producing dates, onions, citrus, and cotton (Indio City of Festivals, 2021). On May 16, 1930, Indio became the first incorporated City in the Coachella Valley. Today, Indio is home to over 90,000 residents, and an estimated 1.4 million people visit annually to attend the Coachella Valley Music and Arts Festival and Stagecoach Country Music Festival (Indio City of Festivals, 2021). Nicknamed the "City of Festivals," Indio has fast become a great community that offers a variety of exceptional dining, shopping, golfing, art, and entertainment experiences.

Indio is part of Riverside County, located 75 miles east of Riverside, 127 miles east of Los Angeles, and 148 miles northeast of San Diego. The City covers roughly 29 square miles and is 99.97% land and 0.03% water, (U.S. Department of Commerce, 2021). Indio lies just three (3) miles from the San Andreas Fault, one of the most prominent faults in the world. The high mountain ranges contribute to Indio's warm climate year-round.



Image borrowed from the Riverside County 2021 webpage[3]

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1. Indio City of Festivals. (2021). https://www.indio.org/about/history.htm
2. Food truck Fridays | Indio, CA. Indio.org. (n.d.). https://www.indio.org/our-city/food-truck-fridays
3. Riverside County. (2021). Riverside County. https://rivco4.org/Cities/Indio
4. U.S. Department of Commerce. QuickFacts Indio City, California. http://Indio City of Festivals. (2021). https://www.indio.org/about/history.htm

Points of Attraction

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

Arts and Entertainment	Golfing	Festivals	Dining	Shopping
▪ Coachella Valley Art Center ▪ Coachella Valley History Museum ▪ Desert Cahuilla Village ▪ History of Date Industry in the Coachella Valley ▪ Indio Performing Arts ▪ Rebirth	▪ The Lights at Indio Golf Course ▪ Eagle Falls Golf Course ▪ Golf Club at Terra Lago ▪ Big Rock Golf Course ▪ Shadow Hills Golf Club	▪ Riverside County Fair and National Date Festival ▪ Coachella Valley Music & Arts Festival ▪ Stagecoach California's Country Music Festival ▪ Indio Tree Lighting Ceremony ▪ Indio International Tamale Festival	▪ TKB Bakery & Deli ▪ uniQue Bite Eatery ▪ El Mexicali Cafe II ▪ POM ▪ Heirloom Craft Kitchen ▪ Sloan's ▪ CV Barbeque ▪ Tack Room Tavern ▪ Mario's ▪ The Café at Shields	▪ Citrus Plaza ▪ Heritage Court ▪ Indio Grand Market Place ▪ Indio Town Center ▪ The Palms ▪ Showcase at Indio ▪ Indio Plaza ▪ Shadow Hills Plaza ▪ Jefferson Plaza

Food Truck Fridays is Indio's beloved weekly tradition, held every Friday from 5 p.m. to 10 p.m. The vendor lineup changes regularly, featuring returning favorites and introducing new ones. This event is family—and pet-friendly and is held at the corner of Towne Street and Bliss Avenue in Downtown Indio.



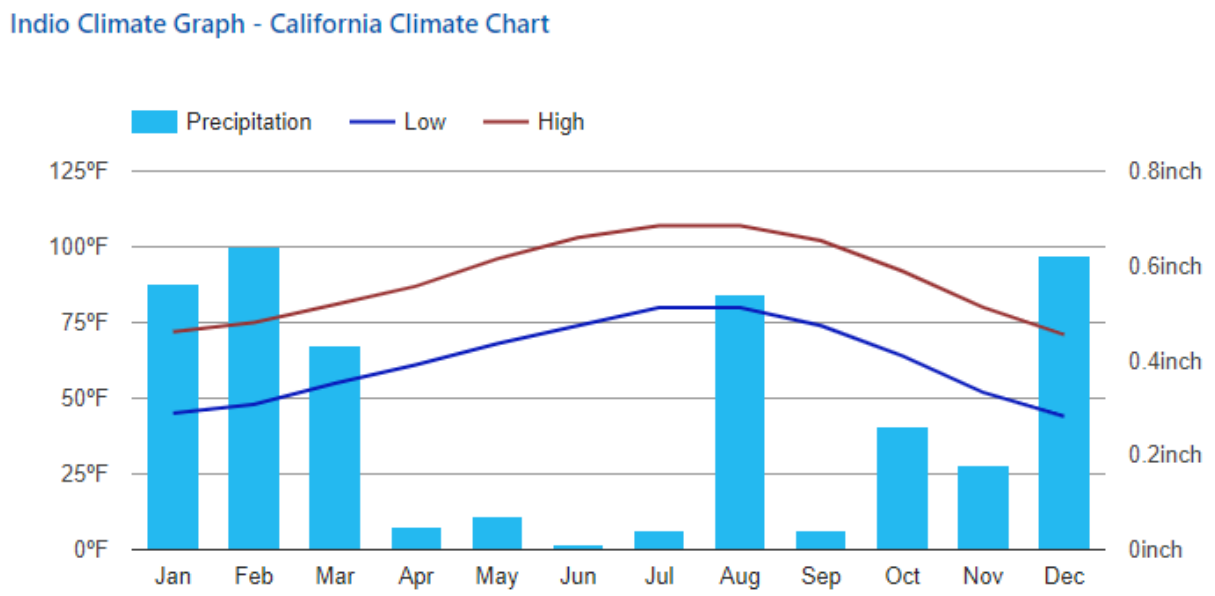
Image borrowed from the Indio.org webpage[2]

Climate

Due to its unique geographical location and high mountain ranges, Indio has some of the warmest winters on the West Coast. The City has a warm winter and hot summer climate primarily due to its desert climate. There is very little rainfall throughout the year. The average annual temperature in Indio is 75.5 °F, with an estimated 3.44 inches of yearly precipitation, (Indio City of Festivals, 2021).

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

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



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

City of Indio Statistical Information

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

Population		
Population as of July 1, 2025		94,269
Population growth since April 1, 2020		5.6%
Housing		
Owner-occupied housing unit rate, 2020-2024		67.1%
Median value of owner-occupied housing units, 2020-2024	$	458,400
Median selected monthly owner costs - with a mortgage, 2020-2024	$	2,344
Median selected monthly owner costs - without a mortgage, 2020-2024	$	807
Median gross rent, 2020-24	$	1,437
Gender (% of population)		
Female		50.5%
Male		49.5%
Age (% of population)		
Under 18 Years		24.8%
65 years and over		18.6%
Education (% of Population)		
Highschool graduate or higher		75.2%
Bachelor's Degree or Higher		20.5%
Income		
Median Household income	$	76,431
Employment (% of Population)		
Retail Trade		12.0%
Healthcare/Social Assistance		11.9%
Accommodation/Food Services		10.2%
Construction		10.8%
Admin/Support/Waste Management Services		7.7%
Educational Services		6.9%
Arts/Entertainment/Recreation		5.8%
Transportation/Warehousing		5.7%
Manufacturing		3.7%
Professional/Scientific/Tech Services		2.9%
Real Estate/Rental/Leasing		2.5%
Agriculture		1.6%
Finance/Insurance		2.3%

6. United States Census Bureau. (n.d.). U.S. Census Bureau quick facts: Indio City, California. Indio City, California. https://www.census.gov/quickfacts/fact/table/indiocitycalifornia/POP815221
7. Van Horn, C. (2023). Transforming Downtown Indio: A Vibrant Oasis in The Desert. VISION Greater Palm Springs, (2023–2024), 60–63.

ECONOMIC INDICATORS

State Economy

The District utilizes the state of California's economic forecasts to help understand the state's financial health and strategize business decisions. The District reviews the unemployment rate, projected job growth, the real personal income forecast, future development projections, and state departmental budgets to understand California's overall economic outlook.

California's Fiscal Year 2026/27 budget reflects a cautious but balanced fiscal approach amid a period of economic uncertainty and moderating growth. The State's May 2026 Revision projects that California and the national economy will continue to expand, although at a slower pace in the near term due to inflationary pressures, elevated energy costs, tariffs, and continued uncertainty in global markets.

The State projects California personal income growth to slow to 4.1 percent in 2026, with inflation expected to temporarily increase to 4.1 percent before moderating in future years. Employment growth is also expected to remain modest, with labor market growth concentrated primarily in healthcare, education, technology, and professional services sectors. Despite these challenges, California's long-term outlook remains stable, supported by continued investment in infrastructure, artificial intelligence, and productivity improvements.

The State budget remains structurally balanced for Fiscal Years 2026/27 and 2027/28 through a combination of updated revenue projections, reserve management, and measured spending controls. The May Revision projects General Fund revenues from major tax sources to exceed earlier estimates by approximately $16.5 billion over the three-year budget window, largely driven by higher-than-anticipated personal income tax revenues and capital gains activity. The State also continues to maintain substantial reserves, with combined reserve balances approaching $29.9 billion in Fiscal Year 2026/27.

Additionally, the State continues to prioritize investments in climate resiliency, water quality, environmental protection, infrastructure, and public health programs. The May 2026 Revision includes significant funding for environmental and natural resource initiatives, including water quality programs, environmental restoration, climate adaptation, and recycling infrastructure improvements.

Impacts to the Wastewater Industry

The economic forecast presents several important considerations for the wastewater and public utility sector. Continued inflationary pressures, elevated energy costs, and higher interest rates are expected to increase operational and capital costs for utilities throughout California. Wastewater agencies will likely continue experiencing increased costs associated with chemicals, fuel, power, construction materials, equipment procurement, and contracted services.

Additionally, tariffs and global supply chain uncertainty may continue to impact the availability and pricing of treatment equipment, electrical components, pumps, vehicles, and infrastructure materials necessary for capital improvement projects and ongoing maintenance activities. Higher borrowing costs and restrictive monetary policy may also increase financing costs for future infrastructure investments.

At the same time, the State's continued emphasis on environmental protection, water quality, recycled water, climate resilience, and infrastructure investment may create additional grant and funding opportunities for wastewater agencies pursuing capital improvement and sustainability initiatives. State investments in environmental programs and water-related infrastructure demonstrate an ongoing policy focus that aligns closely with the mission of wastewater utilities.

Impacts to the District

For the District, the current economic environment reinforces the importance of long-term financial planning, strategic capital investment, and prudent fiscal management. Rising inflation and operational cost pressures are expected to impact the District's expenditures across utilities, maintenance supplies, equipment replacement, contracted services, construction costs, and employee compensation.

The District's proactive financial planning efforts, including the completion of the Wastewater Rate, Capacity, and Fee Study and the update of the District's 10-Year Financial Plan, position the organization to better manage these economic challenges while maintaining reliable wastewater services and regulatory compliance.

Additionally, continued state and federal emphasis on environmental sustainability, recycled water, climate adaptation, and infrastructure investment may provide future funding opportunities for projects such as the District's Recycled Water Program,

Biosolids Conversion Project, Tertiary Treatment Expansion, and other capital improvement initiatives.

Although economic uncertainty remains, Valley Sanitary District continues to maintain a strong financial position through conservative budgeting practices, reserve management, long-range planning, and strategic investment in critical infrastructure. The District remains committed to balancing operational reliability, regulatory compliance, environmental stewardship, and financial sustainability while continuing to provide essential public health and wastewater services to the community.

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LOCAL ECONOMY

The City of Indio is undergoing exciting development, with significant enhancements to public spaces, including a new Civic Center Campus, a library, and a public plaza. The Lights at Indio Golf Course, the only night-lit course in the Coachella Valley, now features a new clubhouse offering dining and a pro shop. Housing options are expanding with the addition of Skyline, a 64-unit apartment complex with 5,000 square feet of ground-floor retail and office space in Downtown Indio, and Desert Retreat, a 55+ community in North Indio that will add 1,500 homes in 2026.

The City of Indio is experiencing a major period of residential growth and housing expansion driven by population increases, rising housing demand, and state housing mandates. City officials, nonprofit organizations, and private developers are actively pursuing a range of projects focused on affordable housing, mixed-use communities, and large-scale residential developments.

Housing Affordability Challenges

One of the biggest issues facing Indio is housing affordability. Reports indicate that nearly 60% of renters in the city are considered rent burdened, meaning a large portion of their income goes toward housing costs. In response, the city has prioritized the construction of affordable housing developments aimed at working families, seniors, and farmworker communities.

Major Affordable Housing Projects

- Sonora Homes: A proposed 203-unit affordable housing community that includes residential buildings, a community center, and an early childhood education facility. The project was approved by the Indio Planning Commission and is intended to help the city meet California housing requirements.
- JFM Villas: A development bringing 150 affordable homes to Indio, including housing for farmworker families and seniors. The project includes childcare services, computer labs, community facilities, and recreational areas.
- Additional Affordable Housing Financing: The city approved financing support for developments including the Avenue 44 Apartments, JFM Villas Senior Apartments, and JFM Villas Family Apartments.

Large-Scale Urban Development

One of the largest proposed developments is The Oasis at Indio, a mixed-use master-planned community near Avenue 42 and Interstate 10. The project could add up to 3,240 residential units along with commercial and light industrial development. The plan is intended to create walkable neighborhoods, expand employment opportunities, and support long-term economic growth.

Growth and Future Planning

City planning data shows that residential development activity has accelerated rapidly. In 2025, Indio issued more than 700 housing permits, significantly higher than previous years. Officials attribute the increase to post-pandemic recovery and growing investment in residential construction. The city is working toward meeting its Regional Housing Needs Allocation (RHNA), which requires planning for more than 7,800 housing units by 2029 across multiple income levels.

Impacts to the District

The City of Indio's ongoing investment in development and business support continues to drive moderate growth, reflected in the steady increase in annual permits. This growth directly benefits the District through the collection of connection fees from new developments or changes in the use of existing buildings. For Fiscal Year 2026/27, the District anticipates collecting $1.0 million in connection fees.

Additionally, the approved five-year Sewer Use Charge (SUC) rate model, effective beginning in FY 2026/27, will remain in place through July 2031. For Fiscal Year 2026/27, SUC revenue is projected at $25.9 million, representing an increase of $4.2 million, or 19.5%, over the prior year. This increase reflects the scheduled rate adjustment under the approved five-year rate model, along with continued growth in system connections. These revenues are essential to sustaining current service levels, advancing high-priority infrastructure improvements identified in the District's 20-Year Master Plan, and meeting ongoing debt service obligations.

In Fiscal Year 2025/26, the District exceeded total revenue projections by $194,511, or approximately 1%, which remained within budget expectations. Sewer use revenue performed above projections primarily due to higher-than-anticipated Sewer Use Charge (SUC) revenues attributed to the increase in active connections and water use. The SUC rate structure consists of a 70% fixed charge based on Equivalent Dwelling Units (EDUs)

and a 30% volumetric charge tied to water consumption by customer class. However, tax appropriations and interest income were lower than projected, reflecting current market conditions, including declining interest rates and reduced home sales activity associated with higher borrowing costs.

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NEW RATES

The Valley Sanitary District's wastewater rate adjustments were approved at a scheduled Public Hearing on May 12, 2026, following the distribution of a Proposition 218 Notice and completion of a comprehensive Wastewater Rate Study. The study evaluated the District's long-term operational, financial, and infrastructure needs to ensure the continued delivery of reliable wastewater services to the community. The approved rate increases are necessary to ensure continued reliable wastewater collection and treatment services for more than 90,000 residents throughout the Eastern Coachella Valley. Much of the District's infrastructure dates back to the 1930s, with some components having exceeded their useful life. The new rates will provide critical funding for essential system rehabilitation, replacement of aging sewer infrastructure, regulatory compliance improvements, and major capital projects designed to protect public health and the environment.

The approved rates will also help the District maintain financial stability, preserve emergency and operational reserves, and secure favorable financing for future infrastructure investments. By proactively investing in system upgrades now, the District can reduce the likelihood of costly emergency repairs, sewer system failures, and service disruptions in the future. Planned improvements include sewer main rehabilitation, treatment facility modernization, equipment replacements, and operational facility upgrades that will improve efficiency, reliability, and sustainability for decades to come.

These investments will directly benefit residents and businesses by ensuring safe, dependable wastewater services, protecting environmental resources, supporting future community growth, and maintaining compliance with increasingly stringent state and federal regulations. The District's long-term financial plan was developed to balance affordability with infrastructure sustainability while minimizing impacts to ratepayers over time.

The table below depicts the new rate structure commencing July 1, 2026 through July 1, 2030.

Annul Sewer Service Rate Schedule	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029	July 1, 2030
Fixed Service Charge					
	Rates per Equivalent Dwelling Unit				
Single Family	$ 557.47	$ 624.37	$ 649.34	$ 675.31	$ 702.32
Multi-Family	$ 243.98	$ 273.26	$ 284.19	$ 295.56	$ 307.38
Mobile Home	$ 294.86	$ 330.24	$ 343.45	$ 357.19	$ 371.48
RV Park	$ 229.76	$ 257.33	$ 267.62	$ 278.32	$ 289.45
Commercial - Low/Med Strength	$ 323.75	$ 362.60	$ 377.10	$ 392.18	$ 407.87
Commercial - High Strength	$ 987.35	$ 1,105.83	$ 1,150.06	$ 1,196.06	$ 1,243.90
Volumetric Rate					
	$ per Cubic Feet (HCF) winter average water consumption				
Single Family	$ 1.60	$ 1.79	$ 1.86	$ 1.93	$ 2.01
Multi-Family	$ 1.60	$ 1.79	$ 1.86	$ 1.93	$ 2.01
Mobile Home	$ 1.60	$ 1.79	$ 1.86	$ 1.93	$ 2.01
	$ per Cubic Feet (HCF) annualized water consumption				
RV Park	$ 1.77	$ 1.98	$ 2.06	$ 2.14	$ 2.23
Commercial - Low/Med Strength	$ 1.43	$ 1.60	$ 1.66	$ 1.73	$ 1.80
Commercial - High Strength	$ 3.26	$ 3.65	$ 3.80	$ 3.95	$ 4.11

DISTRICT GOVERNANCE

Valley Sanitary District is a California special district that operates under the authority of the Health and Safety Code, Sanitary District Act of 1923, § 6400 et seq. The District was formed on June 1, 1925, and is governed by a five (5) member Board of Directors. Each Director is elected through a ward-based election system. Each Director represents a specific geographic area within the District known as a ward. Under California law, the Board of Directors establishes and implements policies for the operation of the District.

The Board of Directors establishes goals and objectives, manages sound fiscal policy and control, sets rates and fees, approves the annual operating and capital budget, approves capital improvement plans, maintains strong communication between the Board of Directors and General Manager, and advocates for the District. The Board of Directors makes decisions to serve the community's best interests. The District's Board of Directors meets on the second and fourth Tuesdays of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

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

DISTRICT SERVICES

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

Valley Sanitary District will support the Coachella Valley as an environmental steward, a model employer, and a leader in the wastewater industry known for its excellence and exceptional service. We will:

- Provide exceptional service to our customers.
- 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 valuable byproducts.
- Serve as a trusted participant in the community through our collaboration, open communication, and educational programs.

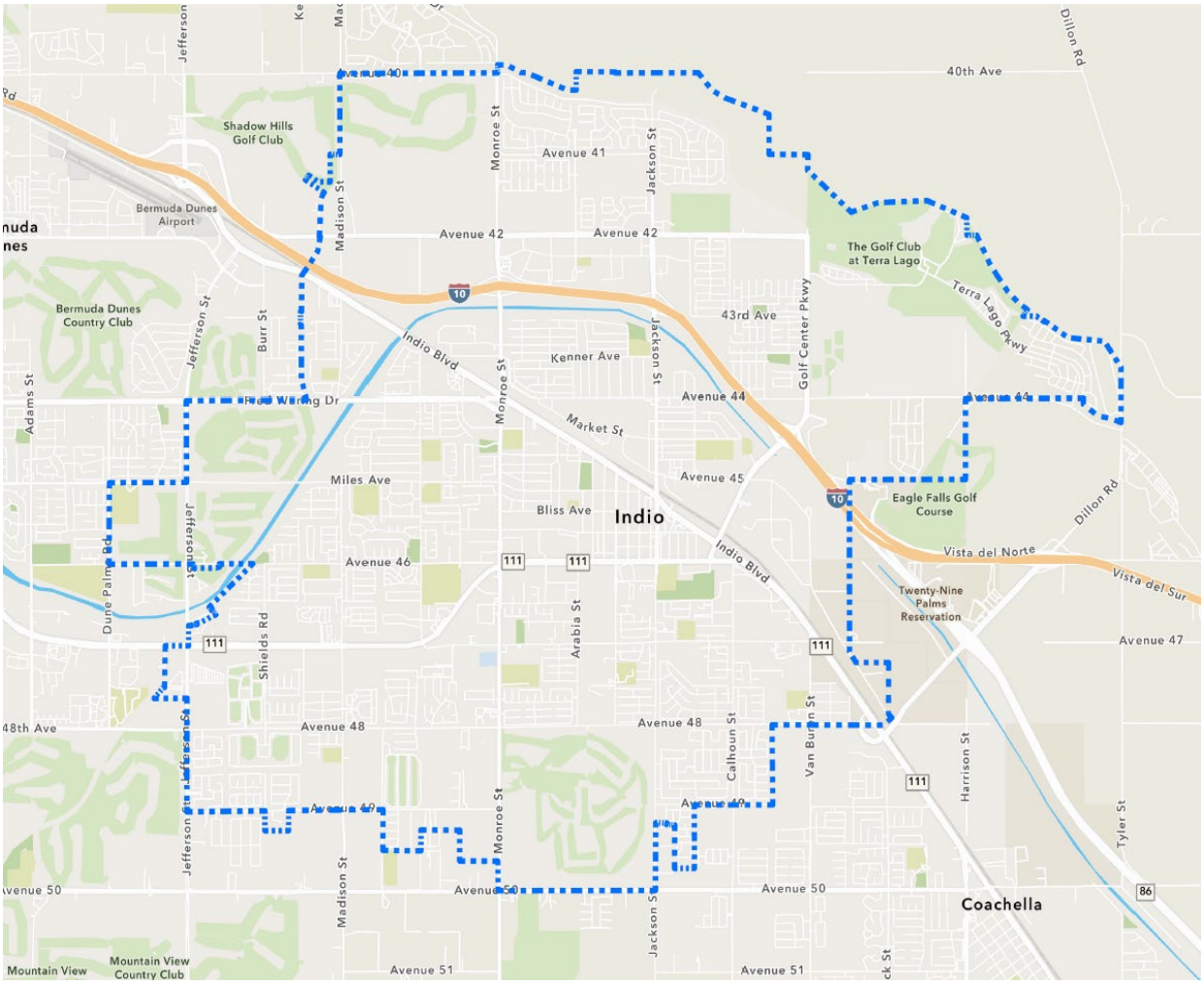
Values

- Transparent. We provide the public with information in a complete, understandable, and timely form that is readily available.
- Responsible. We consider 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 circumstances.

The District (located in the eastern desert area of Riverside County) provides sanitary sewer services to approximately 28,028 connections within its 19.5 square mile service

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

District Service Area



STRATEGIC PLAN

In the calendar year 2023, the District retained the services of Rauch Communication Consultants, Inc., to facilitate and coordinate the development of the District's Strategic Plan.

Purpose of the Plan

This three-year Strategic Plan is Valley Sanitary District's (VSD's) highest-level planning document and represents the Board's and staff's direction for the future. The Plan identifies the District's mission, vision, and core values while providing a set of goals and objectives that serve as a framework for decision-making.

The Plan is also a practical working tool that provides clear direction to the staff regarding the Board's goals and objectives. It includes a Work Plan developed by the staff to meet those goals and objectives. The Board and staff will regularly refer to it as a guide to the District's actions during the period covered.

Plan Development

Background Research. The consultants began by holding discussions with the Board President and General Manager.

Confidential Interviews. The consultant conducted a series of confidential interviews. The goal was for the interviewees to candidly express their interests and perspectives on the District and its priorities. The interviewees included the Board of Directors and Management Team.

Strategic Planning Workshop. The interviewees also participated in a workshop. At the workshop, the group reviewed the interview results, undertook exercises to examine the District's current state, identified issues and opportunities expected to confront the District in the future, and discussed priorities.

Staff and Board Work. The consultant, General Manager, and Leadership Team developed a draft Strategic Plan based on the interviews, workshop, and other information.

Second Strategic Planning Workshop. The draft was distributed to the Board and leadership team, and at a second workshop, the participants reviewed, discussed, and refined the draft plan, including mission, vision, and values, and provided direction for additional changes.

Staff Work Plan. The Leadership Team and consultant developed a staff Work Plan to meet the District's mission, strategic goals, and objectives.

Adoption. The three-year strategic plan was adopted on April 23, 2024.

Summary of Strategic Goals and Objectives



GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs



GOAL 2: FINANCE. Sustainable, Long-Term Funding Is in Place



GOAL 3: STAFF. The District Retains Its Motivated, Well-Trained, and Experienced Staff



GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained



GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs

- OBJECTIVE 1.1: A Board-approved, up-to-date capital prioritization methodology is being implemented.
- OBJECTIVE 1.2: Comprehensive wastewater and facilities master plans are funded and implemented.
- OBJECTIVE 1.3: The District's use of technology lowers costs and improves quality and reliability.
- OBJECTIVE 1.4: The purposes, needs, urgency, costs, and other parameters of major projects are clearly described so that the Board has the information to make decisions that can be followed through without reconsideration.
- OBJECTIVE 1.5: Recognizing that the District provides a critical public service – the Board will confirm the essential nature of approved projects and prioritize completing them on schedule.
- OBJECTIVE 1.6: Work plans for large projects are phased for tracking, demonstration of progress, and reporting.
- OBJECTIVE 1.7: Opportunities to decrease energy and chemical use and be a good steward are evaluated for implementation.
- OBJECTIVE 1.8: The District is seeking to utilize its treated effluent for the highest practical use and is positioned to move quickly on reuse when funding becomes available.

Goal 2: FINANCE. Sustainable, Long-Term Funding is in Place

- OBJECTIVE 2.1: An up-to-date, long-term financial plan guides financial decisions.
- OBJECTIVE 2.2: Grants and other favorable public and private funding help keep customers' rates reasonable.
- OBJECTIVE 2.3: Long-term, sustainable revenue sources fully fund all identified District needs.
- OBJECTIVE 2.4: Reserve targets are reviewed and updated annually.

GOAL 3: STAFF. The District Retains Its Motivated, Well-Trained, and Experienced Staff

- OBJECTIVE 3.1: Key positions are identified, and there is at all times more than one person prepared to carry out each identified key role as an interim successor in a reasonably proficient manner.
- OBJECTIVE 3.2: A succession and knowledge retention plan is being implemented for each key position.

- OBJECTIVE 3.3: An effective retention plan is being actively implemented for all staff.
- OBJECTIVE 3.4: Adequate, qualified, trained, and experienced staff are in place to meet the District's approved needs.
- OBJECTIVE 3.5: Staff has the management, tools, and technology needed to excel.

GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained

- OBJECTIVE 4.1: The public understands the services the District provides, where to learn more, and have their questions answered.
- OBJECTIVE 4.2: The District's programs and funding needs are understood and supported by the public.
- OBJECTIVE 4.3: The District understands customer service-related wants, needs, and interests.

GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

- OBJECTIVE 5.1: The Board self-evaluates and actively seeks to improve its performance over time.
    - 5.1.1 The Board, with the support of the Manager, will undertake an annual self-assessment and consider making improvements and changes in its policies, processes, and procedures.
    - 5.1.2: The Board will encourage its members to engage in relevant training at conferences and other appropriate venues.
- OBJECTIVE 5.2: The Board is engaged in relationship building in the community and among local, state, and national governments.
- OBJECTIVE 5.3: New directors receive a useful orientation that helps integrate them into the Board and become productive members more rapidly.
- OBJECTIVE 5.4: The General Manager's annual performance evaluation process is thorough and productive, benefiting both the Board's and Manager's performance and supporting the maintenance of proper roles and relationships, and is conducted annually at a fixed date.



BUDGET GUIDE



PURPOSE OF THE BUDGET

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

The annual budget serves to accomplish the following:

- Align with the District's strategic goals and departmental goals
- Detail revenue projections and expense breakdown by department
- Provide sound financial management and transparency through the allocation of resources based on needs and requirements
- Present Key Performance Indicators (KPI) and establishes targets based on goals

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

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

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

Operating Budget

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

Capital Budget

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

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

1. Plant Facility
2. Sewage Collection

Capital Improvement Program

The Capital Improvement Program (CIP) is a separate twenty-year planning document that details planned capital expenditures. The capital projects include rehabilitation and replacement of infrastructure and equipment and large construction projects. The CIP aligns capital projects to various funding sources and the projected timeframe for the work. For some larger projects requiring financing, the financial impact can span over 20 years.

BUDGET PROCESS AND STRATEGY

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

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

Continue Building Momentum

Major priorities will be working towards the completion of ongoing capital projects, including the Recycled Water Project – Phase II Design, Digester #2 Cleaning and Equipment Maintenance, New Campus Design and Construction, and the Biosolids Conversion Project.

Resource Prioritization

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

Strategic Goal Alignment

All departments are required to establish annual goals that align with the Board-approved Strategic Plan. Departmental budgets are developed in support of these goals, ensuring organization-wide alignment with strategic priorities.

Sound Financial Management

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

Longevity And Growth

The District's vision, mission, and strategic planning efforts continue to guide long-term sustainability, operational excellence, and responsible growth. During FY 2026/27, the District will advance key initiatives identified in the Master Plan to address aging infrastructure, maintain regulatory compliance, and support future community growth. The recently approved wastewater rate adjustments will provide critical funding for infrastructure rehabilitation, system modernization, and capital improvements necessary to ensure reliable wastewater service, protect public health and the environment, and maintain financial stability while balancing affordability for ratepayers.



BUDGET DEVELOPMENT

Strategic Plan Update

In April of 2024, the Board of Directors adopted the 2024 Strategic plan. This three-year Strategic Plan is Valley Sanitary District's (VSD's) highest-level planning document and represents the Board's and staff's direction for the future. The Plan identifies the District's mission, vision, and core values while providing a set of goals and objectives that serve as a framework for decision-making.

The Plan is also a practical working tool that provides clear direction to the staff regarding the Board's goals and objectives. It includes a work plan developed by the staff to meet those goals and objectives. The Board and Staff will regularly refer to it as a guide to the District's actions during the period covered.

Budget Kick-Off

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

Budget Timeline

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

Task	Day	Date
Phase 1 January		
Task 1.1 Budget Worksheets Distributed To All Departments	Friday	2-Jan-26
Task 1.2 Budget Kickoff Meetings With All Departments	Monday	5-Jan-26
Task 1.3 Budget Worksheets Due To Chief Administrative Officer (CAO)	Tuesday	20-Jan-26
Task 1.4 Review Of Budget Worksheets	Wednesday	21-Jan-26
Phase 2 February		
Task 2.1 Department Overview Meetings With CAO	Monday	2-Feb-26
Task 2.2 Operations Committee Reviews 10 Year Capital Improvement Plan	Tuesday	3-Feb-26
Task 2.3 Departmental Summaries And Goals Due To CAO	Tuesday	3-Feb-26
Task 2.4 Organizational Charts Due To CAO	Tuesday	3-Feb-26
Task 2.5 Rate Study Presentation Board of Directors	Tuesday	10-Feb-26
Task 2.6 Departmental Performance Metrics Due To CAO	Tuesday	10-Feb-26
Task 2.7 Budget Worksheets Due To CAO	Tuesday	17-Feb-26
Task 2.8 Capital Improvement Project Worksheets Due	Tuesday	17-Feb-26
Phase 3 March		
Task 3.1 Strategic Planning Overview with The Board of Directors	Tuesday	24-Mar-26
Task 3.2 Review Capital Project Requests With CAO	Monday	2-Mar-26
Task 3.3 Budget And Finance Committee Review And Recommendations	Tuesday	3-Mar-26
Task 3.4 Budget Meetings With The General Manager And Department Heads	Thursday	12-Mar-26
Task 3.5 Mail Prop 218 Notices	Thursday	12-Mar-26
Task 3.6 Develop Budget Presentation	Tuesday	17-Mar-26
Task 3.7 Post Notice Proposition 218 Public Hearing Scheduled May 12, 2026	Thursday	26-Mar-26
Phase 4 April		
Task 4.1 Draft Budget Book	Thursday	9-Apr-26
Task 4.2 Board Study Session For The Fiscal Year 2026/27 Fees, Charges, 10 Year CIP, and Budget	Thursday	16-Apr-26
Task 4.3 Department Overview Meetings With CAO To Discuss Board Comments And Edit Requests	Monday	20-Apr-26
Task 4.4 Final Worksheets Submitted To CAO	Thursday	23-Apr-26
Phase 5 May		
Task 5.1 Budget Meetings With The General Manager And Department Heads	Thursday	30-Apr-26
Task 5.2 Public Hearing Prop 218	Tuesday	12-May-26
Task 5.3 Draft Budget And Budget Presentation Posted To Board Agenda	Thursday	21-May-26
Task 5.4 Board Adopts Fiscal Year 2026/27 Fees and Charges for District Services	Tuesday	26-May-26
Task 5.5 Board Adopts 10 Year Capital Improvement Plan	Tuesday	26-May-26
Task 5.6 Board Reviews Draft Budget And Makes Final Changes	Tuesday	26-May-26
Task 5.7 Department Overview Meetings With CAO To Discuss Final Changes	Wednesday	27-May-26
Task 5.8 Final Edits Due To CAO	Thursday	28-May-26
Phase 6 June		
Task 6.1 Final Budget Posted To Board Agenda	Thursday	4-Jun-26
Task 6.2 Board Adopts the Fiscal Year 2026/27 Budget	Tuesday	9-Jun-26
Task 6.3 Fiscal Year 2026/27 Final Budget Posted To District Website	Wednesday	24-Jun-26

Budget Adoption

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



Continued Budget Monitoring

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

Mid-Year Budget Review

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

Adjustments To the Adopted Budget

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

BASIS OF BUDGETING: ACCOUNTING VERSUS BUDGETARY BASIS

Accounting Basis

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

Budgetary Basis

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

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

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

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

FISCAL POLICIES

Financial Management

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

- Operating Fund: This is the general operating fund of the District. The primary revenue source for this fund is derived from rates charged to customers for services provided, and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures,

fixed charges, and maintenance costs not paid through other funds are paid from this fund.

- Special Revenue Funds: These funds receive support from various sources, mainly in the form of grants, loans, and other aid, and are restricted to expenditures for particular purposes. Currently, the District has three (3) special revenue funds:
    - 2015 Wastewater Revenue Refunding Bonds
    - State Water Resources Control Board Revolving Fund Loan
    - Bank of America Loan Recycled Water Project Phase I
- Fiduciary Fund: The District reports an Agency Fund. The Agency Fund is purely custodial in nature (assets equal liabilities) and thus does not involve measurement of results of operations. The Agency Fund accounts for assets for Assessment District No. 2004 (Shadow Hills Interceptor), for which the District acts as an agent for its debt service activities.
- Capital Improvement Fund: Indicates the amount allocated for capital expenditures for identified projects.
- Restricted CIP Fund: Indicates the current fiscal year resource allocation and the amount allocated for capital expenditures for increased capacity-related projects.

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

Budgeting Structure

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

1. Structurally Balanced Budget: The District maintains a balanced budget with recurring revenues supporting recurring expenditures. Recurring expenditures primarily consist of personnel and operating costs required to operate the District, but do not include one-time cost items such as new capital assets or replacement assets. Recurring revenues include charges and fees but do not include the use of fund balance. For this section, District-wide surplus for any fiscal year is defined as the increase in unreserved operating fund balance reflected in the District's audited financial statements. The District-wide deficit for any fiscal year is defined as the decrease in unreserved operating fund balance as reflected in the District's audited financial statements. The budget surplus of any department is defined as the excess of budgeted expenses over actual expenses in any fiscal year.

2. Budget Preparation and Presentation: The District prepares and presents its budget using current financial resources and a modified accrual basis of accounting.
    a. Inter-fund Borrowing: The District does not borrow or use operating transfers to obtain cash from one fund type or reserve to fund activities of another fund type or reserve unless such use is deemed lawful and unless the Board of Directors has determined that (a) the funds to be loaned will not be needed during the lending period, and (b) the funds for repayment will be available within a two (2) year period. Any actions taken to borrow funds under these conditions must be separately presented to and approved by the Board of Directors. The term of such borrowing shall not extend beyond the last day of the subsequent fiscal year.
    b. Prompt Reimbursement Submission: Recognizing that grants or other entities fund some programs on a reimbursement basis, the District applies for reimbursements on a timely basis to minimize the period that District funds are used as a float. Suppose requests for reimbursements extend beyond the end of a fiscal year. In that case, such reimbursements are reflected as receivables in the annual financial statements to the extent allowed under accounting principles generally accepted in the United States of America GAAP.
    c. Reserve Policy: The District shall retain an operating reserve of 40% of annual operating expenses. This reserve may fund emergency and unanticipated expenditures during a fiscal year. Fund balances over the 40% threshold may be used for capital improvements or one-time expenditures.
    d. Capital Improvement Plan: The Board adopts a ten-year Capital Improvement Plan (CIP) each fiscal year. The CIP shall address cost estimates for all necessary infrastructure improvements. Funded, partially funded, and unfunded projects are delineated. The CIP is detailed for the current fiscal year and nine (9) additional years.
    e. Financial Oversight and Reporting: The District provides regular financial reports on all funds, comparing budgeted revenue and expenditure information to actual on a monthly and year-to-date basis each month. The Administration Department is responsible for issuing the monthly reports to departments, the General Manager, and the Board of Directors and provides any information regarding potentially adverse trends or conditions. As soon after the closing of the fiscal year as is practicable, the annual audit reports

of the District are prepared and reviewed by management. Financial reports, offering statements, and other financial-related documents issued to the public provide complete disclosure of all material financial matters. The final report is presented to the Board of Directors at a regularly scheduled meeting and is posted on the District's website.

f. Basic Financial Practices: The District strives to maintain formal policies and/or procedures that reflect "best practices" in:
    i. Budget Development and Adjustments: Establish proper budgetary preparation procedures and guidelines, calendar of events, planning models by the fund, budget adjustment procedures, the establishment of rates and fees, indirect costs, and interest income. The budget should be scheduled to allow sufficient review by the Board of Directors while allowing for sufficient citizen input. The budget document reflecting all final actions adopted by the Board of Directors on/or before June 30 of each year is made available within 30 days of such adoption in hard copies at the District office and on the District's website.
    ii. Cash Management and Investments: Comply with all related government codes.
    iii. Debt Management: Address affordability, capacity, debt issuance, and management.
    iv. Equipment and Vehicle Replacement: Established guidelines for determining the useful life and replacement of capitalized equipment and vehicles and provided a basis for establishing a budget and funding methodology.
    v. Procurement: Establish District-wide policies and procedures and provide appropriate checks and balances to ensure that departments adhere to the District's purchasing policies.

Reserve Policy

Purpose

Prudent financial planning and fiscal responsibility include anticipating and preparing for future funding requirements and unforeseen and unexpected emergencies, disasters, and other events. The District has established reserve funds for its long-term organizational and operational stability, and the reserve funds enable the District to minimize significant

rate fluctuations due to unforeseen and expected cash flow requirements. This Reserve Fund Policy ensures that the District accumulates, manages, maintains, and uses certain financial resources only for specific purposes.

Types of Reserve Funds

The District maintains two (2) types of funds:

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

Specific Reserve Funds

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

1. Capital Replacement Reserve Fund: The Capital Replacement Reserve Fund (Fund 12) is a designated reserve to fund the capital improvement program and for unforeseen capital projects necessary to meet regulatory requirements, system reliability, repair, and replacement of District Assets. The District's goal is to fund the Capital Replacement Reserve at 40% of the annual operating budget (Fund 11).
2. Capital Improvement Reserve Fund: The Capital Improvement Reserve Fund (Fund 13) is a designated reserve to fund the capital improvements required due to growth and new users in the system. Developer impact fees, special developer agreements, and capacity connection charges primarily fund it.
3. Debt Service Reserve Fund: The Debt Service Reserve Fund is a restricted reserve governed by legal bond covenants and is to be used if the District cannot meet the required debt service obligation. The bond covenants require that the Debt Service Reserve be maintained at a level sufficient to fund the maximum annual debt service payments.
4. Emergency Reserve Fund: The Emergency Reserve Fund is to be used only to cover cash flow shortages caused by an unexpected event, such as a natural disaster, water shortage, or other unforeseen expense. The District's goal is to maintain the Emergency Reserve at 5% of the annual operating budget (Fund 11).

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

Management of Reserve Funds

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

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

Investment Management

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

CURRENT DEBT OBLIGATIONS

Debt Management

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

Maximum Annual Debt Service

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

Debt Ratio Calculation

Calculations as of May 14, 2026		
1.	Projected Net Revenues (as defined in 2015 Indenture) for Fiscal Year ending June 30, 2025	$ 13,801,450
2.	Maximum Annual Debt Service of the 2015 Bonds	$ 887,250
3.	Maximum Annual Debt Service of the 2016 ISA	$ 553,361
4.	Maximum Annual Debt Service of the 2022 ISA	$ 5,545,760
5.	Combined Maximum Annual Debt Service of the 2015 Bonds, the 2016 ISA and the 2022 ISA (Sum of Lines 2 + 3 + 4)	$ 6,986,371
6.	Ratio of Line 1 to Line 5	198%
8.	Line 3 must be not less than	125%
7.	In compliance	Yes

2015 Wastewater Revenue Refunding Bonds

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

On June 18, 2015, the District issued Wastewater Revenue Refunding Bonds, Series 2015, for $7,540,000. The purpose of the bond issuance was to provide funds to decrease and refund on a current basis the District's outstanding 2006 Certificates of Participation (Treatment Plan Expansion) and pay the costs of issuing the bonds. The bonds are payable from and secured by a lien on the net revenue of the District's wastewater system. The aggregate difference in debt service because of the refinancing was in the amount of $1,596,780. The economic gain on the refinancing was $500,181. The interest rate of 5% (except for 2.125% in 2023) is payable semi-annually on December 1 and June 1, beginning December 1, 2015. The bonds are not subject to redemption before maturity. The unaudited outstanding balance as of June 30, 2025, is $0.

The table below depicts the Standard & Poor's (S&P) public rating as shown at www.standardsandpoors.com.

Summary:

Valley Sanitary District, California; Water/Sewer

Credit Profile		
US$9.1 mil wastewtr rev rfdg bnds ser 2015 due 06/01/2026		
Long Term Rating	AA+/Stable	New
Valley San Dist (Treatment Plant Expansion) ser 2006		
Unenhanced Rating	AA+(SPUR)/Stable	Upgraded

Many issues are enhanced by bond insurance.

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
1	12/1/2015		$ 160,934.20		$ 7,540,000.00
2	6/1/2016	550,000.00	177,718.75	888,652.95	6,990,000.00
3	12/1/2016		163,968.75		6,990,000.00
4	6/1/2017	565,000.00	163,968.75	892,937.50	6,425,000.00
5	12/1/2017		149,843.75		6,425,000.00
6	6/1/2018	590,000.00	149,843.75	889,687.50	5,835,000.00
7	12/1/2018		135,093.75		5,835,000.00
8	6/1/2019	620,000.00	135,093.75	890,187.50	5,215,000.00
9	12/1/2019		119,593.75		5,215,000.00
10	6/1/2020	650,000.00	119,593.75	889,187.50	4,565,000.00
11	12/1/2020		103,343.75		4,565,000.00
12	6/1/2021	685,000.00	103,343.75	891,687.50	3,880,000.00
13	12/1/2021		86,218.75		3,880,000.00
14	6/1/2022	715,000.00	86,218.75	887,437.50	3,165,000.00
15	12/1/2022		68,343.75		3,165,000.00
16	6/1/2023	750,000.00	68,343.75	886,687.50	2,415,000.00
17	12/1/2023		60,375.00		2,415,000.00
18	6/1/2024	765,000.00	60,375.00	885,750.00	1,650,000.00
19	12/1/2024		41,250.00		1,650,000.00
20	6/1/2025	805,000.00	41,250.00	887,500.00	845,000.00
21	12/1/2025		21,125.00		845,000.00
22	6/1/2026	845,000.00	21,125.00	887,250.00	-
Total		**$ 7,540,000.00**	**$ 2,236,965.45**	**$ 9,776,965.45**	

State Water Resources Control Board Revolving Fund Loan

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

thereon, annually to the SWRCB. As of June 30, 2026, the unaudited outstanding balance of the SWRCB revolving fund loan is $10,086,043.

A reserve account must be maintained equal to one (1) year of the SWRCB revolving fund loan debt service payment from unrestricted net revenues. The reserve requirement is $553,361 for the duration of the loan. Debt covenants of the SWRCB revolving fund loan require that the District have net revenues of at least 125% of the total debt service payments (including 2015 Wastewater Revenue Refunding Bonds).

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Rate	Interest Payment	Service Charge	Grant Charge	Total Payment	Ending Balance
1	6/1/2019	$ 333,718.08	1.700%	$ 219,642.63			$ 553,360.71	$ 12,586,436.86
2	6/1/2020	339,391.28	1.700%	213,969.43			553,360.71	12,247,045.58
3	6/1/2021	345,160.94	1.700%	208,199.77			553,360.71	11,901,884.64
4	6/1/2022	351,028.67	0.700%		119,018.85	83,313.19	553,360.71	11,550,855.97
5	6/1/2023	356,996.16	0.700%		115,508.56	80,855.99	553,360.71	11,193,859.81
6	6/1/2024	363,065.09	0.700%		111,938.60	78,357.02	553,360.71	10,830,794.72
7	6/1/2025	369,237.20	0.700%		108,307.95	75,815.56	553,360.71	10,461,557.52
8	6/1/2026	375,514.23	0.700%		104,615.58	73,230.90	553,360.71	10,086,043.29
9	6/1/2027	381,897.98	0.700%		100,860.43	70,602.30	553,360.71	9,704,145.31
10	6/1/2028	388,390.24	0.700%		97,041.45	67,929.02	553,360.71	9,315,755.07
11	6/1/2029	394,992.87	0.700%		93,157.55	65,210.29	553,360.71	8,920,762.20
12	6/1/2030	401,707.75	0.700%		89,207.62	62,445.34	553,360.71	8,519,054.45
13	6/1/2031	408,536.79	0.700%		85,190.54	59,633.38	553,360.71	8,110,517.66
14	6/1/2032	415,481.91	0.700%		81,105.18	56,773.62	553,360.71	7,695,035.75
15	6/1/2033	422,545.10	0.700%		76,950.36	53,865.25	553,360.71	7,272,490.65
16	6/1/2034	429,728.37	0.700%		72,724.91	50,907.43	553,360.71	6,842,762.28
17	6/1/2035	437,033.75	0.700%		68,427.62	47,899.34	553,360.71	6,405,728.53
18	6/1/2036	444,463.32	0.700%		64,057.29	44,840.10	553,360.71	5,961,265.21
19	6/1/2037	452,019.20	0.700%		59,612.65	41,728.86	553,360.71	5,509,246.01
20	6/1/2038	459,703.53	0.700%		55,092.46	38,564.72	553,360.71	5,049,542.48
21	6/1/2039	467,518.49	0.700%		50,495.42	35,346.80	553,360.71	4,582,023.99
22	6/1/2040	475,466.30	0.700%		45,820.24	32,074.17	553,360.71	4,106,557.69
23	6/1/2041	483,549.23	0.700%		41,065.58	28,745.90	553,360.71	3,623,008.46
24	6/1/2042	491,769.57	0.700%		36,230.08	25,361.06	553,360.71	3,131,238.89
25	6/1/2043	500,129.65	0.700%		31,312.39	21,918.67	553,360.71	2,631,109.24
26	6/1/2044	508,631.86	0.700%		26,311.09	18,417.76	553,360.71	2,122,477.38
27	6/1/2045	517,278.60	0.700%		21,224.77	14,857.34	553,360.71	1,605,198.78
28	6/1/2046	526,072.33	0.700%		16,051.99	11,236.39	553,360.71	1,079,126.45
29	6/1/2047	535,015.56	0.700%		10,791.26	7,553.89	553,360.71	544,110.89
30	6/1/2048	544,110.89	0.700%		5,441.11	3,808.78	553,360.78	-
Total		**$ 12,920,154.94**		**$ 641,811.83**	**$ 1,787,561.53**	**$ 1,251,293.07**	**$ 16,600,821.37**	

Debt Financing Bank of America Capital Corp

The District executed the installment sale agreement with Bank of America Capital Corp for the Recycled Water Project Phase I in May 2022. The Recycled Water Project Phase I will replace an aging and capacity-restricting grit chamber and provide redundancy by adding a second digester and expanding the bar screens. This project must meet anticipated regulatory requirements, tertiary treatment, and recycled water production. The total amount of the loan funded was $71,000,000 at an interest rate of 2.75%. The District will make installment payments commencing December 1, 2022, and scheduled to end June 1, 2042. As of June 30, 2026, the unaudited outstanding balance of the Bank of America Capital Corp revolving loan is $64,538,787.

The following table presents the debt through maturity:

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
1	5/13/2022				$ 71,000,000.00
2	12/1/2022	-	1,073,875.00	1,073,875.00	71,000,000.00
3	6/1/2023	920,296.26	976,250.00	1,896,546.26	70,079,703.74
4	12/1/2023	-	963,595.93	963,595.93	70,079,703.74
5	6/1/2024	1,901,555.70	963,595.93	2,865,151.63	68,178,148.04
6	12/1/2024	-	937,449.54	937,449.54	68,178,148.04
7	6/1/2025	1,272,389.43	937,449.54	2,209,838.97	66,905,758.61
8	12/1/2025	-	919,954.18	919,954.18	66,905,758.61
9	6/1/2026	2,366,971.50	919,954.18	3,286,925.68	64,538,787.11
10	12/1/2026	-	887,408.32	887,408.32	64,538,787.11
11	6/1/2027	2,576,648.36	887,408.32	3,464,056.68	61,962,138.75
12	12/1/2027	-	851,979.41	851,979.41	61,962,138.75
13	6/1/2028	3,686,911.69	851,979.41	4,538,891.10	58,275,227.06
14	12/1/2028	-	801,284.37	801,284.37	58,275,227.06
15	6/1/2029	3,943,191.04	801,284.37	4,744,475.41	54,332,036.02
16	12/1/2029	-	747,065.50	747,065.50	54,332,036.02
17	6/1/2030	3,990,681.62	747,065.50	4,737,747.12	50,341,354.40
18	12/1/2030	-	692,193.62	692,193.62	50,341,354.40
19	6/1/2031	4,039,081.41	692,193.62	4,731,275.03	46,302,272.99
20	12/1/2031	-	636,656.25	636,656.25	46,302,272.99
21	6/1/2032	4,095,284.68	636,656.25	4,731,940.93	42,206,988.31
22	12/1/2032	-	580,346.09	580,346.09	42,206,988.31
23	6/1/2033	4,146,056.98	580,346.09	4,726,403.07	38,060,931.33
24	12/1/2033	-	523,337.81	523,337.81	38,060,931.33
25	6/1/2034	4,188,588.09	523,337.81	4,711,925.90	33,872,343.24

Ref Num	Due Date	Principal Payment	Interest Payment	Annual Debt Service	Ending Balance
26	12/1/2034	-	465,744.72	465,744.72	33,872,343.24
27	6/1/2035	4,204,415.86	465,744.72	4,670,160.58	29,667,927.38
28	12/1/2035	-	407,934.00	407,934.00	29,667,927.38
29	6/1/2036	4,231,166.99	407,934.00	4,639,100.99	25,436,760.39
30	12/1/2036	-	349,755.46	349,755.46	25,436,760.39
31	6/1/2037	4,225,820.48	349,755.46	4,575,575.94	21,210,939.91
32	12/1/2037	-	291,650.42	291,650.42	21,210,939.91
33	6/1/2038	4,159,800.39	291,650.42	4,451,450.81	17,051,139.52
34	12/1/2038	-	234,453.17	234,453.17	17,051,139.52
35	6/1/2039	4,159,118.09	234,453.17	4,393,571.26	12,892,021.43
36	12/1/2039	-	177,265.29	177,265.29	12,892,021.43
37	6/1/2040	4,148,217.97	177,265.29	4,325,483.26	8,743,803.46
38	12/1/2040	-	120,227.30	120,227.30	8,743,803.46
39	6/1/2041	4,126,272.67	120,227.30	4,246,499.97	4,617,530.79
40	12/1/2041	-	63,491.05	63,491.05	4,617,530.79
41	6/1/2042	4,617,530.79	63,491.05	4,681,021.84	-
Total		**$ 71,000,000.00**	**$ 23,353,709.86**	**$ 94,353,709.86**	

The table below shows the unaudited debt beginning balances as of July 1, 2026.

District's Outstanding Debt

2015 Revenue Refunding Bond	$	-
Bond Premium		-
SWRCB Loan		10,086,043
Bank of America Loan		64,538,787
Total	$	74,624,830

FUND SUMMARY



FINANCIAL MANAGEMENT

The District adheres to Generally Accepted Accounting Principles (GAAP) as applicable to local government entities. Although the District operates as an enterprise agency, it utilizes a fund accounting system, in which each fund is treated as a separate fiscal and accounting entity. This structure ensures transparency, accountability, and compliance with legal and contractual financial requirements.

Types of Funds Maintained

1. Operating Fund
    - The District's primary fund for general operations.
    - Funded mainly through customer service rates.
    - Covers day-to-day operating expenses, maintenance, and fixed charges not paid through other funds.
2. Special Revenue Funds
    - Used exclusively for specific purposes and supported by grants, loans, or other aid.
    - The District currently manages two such funds:
        - *2015 Wastewater Revenue Refunding Bonds*
        - *State Water Resources Control Board Revolving Fund Loan*
3. Fiduciary Fund (Agency Fund)
    - Custodial in nature; assets equal liabilities.
    - No operational revenue or expenditure tracking.
    - Used for Assessment District No. 2004 (Shadow Hills Interceptor), where the District manages debt service on behalf of others.
4. Capital Improvement Fund
    - Allocated for long-term facility maintenance and capital projects.
    - Supports planning and financing of capital improvements over multiple years.

5. Restricted Capital Improvement Fund
    - Allocated for capacity-related capital expenditures in the current fiscal year.
    - Funds are restricted and must be used specifically for projects that expand system capacity.

Each fund is carefully managed and tracked according to its intended purpose, ensuring financial integrity and strategic allocation of resources.

FUND BALANCE

The fund balance represents the difference between a fund's assets and liabilities, as reported on the fund's balance sheet. It serves as a key indicator of the District's financial health and available resources.

Fund balances are categorized based on the level of constraints placed on how funds can be used. These classifications help ensure transparency in how financial resources are allocated and restricted.

The fund balance provides a financial cushion and is a critical tool for:

- Paying long-term debt obligations
- Sustaining ongoing programs
- Funding new initiatives or capital projects

The table below presents a summary of the District's fund balances, reflecting classifications and availability of resources for future use.

All Fund Summary	FY24 Actual	FY25 Actual	FY26 Budget	*FY26 Projected	FY27 Budget	Budget Change	Percent Change
Revenues							
Sewer Service Chgs-Current	$ 19,322,726	$ 21,916,973	$ 21,695,832	$ 22,646,253	$ 25,937,248	$ 4,241,416	19.5%
Sewer Service Penalties	1,103.00	-	1,457.00	-	-	(1,457.00)	0.0%
Permit & Inspection Fees	27,060	37,830	25,574	21,893	25,077	(497)	-1.9%
Saddles/Disconnect Fees	320	160	272	120	137	(135)	0.0%
Plan Check Fees	12,630	17,840	13,715	9,675	11,082	(2,633)	-19.2%
Other Services	2,910	1,610	2,176	1,080	1,237	(939)	-43.2%
Property Taxes General	1,517,807	1,580,816	1,399,019	1,310,317	1,500,916	101,897	7.3%
Connection Fees	1,555,154	3,951,908	1,120,563	888,315	1,017,530	(103,033)	-9.2%
Investment Income	2,545,316	2,558,718	2,924,525	1,966,614	2,252,678	(671,847)	-23.0%
Total Revenues	**$ 24,985,026**	**$ 30,065,855**	**$ 27,183,133**	**$ 26,844,267**	**$ 30,745,905**	**$ 3,562,772**	**13.1%**
Expenses							
Wages	$ 4,167,972	$ 4,161,578	$ 5,069,354	$ 4,536,699	$ 5,297,247	$ 227,893	4.5%
Fringe Benefits	1,554,040	1,561,084	2,056,891	1,693,095	2,102,374	45,483	2.2%
Services	1,127,715	1,433,564	3,670,687	1,595,939	3,303,062	(367,625)	-10.0%
Supplies and Materials	1,318,709	1,317,003	2,130,945	1,333,177	2,197,758	66,813	3.1%
Fuels and Lubricants	47,436	33,274	75,000	47,793	75,000	-	0.0%
Comprehensive Insurance	492,168	534,657	840,369	734,507	1,089,263	248,894	29.6%
Projects	29,456	4,215	310,792	20,322	234,000	(76,792)	-24.7%
Unfunded Accrued Liability (UAL)	-	515,872	565,931	565,931	583,788	17,857	3.2%
Utilities	1,091,250	1,043,441	1,545,500	989,839	1,748,500	203,000	13.1%
Permits and Fees	73,019	67,137	152,760	108,603	158,100	5,340	3.5%
Other	242,389	350,237	509,593	317,926	581,651	72,058	14.1%
Total Expenses	**$ 10,144,153**	**$ 11,022,061**	**$ 16,927,822**	**$ 11,943,831**	**$ 17,370,743**	**$ 442,921**	**2.6%**
Operating Income (Loss)	**$ 14,840,873**	**$ 19,043,794**	**$ 10,255,311**	**$ 14,900,436**	**$ 13,375,162**	**$ 3,119,851**	**30.4%**
Non-Operating Revenues (Expenses)							
Sources							
Loan Proceeds	$ 27,854,872	$ 19,192,341	$ 6,000,000	$ 6,000,000	$ 10,500,000	$ 4,500,000	75.0%
Grant Revenue	-	5,535,694	2,407,820	35,629	-	(2,407,820)	0.0%
Non-Operating Revenues	32,610	370	3,813	444	508	(3,305)	-86.7%
Sale of Surplus Property	25,011	22,510	33,311	-	-	(33,311)	-100.0%
Rebate Income	3,239	2,490	4,074	6,847	7,843	3,769	92.5%
Rental Income	1,000	12,000	12,000	10,500	12,000	-	0.0%
Uses							
Capital Improvement Budget	(36,083,953)	(33,217,515)	(22,829,494)	(18,706,124)	(19,855,000)	2,974,494	-13.0%
Debt Service	(5,270,359)	(4,590,650)	(5,649,991)	(5,649,991)	(4,907,326)	742,665	-13.1%
Total Non-Operating Revenue (Expenses)	**(13,437,580)**	**(13,042,760)**	**(20,018,467)**	**(18,302,695)**	**(14,241,975)**	**5,776,492**	**-28.9%**
Increase (Decrease) in Cashflow	$ 1,403,293	$ 6,001,035	$ (9,763,156)	$ (3,402,259)	$ (866,813)	$ 8,896,343	-91.1%
Beginning Reserve	$ 67,027,942	$ 68,431,235	$ 74,432,270	$ 74,432,270	$ 71,030,011	$ (3,402,259)	-4.6%
Ending Reserve	**$ 68,431,235**	**$ 74,432,270**	**$ 64,669,114**	**$ 71,030,011**	**$ 70,163,198**	**$ 5,494,084**	**8.5%**
Assigned Reserve	$ 40,243,190	$ 43,565,429	$ 30,944,274	$ 37,305,171	$ 43,680,905	$ 12,736,631	41.2%
Unassigned Reserve	$ 28,188,045	$ 30,866,841	$ 33,724,840	$ 33,724,840	$ 26,482,293	$ (7,242,547)	-21.5%

*Unaudited

REVENUE BY SOURCE

Revenue Forecasting and Projections

The District's annual budgeted revenues are projected using analytical forecasting techniques and local economic intelligence. These methods include:

- Historical data analysis
- Moving averages
- Exponential smoothing
- Trend projections
- Market research

To ensure accuracy and relevance, the District incorporates local growth and development trends by:

- Monitoring City of Indio planning data
- Reviewing the annual economic forecast
- Analyzing reports from the Coachella Valley Economic Summit
- Evaluating local real estate and development market data

Development Highlights from FY 2025/26 Indio Report

- 64 new apartment units are expected to be added in Downtown Indio.
- Desert Retreat, a new Del Webb community by Pulte Homes, is set to bring 1,500 new homes to North Indio.
- New Businesses:
    - Studio B
    - True Awakening Studios
    - Indio Taphouse
    - College of the Desert Indio Campus – Oasis Café

These development activities are expected to contribute to increased demand for services and, by extension, revenue growth.

Additionally, the District conducts a three-year historical review of all revenue sources to inform and validate its projections.

The tables below illustrate budgeted revenues by source, reflecting the District's commitment to data-driven financial planning.

Fund 11 (General Fund) Revenues by Source	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
OPERATING REVENUES:						
11-4120000-0 SEWER SERVICE CHGS-CURRENT	$21,916,973	$21,695,832	$22,779,044	$ 25,937,248	$ 4,241,416	19.5%
11-4140-000-0 SEWER SERVICE PENALTIES	-	1,457	-	-	(1,457)	-100.0%
11-4210000-0 PERMIT & INSPECTION FEES	37,830	25,574	20,980	25,077	(497)	-1.9%
11-4260000-0 SADDLES/DISCONNECT FEES	160	272	107	137	(135)	-49.6%
11-4270000-0 PLAN CHECK FEES	17,840	13,715	9,000	11,082	(2,633)	-19.2%
11-4285000-0 OTHER SERVICES	1,610	2,176	1,134	1,237	(939)	-43.2%
11-4310000-0 SALE OF SURPLUS PROPERTY	22,510	33,311	-	-	(33,311)	-100.0%
Subtotal	**$21,996,923**	**$21,772,337**	**$22,810,265**	**$ 25,974,781**	**$ 4,202,444**	**19.3%**
NON-OPERATING REVENUES:						
11-4430000-0 TAXES - CURRENT SECURED	$ 1,487,961	$ 1,273,476	$ 1,052,382	$ 1,356,145	$ 82,669	6.5%
11-4440000-0 TAXES - CURRENT UNSECURED	46,440	64,878	65,028	83,797	18,919	29.2%
11-4450000-0 TAXES - PRIOR SECURED	11,330	13,640	21,310	27,461	13,821	101.3%
11-4460000-0 TAXES - PRIOR UNSECURED	-	5,711	-	-	(5,711)	-100.0%
11-4470000-0 SUPPLE PROP. TAXES - CURRENT	21,445	24,155	15,220	12,291	(11,864)	-49.1%
11-4480000-0 SUPPLE PROP. TAXES - PRIOR	7,069	12,051	13,192	15,763	3,712	30.8%
11-4500000-0 HOMEOWNERS TAX RELIEF	6,571	5,108	4,236	5,459	351	6.9%
11-4510000-0 INTEREST INCOME	1,002,533	1,144,622	668,338	854,132	(290,490)	-25.4%
11-4520000-0 UNREALIZED GAINS (LOSSES)	18,506	22,302	(6,602)	10,427	(11,875)	-53.2%
11-4574000-0 NON-OPERATING REVENUES	370	3,813	395	508	(3,305)	-86.7%
11-4573000-0 REBATE INCOME	2,490	4,074	6,086	7,843	3,769	92.5%
11-4575000-0 RENTAL INCOME	12,000	12,000	10,667	12,000	-	0.0%
12-4510000-0 INTEREST INCOME	1,172,057	1,193,109	822,508	1,059,920	(133,189)	-11.2%
Subtotal	**$ 3,788,772**	**$ 3,778,939**	**$ 2,672,761**	**$ 3,445,746**	**$ (333,193)**	**-8.8%**
Fund 11 Total Revenues by Source	**$25,785,695**	**$25,551,276**	**$25,483,026**	**$ 29,420,527**	**$ 3,869,251**	**15.1%**

Fund 13 (Capital Improvement Fund) Revenues by Source	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
OPERATING REVENUES:						
13-4200000-0 CONNECTION FEES	$ 3,951,908	$ 1,120,563	$ 919,140	$ 1,017,530	$ (103,033)	-9.2%
Subtotal	**$ 3,951,908**	**$ 1,120,563**	**$ 919,140**	**$ 1,017,530**	**$ (103,033)**	**-9.2%**
NON-OPERATING REVENUES:						
13-4510000-0 INTEREST INCOME	$ 365,622	$ 564,492	$ 254,686	$ 328,199	$ (236,293)	-41.9%
Subtotal	**$ 365,622**	**$ 564,492**	**$ 254,686**	**$ 328,199**	**$ (236,293)**	**-41.9%**
Fund 13 Total Revenues by Source	**$ 4,317,530**	**$ 1,685,055**	**$ 1,173,826**	**$ 1,345,729**	**$ (339,326)**	**-20.1%**

Combined Total Revenues	**$30,103,225**	**$27,236,331**	**$26,656,852**	**$ 30,766,256**	**$ 3,529,925**	**13.0%**

REVENUE SUMMARY

Sewer Service Charges

Sewer service charges are analyzed at least once every five (5) years. The most recent analysis was completed in 2026. Following all Prop 218 mandates, the District mailed out notices to its customers with the proposed rate increases from July 1, 2026, to July 1, 2030. The Board of Directors adopted a rate structure and Five-Year Rate Plan effective July 1, 2031. The increase in the sewer rate revenue in fiscal year 2026/27 is attributed to year one of the new fee schedule.

Permit & Inspection Fees

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

Saddles/Disconnect Fees

If sewer service to any premises is disconnected pursuant to any provision of the District code, the owner shall be responsible and liable for payment of the fee established by the District to cover the District's costs to disconnect the sewer service.

Plan Check Fees

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

Other Services

Income from dump station fees. The District dump station is a place designated to dispose of RV wastewater, including the blackwater tank (containing toilet waste) and the graywater tank (containing wastewater from sinks, showers, and dishwashers). The dump station fee is set at a flat rate of $10.

Sale of Surplus Property

Revenue is generated from the sale of surplus property. Surplus Property is property a government entity no longer needs. Personal property includes assets ranging from office equipment and furniture to scientific equipment, heavy machinery, airplanes, vessels, and vehicles. If this property cannot be donated to a state or public agency or nonprofit

organization, the public can buy it. The decrease in the sale of surplus property is due to the projected disposal of obsolete assets scheduled for disposal in the FY 2026/27.

Taxes - Current Secured

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

Taxes - Current Unsecured

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

Prior Secured

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

Supplemental Property Taxes - Current

Funds are derived from supplemental tax roll changes due to property sales or new construction. Since July 1983, state law requires the County Assessor to reappraise property as of the date of change in ownership or completion of new construction rather than at the next tax year. The decrease is due to due to lower development projections.

Supplemental Property Taxes - Prior

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

Homeowners Tax Relief

The portion of tax funds is replaced by state resources for tax relief for homeowners. For example, if a homeowner's exemption deducts $7,000 of the property's valuation for calculating the property owner's tax, the state replaces the taxes that the $7,000 valuation

would have provided to the county. The increase in the budgeted homeowner's tax relief revenue is due to forecasted projections.

Non-Operating Revenues

The District is a participant in the Wastewater-based Epidemiology Surveillance Program for the monitoring of SARS-CoV-2, the virus causing COVID-19. The data is submitted to the U.S. Centers for Disease Control and Prevention (CDC) 's National Wastewater Surveillance System (NWSS). The District received an 18-month stipend for its participation. The grant funded program has ended therefore the decrease in projected revenue.

Rebate Income

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

Rental Income

Valley Sanitary District owns approximately 81 acres of land to be used for the District's sanitary treatment plant. Approximately 27 acres of land is available for temporary use until the treatment plant requires expansion. In 2024 the District and the Desert Wildlife Center (DCW) entered an agreement to lease a 7-acre bird center or rehabilitation center with several existing structures available for use. The DWC will serve as a safe refuge for sick, injured, and orphaned wildlife needing medical treatment and rehabilitation.

Interest Income

Return on invested funds that are held with the Local Agency Investment Fund (LAIF) and CalTrust. The interest rate was budgeted using current market trend analysis.

Connection and Capacity Fee

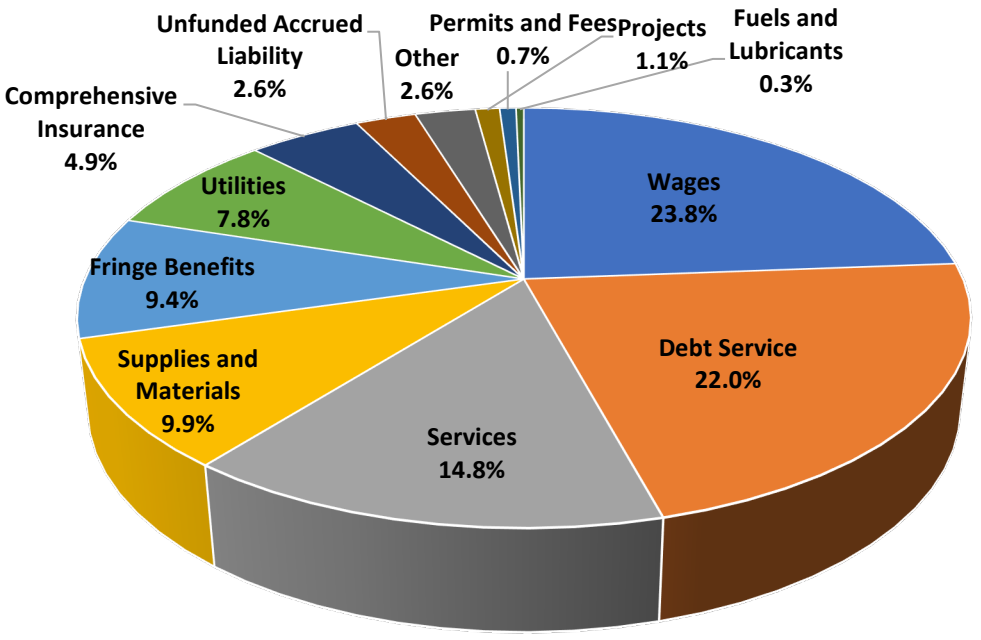
The connection and capacity fee reflects the cost of new development or changes in use for existing buildings that account for the attributable fair share of infrastructure expenses that have already been paid by ratepayers in previous years. The connection and capacity fee is adjusted each year by using the Engineering News-Record (ENR) 20-City Construction Cost Index from January to January. Connection Capacity Fee for the fiscal year 2026/27 is $6,808 per EDU. The connection fees were adjusted to match current projections.

EXPENSE BY CATEGORY

The operating budget includes the essential expenditures required to support the day-to-day operations of the District. These expenditures are structured to ensure organizational efficiency, employee support, and long-term financial sustainability. Key components of the operating budget include personnel costs, California Public Employees' Retirement System (CalPERS) contributions, Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead expenses.

The table and chart below illustrate the distribution of operating expenses by category

Expense	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percentage Change
Wages	$ 4,524,528	$ 5,069,354	$ 4,536,699	$ 5,297,247	$ 227,893	4.5%
Debt Service	4,590,650	5,649,991	5,649,991	4,907,326	(742,665)	-13.1%
Services	3,019,054	3,670,687	1,595,939	3,303,062	(367,625)	-10.0%
Supplies and Materials	1,914,863	2,130,945	1,333,177	2,197,758	66,813	3.1%
Fringe Benefits	1,804,785	2,056,891	1,693,095	2,102,374	45,483	2.2%
Utilities	1,532,000	1,545,500	989,839	1,748,500	203,000	13.1%
Comprehensive Insurance	587,310	840,369	734,507	1,089,263	248,894	29.6%
Unfunded Accrued Liability	515,872	565,931	565,931	583,788	17,857	3.2%
Other	478,982	509,593	317,926	581,651	72,058	14.1%
Projects	398,000	310,792	20,322	234,000	(76,792)	-24.7%
Permits and Fees	151,810	152,760	108,603	158,100	5,340	3.5%
Fuels and Lubricants	70,000	75,000	47,793	75,000	-	0.0%
Total	**$ 19,587,854**	**$ 22,577,813**	**$ 17,593,822**	**$ 22,278,069**	**$ (299,744)**	**-1.3%**



EXPENSE SUMMARY

Debt Service

Debt service costs increased in FY 2026/27 due to an adjustment in the Bank of America loan repayment schedule.

Wages

The increase in wages for FY 2026/27 is primarily attributed to the following factors:

- A 4.5% Cost-of-Living Adjustment (COLA) based on the 2025 annual average Consumer Price Index (CPI) for the Riverside region, along with other cost-of-living considerations.
- Promotional advancements due to employee certification achievements. For example, a Wastewater Operator III may be promoted to Wastewater Operator IV upon obtaining the required higher-level certification.

These adjustments reflect the District's strategic investment in retention, recruitment and workforce development.

Services

The Services category in the FY 2026/27 budget reflects an decrease of $367,625, or 10.0%, compared to the prior year. The decrease is attributed to the completion of one-time services (e.g., centennial planning, rebranding, sewer rate study, and outreach/mailings).

Supplies and Materials

The Supplies and Materials budget for FY 2026/27 increased by $66,813, or 3.1%, over the prior year. This increase reflects rising costs and expanded needs related to operational supplies, repairs, and equipment replacement. Key drivers of the increase include emergency supply replenishment, chemicals, reagents, equipment rentals, and tools.

Fringe Benefits

The Fringe Benefits budget increased in FY 2026/27 due to projected adjustments in employee benefit costs that reflect prevailing market trends; specifically, 8% increase in health insurance contributions, 2.7% increase in Public Employees' Medical & Hospital

Care Act (PEMHCA) contributions, and 8% increase in vision and dental insurance contributions.

Utilities

The Utilities budget includes an increase of $200,000, in electricity costs for FY 2026/27. This adjustment accounts for a projected increase in electricity usage associated with the addition of the Recycled Water Project Phase I components.

Unfunded Accrued Liability

The District participates in CalPERS, one of the nation's largest public pension funds. Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. As of the most recent actuarial valuation, the District's UAL balance stood at $2.1 million.

In September 2023, the Board of Directors approved a Five-Year Fresh Start payoff option, committing to fully pay off the UAL balance over five (5) years.

Comprehensive Insurance

The Comprehensive Insurance budget for FY 2026/27 reflects an increase of $248,894, or 29.6%, over the prior year. This rise is primarily driven by:

- Higher insurance premiums for general liability and earthquake coverage, tied to the anticipated asset increase associated with the acceptance of Recycled Water Project Phase I, valued at approximately $81 million.
- Market-driven increases in fire and earthquake insurance premiums, which have seen significant upward trends across the state and region.

These adjustments ensure that the District maintains appropriate coverage levels to protect its growing asset base and operational risks in a volatile insurance market.

Projects

Project costs decreased in FY 2026/27 primarily due to a reduction in projected contributions to the East Valley Reclamation Authority (EVRA).

Other

Other costs increased primarily due to higher expenditure on conference certifications, memberships, and subscriptions. Additionally, miscellaneous expenditures were increased to support the District's expanded participation in community events and outreach efforts.

Permits and Fees

Permits and fees have a slight increase over the previous year, attributed to regulatory permits (e.g., SCAQMD, Environmental Health, Fire, and Alarm permits).

Fuels and Lubricants

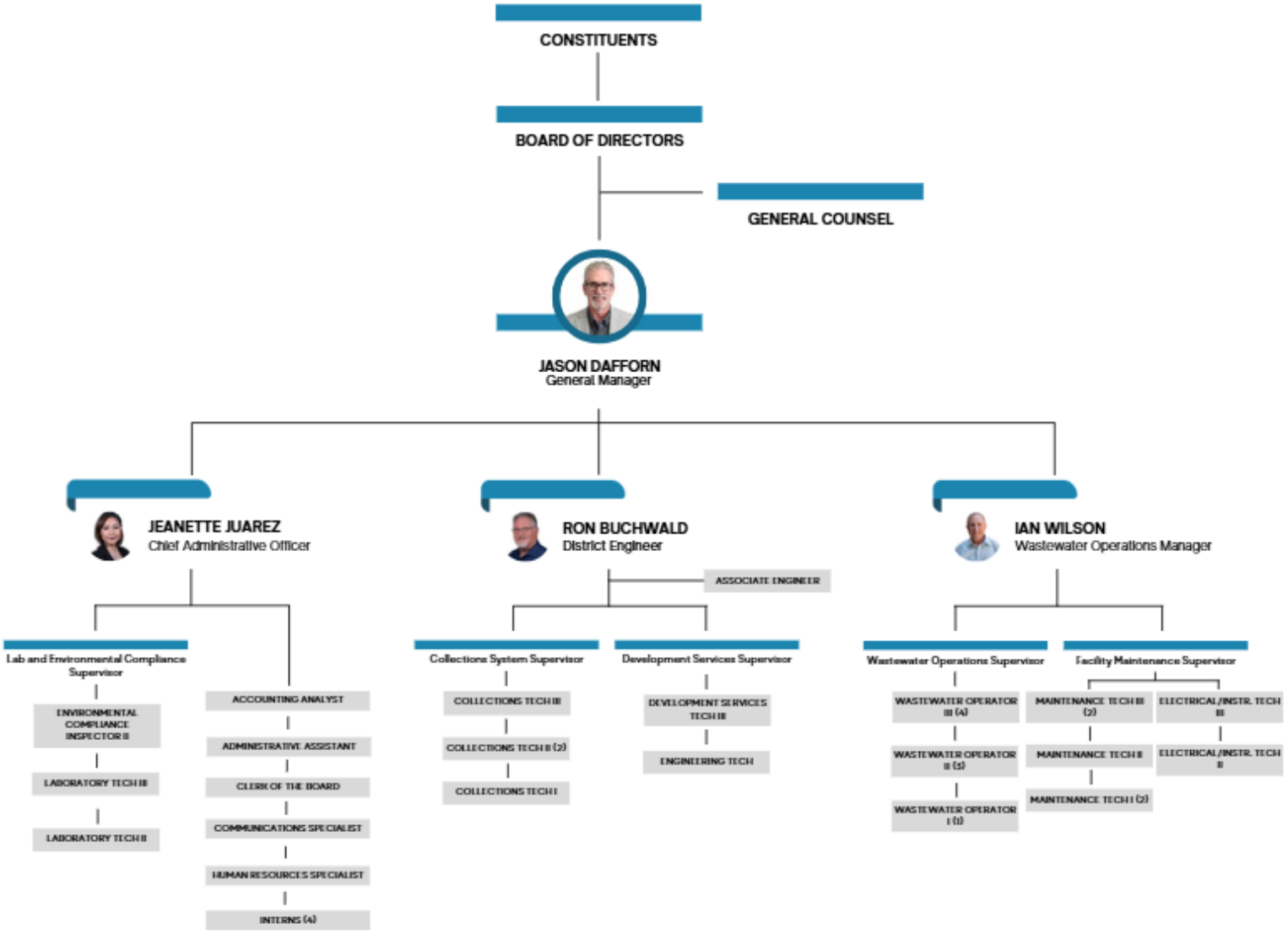
Fuels and Lubricants are budgeted on projected operational use.



PERSONNEL SUMMARY






CONSTITUENTS
BOARD OF DIRECTORS
GENERAL COUNSEL
JASON DAFFORN
General Manager
JEANETTE JUAREZ
Chief Administrative Officer
RON BUCHWALD
District Engineer
IAN WILSON
Wastewater Operations Manager
ASSOCIATE ENGINEER
Lab and Environmental Compliance Supervisor
ENVIRONMENTAL COMPLIANCE INSPECTOR II
LABORATORY TECH III
LABORATORY TECH II
ACCOUNTING ANALYST
ADMINISTRATIVE ASSISTANT
CLERK OF THE BOARD
COMMUNICATIONS SPECIALIST
HUMAN RESOURCES SPECIALIST
INTERNS (4)
Collections System Supervisor
COLLECTIONS TECH III
COLLECTIONS TECH II (2)
COLLECTIONS TECH I
Development Services Supervisor
DEVELOPMENT SERVICES TECH III
ENGINEERING TECH
Wastewater Operations Supervisor
WASTEWATER OPERATOR III (4)
WASTEWATER OPERATOR II (5)
WASTEWATER OPERATOR I (1)
Facility Maintenance Supervisor
MAINTENANCE TECH III (2)
MAINTENANCE TECH II
MAINTENANCE TECH I (2)
ELECTRICAL/INSTR. TECH III
ELECTRICAL/INSTR. TECH II

STAFFING RANGE ASSIGNMENTS

Valley Sanitary District
Staffing Range Assignments

DEPARTMENT	CLASSIFICATION	AUTHORIZED POSITIONS
ADMINISTRATION	Accounting Analyst	1
	Administrative Assistant	1
	Chief Administrative Officer	1
	Clerk of the Board	1
	Communications Specialist	1
	General Manager	1
	Human Resources Specialist	1
	Intern	2
	Subtotal	**9**
SANITATION COLLECTIONS	Collection System Supervisor	1
	Collection System Technician I	3
	Collection System Technician III	1
	Subtotal	**5**
ENGINEERING	Associate Engineer	1
	Development Services Supervisor	1
	Development Services Technician III	1
	District Engineer	1
	Engineering Technician	1
	Subtotal	**5**
ENVIRONMENTAL COMPLIANCE SERVICES	Environmental Compliance Inspector II	1
	Laboratory and Environmental Compliance Supervisor	1
	Laboratory Technician II	1
	Laboratory Technician III	1
	Subtotal	**4**
MAINTENANCE	Electrician/Instrumentation Technician II	1
	Electrician/Instrumentation Technician III	1
	Facilities Maintenance Supervisor	1
	Maintenance Technician I	2
	Maintenance Technician II	1
	Maintenance Technician III	2
	Subtotal	**8**
OPERATIONS	Wastewater Operations Manager	1
	Wastewater Operations Supervisor	1
	Wastewater Operator I	2
	Wastewater Operator II	2
	Wastewater Operator III	4
	Subtotal	**10**
	TOTAL POSITIONS	**41**

WAGE SCHEDULE

Valley Sanitary District
Wage Schedule, Effective July 1, 2026
Bi-Weekly Rate

	Steps						
Job Title	A	B	C	D	E	F	G
Accounting Technician	2,892	3,036	3,187	3,348	3,516	3,689	3,874
Accounting Analyst	3,668	3,852	4,046	4,246	4,458	4,682	4,917
Administrative Assistant	2,761	2,898	3,042	3,196	3,355	3,522	3,699
Assistant Engineer	4,069	4,272	4,486	4,710	4,945	5,193	5,453
Associate Engineer	4,547	4,773	5,012	5,262	5,525	5,802	6,090
Clerk of the Board	3,173	3,333	3,499	3,673	3,857	4,051	4,253
Collection System Tech-in-Training	2,413	2,535	2,662	2,793	2,934	3,080	3,234
Collection System Tech I	2,683	2,816	2,956	3,104	3,258	3,423	3,592
Collection System Tech II	2,956	3,104	3,258	3,423	3,592	3,773	3,962
Collection System Tech III	3,258	3,423	3,592	3,773	3,962	4,159	4,367
Communications Specialist	4,141	4,348	4,565	4,793	5,032	5,284	5,548
Development Services Tech I	3,157	3,316	3,481	3,655	3,838	4,031	4,232
Development Services Tech II	3,481	3,655	3,838	4,031	4,232	4,442	4,665
Development Services Tech III	3,838	4,031	4,232	4,442	4,665	4,898	5,142
Electrician/Inst Tech-in-Training	2,662	2,793	2,934	3,080	3,234	3,395	3,566
Electrician/Inst Tech I	2,993	3,144	3,301	3,466	3,639	3,821	4,012
Electrician/Inst Tech II	3,301	3,466	3,639	3,821	4,012	4,214	4,423
Electrician/Inst Tech III	3,639	3,821	4,012	4,214	4,423	4,643	4,874
Engineering Technician	3,449	3,621	3,802	3,992	4,193	4,402	4,621
Environmental Comp Inspector I	2,943	3,091	3,245	3,407	3,578	3,756	3,943
Environmental Comp Inspector II	3,245	3,407	3,578	3,756	3,943	4,141	4,349
Environmental Comp Inspector III	3,578	3,756	3,943	4,141	4,349	4,566	4,793
Human Resources Specialist	3,494	3,668	3,852	4,046	4,246	4,458	4,682
Intern	1,674	1,757	1,845	1,937	2,034	2,135	2,242
Lab Technician-in-Training	2,649	2,781	2,920	3,067	3,219	3,381	3,549
Lab Technician I	2,943	3,091	3,245	3,407	3,578	3,756	3,943
Lab Technician II	3,245	3,407	3,578	3,756	3,943	4,141	4,349
Lab Technician III	3,578	3,756	3,943	4,141	4,349	4,566	4,793

Valley Sanitary District
Wage Schedule, Effective July 1, 2026
Bi-Weekly Rate

	Steps						
Job Title	A	B	C	D	E	F	G
Maintenance Tech-in-Training	2,413	2,535	2,662	2,793	2,934	3,080	3,234
Maintenance Tech I	2,683	2,816	2,956	3,104	3,258	3,423	3,592
Maintenance Tech II	2,956	3,104	3,258	3,423	3,592	3,773	3,962
Maintenance Tech III	3,258	3,423	3,592	3,773	3,962	4,159	4,367
Management Analyst	3,960	4,159	4,367	4,584	4,813	5,054	5,307
Procurement Technician	2,934	3,080	3,234	3,396	3,566	3,743	3,931
Wastewater Operator-in-Training	2,500	2,624	2,756	2,893	3,038	3,190	3,350
Wastewater Operator I	2,778	2,916	3,062	3,216	3,376	3,543	3,721
Wastewater Operator II	3,062	3,216	3,376	3,543	3,721	3,907	4,103
Wastewater Operator III	3,376	3,543	3,721	3,907	4,103	4,308	4,522
Collection System Supervisor	3,945	4,142	4,349	4,567	4,793	5,034	5,286
Development Services Supervisor	4,221	4,433	4,653	4,886	5,131	5,387	5,657
Electrical/Instrumentation Supervisor	4,214	4,423	4,643	4,876	5,121	5,375	5,643
Facilities Maintenance Supervisor	4,214	4,423	4,643	4,876	5,121	5,375	5,643
Laboratory and Compliance Supervisor	4,278	4,491	4,717	4,952	5,199	5,459	5,732
Wastewater Operations Supervisor	4,321	4,537	4,764	5,002	5,252	5,514	5,790
Chief Administrative Officer	6,368	6,687	7,021	7,371	7,740	8,127	8,534
District Engineer	6,859	7,203	7,563	7,940	8,338	8,754	9,191
Wastewater Operations Manager	6,172	6,481	6,804	7,144	7,503	7,877	8,271
General Manager (Contract)							-

POSITION COUNT BY DEPARTMENT

Department	FY26 Base FTE's	Changes to Base	Proposed New Positions	FY27 Base FTE's	Variance
Administration					
Administration	9.00	-	-	9.00	-
Environmental Compliance Services	4.00	-	-	4.00	-
Engineering					
Sanitation Collections	5.00	-	-	5.00	-
Engineering	5.00	-	-	5.00	-
Operations					
Maintenance	8.00	-	-	8.00	-
Operations	10.00	-	-	10.00	-
Total FTEs	**41.00**	**-**	**-**	**41.00**	**-**

Notes: Full-Time Employees (FTEs)

- Changes to base Full-Time Employee (FTE) counts are the result of:
  - Inter-departmental transfers
  - Changes in employee status (e.g., from Part-Time to Full-Time)
  - Adjustments to grant-funded salaries
  - Reallocations of staffing to other departments
- FTE values may be less than one (1.0) due to:
  - Allocation of salaries to capital projects
  - Employment of part-time staff


ABOUT US
Established in 1925 Valley Sanitary District is a California special district, which operates under the authority of the Health and Safety Code.
Valley Sanitary District provides sanitary sewer services to approximately 28,028 connections.
The District encompasses portions of the City of Indio, the City of Coachella, and adjacent unincorporated areas of Riverside County. Estimated population served is 93,442
The District has the capacity of treating 12.5 million gallons of sewage per day.
AUGUST
CLOROX

BUDGET BY DEPARTMENT



DEPARTMENT DESCRIPTION

Departmental Overview and Budget Management

The District is composed of seven (7) departments, each working collaboratively to fulfill the District's mission. This section provides a detailed profile of each department, including:

- Organizational Chart
- Department Description
- Key Accomplishments
- Strategic Goal Alignment
- Fiscal Year 2025/26 Goals
- Performance Metrics
- Personnel Summary
- Budget Summary
- Budget Detail

Operating Expense Oversight

Operating expenses are monitored at the department level to ensure fiscal accountability and operational efficiency. Key oversight practices include:

- Monthly Budget Variance Reports: Submitted to department managers for review and monitoring of expenditures relative to budget.
- Quarterly Review Meetings: Held with department managers to evaluate year-to-date actuals against year-to-date budget projections.

Budget Adjustment Procedures

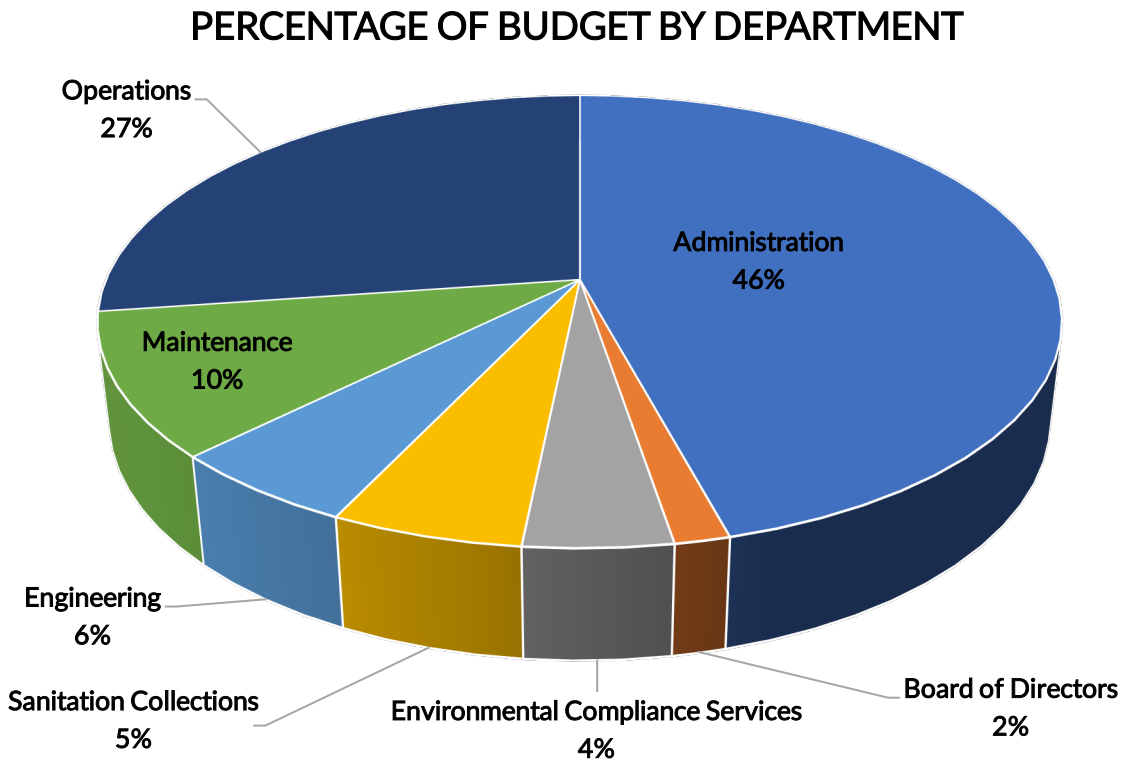
- Intra-department budget transfers may be made administratively to accommodate operational needs.
- Expenditures exceeding the total approved operating budget require a budget amendment and formal approval by the Board of Directors.

EXPENSE SUMMARY BY DEPARTMENT

The table below presents the expense summary by department for fiscal year 2026/27.

Department	FY26 Budget	FY27 Budget	% of Budget
ADMINISTRATION			
Administration	$ 10,893,698	$ 10,207,923	46%
Board of Directors	344,446	350,206	2%
Environmental Compliance Services	990,147	938,073	4%
Subtotal	**$ 12,228,291**	**$ 11,496,202**	**52%**
ENGINEERING			
Sanitation Collections	$ 1,126,858	$ 1,212,104	5%
Engineering	1,263,689	1,226,681	6%
Subtotal	**$ 2,390,547**	**$ 2,438,785**	**11%**
OPERATIONS			
Maintenance	$ 2,145,550	$ 2,271,048	10%
Operations	5,813,425	6,072,034	27%
Subtotal	**$ 7,958,975**	**$ 8,343,082**	37%
Total Expenses	**$ 22,577,813**	**$ 22,278,069**	**100%**

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



BUDGET ALLOCATION

The District's budgeting process is a collaborative, organization-wide effort, grounded in principles of sound financial management and long-term sustainability. For the fiscal year 2026/27, the operating budget emphasizes the strategic allocation of resources in alignment with the District's Strategic Plan, ensuring continued success and growth across all departments.

Budget Development Process

At the onset of the budgeting cycle, a budget kick-off meeting is held with all department heads. During this phase:

- Budget request spreadsheets are distributed, detailing:
  - Actual expenditures from the previous two (2) fiscal years
  - The current fiscal year budget
  - Current year-end projections
- Non-recurring expenditures from the prior year are removed to ensure a clean slate for one-time items.

- Departments submit new budget requests, which are then subject to review and approval as part of the consolidated operating budget process.

This structured approach allows for informed decision-making and reinforces the District's commitment to operational efficiency and fiscal discipline.

WAGES AND BENEFITS

In support of Valley Sanitary District's Goal 3: STAFF — *"The District retains its motivated, well-trained, and experienced staff"* — the fiscal year 2026/27 budget reflects a continued investment in the District's workforce. Key personnel-related budget components include:

- Merit increases based on performance evaluations
- Promotional advancements for employees projected to complete higher-level certifications
- A 4.5% Cost of Living Adjustment (COLA)
- An 8.0% increase in healthcare premium contributions

The District's workforce is composed of skilled, dedicated professionals, whose expertise is critical to operational success. However, the District faces ongoing challenges in recruitment and retention, particularly for roles requiring state certification, due to:

- Competitive compensation packages offered by larger agencies
- A statewide shortage of qualified, certified personnel
- The loss of institutional knowledge when experienced staff depart
- Limited advancement opportunities in a smaller organization

By proactively addressing these challenges through competitive compensation and benefits, the District seeks to:

- Enhance employee morale and engagement
- Improve retention and reduce turnover
- Support succession planning
- Maintain a high-performing, knowledgeable workforce

The table below presents the total Full-Time Equivalent (FTE) personnel by department for fiscal years 2022/23 through 2026/27, illustrating staffing trends and strategic personnel investments.

Department	FY23	FY24	FY25	FY26	FY27
Administration					
Administration	6.00	6.00	6.00	9.00	9.00
Environmental Compliance Services	4.00	4.00	4.00	4.00	4.00
Engineering					
Sanitation Collections	5.00	5.00	5.00	5.00	5.00
Engineering	5.00	5.00	5.00	5.00	5.00
Operations					
Maintenance	8.00	8.00	8.00	8.00	8.00
Operations	9.00	9.00	9.00	10.00	10.00
Total FTEs	**37.00**	**37.00**	**37.00**	**41.00**	**41.00**

California Public Employees' Retirement System (CalPERS)

Valley Sanitary District participates in the California Public Employees' Retirement System (CalPERS), one of the largest public pension funds in the United States, serving approximately two million members statewide. CalPERS provides a defined benefit retirement plan, meaning that retirement benefits are calculated based on a fixed formula rather than individual contributions or investment returns.

Retirement benefits are determined using the following factors:

- Years of service credit
- Age at retirement
- Final compensation (typically the average salary over a defined period)

Two-Tiered Pension System

Effective January 1, 2013, the California Public Employees' Pension Reform Act (PEPRA) established a two-tiered CalPERS system:

- Tier 1: Classic Members
  - Applies to employees hired before January 1, 2013
  - Retirement formula: 2.5% @ 55
- Tier 2: PEPRA Members
  - Applies to employees hired on or after January 1, 2013, who were not previously classified as Classic Members
  - Retirement formula: 2.0% @ 62

Employer Contribution Components

Employer contributions are determined through periodic actuarial valuations conducted by CalPERS. These evaluations ensure sufficient funding of future obligations and are based on the District's selected benefit formulas and the demographics of the covered employee groups. The required contribution includes two components:

1. Normal Cost (NC) Rate
    - Represents the annual cost of service accrual for active employees for the upcoming fiscal year
    - Expressed as a percentage of payroll
    - Paid as part of the regular payroll reporting process
2. Unfunded Accrued Liability (UAL)
    - The dollar amount required to fund past service credit for current retirees, active members, and deferred benefit holders as of the valuation date
    - Invoiced at the beginning of the fiscal year
    - May be paid either monthly or in advance at a discounted rate

This structured approach helps ensure the long-term sustainability of retirement benefits for District employees and provides transparency in public pension obligations.

Tier	Member Type	Hire Date	Retirement Formula	Employer Normal Contribution	Employer Amortization of Unfunded Accrued Liability	Employee Contribution
1	Classic	Before 01/01/2013	2.5% @ 55	14.310%	$ 497,243	8.000%
2	PEPRA	After 12/31/2012	2.0% @ 62	8.240%	$ 68,688	8.250%

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

Other Post-Employment Benefits (OPEB)

The District provides post-employment medical benefits through a single-employer defined benefit plan. Eligible employees must retire from the District at age 50 or older with a minimum of five (5) years of service. These benefits are designed to support retired employees with continued medical coverage.

To fund these obligations, the District participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, a Section 115 trust established for the pre-funding of OPEB liabilities.

Annual OPEB costs are based on the Annual Required Contribution (ARC), an amount determined through actuarial calculations in accordance with GASB Statement 45.

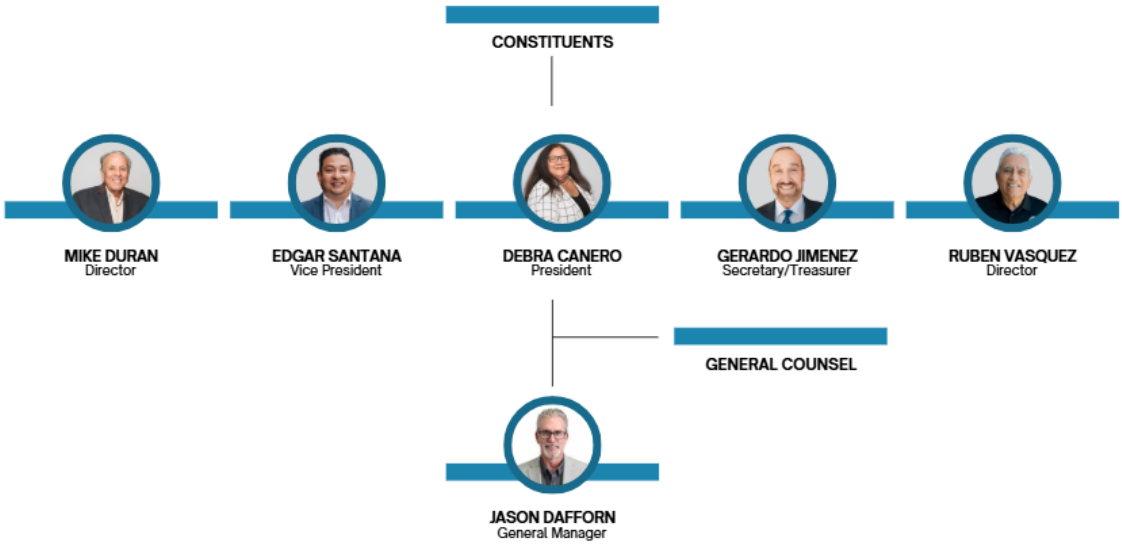
The benefits provided by the plan are as follows:

Benefits Provided by Plan	
Benefit Types Provided	Medical Only
Duration of Benefits	Lifetime
Required Service	5 Years
Minimum Age	50
Dependent Coverage	Yes
District Contribution Percentage	1
District Cap	$162.00 per month*

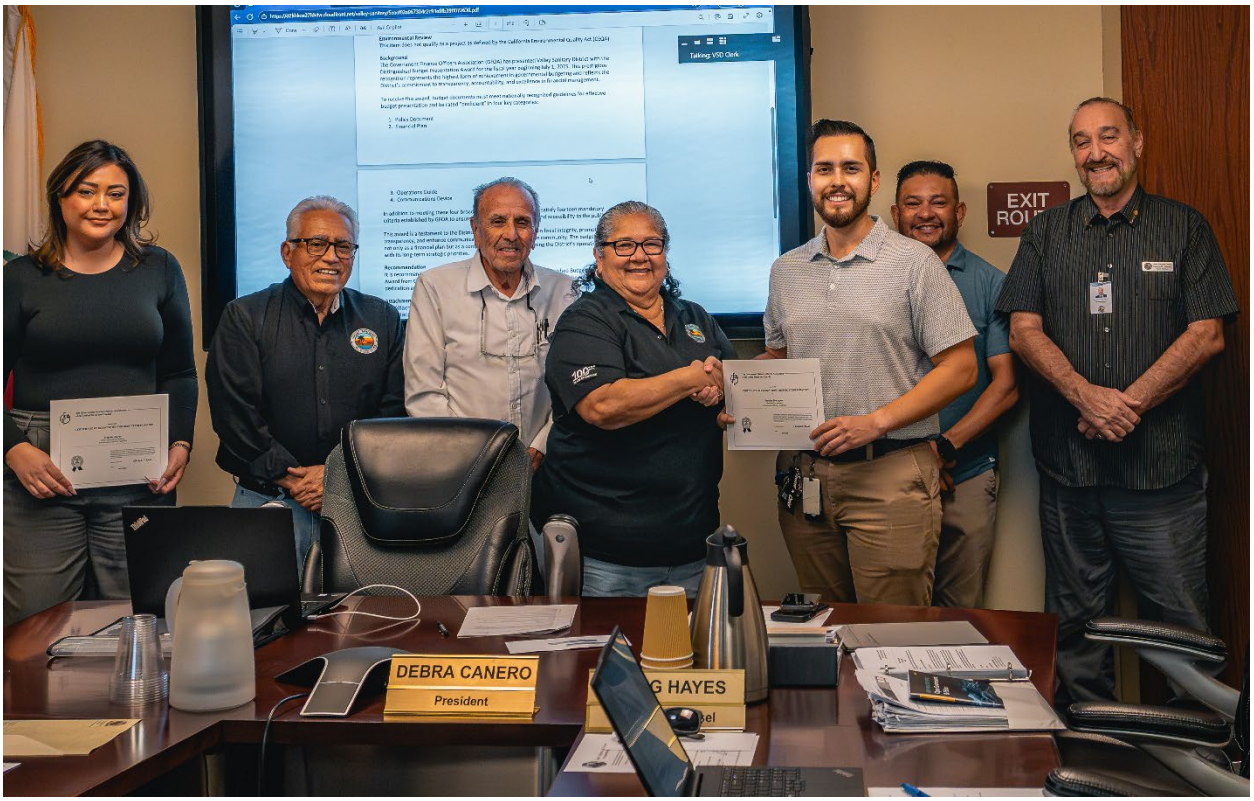
*This amount will increase as provided in California Government Code Section 22892.

BOARD OF DIRECTORS





THE VALLEY SANITARY DISTRICT BOARD OF DIRECTORS



DESCRIPTION

The Valley Sanitary District is governed by a five-member Board of Directors, each elected from one of five (5) geographic wards within the District's service area. In accordance with California law, the Board is responsible for establishing and implementing policies that guide the District's operations.

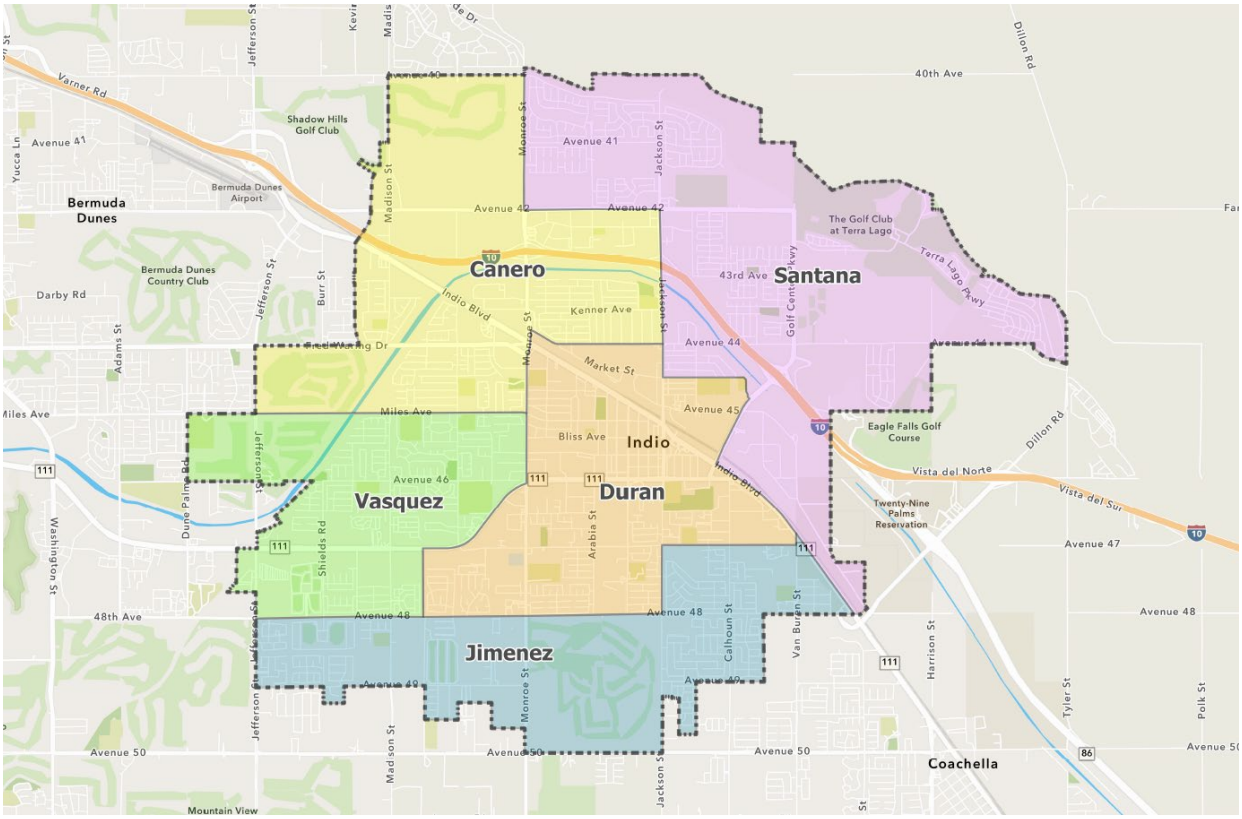
Key responsibilities of the Board include:

- Setting goals and strategic direction
- Managing fiscal policy and financial oversight
- Establishing rates and fees
- Approving the annual operating and capital budgets
- Overseeing capital improvement plans
- Maintaining communication with the General Manager
- Advocating for the District’s interests

The Board is committed to serving the best interests of the community.

The Board of Directors meets on the second and fourth Tuesdays of each month. Meetings are publicly noticed and community members are encouraged to attend and participate.

DISTRICT DIVISIONS MAP



METRICS

MEETINGS AND RECORDS

	FY23	FY24	FY25	YTD-March FY26
Regular Board Meetings	20	20	18	5
Special Board Meetings	10	3	3	4
East Valley Reclamation Authority Meetings	2	2	2	1
Budget & Finance Committee Meetings	4	4	3	1
Operations Committee Meetings	4	4	4	0
Community Engagement Committee Meetings	6	4	5	2
Board/Committee Minutes Compiled	46	37	35	13
General Manager's Reports	12	12	12	3
Documents Notarized	13	11	8	5
Public Records Requests	11	13	9	3

CONFERENCES ATTENDED

Conference	YTD-April FY26
California Association of Sanitation Agencies (CASA) Annual Conference	
California Special District Association (CSDA) Annual Conference	
CASA Winter Conference	X
CSDA Leadership Conference	
CASA DC Forum	X
CSDA Legislative Days	X

FISCAL YEAR 2025/26 ACCOMPLISHMENTS

Accomplishments

- Successfully hosted the District's 100-Year Community Celebration, commemorating a century of service and receiving 12 formal proclamations from regional agencies, community partners, and elected officials in recognition of the District's contributions to the community.
- Participated in a Washington, D.C. legislative advocacy trip, meeting with representatives from the offices of Senator Adam Schiff, Senator Alex Padilla, and Congressman Raul Ruiz to advocate for District priorities and infrastructure funding opportunities.
- Participated in a Sacramento legislative advocacy trip, engaging with the offices of Assembly members and Senators Wilson, Gonzalez, Padilla, Johnson, Gracen, and Wallace to strengthen regional partnerships and advance the District's legislative and funding interests.
- Secured $1.92 million in federal funding through Senator Adam Schiff's Office to support Phase 2 of the District's Recycled Water Project.
- Successfully advanced the District's Biosolids Conversion Project for consideration on Congressman Raul Ruiz's Fiscal Year 2027 federal project funding list.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place.
- GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Community Engagement
    - Foster strong community relationships by addressing public concerns, increasing transparency, and ensuring the wastewater treatment plant meets the community's evolving needs.
- Annual Strategic Plan Review

  - Conduct an annual review of the organization's strategic plan to ensure alignment with mission objectives and to guide future planning efforts effectively.
- Capital Improvement Planning
  - Review the 20-year Capital Improvement Plan (CIP) and provide guidance on project prioritization to ensure efficient and forward-thinking investment into critical infrastructure.
- Pursuit of External Funding
  - Continue active lobbying efforts at the state and federal levels to secure grant funding for key initiatives, including the Recycled Water Project and the Biosolids Conversion Project.

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base	FY27 Base	Variance
5	Director	5.00	5.00	0.00
5	**Total**	**5.00**	**5.00**	**0.00**

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030414-4 SALARIES AND WAGES	$ 46,414	$ 50,282	$113,400	$ 61,200	$113,400	$ -	0.0%
11-5116414-4 FICA AND MEDICARE	3,532	3,891	10,206	4,663	10,206	-	0.0%
11-5126414-4 HEALTH INSURANCE	11,014	9,712	9,600	21,905	10,000	400	4.2%
11-5225414-4 ELECTION	-	37,336	70,000	-	70,000	-	0.0%
11-5500414-4 CONTRACTS	-	-	35,000		35,000	-	0.0%
11-5552414-4 LEGAL SERVICES	24,458	23,723	40,000	19,035	40,000	-	0.0%
11-5400414-4 OFFICE SUPPLIES	312	110	3,000	744	3,000	-	0.0%
11-5950414-4 OTHER EXPENSES	13,544	7,267	10,000	1,485	10,000	-	0.0%
11-5901414-4 TELEPHONE AND INTERNET	2,444	1,524	3,600	1,523	3,600	-	0.0%
11-5800414-4 CONFERENCES AND MEETINGS	31,763	29,863	49,640	53,247	55,000	5,360	10.8%
Total Expenses	**$133,482**	**$163,709**	**$344,446**	**$163,801**	**$350,206**	**$ 5,760**	**1.7%**

BOARD OF DIRECTOR'S BUDGET DETAIL

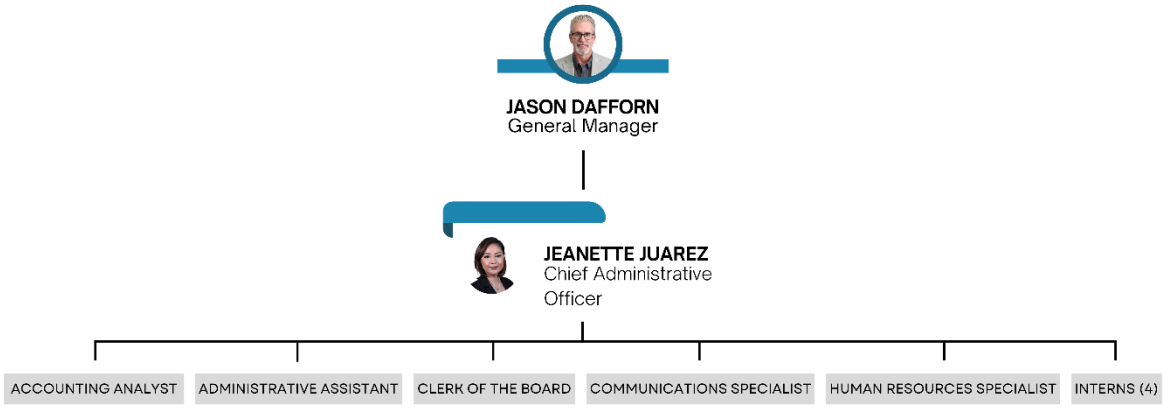
General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030414-4 SALARIES AND WAGES		$ 113,400	$ 113,400	$ -
11-5116414-4 FICA AND MEDICARE		10,206	10,206	-
11-5126414-4 HEALTH INSURANCE		9,600	10,000	400
	Subtotal	**$ 133,206**	**$ 133,606**	**$ 400**
11-5225-414-4 ELECTION				
	A governing board member election shall be held biennially on the first Tuesday after the first Monday in November of each succeeding odd-numbered year to fill the offices of members whose terms expire on the first Friday in December next succeeding the election.	$ 70,000	$ 70,000	$ -
	Subtotal	**$ 70,000**	**$ 70,000**	**$ -**
11-5500414-4 CONTRACTS				
	Professional and Technical Services	$ 35,000	$ 35,000	$ -
	Subtotal	**$ 35,000**	**$ 35,000**	**$ -**
11-5552414-4 LEGAL SERVICES				
	Costs Associated with General Legal Counsel	$ 40,000	$ 40,000	$ -
	Subtotal	**$ 40,000**	**$ 40,000**	**$ -**
11-5400414-4 OFFICE SUPPLIES				
	Cost of Office Supplies and Services such as Postage, Courier, Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils, Pads, Mailing Labels, Etc.	$ 3,000	$ 3,000	$ -
	Subtotal	**$ 3,000**	**$ 3,000**	**$ -**
11-5950414-4 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5901414-4 TELEPHONE AND INTERNET				
	Cell Phones Board Members	$ 3,600	$ 3,600	$ -
	Subtotal	**$ 3,600**	**$ 3,600**	**$ -**
11-5800414-4 CONFERENCES AND MEETINGS				
	Expenses Incurred for Attending the California Association of Sanitation Agencies (CASA) and or California Special Districts Association (CSDA) Conferences Held Three (3) Times a Year, Including Hotel and Travel Expenses Incurred While Attending Meetings, Conferences, and Various Educational Seminars.	$ 49,640	$ 55,000	$ 5,360
	Subtotal	**$ 49,640**	**$ 55,000**	**$ 5,360**
	Total Expenses	**$ 344,446**	**$ 350,206**	**$ 5,760**


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ADMINISTRATION





DESCRIPTION

The Administration department provides centralized leadership and support for the District by managing and implementing policies, goals, and strategic plans. It encompasses four (4) Divisions, including Human Resources, Finance, Clerk of the Board, and Communication and Outreach.

Through collaboration and oversight, the department ensures operational efficiency, regulatory compliance, and alignment with the District's mission. By supporting both internal functions and public-facing initiatives, the Administration Department plays a vital role in maintaining organizational integrity, fiscal responsibility, employee success, and effective community engagement.

Human Resources

The Human Resources division advances the District's mission by attracting, developing, and retaining a highly qualified and engaged workforce. Core responsibilities include recruitment and hiring, onboarding, training, benefits administration, and maintenance of comprehensive employee records.

Human Resources fosters employee success by offering programs that support career growth, continuing education, and professional development. The division also oversees key areas such as workplace safety, drug and alcohol program compliance, and regulatory adherence, ensuring a positive, productive, and compliant work environment where employees can thrive.

Finance

The Finance division safeguards the District's financial integrity through comprehensive oversight of accounting, reporting, and fiscal planning. Key responsibilities include financial accounting and reporting, cash management, payroll, investment portfolio oversight, and debt financing.

The division also manages contracts, procurement, and materials to ensure fiscal efficiency and regulatory compliance. It prepares all financial statements, coordinates external audits, and oversees grant funding. Additionally, Finance develops and maintains both the operating and capital budgets and prepares short and long-term financial plans that support the District's strategic goals and long-term sustainability.

Clerk of the Board

The Clerk of the Board ensures transparency, accountability, and effective governance by supporting the Board of Directors and maintaining official District records. Responsibilities include preparing and publishing meeting agendas and public notices, recording and preserving Board actions, and processing public records requests in accordance with applicable laws.

The Clerk also provides administrative support to the Board and coordinates necessary legal filings to maintain compliance. These efforts play a critical role in facilitating open government and reinforcing public trust in District operations.

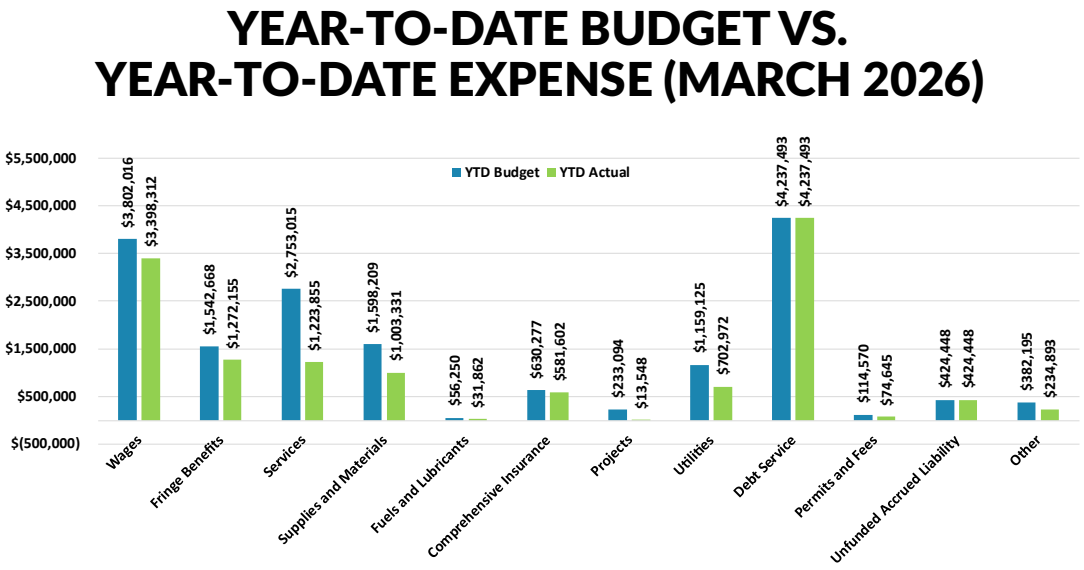
Communication and Outreach

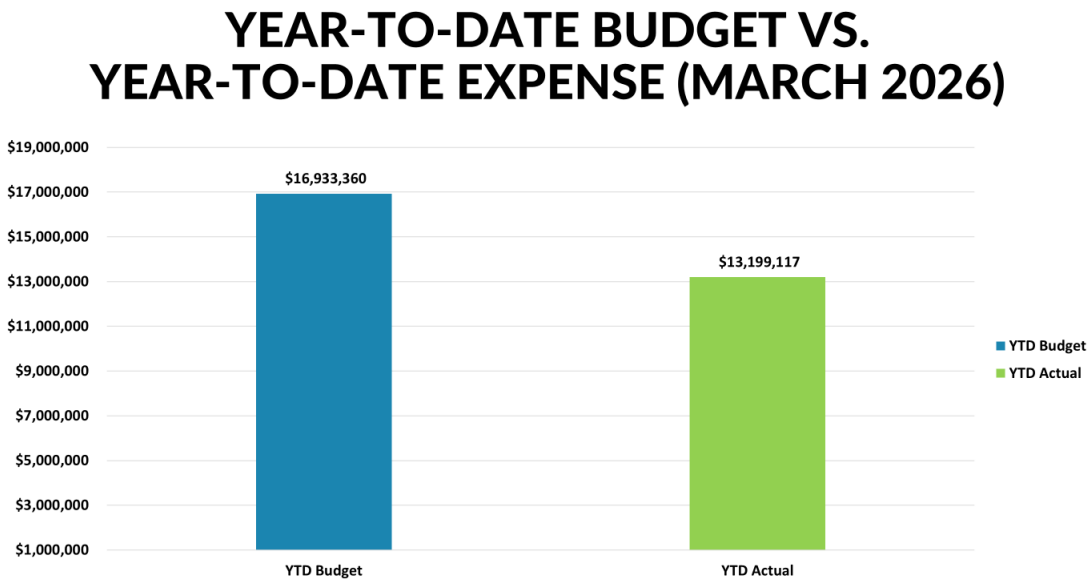
The Communication and Outreach division serves as the District's bridge to the public, fostering meaningful connections through customer service, education, media relations, community events, social media, and government affairs.

The team enhances the customer experience by developing effective communication tools, programs, and engagement strategies. Responsibilities include graphic design, brand development, photography, and digital content creation. The division also plays an educational role, informing students and residents about District operations through presentations, activities, tours, and field trips. These efforts promote awareness, build trust, and strengthen the District's public image and commitment to service, transparency, and community involvement.

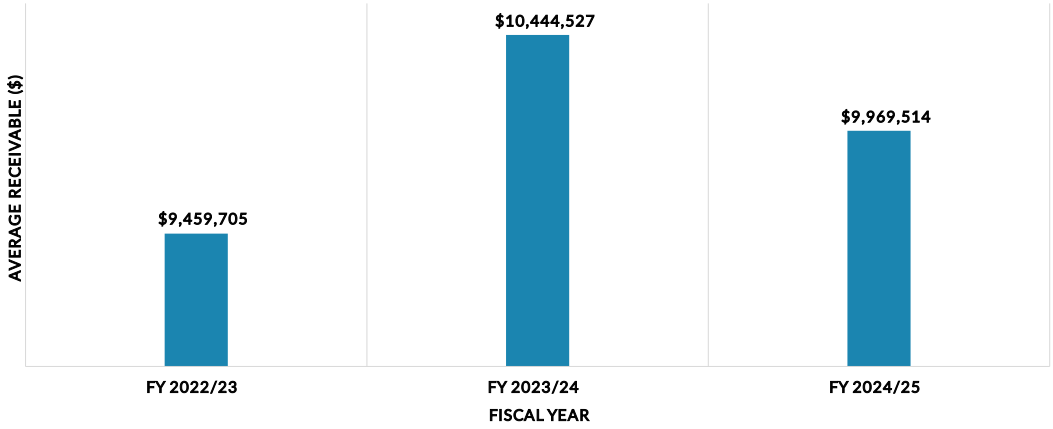
METRICS

Finance

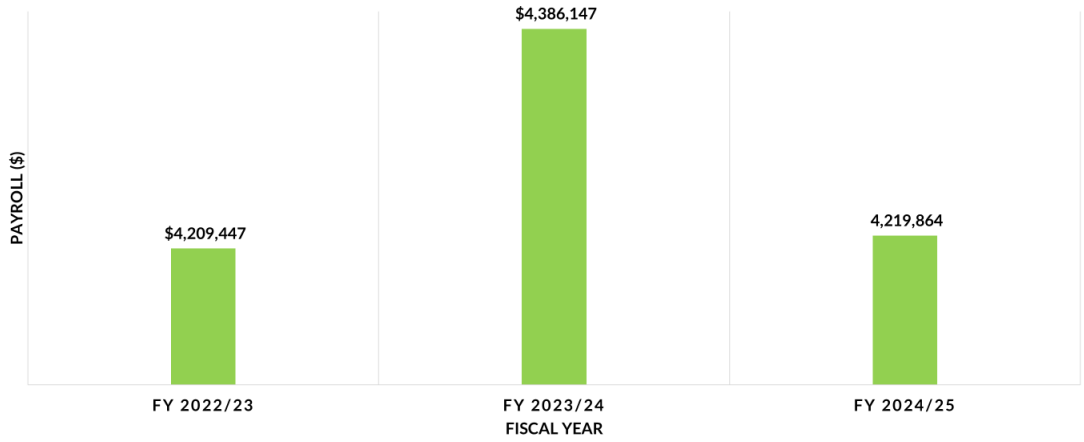




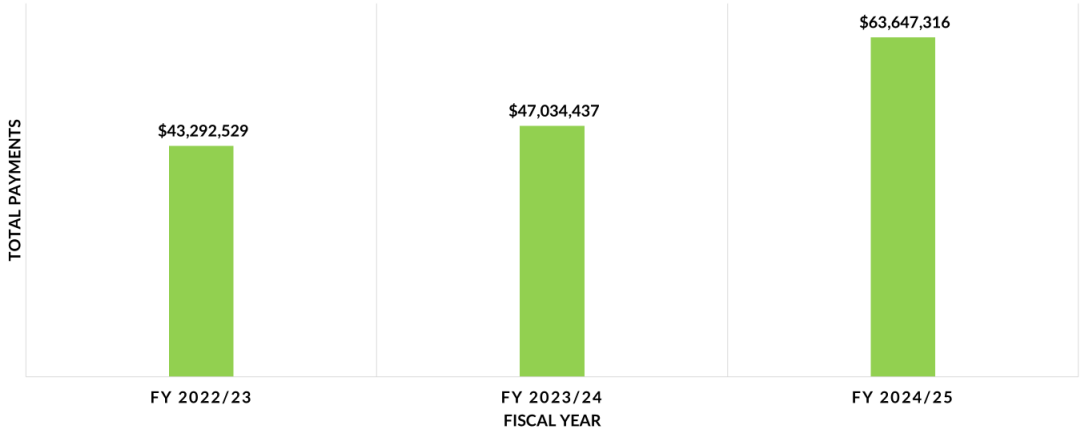
AVERAGE ACCOUNTS RECEIVABLE



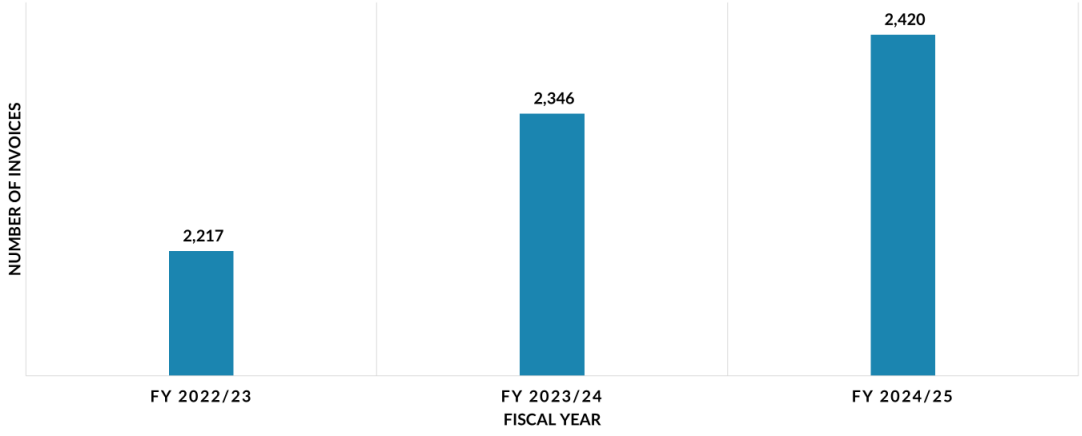
PAYROLL



TOTAL PAYMENTS



NUMBER OF INVOICES PROCESSED



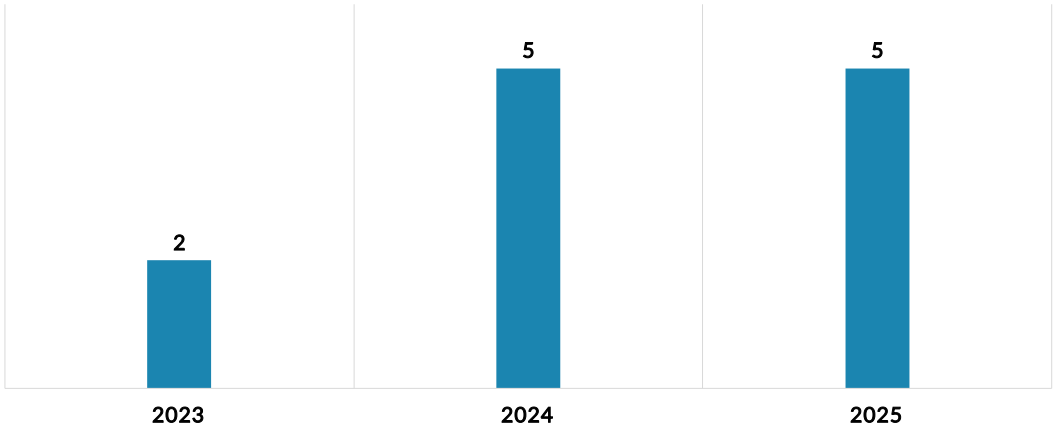
Clerk of the Board

MEETINGS AND RECORDS

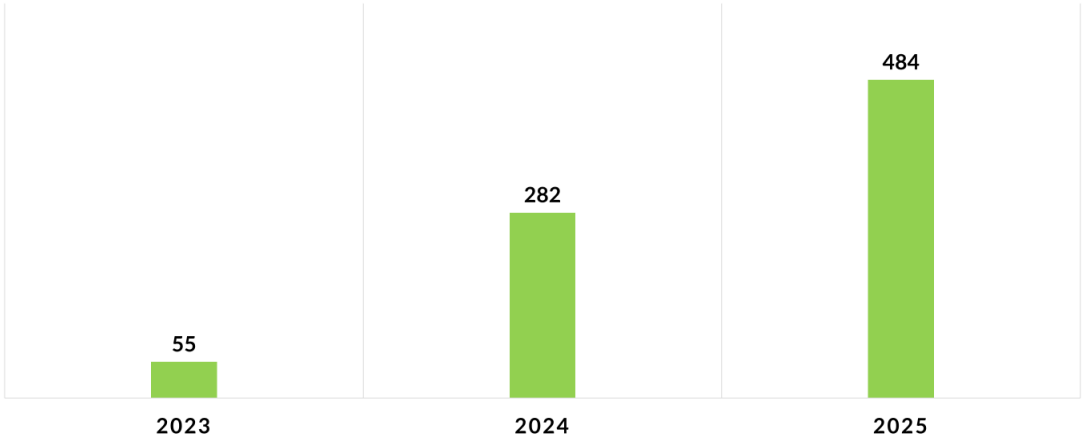
	FY23	FY24	FY25	YTD-March FY26
Regular Board Meetings	20	20	18	5
Special Board Meetings	10	3	3	4
East Valley Reclamation Authority Meetings	2	2	2	1
Budget & Finance Committee Meetings	4	4	3	1
Operations Committee Meetings	4	4	4	0
Community Engagement Committee Meetings	6	4	5	2
Board/Committee Minutes Compiled	46	37	35	13
General Manager's Reports	12	12	12	3
Documents Notarized	13	11	8	5
Public Records Requests	11	13	9	3

Human Resources

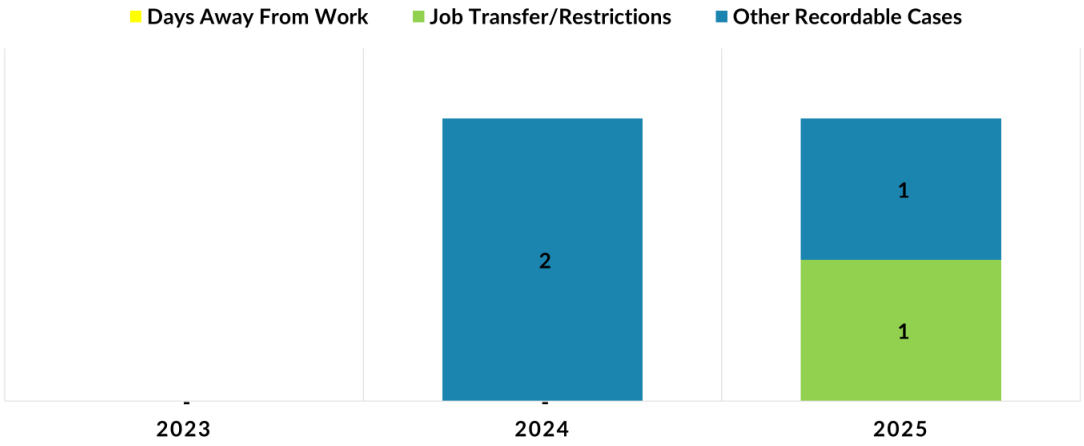
RECRUITMENTS

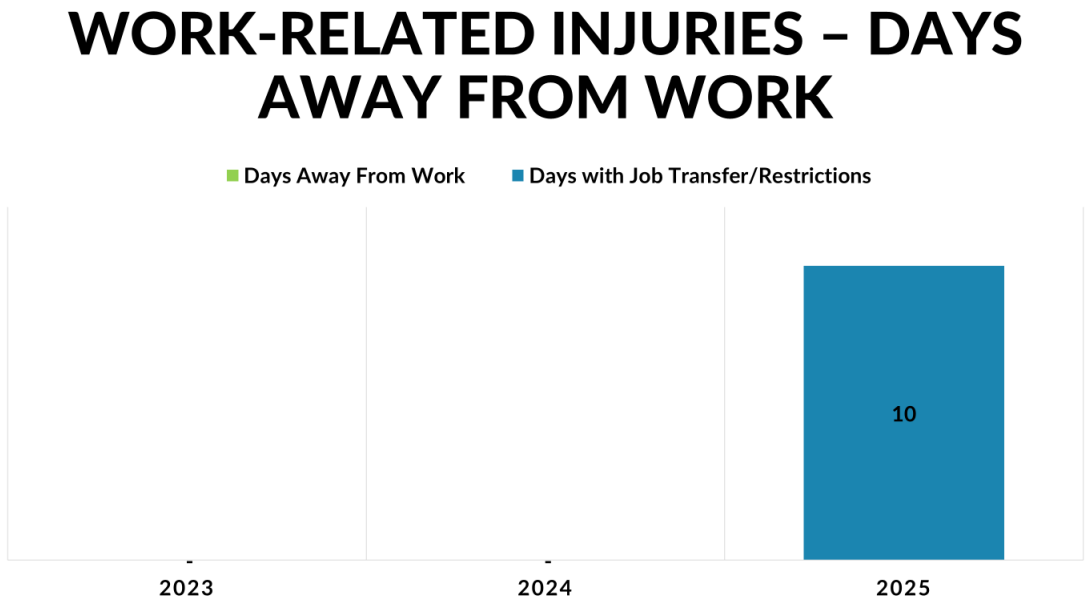


APPLICANTS



WORK-RELATED INJURIES NUMBER OF CASES





Communication and Outreach

COMMUNICATIONS AND PUBLIC OUTREACH

Communications and Public Outreach	FY23	FY24	FY25	YTD-March FY26
Social Media Posts	0	42	81	66
GM Newsletters	0	4	3	2
Community Events Attended	0	6	11	31
Tours	0	3	5	5

FISCAL YEAR 2026/27 ACCOMPLISHMENTS

Finance

- Received the California Society of Municipal Finance Officers (CSMFO) Budget Excellence Award.
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Award.
- Received the GFOA Certificate of Achievement for Excellence in Financial Reporting (COA).
- Published and regularly updated the Monthly Budget Variance Report.
- Issued eight (8) Request for Proposals (RFPs) and awarded corresponding contracts.
- Completed annual procurement training with staff through BBK.
- Installed new time keeping system to ensure compliance with California privacy guidelines.
- Relocated the Collections department to a larger office area and established a dedicated wellness/mother's room and two new supervisor offices.
- Onboarded a new uniform and facilities services provider.

Clerk of the Board

- Renewed Notary Public Commission to maintain compliance with official document authentication and administrative support functions.
- Successfully completed a comprehensive update and modernization of the District's customer database software system.
- Coordinated the staff computer replacement initiative and supported the transition and onboarding of the District's new Information Technology service provider.
- Facilitated the development and adoption of the Board of Directors Handbook to strengthen governance practices and operational consistency.

- Managed the implementation and setup of Form 700 filers within the Fair Political Practices Commission (FPPC) electronic filing system to ensure compliance with state reporting requirements.

Communication and Outreach

- Hosted the District's second annual Open House Community Event, enhancing community engagement and public awareness of District operations and services.
- Planned and executed the District's Centennial Celebration, commemorating 100 years of service to the community through coordinated outreach and stakeholder engagement efforts.
- Published 81 social media posts throughout the fiscal year, representing a 50% increase in digital outreach and public communication efforts compared to the previous year.
- Participated in 11 community outreach events, reflecting a 50% increase in community engagement activities over the prior fiscal year.
- Received the 2025 Excellence in Public Information and Communications (EPIC) Award for Brand Launch/Rebrand from the California Association of Public Information Officials (CAPIO), recognizing excellence in public communications and branding initiatives.

Human Resources

- Successfully achieved the District's Great Place to Work Certification, reinforcing the District's commitment to employee engagement and organizational culture.
- Reestablished the Employee of the Year Award program to recognize and celebrate outstanding employee performance and contributions.
- Developed and implemented the Cal/OSHA-mandated Workplace Violence Prevention Program to enhance workplace safety and regulatory compliance.
- Coordinated and the annual fire extinguisher inspection and certification for all District employees to maintain compliance with safety requirements.
- Conducted in-person safety and operational training programs for employees across multiple divisions, including Forklift/Telehandler Operation, Fire Extinguisher Safety, Confined Space Rescue, and First Aid/CPR training.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, long-term funding is in place.
- GOAL 3: STAFF. The District retains its motivated, well-trained, and experienced staff.
- GOAL 4: OUTREACH. A Well-designed and properly resourced outreach plan is sustained.
- GOAL 5: GOVERNANCE. An ever-improving board sets clear and thoughtful direction for the District.

Finance Goals

- Financial Oversight & Compliance
    - Review and update financial policies, including Budget, Debt, and Grant policies, to reflect current regulations and organizational priorities.
    - Ensure compliance monitoring and the timely filing of all reports and disclosures related to District debt obligations.
- Capital Projects & Funding Oversight
    - Conduct monthly meetings with department heads and selected staff to review the status of capital project funding and advance the Capital Improvement Program.
    - Analyze and diversify revenue streams to enhance financial sustainability, with increased focus on identifying and submitting competitive grant funding opportunities.
    - Prepare and submit required grant reports on a quarterly and semi-annual basis.
    - Develop enhanced tools for proactive grant tracking, forecasting, and expense monitoring to support departmental planning and execution.
- Procurement & Policy Improvements
    - Revise the procurement policy to align with the criteria for the National Procurement Institute's Achievement of Excellence in Procurement Award.
    - Develop a new ERP purchasing and procurement module with a new purchasing SOP to standardize the acquisition process for materials, services, equipment and public works construction.

    - Conduct annual procurement training for managers, supervisors, and key staff to reinforce policy compliance and operational efficiency.
- Technology & System Upgrades
    - Procure and deploy a new District-wide phone system to improve communication efficiency and support future operational needs.

Clerk of the Board Goals

- Regulatory Compliance and Governance
    - Monitor and evaluate updates to California special district laws, Brown Act requirements, FPPC regulations, and other applicable governance standards, implementing procedural updates as necessary to maintain District compliance.
    - Enhance transparency and public accessibility of Board records, agendas, meeting materials, and official actions through improved records organization and communication practices.
- Organizational Support and Continuity
    - Cross-train designated staff on essential Clerk of the Board functions to strengthen operational continuity and ensure uninterrupted support of Board and administrative operations.
    - Maintain standardized procedures and reference materials to support consistency and efficiency in Clerk-related processes.
- Professional Development
    - Participate in professional development opportunities through organizations such as CSDA, FPPC, and other governance-focused training programs to remain current on legislative, procedural, and compliance-related requirements.
    - Continue strengthening expertise in special district governance, public records administration, and Board meeting management best practices.
- Records Management and Compliance
    - Complete the review, verification, and organization of archived records to ensure compliance with the District's Records Retention Schedule and established records management standards.
    - Coordinate the secure destruction of eligible archived records in accordance with approved retention and destruction procedures.
- Staff Training and Program Compliance

  - Develop and implement a District-wide records management training program to improve staff understanding of records retention requirements, document handling procedures, and compliance responsibilities.
  - Promote consistent application of records management policies and best practices across all departments.
- Preservation and Digitization of Historical Records
  - Continue the identification, review, and digitization of historical District records to improve accessibility, support operational efficiency, and preserve institutional history.
  - Establish organized digital archives to support long-term document preservation and retrieval.

Communication and Outreach

- Educational Video and Digital Media Campaigns
  - Develop and distribute informative and engaging multimedia content across the District's digital platforms to increase public awareness and community education regarding:
    - Fats, Oils, and Grease (F.O.G.) prevention and proper disposal practices.
    - Progress and benefits of District capital improvement projects.
    - District facility tours and operational processes.
    - Internship and workforce development opportunities
    - General awareness of Valley Sanitary District, including its history, services, service area, and future initiatives.
    - Launch a monthly video podcast featuring the General Manager to provide updates on District operations, projects, community initiatives, and industry topics through YouTube and other social media platforms.
- Strengthen Social Media and Community Engagement
  - Enhance the District's presence on Facebook, Instagram, and other digital communication platforms to improve public engagement and strengthen community relationships.
  - Increase brand awareness and public understanding of the District's mission, services, and initiatives through consistent, high-quality content and outreach efforts.

    - Drive increased traffic to the District's website, valley-sanitary.org, by integrating digital campaigns with website resources and public information materials.
- Expand Educational and Workforce Development Programs
    - Increase educational outreach opportunities by doubling the number of school tours hosted annually to educate students on wastewater treatment, environmental stewardship, and public utility operations.
    - Expand participation in local career days and educational events to promote awareness of career opportunities within the wastewater and public utility industries.
    - Support workforce development initiatives by highlighting internships, technical careers, and industry pathways available through the District.
- Bilingual Community Outreach and Accessibility
    - Expand the availability of Spanish-language educational materials, videos, website content, and public outreach resources to better serve the District's diverse community.
    - Improve accessibility and community engagement by ensuring key public information and educational campaigns are available in both English and Spanish.

Human Resources Goals

- Personnel Records Digitization and Electronic File Management
    - Transition all personnel records from paper-based files to a secure electronic personnel file management system to improve accessibility, organization, and records security.
    - Complete the secure digitization and upload of existing personnel records and establish procedures to ensure all future employee documentation is electronically maintained at the point of creation.
- Implementation of Web-Based Performance Evaluation System
    - Complete the implementation of the NeoGov PERFORM platform to modernize and streamline the employee performance evaluation process.
    - Enhance performance management capabilities through improved tracking, reporting, documentation, and data-driven personnel decision-making.
- Employee Classification and Compensation Plan Study

  - Finalize and implement a comprehensive Classification and Compensation Study to ensure the District maintains equitable, competitive, and internally consistent compensation structures and job classifications.
  - Support organizational planning and workforce retention through updated compensation and classification recommendations aligned with industry and labor market standards.
- Job Assessment Development and Recruitment Alignment
  - Develop, refine, and standardize job assessments and recruitment tools for newly adopted Valley Sanitary District classifications.
  - Ensure assessments align with position requirements, organizational competencies, and best practices in recruitment and candidate evaluation.
- Employee Handbook Review and Policy Modernization
  - Conduct a comprehensive review and update of the Valley Sanitary District Employee Handbook to ensure alignment with current employment laws, District policies, operational practices, and organizational objectives
  - Incorporate best practices and regulatory updates to strengthen consistency, compliance, and employee understanding of District policies and expectations.
- Cal/OSHA Safety Program Review and Compliance
  - Review and evaluate a minimum of five written safety programs to ensure compliance with current Cal/OSHA standards and workplace safety requirements.
  - Update and strengthen safety procedures, documentation, and compliance practices to support a safe and compliant work environment.
- Human Resources Information System (HRIS) Evaluation and Implementation Planning
  - Research, evaluate, and recommend an integrated Human Resources Information System (HRIS) capable of supporting the full employee lifecycle, including:
    - Recruitment and applicant tracking
    - Electronic onboarding and offboarding
    - Personnel file management
    - Benefits administration
    - Performance management
    - Training and compliance tracking

- Payroll integration
- Develop implementation recommendations that improve operational efficiency, data management, compliance, and employee experience.

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	General Manager	1.00	1.00	0.00
1	Chief Administrative Officer	1.00	1.00	0.00
1	Accounting Analyst	1.00	1.00	0.00
1	Administrative Assistant	1.00	1.00	0.00
1	Clerk of the Board	1.00	1.00	0.00
1	Communication Specialist	1.00	1.00	0.00
1	Human Resources Specialist	1.00	1.00	0.00
4	Intern	2.00	2.00	0.00
11	**Total FTEs**	**9.00**	**9.00**	**0.00**

Notes:

No changes to personnel summary.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-3650000-0 CSWRCB RESERVE FUND	$ 553,361	$ 553,361	$ 553,361	$ 553,361	$ 553,361	$ -	0.0%
11-9160000-0 TRANSFER TO FUND 6	888,250	890,000	889,750	889,750	2,500	(887,250)	-99.7%
11-5030414-3 SALARIES AND WAGES	870,318	883,402	1,127,889	964,059	1,170,730	42,841	3.8%
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATIONS	12,156	19,633	19,850	20,305	19,850	-	0.0%
11-5110414-3 LONGEVITY	3,620	3,321	4,200	4,738	6,800	2,600	61.9%
11-5070414-3 OVERTIME	576	2,337	1,500	235	5,000	3,500	233.3%
11-5116414-3 FICA AND MEDICARE	67,252	58,102	103,810	64,143	107,936	4,126	4.0%
11-5112414-3 RETIREMENT CONTRIBUTIONS	95,279	93,956	118,369	100,709	132,824	14,455	12.2%
11-5128414-3 VISION INSURANCE	1,450	1,519	1,704	1,507	1,692	(12)	-0.7%
11-5122414-3 WORKERS' COMPENSATION	87,328	81,285	98,861	83,939	88,893	(9,968)	-10.1%
11-5124414-3 LIFE INSURANCE	1,686	1,811	2,184	1,907	2,508	324	14.8%
11-5126414-3 HEALTH INSURANCE	133,763	145,447	186,892	157,107	193,932	7,040	3.8%
11-5129414-3 DENTAL INSURANCE	9,442	9,193	10,632	8,965	10,272	(360)	-3.4%
11-5132414-3 LONG TERM DISABILITY INS.	2,343	2,484	3,048	2,620	2,940	(108)	-3.5%
11-5554414-3 ACCOUNTING SERVICES	72,939	73,762	89,425	98,689	102,491	13,066	14.6%
11-5300414-3 COMPREHENSIVE INSURANCE	404,839	453,372	741,508	691,530	1,000,370	258,862	34.9%
11-5500414-3 CONTRACTS	401,151	661,136	1,115,386	796,859	840,792	(274,594)	-24.6%
11-5410414-3 COUNTY EXPENSE	18,766	18,078	25,000	19,344	25,000	-	0.0%
11-5552414-3 LEGAL SERVICES	56,996	107,129	85,000	46,785	85,000	-	0.0%
11-5555414-3 MEDICAL SERVICES	5,303	3,753	47,443	6,464	47,443	-	0.0%
11-5350414-3 MEMBERSHIPS	57,662	67,474	65,573	75,846	75,597	10,024	15.3%
11-5553414-3 MISC. PROFESSIONAL SERVICES	80,306	96,095	132,437	123,137	131,877	(560)	-0.4%
11-5400414-3 OFFICE SUPPLIES	15,408	23,492	28,000	19,705	33,200	5,200	18.6%
11-5450414-3 SUPPLIES	1,444	25,222	51,000	32,139	56,000	5,000	9.8%
11-5545414-3 OPEB HEALTH INSURANCE	84,966	102,641	104,079	15,552	104,079	-	0.0%
11-5950414-3 OTHER EXPENSES	24,561	54,575	30,000	8,597	42,000	12,000	40.0%
11-5420414-3 PERMITS AND FEES	3,228	371	3,500	254	3,500	-	0.0%
11-5600414-3 PUBLICATIONS	1,062	1,919	3,500	159	3,500	-	0.0%
11-5700414-3 REPAIRS AND MAINTENANCE	17,049	25,477	15,375	7,944	17,128	1,753	11.4%
11-5810414-3 TUITION REIMBURSEMENT	3,000	-	12,000	-	12,000	-	0.0%
11-5901414-3 TELEPHONE AND INTERNET	31,957	32,381	35,630	35,177	38,801	3,171	8.9%
11-5800414-3 CONFERENCES AND MEETINGS	59,169	69,843	103,189	95,577	120,654	17,465	16.9%
11-8680000-0 ADMINISTRATIVE FACILITIES	29,456	-	40,000	18,064	75,000	35,000	87.5%
11-8660000-0 GENERAL PLANT FACILITIES	-	4,215	270,792	-	159,000	(111,792)	-41.3%
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS	-	515,872	565,931	503,050	583,788	17,857	3.2%
11-9190000-0 BANK OF AMERICA LOAN	3,828,748	3,147,289	4,206,880	4,206,880	4,351,465	144,585	3.4%
Total Expenses	**$ 7,924,837**	**$ 8,229,948**	**$ 10,893,698**	**$ 9,655,098**	**$ 10,207,923**	**$ (685,775)**	**-6.3%**

ADMINISTRATION BUDGET DETAIL

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030414-3 SALARIES AND WAGES		$ 1,127,889	$ 1,170,730	$ 42,841
11-5060414-3 BONUS, AWARDS, AND RECERTIFICATIONS		19,850	19,850	-
11-5070414-3 OVERTIME		1,500	5,000	3,500
11-0000414-3 TOTAL FRINGE BENEFITS		430,839	458,904	28,065
	Subtotal	**$ 1,580,078**	**$ 1,654,484**	**$ 74,406**
11-3650000-0 CSWRCB RESERVE FUND				
	Principal and Interest Payment for State Revolving Fund (SRF)	$ 553,361	$ 553,361	$ -
	Subtotal	**$ 553,361**	**$ 553,361**	**$ -**
11-9160000-0 TRANSFER TO FUND 6				
	Principal and Interest Payment for Revenue Refunding Bonds, 2015	$ 887,250	$ -	$ (887,250)
	Annual Administrative Expenses for Revenue Refunding Bonds, 2015	2,500	2,500	-
	Subtotal	**$ 889,750**	**$ 2,500**	**$ (887,250)**
10-2650000-0 BANK OF AMERICA LOAN				
	Principal and Interest Payment for Recycled Water Project Phase 1	$ 4,206,880	$ 4,351,465	$ 144,585
	Subtotal	**$ 4,206,880**	**$ 4,351,465**	**$ 144,585**
11-5122414-3 WORKERS' COMPENSATION				
	Workers' Compensation Insurance Premiums	$ 98,861	$ 88,893	$ (9,968)
	Subtotal	**$ 98,861**	**$ 88,893**	**$ (9,968)**
11-5554414-3 ACCOUNTING SERVICES				
	Annual Audit	$ 33,191	$ 34,851	$ 1,660
	Annual Software Support (Blackbaud)	24,604	27,000	2,396
	Annual Sewer Service Charge Administration Services (NBS)	19,800	20,000	200
	Payroll Processing (Paychex)	6,000	10,000	4,000
	Timekeeping System (CTE)	3,710	8,520	4,810
	Annual Report Submittal To GFOA/CSMFO	1,120	1,120	-
	Budget Report Submittal To GFOA/CSMFO	1,000	1,000	-
	Subtotal	**$ 89,425**	**$ 102,491**	**$ 13,066**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5300414-3 COMPREHENSIVE INSURANCE				
	Earthquake Insurance	$ 355,000	$ 563,933	$ 208,933
	Umbrella Business Insurance (e.g., Liability, Auto, and General)	345,000	392,151	47,151
	Environmental Pollution	27,468	27,468	-
	Cyber Insurance	14,040	16,818	2,778
	Subtotal	**$ 741,508**	**$ 1,000,370**	**$ 258,862**
11-5500414-3 CONTRACTS				
	Public Relations (e.g., Outreach, Social Media, and Advertising)	$ 200,000	$ 200,000	$ -
	Onsite Security Services	130,000	136,500	6,500
	Federal Advocacy	90,000	90,000	-
	State Advocacy	90,000	90,000	-
	Grant Assistance	80,000	80,000	-
	Computer Maintenance	42,987	42,987	-
	Other IT Support	36,256	36,256	-
	Coachella Valley History Museum	31,500	33,075	1,575
	Temporary Help Services	30,000	30,000	-
	General Consulting for Human Resource Training and Development, Benefits, and Legal Compliance	22,278	30,000	7,722
	Recruitment Services	-	30,000	30,000
	Digitize Files	-	25,000	25,000
	Services Related to the Shadow Hills and Indio Terrace Assessment Districts (Willdan)	10,000	10,000	-
	CalPERS Actuarial Study for GASB 68 Requirements	2,500	2,500	-
	Section 125 Plan	1,604	1,604	-
	CalPERS Health Plan Annual Fee	1,247	1,247	-
	Paper Shredding (Desert Arc)	891	1,000	109
	CalPERS 218 Fee (Social Security Agreement)	623	623	-
	Centennial Planning	100,000	-	(100,000)
	Rebranding Services	100,000	-	(100,000)
	Sewer Rate and Capacity Fee Study	90,000	-	(90,000)
	Mailing Services Prop 218	31,500	-	(31,500)
	Outreach Newsletter	24,000	-	(24,000)
	Subtotal	**$ 1,115,386**	**$ 840,792**	**$ (274,594)**
11-5410414-3 COUNTY EXPENSE				
	County Auditor Fees Special Assessments to the Tax Roll	$ 12,500	$ 12,500	$ -
	County Treasurer Fees for Collection of Special Assessments	12,500	12,500	-
	Subtotal	**$ 25,000**	**$ 25,000**	**$ -**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5552414-3 LEGAL SERVICES				
	Costs Associated with General Legal Counsel	$ 85,000	$ 85,000	$ -
	Subtotal	**$ 85,000**	**$ 85,000**	**$ -**
11-5555414-3 MEDICAL SERVICES				
	Wellness Program	$ 40,000	$ 40,000	$ -
	Gym Reimbursement	2,600	2,600	-
	Medical Exams-DMV & Pre-Employment	2,243	2,243	-
	Background Checks	1,200	1,200	-
	First Aid Medical	700	700	-
	Drug/Alcohol Testing Five (6) Employees	700	700	-
	Subtotal	**$ 47,443**	**$ 47,443**	**$ -**
11-5350414-3 MEMBERSHIPS				
	California Association of Sanitation Agencies (CASA)	$ 19,467	$ 20,000	$ 533
	California Special Districts Association (CSDA)	9,634	10,116	482
	National Association Clean Water Agency (NACWA)	9,289	9,600	311
	ADOBE PDF	4,080	6,491	2,411
	Liebert Cassidy Whitmore (LCW)	6,416	6,416	-
	Southern California Allowance of Publicly Owned Treatment Works (SCAP)	5,100	5,100	-
	WateReuse Membership	4,347	4,883	536
	Great Places to Work	2,700	2,751	51
	Digital Marketing Platform (Constant Contact)	-	2,076	2,076
	ChatGPT	-	1,800	1,800
	California Society of Municipal Finance Officers (CSMFO)	800	800	-
	California Public Employer Labor Relations Association (CalPERLA)	740	800	60
	Greater Coachella Valley Chamber of Commerce	760	760	-
	National Procurement Institute (NPI)	-	735	735
	Government Finance Officers Association (GFOA)	480	480	-
	Standard Operating Procedure Creator (SCRIBE)	-	400	400
	American Water Works Association (AWWA)	300	300	-
	California Clerk of The Board of Supervisors Association (CCBSA)	300	300	-
	California Association of Public Procurement Officials (CAPPO)	225	300	75
	Society for Human Resource Management (SHRM)	219	300	81
	California Public Information Officials (CAPIO)	-	300	300
	California Water Environment Association (CWEA)	200	200	-
	LinkedIn Business	-	173	173
	International Public Management Association for Human Resources (IPMA-HR)	156	156	-
	Professionals In Human Resources Association (PIHRA)	150	150	-
	Palm Springs Desert Sun Subscription	120	120	-
	Municipal Management Association of Southern California (MMASC)	90	90	-
	Subtotal	**$ 65,573**	**$ 75,597**	**$ 10,024**

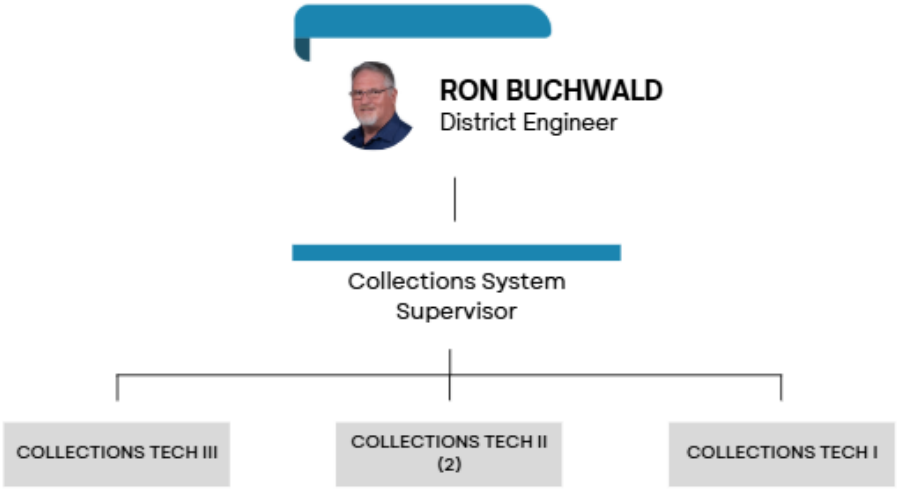
General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5553414-3 MISC. PROFESSIONAL SERVICES				
	Computer Consulting	$ 70,000	$ 70,000	$ -
	OpenGov Procurement	16,367	16,367	-
	Government Job Listing Service (NeoGov)	11,000	11,000	-
	Website Annual Service (CivicPlus)	11,000	11,000	-
	Office 365 Annual Billing	5,670	5,670	-
	Peak Agenda Management (Granicus)	6,200	5,600	(600)
	CART Captioning Services for Board Meeting Live Stream	4,800	4,800	-
	Video Conferencing	3,000	3,000	-
	AP Automation Software	3,000	3,000	-
	Civic Plus (Website)	600	600	-
	e skill	450	450	-
	Grammarly Pro	150	150	-
	Canva Pro	200	120	(80)
	Calendly (Tour Scheduling)	-	120	120
	Subtotal	**$ 132,437**	**$ 131,877**	**$ (560)**
11-5400414-3 OFFICE SUPPLIES				
	General Office Supplies (e.g., Letterhead, Envelopes, Business Cards, Copy Paper, Binders, Calendars, File Folders, Pens, Pencils)	$ 20,000	$ 25,000	$ 5,000
	Printed Employee Handbook	3,000	3,000	-
	Printed Budget Book	2,000	2,000	-
	Postage	2,000	2,000	-
	Postage Meter Lease (Pitney Bowes)	1,000	1,200	200
	Subtotal	**$ 28,000**	**$ 33,200**	**$ 5,200**
11-5450414-3 SUPPLIES				
	Marketing and Outreach Supplies	$ 40,000	$ 45,000	$ 5,000
	Office Software Upgrades	7,000	7,000	-
	Computer Supplies-Printer Cartridges and Toner	4,000	4,000	-
	Subtotal	**$ 51,000**	**$ 56,000**	**$ 5,000**
11-5545414-3 OPEB HEALTH INSURANCE				
	OPEB Annual Required Contribution (ARC)	$ 86,950	$ 86,950	$ -
	CalPERS OPEB Health Insurance fees	13,129	13,129	-
	Biennial OPEB Actuarial Study (Due in 2023/2024)	4,000	4,000	-
	Subtotal	**$ 104,079**	**$ 104,079**	**$ -**
11-5950414-3 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 30,000	$ 42,000	$ 12,000
	Subtotal	**$ 30,000**	**$ 42,000**	**$ 12,000**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-22820000-0 UNFUNDED ACCRUED LIABILITY CALPERS				
	Annual payment on the Unfunded Accrued Liability (UAL) is the amortized dollar amount needed to fund past service credit earned (or accrued) for members who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date.	$ 565,931	$ 583,788	$ 17,857
	Subtotal	**$ 565,931**	**$ 583,788**	**$ 17,857**
11-5420414-3 PERMITS AND FEES				
	The Cortese Knox-Hertzberg Local Government Reorganization Act Of 2000 States that Special Districts are Responsible for Paying One-Third of the Cost of LAFCO.	$ 3,500	$ 3,500	$ -
	Subtotal	**$ 3,500**	**$ 3,500**	**$ -**
11-5600414-3 PUBLICATIONS				
	Costs For Publication of Official Notices and Bid Requests in Online Platforms	$ 3,500	$ 3,500	$ -
	Subtotal	**$ 3,500**	**$ 3,500**	**$ -**
11-5700414-3 REPAIRS AND MAINTENANCE				
	IT Supplies	$ 7,000	$ 7,000	$ -
	Copier II Lease & Maintenance	3,875	5,628	1,753
	Innovative Document Solutions - Monthly Maintenance Costs For Copier	3,000	3,000	-
	Miscellaneous	1,500	1,500	-
	Subtotal	**$ 15,375**	**$ 17,128**	**$ 1,753**
11-5810414-3 TUITION REIMBURSEMENT				
	Tuition Assistance Program	$ 12,000	$ 12,000	$ -
	Subtotal	**$ 12,000**	**$ 12,000**	**$ -**
11-5901414-3 TELEPHONE AND INTERNET				
	Cell Phones Employee (Verizon Wireless)	$ 17,000	$ 20,000	$ 3,000
	VOIP Main Telephone System (Spectrum)	14,700	14,700	-
	EPIC IPO (SCADA Wireless)	2,500	2,500	-
	Fire Control Alarms (Frontier)	1,200	1,371	171
	Fax Services	230	230	-
	Subtotal	**$ 35,630**	**$ 38,801**	**$ 3,171**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5800414-3 CONFERENCES AND MEETINGS				
	Leadership Academy	$ 30,000	$ 30,000	$ -
	ARC Flash Training (Electrical Safety)	25,000	30,000	5,000
	Costs Associated with Employee Travel and Training	14,302	20,000	5,698
	Harassment Training	5,000	5,000	-
	Confined Space & Temporary Traffic Control	5,000	5,000	-
	DFK Solutions Group	4,740	4,740	-
	Association of California Water Agencies (ACWA)	4,709	4,709	-
	California Association of Sanitation Agencies (CASA)	4,709	4,709	-
	CPR Training	2,500	3,696	1,196
	CalPERLA	2,130	3,000	870
	Government Finance Officers Association (GFOA) Conference	2,500	2,500	-
	California Association of Public Information Officials Conference (CAPIO)	-	2,500	2,500
	CSDA Clerk of the Board Training	1,000	2,000	1,000
	Fire Extinguisher Training	500	1,000	500
	Procurement Uniform Guidance Training	500	1,000	500
	California Society of Municipal Finance Offices (CSMFO)	400	800	400
	Pryor Learning	199	-	(199)
	Subtotal	**$ 103,189**	**$ 120,654**	**$ 17,465**
11-8680000-0 ADMINISTRATIVE FACILITIES				
	Electronic files - document storage software	$ -	$ 50,000	$ 50,000
	Server Replacement	$ 25,000	$ 25,000	-
	New Time Keeping System	15,000	-	(15,000)
	Subtotal	**$ 40,000**	**$ 75,000**	**$ 35,000**
11-8660000-0 GENERAL PLANT FACILITIES				
	Water Reuse Project (EVRA JPA)	$ 161,792	$ 50,000	$ (111,792)
	Coachella Valley Integrated Regional Water Management Plan (IRWMP)	50,000	50,000	-
	Salt and Nutrient Management Plan (SNMP)	50,000	50,000	-
	Phase 1 Gap Monitoring Well Plan	9,000	9,000	-
	Subtotal	**$ 270,792**	**$ 159,000**	**$ (111,792)**
	Total Expense	**$ 10,893,698**	**$ 10,207,923**	**$ (685,775)**

SANITATION COLLECTIONS





DESCRIPTION

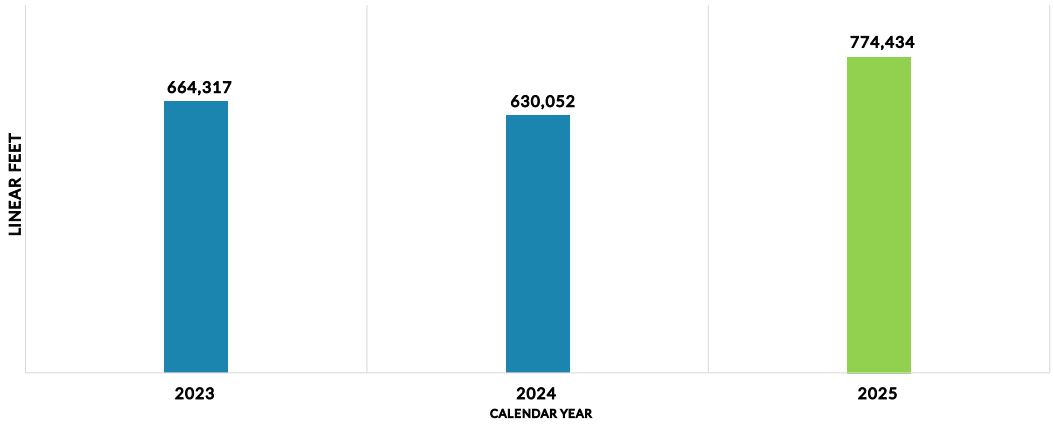
The Sanitation Collections System Department is responsible for operating, maintaining, and inspecting 260 miles of sewer mains with pipe diameters ranging from 6 to 54 inches. The Department conducts routine closed-circuit television (CCTV) inspections to assess the condition and functionality of the infrastructure.

The system includes four (4) lift stations, comprising eight (8) pumps and a combination of four (4) wet wells and four (4) dry wells. These components require regular maintenance and inspection to ensure efficient operation and minimize service disruptions.

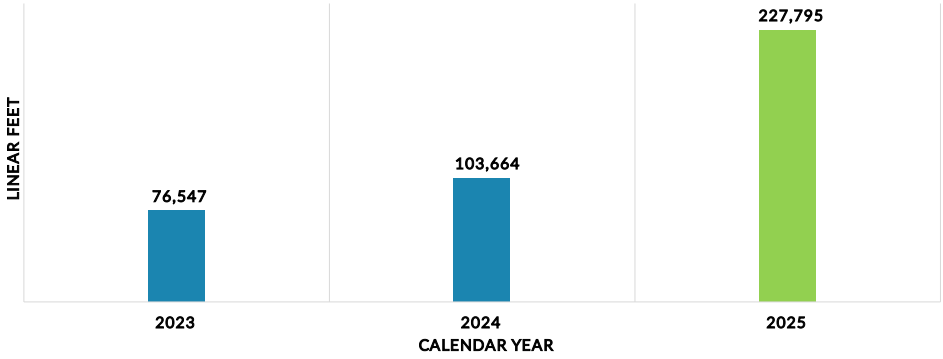
Additionally, the collection system contains approximately 4,500 manholes. These structures are routinely maintained and inspected to detect and prevent deterioration, thereby preserving the integrity and reliability of the wastewater collection network.

METRICS

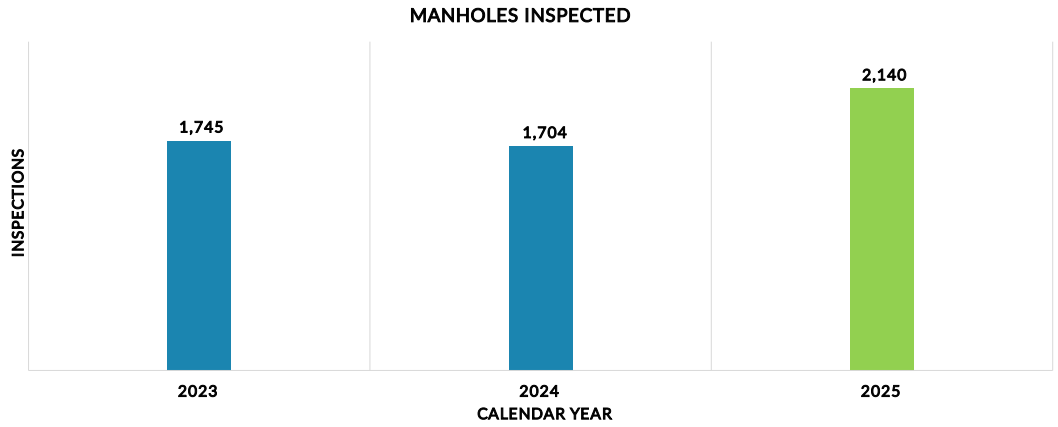
VACTOR/ JETTING OF LINES



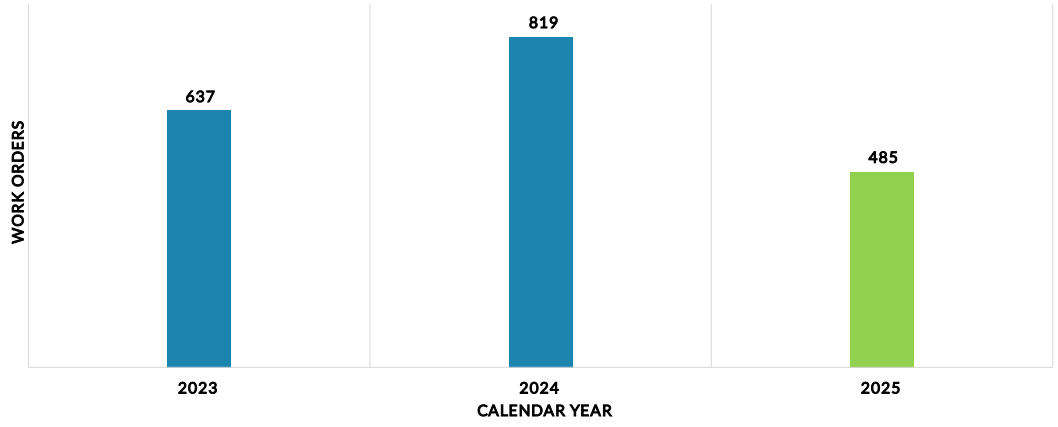
PIPE ASSESSMENT INSPECTION



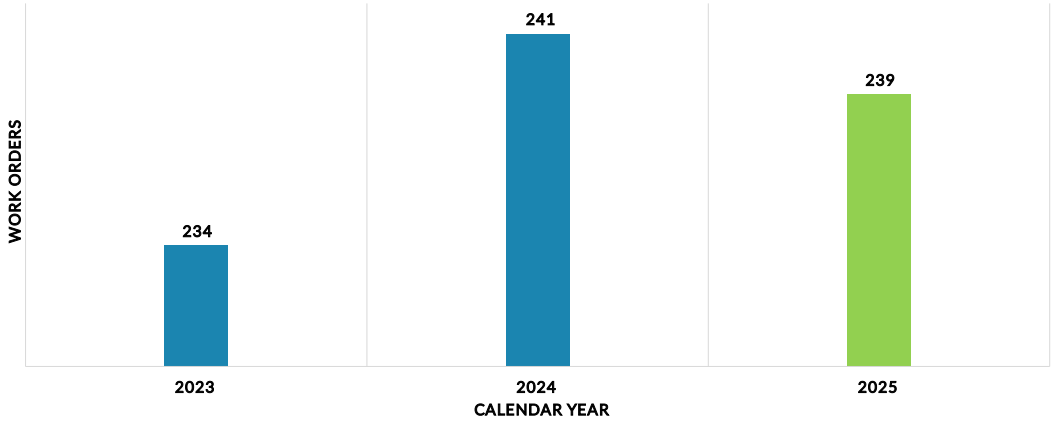
MANHOLES INSPECTED



UNDERGROUND SERVICE ALERT MARKINGS



LIFT STATION MAINTENANCE



FISCAL YEAR 2025/26 ACCOMPLISHMENTS

- Successfully completed 42 miles of collection system pipeline assessment inspections.
- Cleaned 155 miles of sewer main pipeline, enhancing flow efficiency and reducing potential blockages.
- Achieved the two-year benchmark for cleaning the entire 261-mile sewer system.
- Achieved the ten-year benchmark for entire 261-mile sewer system CCTV assessment.
- Replaced an existing siphon, crossing the Whitewater storm channel with 2,979 linear feet of 8-inch, HDPE, double barrel design.
- Purchased an emergency response trailer and supplies to bolster readiness and improve response capabilities in critical situations.
- Attended workshops in preparation for the revisions and adoption of new statewide General Waste Discharge Requirements (WDR).
- Completed and submitted the updated Sewer System Management Plan (SSMP), in compliance with the Statewide 2022 General Order WDR.
- Achieved in-vocation certifications (NAASCO PACP, MACP, and LACP) for multiple staff members, supporting professional development and technical expertise.

- Participated in numerous training workshops, both in-person and online, to maintain and advance skill sets.
- Engaged in community outreach events, providing valuable information to the public about the District's mission and operations.
- Maintained a zero sanitary sewer spill record for the fiscal year, a significant achievement in system reliability and environmental stewardship.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-Trained, and Experienced Staff.
- GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Goals

- Meet or exceed the annual sewer main cleaning target of 130 miles to ensure optimal system performance.
- Meet or exceed the annual CCTV assessment goal of 30 miles, supporting proactive maintenance and planning.
- Prevent sanitary sewer spills by maintaining a proactive preventative maintenance routine schedule of the sewer system and staying in compliance with the Sewer System Management Plan (SSMP).
- Review and update the SSMP as needed to stay in compliance with the newly adopted Statewide General Order WDR, ensuring alignment with current regulatory standards.
- Foster staff development through ongoing training and professional certification programs to enhance operational expertise and efficiency.
- Maintain and expand staff involvement in community outreach to promote public understanding and support of the District's mission.

PERSONNEL SUMMARY

FY27 Phyical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	Collection System Supervisor	1.00	1.00	0.00
1	Collection System Technician I	1.00	1.00	0.00
2	Collection System Technician II	2.00	2.00	0.00
1	Collection System Technician III	1.00	1.00	0.00
5	**Total FTEs**	**5.00**	**5.00**	**0.00**

Notes:

No changes to the personnel summary.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030410-1 SALARIES AND WAGES	$ 383,199	$ 405,547	$ 460,203	$ 460,903	$ 495,153	$ 34,950	7.6%
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATIONS	800	1,079	1,200	1,360	1,200	-	0.0%
11-5080410-1 CALLOUT	6,650	2,034	1,500	3,801	4,500	3,000	200.0%
11-5110410-1 LONGEVITY	4,826	4,675	4,800	4,677	6,500	1,700	35.4%
11-5070410-1 OVERTIME	1,861	1,885	6,000	2,320	6,000	-	0.0%
11-5090410-1 STANDBY PAY	44,577	45,310	49,317	48,040	51,546	2,229	4.5%
11-5116410-1 FICA AND MEDICARE	33,806	34,204	47,072	39,458	50,841	3,769	8.0%
11-5112410-1 RETIREMENT CONTRIBUTIONS	38,182	39,668	47,183	45,822	51,624	4,441	9.4%
11-5128410-1 VISION INSURANCE	1,122	1,106	1,272	1,252	1,332	60	4.7%
11-5124410-1 LIFE INSURANCE	869	932	1,080	1,073	1,428	348	32.2%
11-5126410-1 HEALTH INSURANCE	93,973	106,149	123,377	129,389	141,300	17,923	14.5%
11-5129410-1 DENTAL INSURANCE	7,584	8,489	8,916	8,756	9,348	432	4.8%
11-5132410-1 LONG TERM DISABILITY INS.	1,207	1,310	1,548	1,569	1,632	84	5.4%
11-5801410-1 CERTIFICATIONS	632	4,249	5,120	2,557	5,130	10	0.2%
11-5500410-1 CONTRACTS	79,841	67,936	128,360	15,469	130,160	1,800	1.4%
11-5350410-1 MEMBERSHIPS	1,456	1,959	2,100	1,339	2,100	-	0.0%
11-5450410-1 SUPPLIES	4,206	5,370	5,000	4,467	6,500	1,500	30.0%
11-5950410-1 OTHER EXPENSES	-	-	10,000	373	10,000	-	0.0%
11-5420410-1 PERMITS AND FEES	22,317	23,683	27,900	12,909	27,900	-	0.0%
11-5700410-1 REPAIRS AND MAINTENANCE	75,584	67,778	161,000	97,216	161,000	-	0.0%
11-5720410-1 TOOLS AND EQUIPMENT	1,235	476	2,000	2,436	3,000	1,000	50.0%
11-5152410-1 UNIFORM SERVICES	4,629	4,298	7,410	2,220	7,410	-	0.0%
11-5902410-1 ELECTRICITY	8,582	7,304	7,500	9,061	8,500	1,000	13.3%
11-5905410-1 WATER	5,825	6,921	7,000	7,150	8,000	1,000	14.3%
11-5800410-1 CONFERENCES AND MEETINGS	3,565	6,870	10,000	4,971	20,000	10,000	100.0%
Total Expenses	**$ 826,527**	**$ 849,234**	**$ 1,126,858**	**$ 908,587**	**$ 1,212,104**	**$ 85,246**	**7.6%**

SANITATION COLLECTIONS BUDGET DETAIL

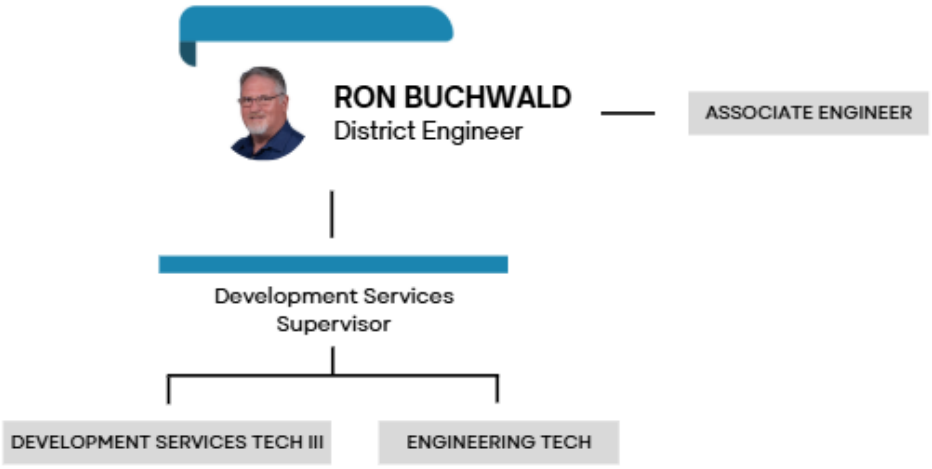
General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030410-1 SALARIES AND WAGES		$ 460,203	$ 495,153	$ 34,950
11-5060410-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,200	1,200	-
11-5080410-1 CALLOUT		1,500	4,500	3,000
11-5070410-1 OVERTIME		6,000	6,000	-
11-5090410-1 STANDBY PAY		49,317	51,546	2,229
11-0000410-1 TOTAL FRINGE BENEFITS		235,248	264,005	28,757
	Subtotal	**$ 753,468**	**$ 822,404**	**$ 68,936**
11-5801410-1 CERTIFICATIONS				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	$ 3,000	$ 3,000	$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	1,400	1,400	-
	CWEA Technical Certification Programs Collection System Technician I and III (5)	600	600	-
	CWEA Technical Certification Programs Collection System Supervisor	120	130	10
	Subtotal	**$ 5,120**	**$ 5,130**	**$ 10**
11-5500410-1 CONTRACTS				
	Roach Control Program (Golden Bell) Final Year	$ 57,660	$ 59,960	$ 2,300
	Emergency Contingency Service (Rain for Rent)	20,500	20,000	(500)
	Root Control Program (Duke's Root Control)	15,000	15,000	-
	Software Support Fee (Pipelogix)/ Software Upgrade	12,000	12,000	-
	Emergency Response Consultant	10,000	10,000	-
	Annual Monitoring Fee/Pump Stations (2 yr Service Discount Rate)	4,800	4,800	-
	Dig Alerts and Board Fees (Underground Dig Alert)	4,500	4,500	-
	After Hours Answering Service (Around the Clock)	2,500	2,500	-
	Miscellaneous Contractual Services	1,000	1,000	-
	Wireless Beepers (SPOK)	400	400	-
	Subtotal	**$ 128,360**	**$ 130,160**	**$ 1,800**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5350410-1 MEMBERSHIPS				
	CWEA Membership Renewal	$ 1,700	$ 1,700	$ -
	Updates New Criteria Related to PACP Inspection Standards	400	400	-
	Subtotal	**$ 2,100**	**$ 2,100**	**$ -**
11-5450410-1 SUPPLIES				
	Traffic Control Signs/Cones/Safety Equipment	$ 3,000	$ 4,000	$ 1,000
	Miscellaneous Supplies	2,000	2,500	500
	Subtotal	**$ 5,000**	**$ 6,500**	**$ 1,500**
11-5950410-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
11-5420410-1 PERMITS AND FEES				
	State General Waste Discharge Annual Permit Fee (SWRCB)	$ 24,000	$ 24,000	$ -
	Annual Encroachment Permit (City Of Indio)	2,200	2,200	-
	Miscellaneous Permits and/or Fees	1,000	1,000	-
	CARB Annual Fees	700	700	-
	Subtotal	**$ 27,900**	**$ 27,900**	**$ -**
11-5700410-1 REPAIRS AND MAINTENANCE				
	Vactor Parts/Repairs/Planned Expenditures	$ 80,500	$ 80,500	$ -
	Mainline Repair	20,000	20,000	-
	TV Van Parts and Repair	16,500	16,500	-
	Manhole Covers	15,000	15,000	-
	Pump Station Repairs And Parts	14,000	14,000	-
	Equipment Rentals	13,000	13,000	-
	Equipment Repairs	2,000	2,000	-
	Subtotal	**$ 161,000**	**$ 161,000**	**$ -**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5720410-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	$ 2,000	$ 3,000	$ 1,000
	Subtotal	**$ 2,000**	**$ 3,000**	**$ 1,000**
11-5152410-1 UNIFORM SERVICES				
	Uniforms-Five (5) Employees	$ 4,410	$ 4,410	$ -
	PPE Gloves/Clothing/Gear	1,500	1,500	-
	Boots-Five (5) Employees	1,500	1,500	-
	Subtotal	**$ 7,410**	**$ 7,410**	**$ -**
11-5902410-1 ELECTRICITY				
	Imperial Irrigation District (IID)	$ 7,500	$ 8,500	$ 1,000
	Subtotal	**$ 7,500**	**$ 8,500**	**$ 1,000**
11-5905410-1 WATER				
	Hydrant Water (Indio Water Authority)	$ 7,000	$ 8,000	$ 1,000
	Subtotal	**$ 7,000**	**$ 8,000**	**$ 1,000**
11-5800410-1 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 10,000	$ 20,000	$ 10,000
	Subtotal	**$ 10,000**	**$ 20,000**	**$ 10,000**
	Total Expenses	**$ 1,126,858**	**$ 1,212,104**	**$ 85,246**

ENGINEERING AND DEVELOPMENT SERVICES





DESCRIPTION

The Engineering Department oversees Development Services and the Capital Improvement Program.

Development Services manages and monitors new development within the District's service area to ensure compliance with District standards. Responsibilities include reviewing plants, permitting, and inspection services for new construction and remodels/tenant improvement projects across commercial, industrial, and residential properties.

The District also administers a robust Capital Improvement Program (CIP), which includes major initiatives such as:

- Recycled Water Project – Phase II Design
- Digester #2 Cleaning and Equipment Maintenance
- New Campus Design and Construction
- Biosolids Conversion Project Design

METRIC

DEVELOPMENT SERVICES TASKS

	FY23	FY24	FY25	FY26
New Projects	42	36	37	58
Projects Permitted	35	18	36	30
Projects Finaled	40	28	25	43
Single Family Finaled Permits	285	240	159	50
Development Review Comments	20	22	12	15
Request for Sewer Location	50	55	41	45

FISCAL YEAR 2025/26 ACCOMPLISHMENTS

Accomplishments

- Delivered a high-quality, customer-focused plan check process to support efficient project approvals.
- Provided developer-friendly inspection services with a strong emphasis on quality and responsiveness.
- Consistently returned plan check comments within 30 days, ensuring timely project progress.
- Completed Phase 1 construction of the Recycled Water Project, advancing sustainability initiatives.
- Successfully updated and modernized the Lucity Asset Management Program and ArcPro GIS Mapping System, transitioning both to a secure, cloud-based platform.

FISCAL YEAR 2027/27 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, sustainable facilities that meet customer needs.
- GOAL 3: STAFF. Retains motivated, well-trained, and experienced staff.
- GOAL 4: OUTREACH. A well-designed and properly resourced outreach plan is sustained.
- GOAL 5: GOVERNANCE. An ever-improving board sets clear and thoughtful direction for the District.

Goals

- Continue delivering a high-quality, customer-friendly plan check process
    - Ensure the plan check process is efficient, accurate, and responsive to customer needs.
- Continue to provide high-quality inspection services
    - Maintain a professional inspection process that supports development while upholding safety and code standards.
- Continue to return plan check comments within 30 days
    - Commit to timely feedback by consistently delivering plan check comments within a 30-day timeframe.
- Foster cross-training among employees
    - Coach and train department staff to become fully proficient in their roles and capable of supporting each other.
- Continuing Leadership Development Within the Department
    - Promote growth through structured coaching and leadership development programs.
- Modernize the Plan Submission and Inspection Record-Keeping System
    - Upgrade internal systems to align with the record-keeping platform used by the City of Indio for improved efficiency and consistency.

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	District Engineer	1.00	1.00	0.00
1	Associate Engineer	1.00	1.00	0.00
1	Development Services Supervisor	1.00	1.00	0.00
1	Development Services Technician III	1.00	1.00	0.00
1	Engineering Technician	1.00	1.00	0.00
5	**Total FTEs**	**5.00**	**5.00**	**0.00**

Notes:

No changes to personnel summary.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030414-1 SALARIES AND WAGES	$699,452	$ 753,972	$ 783,189	$ 773,898	$ 822,019	$ 38,830	5.0%
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,311	1,079	1,000	1,360	1,000	-	0.0%
11-5070414-1 OVERTIME	16	1,409	1,000	950	5,000	4,000	400.0%
11-5110414-1 LONGEVITY	9,514	10,215	10,800	10,523	11,500	700	6.5%
11-5116414-1 FICA AND MEDICARE	51,774	53,720	71,639	57,127	75,332	3,693	5.2%
11-5112414-1 RETIREMENT CONTRIBUTIONS	84,543	88,164	97,828	94,696	104,022	6,194	6.3%
11-5128414-1 VISION INSURANCE	923	950	969	963	1,116	147	15.2%
11-5124414-1 LIFE INSURANCE	1,459	1,537	1,596	1,638	1,932	336	21.1%
11-5126414-1 HEALTH INSURANCE	57,652	63,144	67,764	65,366	96,984	29,220	43.1%
11-5129414-1 DENTAL INSURANCE	5,789	6,091	6,156	6,037	7,572	1,416	23.0%
11-5132414-1 LONG TERM DISABILITY INS.	2,056	2,190	2,268	2,350	2,424	156	6.9%
11-5801414-1 CERTIFICATIONS	1,097	1,088	4,670	635	4,670	-	0.0%
11-5500414-1 CONTRACTS	3,892	7,683	191,000	18,636	66,000	(125,000)	-65.4%
11-5350414-1 MEMBERSHIPS	1,226	598	3,700	3,685	4,000	300	8.1%
11-5420414-1 PERMITS AND FEES	-	-	1,000	-	1,000	-	0.0%
11-5720414-1 TOOLS AND EQUIPMENT	235	537	1,000	-	1,000	-	0.0%
11-5152414-1 UNIFORM SERVICES	2,148	2,382	6,110	1,323	6,110	-	0.0%
11-5800414-1 CONFERENCES AND MEETINGS	3,767	14,873	12,000	3,799	15,000	3,000	25.0%
Total Expenses	**$926,854**	**$ 1,009,633**	**$ 1,263,689**	**$ 1,042,987**	**$ 1,226,681**	**$ (37,008)**	**-2.9%**

ENGINEERING BUDGET DETAIL

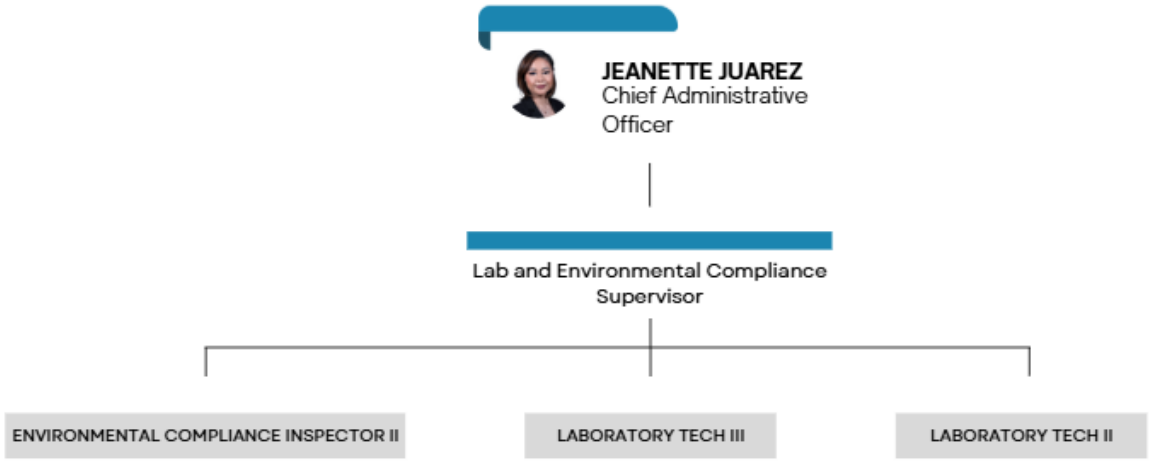
General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030414-1 SALARIES AND WAGES		$ 783,189	$ 822,019	$ 38,830
11-5060414-1 BONUS, AWARDS, AND RECERTIFICATIONS		1,000	1,000	-
11-5070414-1 OVERTIME		1,000	5,000	4,000
11-0000414-1 TOTAL FRINGE BENEFITS		259,020	300,882	41,862
	Subtotal	**$ 1,044,209**	**$ 1,128,901**	**$ 84,692**
11-5801414-1 CERTIFICATIONS				
	Pipe Assessment Certification Program (PACP) for Two (2) Employees	$ 2,400	$ 2,400	$ -
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	500	500	-
	Professional Engineer (PE) (District Engineer and Associate Engineer)	500	500	-
	American Water Works Association (AWWA) Grade D4/T3 (District Engineer)	350	350	-
	CWEA Technical Certification Programs Development Service Technician III (CST II& ECI)	225	225	-
	CWEA Technical Certification Programs Engineering Tech (CST I, E&IT I)	225	225	-
	State Water Resource Control Board (SWRCB) Operator Certification Programs Operator TI	170	170	-
	SWRCB Board Operator Certification Programs Operator DI	170	170	-
	CWEA Technical Certification Programs Development Services Supervisor (CST IV)	130	130	-
	Subtotal	**$ 4,670**	**$ 4,670**	**$ -**
11-5500414-1 CONTRACTS				
	Central Square Lucity Collections	$ 30,000	$ 30,000	$ -
	ESRI ArcGISPro	20,000	20,000	-
	Aerial Photo for GIS System	15,000	15,000	-
	Autocad Annual Maintenance and Helpdesk	1,000	1,000	-
	Engineering Services	125,000	-	(125,000)
	Subtotal	**$ 191,000**	**$ 66,000**	**$ (125,000)**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5350414-1 MEMBERSHIPS				
	Blue Beam Plan Check Services	$ 2,500	$ 2,500	$ -
	California Water Environment Association (CWEA) Membership Renewal	$ 1,200	$ 1,500	300
	Subtotal	**$ 3,700**	**$ 4,000**	**$ 300**
11-5420414-1 PERMITS AND FEES				
	Miscellaneous Permits and/or Fees	$ 1,000	$ 1,000	$ -
	Subtotal	**$ 1,000**	**$ 1,000**	**$ -**
11-5720414-1 TOOLS AND EQUIPMENT				
	Small Tool Acquisition and Replacement	$ 1,000	$ 1,000	$ -
	Subtotal	**$ 1,000**	**$ 1,000**	**$ -**
11-5152414-1 UNIFORM SERVICES				
	Uniforms-Four (4) Employees	$ 4,110	$ 4,110	$ -
	Boots-Four (4) Employees	1,000	1,000	-
	Gloves	1,000	1,000	-
	Subtotal	**$ 6,110**	**$ 6,110**	**$ -**
11-5800414-1 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 12,000	$ 15,000	$ 3,000
	Subtotal	**$ 12,000**	**$ 15,000**	**$ 3,000**
	Total Expenses	**$ 1,263,689**	**$ 1,226,681**	**$ (37,008)**



EVIRONMENTAL COMPLIANCE SERVICES





DESCRIPTION

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

Laboratory

Schedules, collects, and conducts sampling, analyses, interpretation of results, and follow-up testing of physical, chemical, biological, and bacteriological tests of raw and treated wastewater related to treatment and quality in accordance with Water Quality Laboratory processes and state and federal mandates.

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

Collaborates with Operations to ensure successful permit monitoring, compliance and reporting activities related to National Pollutant Discharge Elimination System (NPDES), Waste Discharge Requirements (WDR), etc.

Plans, manages, and maintains the daily functions and activities of the District's state-certified Laboratory, Source Control, and Regulatory Compliance Programs.

Pretreatment (Source Control)

Inspects industrial and commercial facilities for compliance with federal, state, and local regulations and permit conditions related to pretreatment, pollution prevention, and sanitary sewer system requirements.

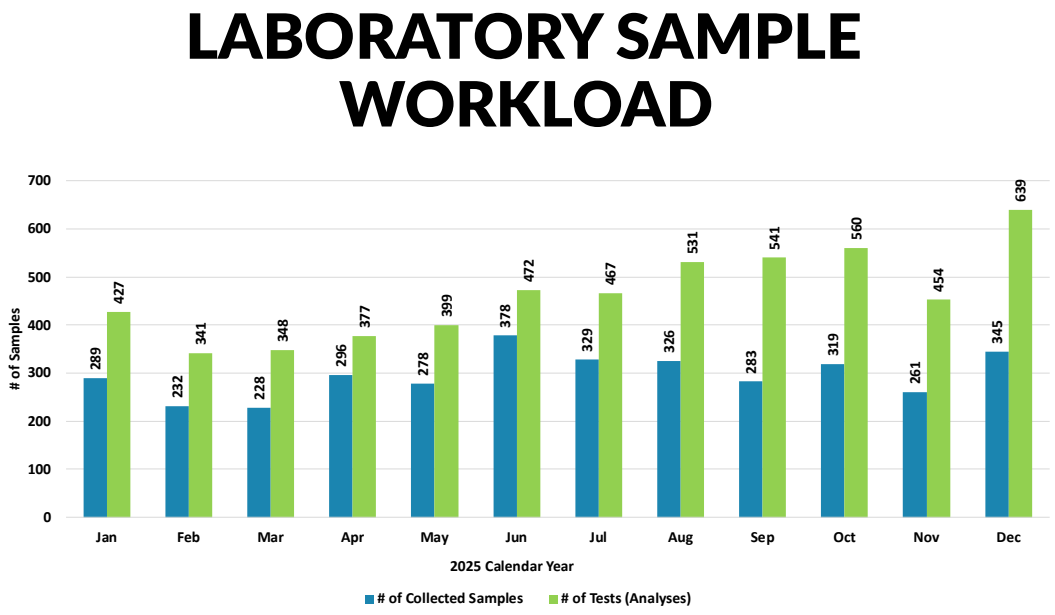
Inspects manufacturing processes as sources of industrial waste and their effects on wastewater treatment processes by monitoring sample handling and preservation, field testing equipment and procedures, and documentation of the sample chain-of-custody (COC).

Provides education and outreach to the permitted and general business community.

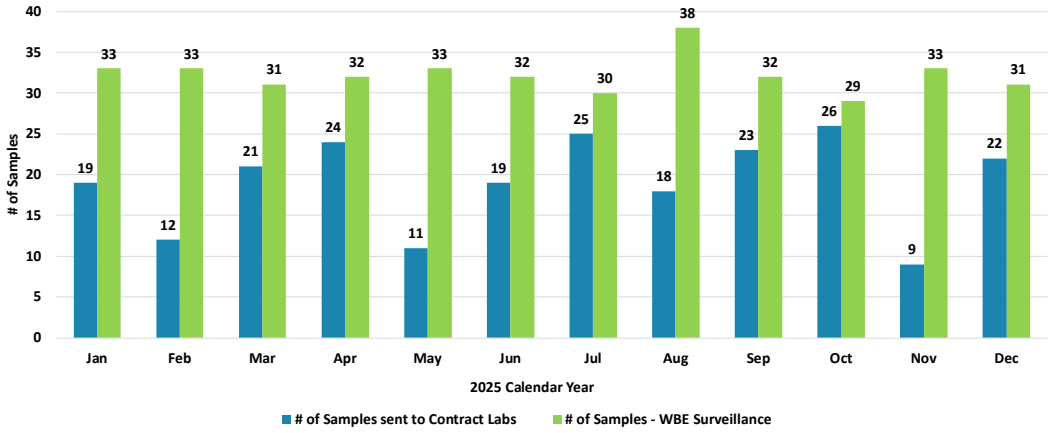
Reviews and evaluates permit applications, issues permits, calculates fees, performs sampling activities, prepares a variety of reports, and interacts with industries, other agencies, commercial establishments, residential customers, and other regulators.

METRICS

Laboratory



LABORATORY WORKLOAD

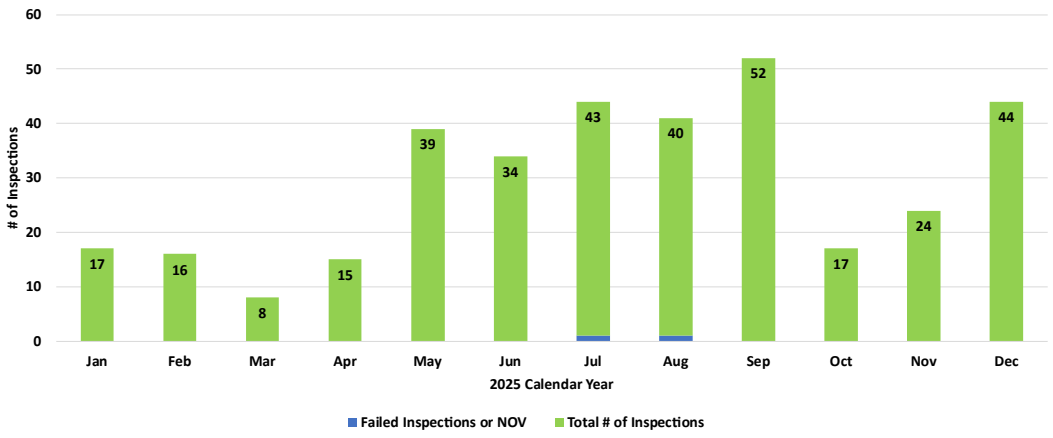


LABORATORY TASKS

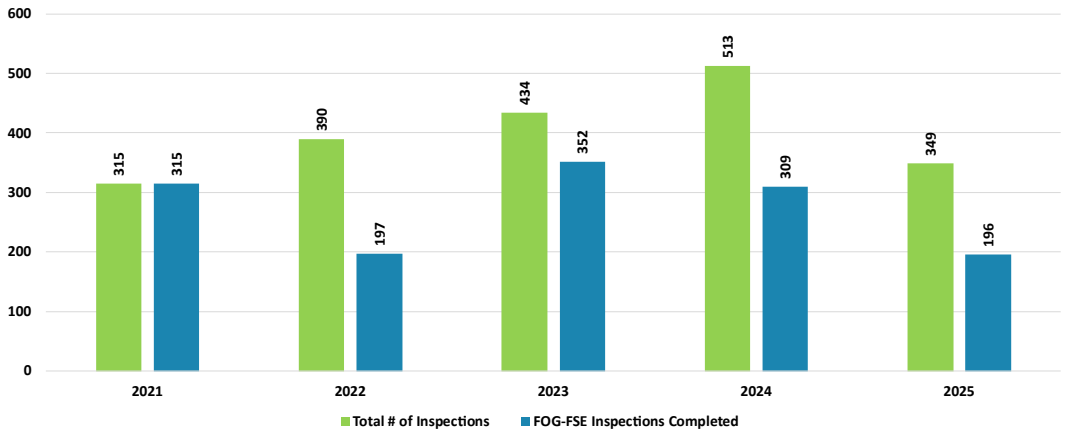
Laboratory	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
# Of Collected Samples	289	232	228	296	278	378	329	326	283	319	261	345	3,564
# Of Tests (Analyses)	427	341	348	377	399	472	467	531	541	560	454	639	5,556
# Of Samples Sent To Contract Labs	19	12	21	24	11	19	25	18	23	26	9	22	229
# Of Contracted Tests (Analyses)	84	74	78	81	69	86	86	92	55	85	71	85	946
# Of Samples - Wbe Surveillance	33	33	31	32	33	32	30	38	32	29	33	31	387
% Of Samples Performed In-House	93.4%	94.8%	90.8%	91.9%	96.0%	95.0%	92.4%	94.5%	91.9%	91.8%	96.6%	93.6%	93.6%

Pretreatment

PRETREATMENT INSPECTIONS



PRETREATMENT WORKLOAD



PRETREATMENT TASKS

Pretreatment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Customer Service Calls	11	5	11	12	5	2	15	6	11	9	5	6	98
Commercial Approval Letters	1	0	0	4	0	0	0	1	1	4	0	1	12
Change Of Ownership Inspection	0	1	0	1	1	0	0	1	3	3	0	0	10
Siu Permit Compliance	3	3	3	4	4	3	3	3	3	4	3	3	39
Fog-Fse Inspections Completed	8	12	1	7	25	24	18	22	28	12	10	29	196
Commercial Inspections Completed	4	0	2	2	10	7	22	15	18	0	11	10	101
Environmental & Collections Investigations	2	1	2	2	0	0	0	0	0	1	0	2	10
Non-Compliance Follow-Up	32	15	17	20	5	8	3	5	5	5	3		118
Failed Inspections Or Nov	0	0	0	0	0	0	1	1	0	0	0	0	2
Total # Of Inspections	17	16	8	15	39	34	43	40	52	17	24	44	349

FISCAL YEAR 2025/26 ACCOMPLISHMENTS

Laboratory

- Completed onsite assessment per the State Board Environmental Laboratory Accreditation Program (ELAP) 2016-TNI-2 requirements. This included the submittal of Corrective Action Response, acquiring approval of ELAP application, and obtaining renewal of Laboratory ELAP certification for 2025 – 2027.
- Trained interdepartmental personnel to prepare for unexpected events, timely completion of tasks, projects, and succession planning.
- Hired and trained a new laboratory technician to ensure fully trained staff in the laboratory.
- Participated in five wastewater surveillance (WWS) programs with CDC-National Wastewater Surveillance Survey (NWSS), Biobot (Pathogens), Oregon State University (Anti-Microbial Resistance), Riverside Public Health Laboratory (Clausers), and WastewaterScan – over 15 pathogens monitored.
- Participated in wastewater-based epidemiology (WBE) program with Biobot-National Institute on Drug Abuse (NIDA) for 25 high-risk substances and their metabolites.

- Hosted Riverside Public Health Laboratory staff (RUPH) who toured VSD facilities and Laboratory to learn more about VSD's participation in various Wastewater Surveillance (WWS) Programs.
- Onboarded into the new RUPH WWS county-wide wastewater surveillance program.
- Staff obtained CWEA Laboratory certification to improve cross-training and succession planning activities.
- Staff attended training opportunities: Tri-State Seminar, WEF Wastewater Disease Surveillance Sumit, virtual ELAP Annual Conference, and CWEA AC26.

Pretreatment

- Transitioning to the Lucity cloud-based database for tracking facilities.
- Staff obtained Internal Audit Certification presented by IAS to assist with review of operating procedures, policies, and documents.
- Staff attended training opportunities: Tri-State Seminar and CWEA Pretreatment Conference (P3S).
- Onboarded two new Microbreweries within the district and issued each a General Discharge Permit.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place.
- GOAL 3: STAFF. The District Retains its Motivated, Well-trained, and Experienced Staff.
- GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District.

Laboratory Goals

- Complete onsite assessment for ELAP Accreditation for 2027-2029 renewal.
- Train interdepartmental personnel to prepare for unexpected events, timely completion of tasks, projects, and succession planning.
- Review 10% of operating procedures, policies, and documents and update as needed.

- Assist Operations Department in implementation of the NPDES permit requirements for 2026-2031.

Pretreatment Goals

- Train interdepartmental personnel to prepare for unexpected events, timely completion of tasks, projects, and succession planning.
- Review 10% of operating procedures, policies, and documents and update as needed.
- Complete site surveys to better monitor and characterize the potential impacts of discharge from facilities, to the Publicly Owned Treatment Works (POTW).

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	Environmental Compliance Inspector II	1.00	1.00	0.00
1	Laboratory and Environmental Compliance Supervisor	1.00	1.00	0.00
0	Laboratory Technician I	1.00	0.00	(1.00)
1	Laboratory Technician II	0.00	1.00	1.00
1	Laboratory Technician III	1.00	1.00	0.00
4	**Total FTEs**	**4.00**	**4.00**	**0.00**

Notes:

Added One (1) Laboratory Technician II

Deleted One (1) Laboratory Technician I

The title changes vary based on the employee's progression within the career series of their respective field.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030414-2 SALARIES AND WAGES	$391,757	$368,369	$427,235	$400,214	$462,965	$ 35,730	8.4%
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS	1,005	783	800	1,088	800	-	0.0%
11-5110414-2 LONGEVITY	1,324	822	2,400	2,339	2,400	-	0.0%
11-5070414-2 OVERTIME	677	2,098	1,000	330	2,500	1,500	150.0%
11-5116414-2 FICA AND MEDICARE	30,254	27,704	38,830	31,551	42,180	3,350	8.6%
11-5112414-2 RETIREMENT CONTRIBUTIONS	35,312	28,741	35,531	32,991	39,556	4,025	11.3%
11-5128414-2 VISION INSURANCE	790	583	780	633	696	(84)	-10.8%
11-5124414-2 LIFE INSURANCE	797	721	876	857	912	36	4.1%
11-5126414-2 HEALTH INSURANCE	70,888	56,962	87,384	63,595	65,424	(21,960)	-25.1%
11-5129414-2 DENTAL INSURANCE	5,073	3,512	4,512	3,771	4,080	(432)	-9.6%
11-5132414-2 LONG TERM DISABILITY INS.	1,239	1,160	1,356	1,391	1,488	132	9.7%
11-5801414-2 CERTIFICATIONS	1,015	849	1,516	1,291	1,330	(186)	-12.3%
11-5500414-2 CONTRACTS	25,025	28,726	40,100	16,078	39,300	(800)	-2.0%
11-5350414-2 MEMBERSHIPS	1,256	954	1,305	1,444	1,220	(85)	-6.5%
11-5450414-2 SUPPLIES	23,819	29,440	30,800	26,005	33,000	2,200	7.1%
11-5950414-2 OTHER EXPENSES	-	2,812	10,000	1,233	10,000	-	0.0%
11-5420414-2 PERMITS AND FEES	5,581	5,702	7,700	7,314	6,700	(1,000)	-13.0%
11-5700414-2 REPAIRS AND MAINTENANCE	13,307	16,221	16,000	9,381	20,000	4,000	25.0%
11-5750414-2 RESEARCH AND MONITORING	44,991	77,143	255,000	70,424	178,900	(76,100)	-29.8%
11-5720414-2 TOOLS AND EQUIPMENT	5,299	4,279	10,000	2,370	8,000	(2,000)	-20.0%
11-5152414-2 UNIFORM SERVICES	2,698	2,909	5,022	1,345	4,622	(400)	-8.0%
11-5800414-2 CONFERENCES AND MEETINGS	5,023	10,116	12,000	10,376	12,000	-	0.0%
Total Expenses	**$667,128**	**$670,606**	**$990,147**	**$686,020**	**$938,073**	**$ (52,074)**	**-5.3%**

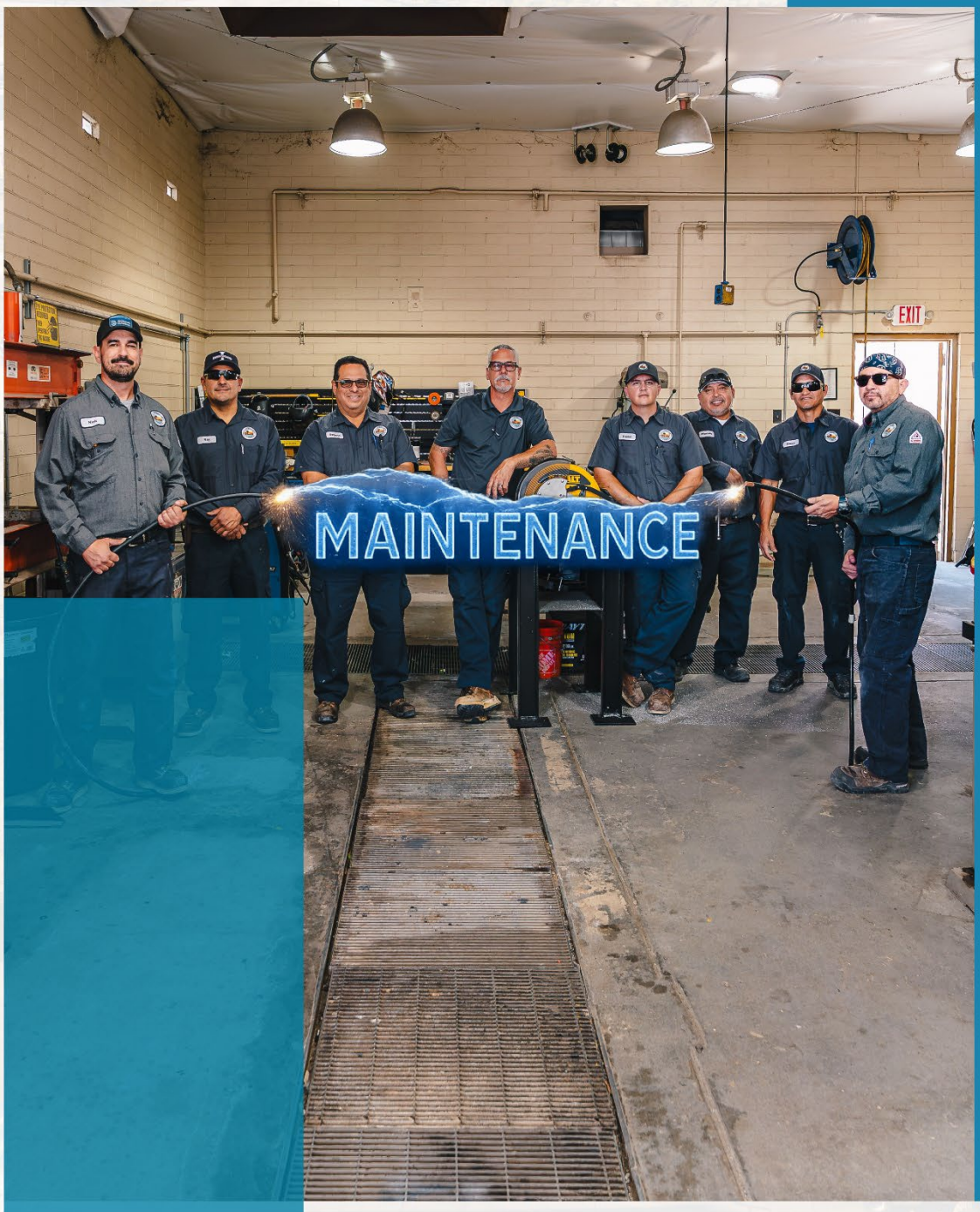
ENVIRONMENTAL COMPLIANCE BUDGET DETAIL

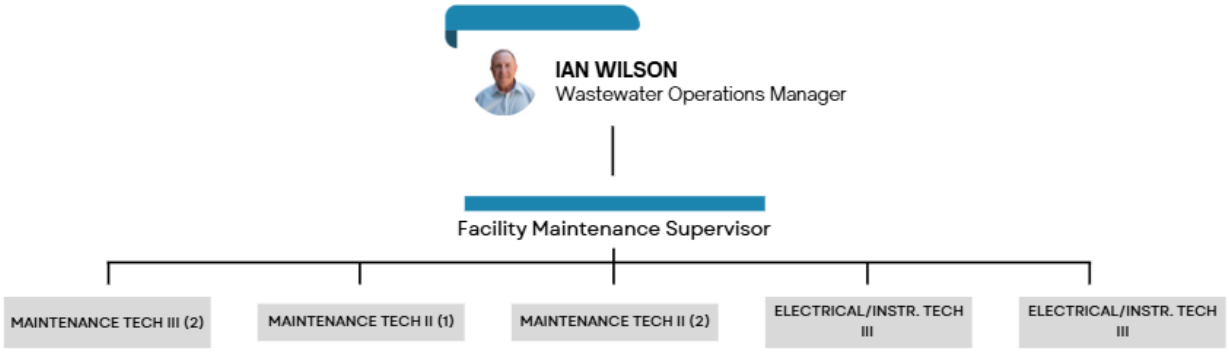
General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030414-2 SALARIES AND WAGES		$ 427,235	$ 462,965	$ 35,730
11-5060414-2 BONUS, AWARDS, AND RECERTIFICATIONS		800	800	-
11-5070414-2 OVERTIME		1,000	2,500	1,500
11-0000414-2 TOTAL FRINGE BENEFITS		171,669	156,736	(14,933)
	Subtotal	**$ 600,704**	**$ 623,001**	**$ 22,297**
11-5801414-2 CERTIFICATIONS				
	California Water Environment Association (CWEA) Allowance for Advancement (Certification Testing)	$ 911	$ 695	$ (216)
	CWEA Lab Analyst (Lab)	121	135	14
	CWEA Lab Analyst (Supervisor)	121	125	4
	CWEA Lab Analyst (Lab)	121	125	4
	Environmental Compliance Inspector	121	125	4
	Environmental Compliance Inspector (Lab)	121	125	4
	Subtotal	**$ 1,516**	**$ 1,330**	**$ (186)**
11-5500414-2 CONTRACTS				
	Laboratory Information Management System (LIMS) Annual Support	$ 15,000	$ 16,000	$ 1,000
	Information Management System (IMS) Annual Support	6,700	7,500	800
	ELAP (2016 - TNI) On-Site Assessment (OSA)	7,000	7,000	-
	Hazardous Waste Disposal	6,000	3,000	(3,000)
	Calibration/Replacement of Class I Scale Weights	1,500	1,500	-
	Scale Calibration Service (2 Balances)	1,400	1,500	100
	Calibration of NIST Certified Equipmeent	1,300	1,500	200
	Calibration/Certification of Fume Hood	1,200	1,300	100
	Subtotal	**$ 40,100**	**$ 39,300**	**$ (800)**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5350414-2 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewal	$ 975	$ 1,020	$ 45
	Water Environment Federation (WEF)	240	200	(40)
	TNI (NELAC) Association	90	-	(90)
	Subtotal	**$ 1,305**	**$ 1,220**	**$ (85)**
11-5450414-2 SUPPLIES				
	Laboratory Chemicals, Reagents, Detergents, Filters, Glassware, Instrument Batteries, Dissolved Oxygen (DO) Probe Modules, Buffers, Storage Solutions, Medias, Quality Controls and Miscellaneous Supplies	$ 21,000	$ 23,500	$ 2,500
	Distilled Water for Laboratory	5,300	5,000	(300)
	Outreach Materials for Distribution for Public Relations Efforts	2,000	2,000	-
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, etc.	1,500	1,500	-
	Office Supplies (e.g. Computer, Printer, etc.)	1,000	1,000	-
	Subtotal	**$ 30,800**	**$ 33,000**	**$ 2,200**
11-5950414-2 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 10,000	$ 10,000	$ -
	Subtotal	**$ 10,000**	**$ 10,000**	**$ -**
11-5420414-2 PERMITS AND FEES				
	Environmental Laboratory Certification Program (ELAP)	$ 6,000	$ 5,000	$ (1,000)
	Quality Assurance Proficiency Testing Required by the Health and Safety Code §100870	1,500	1,500	-
	Contingency	200	200	-
	Subtotal	**$ 7,700**	**$ 6,700**	**$ (1,000)**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5700414-2 REPAIRS AND MAINTENANCE				
	Laboratory Instrument Replacement	$ 10,000	$ 10,000	$ -
	Contingency for Instrument Repairs and Maintenance	1,000	5,000	4,000
	Meter and Probe Replacement	5,000	5,000	-
	Subtotal	**$ 16,000**	**$ 20,000**	**$ 4,000**
11-5750414-2 RESEARCH AND MONITORING				
	PFAS Testing (VSD & IUs)	$ 130,000	$ 60,000	$ (70,000)
	Contingency for Two (2) Toxicity Identification Evaluation Ph. I, Ph. II and III Base Line, Estimated Ten (10) Accelerated Monitoring of Bioassays, and Grit/Screening Samples	35,000	35,000	-
	Monthly EFF-001C Plant Effluent Testing	19,000	30,000	11,000
	Delivery for Lab Samples (Courier Service)	15,000	17,000	2,000
	Additional Testing - Laboratory Reserve	35,000	15,000	(20,000)
	Bioassay Monitoring	8,000	7,200	(800)
	Pretreatment IU Sampling Requirements	3,500	5,000	1,500
	Biosolids Testing for Sludge Samples	4,000	4,000	-
	California Toxics Rule (CTR) Annually	3,500	3,500	-
	Quarterly Testing (RSW-002, EFF-001C, INF)	2,000	2,200	200
	Subtotal	**$ 255,000**	**$ 178,900**	**$ (76,100)**
11-5720414-2 TOOLS AND EQUIPMENT				
	Composite Sampler Supplies	$ 5,000	$ 5,000	$ -
	Sampling Bottles	4,000	2,000	(2,000)
	Sampling Equipment Acquisition and Replacement	1,000	1,000	-
	Subtotal	**$ 10,000**	**$ 8,000**	**$ (2,000)**
11-5152414-2 UNIFORM SERVICES				
	Uniforms-Four (4) Employees	$ 3,622	$ 3,622	$ -
	Boots-Four (4) Employees	1,000	1,000	-
	Gloves, Ear Plugs, Safety Items-Four (4) Employees	400	-	(400)
	Subtotal	**$ 5,022**	**$ 4,622**	**$ (400)**
11-5800414-2 CONFERENCES AND MEETINGS				
	Travel Expenses for Conferences and Training Seminars, Registration Fees, Meals, Lodging and Related Expenses	$ 12,000	$ 12,000	$ -
	Subtotal	**$ 12,000**	**$ 12,000**	**$ -**
	Total Expenses	**$ 990,147**	**$ 938,073**	**$ (52,074)**

MAINTENANCE





DESCRIPTION

The Maintenance Department is responsible for all mechanical, electrical, and instrumentation equipment at the District's main plant, and also provides support to the four (4) lift stations located throughout the District's service area. The team conducts preventative maintenance on all facility equipment, including systems within both office and plant buildings. Additionally, the department maintains the District's fleet and construction equipment—such as trucks, tractors, and heavy-duty machinery—and installs new equipment, including pumps, meters, and electrical switchgear.

The Maintenance Department collaborates closely with all internal departments and external contractors to ensure the safety of operations and compliance with federal, state, and local regulatory requirements.

Over the past year, the department has continued to support the Plant Upgrade and Recycled Water Project Phase I in coordination with Schneider Electric, Walsh Construction, and Southern Electric. Planning for upcoming projects has also involved partnerships with Lystek, Dudek, Stantec, and Hoch/Trussell.

METRICS

MAINTENANCE TASKS

		FY23	FY24	FY25	FY26 March
Maintained	Fleet Vehicles	41	42	42	44
Replaced	Vehicles	-	1	2	-
Replaced	Skid Steer	-	1	-	-
New	EV Carts	-	-	-	-
New	Flow Meters	4	3	8	10
Replaced/ Repair	Pumps	10	9	8	4
Replaced/Repair	Motors	10	10	12	12
Completed	Projects	37	36	32	30
Maintained	Buildings	21	21	22	22
Maintained	Assets	1,470	1,465	1,620	1,534
Completed	Work orders	1,187	2,921	2,423	1,917

FISCAL YEAR 2025/26 ACCOMPLISHMENTS

- Training & Commissioning
  - Staff attended WEFTECH 2025.
  - Staff attended 3-day training at John Zink training facility for Flare #1.
  - Commissioned the new boiler, flare, digester and associated equipment.
- Equipment Upgrades & Maintenance
  - Replaced switchgear at MCC MS with contractor assistance.
  - Completed primary clarifier #3 rehab.
  - Installed new fiber and switch in new maintenance trailer.
  - Procured a 1500-kilowatt generator to assist in bypass of existing switchgear.
  - Rehab North belt press rollers and belts.
  - Overhauled primary clarifier #3 Netzch pump skid installed new.
  - Completed motor replacements for vertical aerator.
  - Upgrade fire stem and GSM dialer at belt press building.
  - Rebuild Moyno pump at belt press.
  - Retrofit two (2) polymer pump controllers.
- Certifications & Training

  - One (1) employee achieved CWEA Mechanical Technologist Grade II certification and one (1) employee achieved CWEA Electrical and Instrumentation Grade III certification.
  - The Maintenance team skills and training were tested during an emergency Generator #2 bypass to allow contractors to reroute feeder lines from MCC MS switchgear. A 175 KW generator was procured and installed to allow service to the influent pump station and blower system promptly and safely.
- Projects & Inspections
  - Participated in the Recycle Water Project Phase I by locating city water, wastewater, natural gas, and electrical utilities.
  - Transfer of solids from digester 2 to digester 1.
  - Designed and installed ferric dosing pump station at digester 1.
  - Planned electrical installation of replacement Generator #2 for March 2026, pending for over 24 months.
  - Decommissioned digester 2 and removed all methane.
  - Opened digester 2 piping to assess and inspect integrity internally.
  - Completed fence line installation at the Desert Wildlife Center.
  - Fabricated new electrical vault frames in roadway for 480v feeders.
- Routine Maintenance
  - Repaired and replaced 4-inch city water lines under roadways around plant.
  - Serviced boiler and flame arrestors.
  - Repaired 480v electrical line feeds from Hypo building to Bisulfite tanks.
  - Repaired drive motor and gearbox at secondary clarifier #3.
  - Completed over 1300 Lucity preventative maintenance work orders.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan Is Sustained.

Goals

- Provide training to the Maintenance and Electrical staff on emergency preparedness, focusing on the operation and installation of temporary backup generators to support critical equipment across the plant.
- Cross-train electricians and mechanics on Integrated Systems. Improve cross-discipline knowledge for equipment that combines electrical, instrumentation, and mechanical components.
- Collaborate with the Engineering Department on Capital Improvement Projects (CIP) and vehicle replacement funding. Aim to complete all Maintenance Department CIP projects by June 30, 2027.
- Retrofit the existing anoxic selector basin #4 Philadelphia mixers to new energy efficient Invent HyperClassic mixer for reliability and energy efficiency.

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	Electrician/Instrumentation Technician II	1.00	1.00	-
1	Electrician/Instrumentation Technician III	1.00	1.00	-
1	Facilities Maintenance Supervisor	1.00	1.00	-
2	Maintenance Technician I	-	2.00	2.00
1	Maintenance Technician II	2.00	1.00	(1.00)
2	Maintenance Technician III	3.00	2.00	(1.00)
8	**Total FTEs**	**8.00**	**8.00**	**0.00**

Notes:

Deleted One (1) Maintenance Technician II

Deleted One (1) Maintenance Technician III

Added Two (2) Maintenance Technician I

The title changes vary based on the employee's progression within the career series of their respective field.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030412-1 SALARIES AND WAGES	$ 712,388	$ 724,088	$ 838,546	$ 666,458	$ 872,497	$ 33,951	4.0%
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,600	1,566	2,050	1,632	1,700	(350)	-17.1%
11-5080412-1 CALLOUT	7,040	5,918	10,000	2,764	4,800	(5,200)	-52.0%
11-5110412-1 LONGEVITY	10,284	10,519	10,800	3,508	4,300	(6,500)	-60.2%
11-5070412-1 OVERTIME	2,604	4,631	5,000	2,965	7,000	2,000	40.0%
11-5090412-1 STANDBY PAY	2,249	13,319	24,658	24,020	25,773	1,115	4.5%
11-5116412-1 FICA AND MEDICARE	55,225	59,002	80,195	51,878	82,447	2,252	2.8%
11-5112412-1 RETIREMENT CONTRIBUTIONS	61,883	64,383	76,354	57,635	80,798	4,444	5.8%
11-5128412-1 VISION INSURANCE	2,277	2,109	2,424	1,781	2,232	(192)	-7.9%
11-5124412-1 LIFE INSURANCE	1,648	1,700	1,896	1,656	2,700	804	42.4%
11-5126412-1 HEALTH INSURANCE	174,865	170,912	204,852	140,483	174,348	(30,504)	-14.9%
11-5129412-1 DENTAL INSURANCE	14,858	13,661	15,816	11,915	15,828	12	0.1%
11-5132412-1 LONG TERM DISABILITY INS.	2,297	2,396	2,664	2,268	2,868	204	7.7%
11-5801412-1 CERTIFICATIONS	1,243	875	4,500	1,262	5,390	890	19.8%
11-5500412-1 CONTRACTS	118,578	146,689	213,685	183,145	223,177	9,492	4.4%
11-5350412-1 MEMBERSHIPS	2,316	2,503	3,300	1,455	3,660	360	10.9%
11-5450412-1 SUPPLIES	47,746	46,164	67,000	53,423	70,500	3,500	5.2%
11-5950412-1 OTHER EXPENSES	-	118	13,420	-	15,000	1,580	11.8%
11-5420412-1 PERMITS AND FEES	-	14	2,860	-	4,600	1,740	60.8%
11-5700412-1 REPAIRS AND MAINTENANCE	367,289	394,867	478,330	306,193	578,730	100,400	21.0%
11-5720412-1 TOOLS AND EQUIPMENT	3,018	4,238	44,140	15,585	44,000	(140)	-0.3%
11-5152412-1 UNIFORM SERVICES	7,615	7,225	23,700	3,592	23,700	-	-
11-5650412-1 COVID-19 SUPPLIES	493	-	-	-	-	-	-
11-5800412-1 CONFERENCES AND MEETINGS	13,245	14,309	19,360	15,174	25,000	5,640	29.1%
Total Expenses	**$ 1,610,761**	**$ 1,691,205**	**$ 2,145,550**	**$ 1,548,790**	**$ 2,271,048**	**$ 125,498**	**5.8%**

MAINTENANCE BUDGET DETAIL

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030412-1 SALARIES AND WAGES		838,546	$ 872,497	$ 33,951
11-5060412-1 BONUS, AWARDS, AND RECERTIFICATIONS		2,050	1,700	(350)
11-5080412-1 CALLOUT		10,000	4,800	(5,200)
11-5070412-1 OVERTIME		5,000	7,000	2,000
11-5090412-1 STANDBY PAY		24,658	25,773	1,115
11-0000412-1 TOTAL FRINGE BENEFITS		395,001	365,521	(29,480)
	Subtotal	**1,275,255**	**$ 1,277,291**	**$ 2,036**
11-5801412-1 CERTIFICATIONS				
	California Water Environment Association (CWEA) Allowance For Advancement (Certification Testing)	2,100	$ 2,100	$ -
	State Water Resource Control Board (SWRCB) Operator III	150	1,000	850
	CWEA Electrical/Instrumentation Technician (5)	500	650	150
	CWEA Maintenance Technician III (3)	510	510	-
	CWEA Elect/Inst. Technician III (2)	170	340	170
	CWEA Maintenance Technician I (2)	500	320	(180)
	Water Environment Federation's Technical Exhibition and Conference (WEFTEC)	-	300	300
	CWEA Electrical Instrumentation Supervisor	170	170	-
	American Water Works Association (AWWA)	400	-	(400)
	Subtotal	**4,500**	**$ 5,390**	**$ 890**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5500412-1 CONTRACTS				
	Janitorial and Landscaping Services (Mariposa & Merchant)	70,377	$ 70,377	$ -
	Trailer Rental	46,208	50,000	3,792
	Central Square EAM Asset Management Lucity	20,000	20,000	-
	Boiler Maintenance Service Contract	14,000	14,000	-
	Vehicle Washing	8,600	13,500	4,900
	Annual Fire Suppression Service for Sodium Hypochlorite Facility	9,800	9,800	-
	Geotab Electronic Logs Vehicles	9,000	9,000	-
	Offsite Restroom Rental (Diamond Environmental)	7,200	7,200	-
	Parts, Washer Service, Light Bulb Disposal and Batteries (Safety Kleen)	5,800	6,000	200
	Annual Fire Extinguisher Service	4,000	4,000	-
	Annual AQMD Test (Western Pump)	3,900	3,900	-
	Pest Control Service for Building and Facilities (Rudy's Pest Control)	2,600	3,000	400
	Used Oil Filter Disposal (Safety Kleen)	2,350	2,550	200
	Gantry Crane Service	2,500	2,500	-
	Fire Alarm Monitoring (Pyro Comm)	2,500	2,500	-
	Fuel Station Monitoring	2,500	2,500	-
	Miscellaneous Contractual Services	1,300	1,300	-
	Recycling	550	550	-
	Building Alarm Monitoring (Alliance)	500	500	-
	Subtotal	**213,685**	**$ 223,177**	**$ 9,492**
11-5350412-1 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewal	2,200	$ 2,500	$ 300
	National Fire Protection Association (NFPA)	600	660	60
	Water Environmental Federation (WEF)	500	500	-
	Subtotal	**3,300**	**$ 3,660**	**$ 360**
11-5450412-1 SUPPLIES				
	Mats, Shop Towels, Etc.	25,000	$ 27,000	$ 2,000
	Drinking Water Service	14,000	14,000	-
	55-Gallon Cleaning Concentrates, Cleaning Supplies, Paper Towels, Toilet Paper, Cups, Soap, and Cleaners	9,500	10,500	1,000
	Landscaping Supplies	10,000	10,000	-
	First Aid	6,000	6,000	-
	Miscellaneous Supplies	2,500	3,000	500
	Subtotal	**67,000**	**$ 70,500**	**$ 3,500**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5950412-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	13,420	$ 15,000	$ 1,580
	Subtotal	**13,420**	**$ 15,000**	**$ 1,580**
11-5420412-1 PERMITS AND FEES				
	Fire Department (Fuel Tank Permit)	2,860	$ 4,600	$ 1,740
	Subtotal	**2,860**	**$ 4,600**	**$ 1,740**
11-5700412-1 REPAIRS AND MAINTENANCE				
	Routine Miscellaneous Repairs and Maintenance Contingency	124,600	$ 185,000	$ 60,400
	Boiler Maintenance	35,000	35,000	-
	Plant Structure Painting	35,000	35,000	-
	General Facility Maintenance	30,000	35,000	5,000
	Service Generators 2, 3 & 4 Including Transfer Switches	33,000	35,000	2,000
	Rebuild Sludge Pumps	25,000	30,000	5,000
	Equipment Rentals	26,000	26,000	-
	Flare Parts	24,000	26,000	2,000
	Belt Press Building Maintenance Parts	20,000	25,000	5,000
	Aerator Maintenance	20,000	22,000	2,000
	Dredge Panel and Spare Parts	15,000	15,000	-
	Golf Cart Battery Replacement	8,000	14,500	6,500
	CAT Tractor and Dump Truck Repairs	6,000	12,000	6,000
	Turblex Blower Parts	9,330	9,330	-
	Clean District Flooring	9,000	9,000	-
	90 Day Bit Inspections	7,200	7,500	300
	Gas Detectors for Confined Space Entry	6,600	6,600	-
	Fleet Vehicle Operating Supplies	6,000	6,000	-
	Replacement of Facilities Equipment/ Back Flow Device	5,500	5,500	-
	Vehicle Repairs and Smog Checks	5,000	5,000	-
	District Camera Replacement	5,000	5,000	-
	Hose Replacement	2,600	5,000	2,400
	Safety Equipment for Confined Space Entry	4,500	4,900	400
	Road Base for All Dirt Roads Around Treatment Plant	4,000	4,500	500
	Replace Hose Reel Swivels	2,500	4,500	2,000
	Arc Flash Safety Equipment	4,000	4,400	400
	Irrigation Repairs and Maintenance	3,500	4,000	500
	Gallery Sump Pump Replacements	2,000	2,000	-
	Subtotal	**478,330**	**$ 578,730**	**$ 100,400**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5720412-1 TOOLS AND EQUIPMENT				
	Shop Equipment	25,000	$ 25,000	$ -
	Miscellaneous Small Tool Acquisition and Replacement	19,140	19,000	(140)
	Subtotal	**44,140**	**$ 44,000**	**$ (140)**
11-5152412-1 UNIFORM SERVICES				
	Uniforms Eight (8) Employees (Prudential)	16,000	$ 16,000	$ -
	VSD Uniform UV Exposure PPE	4,500	4,500	-
	Boots Eight (8) Employees	2,200	2,200	-
	Gloves Eight (8) Employees	1,000	1,000	-
	Subtotal	**23,700**	**$ 23,700**	**$ -**
11-5800412-1 CONFERENCES AND MEETINGS				
	Allowance for Eight (8) Employees	19,360	$ 25,000	$ 5,640
	Subtotal	**19,360**	**$ 25,000**	**$ 5,640**
	Total Expenses	**2,145,550**	**$ 2,271,048**	**$ 125,498**

OPERATIONS





DESCRIPTION

Valley Sanitary District operates the Water Reclamation Facility (WRF) to treat wastewater within its 19.5 square mile service area. The District adheres to all local, state, and federal regulations and is committed to maintaining a sustainable environmental process that safeguards public health and safety.

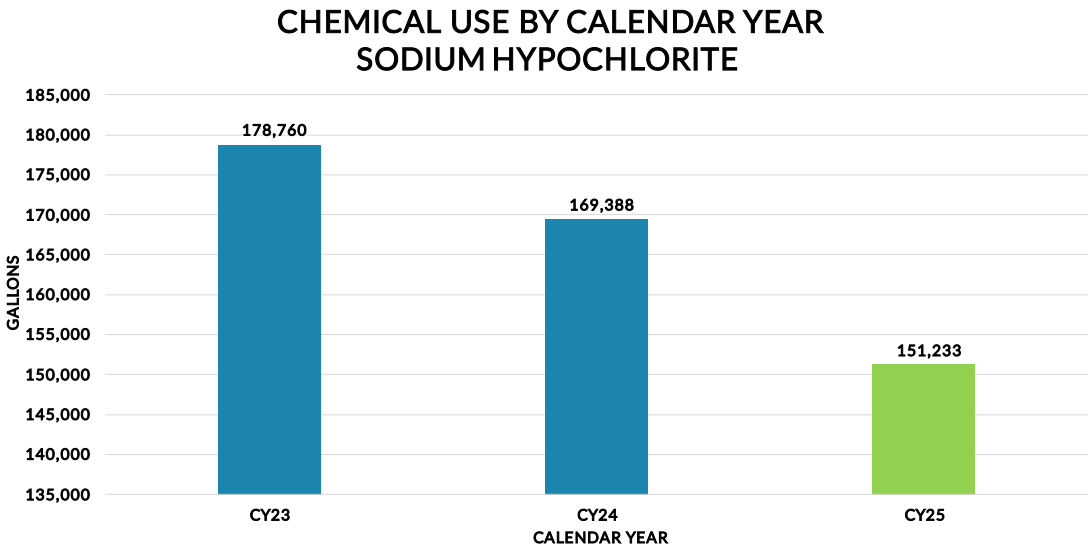
The facility treats approximately 5.5 to 6.5 million gallons of wastewater per day (MGD) through two (2) secondary treatment processes:

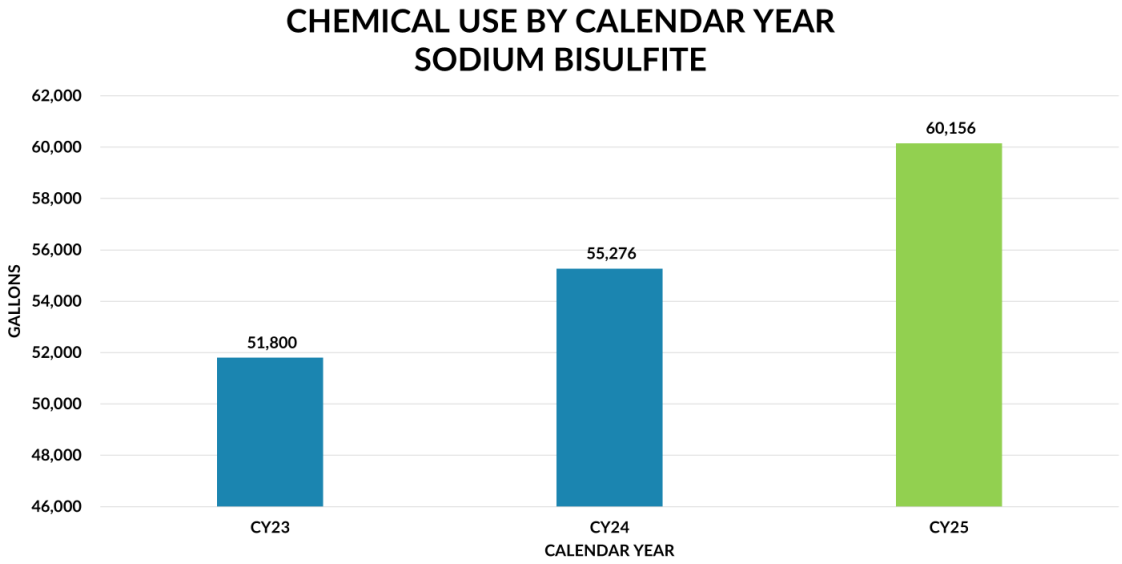
- Activated Sludge Process
  - This is the facility's primary method of treatment, handling the majority of incoming wastewater. The activated sludge system has a maximum treatment capacity of 10 MGD.
- Oxidation Ponds
  - The oxidation ponds receive approximately 0.5 MGD and all waste solids. These ponds have a maximum treatment capacity of 2.5 MGD.

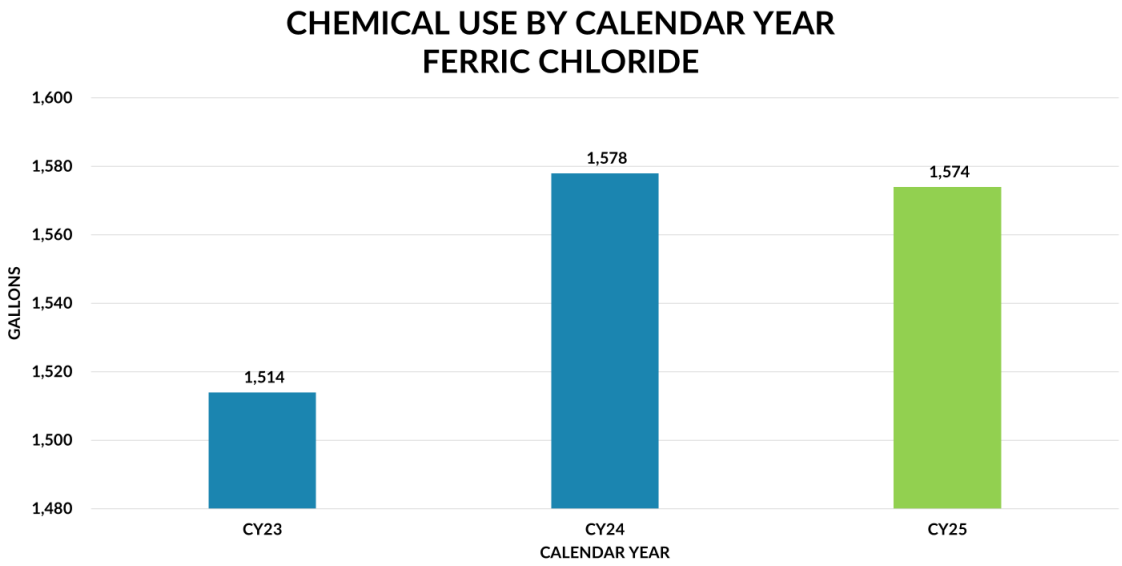
Together, these processes give the WRF a total treatment capacity of 12.5 MGD. Treated effluent is discharged into the Whitewater Storm Channel, contributing to freshwater replenishment of the Salton Sea.

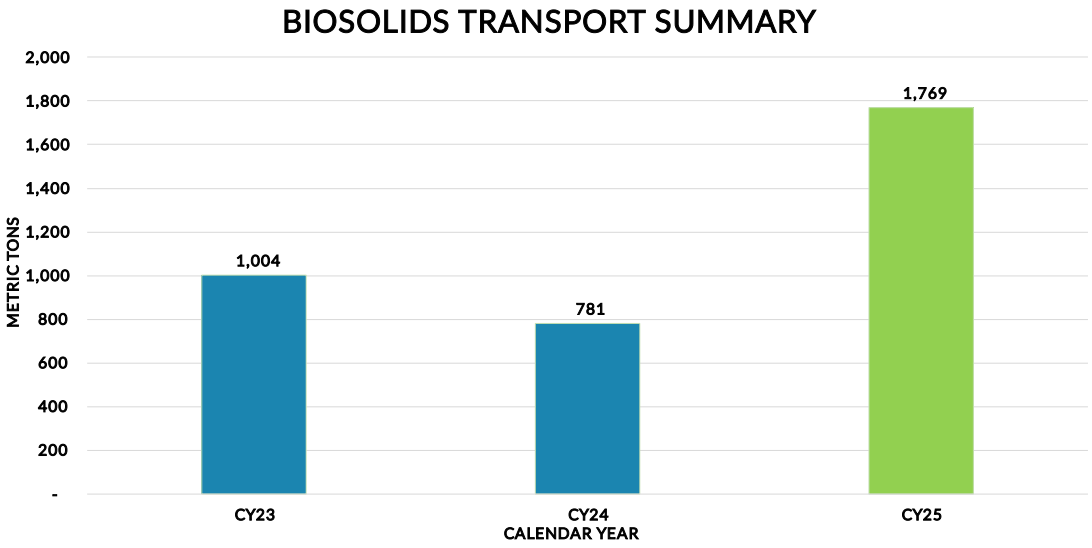
The biosolids generated during wastewater treatment are classified as Class B organics. These materials are transported to a composting facility in Arizona, where they are further processed to meet Class A standards and subsequently land applied.

METRICS






CHEMICAL USE BY CALENDAR YEAR
FERRIC CHLORIDE
GALLONS
1,600
1,580
1,560
1,540
1,520
1,500
1,480
1,514
1,578
1,574
CY23
CY24
CY25
CALENDAR YEAR


BIOSOLIDS TRANSPORT SUMMARY
METRIC TONS
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
1,004
781
1,769
CY23
CY24
CY25
CALENDAR YEAR

FISCAL YEAR 2025/26 ACCOMPLISHMENTS

- One (1) Wastewater Operator attended the national wastewater conference, WEFTEC, gaining exposure to the latest industry technologies and best practices.
- The District was honored with the CWEA Colorado River Basin Section Award: Plant of the Year (Medium Plant Division), recognizing outstanding accomplishments in compliance, cost effectiveness, and superior plant performance.
- Actively participated in the Valley Sanitary District Master Plan and design phase of the Lystek Biosolids Conversion Project, contributing valuable operational insights to the development process.
- Completion of the Treatment Plant Upgrade Phase 2B with commissioning of an Anaerobic Digester, Biogas Flare, Rotary Screw Thickeners, and Filtrate Return Pump Station.
- Installation of Chlorine and Sulfur Dioxide gas sensors for hazardous atmosphere awareness in bulk chemical buildings.
- Participated in multiple public outreach events including a facility open house, treatment plant tours, and the Valley Sanitary District 100 year celebration.

FISCAL YEAR 2026/27 GOALS

Strategic Plan

- GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs.
- GOAL 3: STAFF. The District Retains Its Motivated, Well-trained, and Experienced Staff.
- Goal 4: A Well- designed and Properly Resourced Outreach Plan is Sustained.

Goals

- Achieve 100% Compliance with NPDES Permit Effluent Requirements
    - Ensure all wastewater discharge meets or exceeds the standards set by the National Pollutant Discharge Elimination System (NPDES) permits, maintaining strict adherence to environmental regulations and protecting water quality.
- Maintain Active Staff Participation in Water Reclamation Facility Upgrades

  - Encourage and support staff involvement in planning, implementing, and monitoring upgrades to the Water Reclamation Facility, fostering ownership, knowledge transfer, and smooth transition during modernization efforts.
- Strengthen Communication and Collaboration Across Departments and External Agencies
  - Improve interdepartmental coordination and build stronger partnerships with external agencies to streamline processes, share information effectively, and enhance overall operational performance.
- Strive for a 5% reduction in sodium bisulfite consumption on the de-chlorination process for calendar year 2026.
  - Evaluate current process setpoints and make small adjustments to reduce chemical dosing while maintaining compliance with NPDES permit requirements.

PERSONNEL SUMMARY

FY27 Physical Count	Classification	FY26 Base FTEs	FY27 Base FTEs	Variance
1	Wastewater Operations Manager	1.00	1.00	0.00
1	Wastewater Operator I	2.00	1.00	(1.00)
3	Wastewater Operator II	2.00	3.00	1.00
4	Wastewater Operator III	4.00	4.00	0.00
1	Wastewater Operations Supervisor	1.00	1.00	0.00
10	**Total FTEs**	**10.00**	**10.00**	**0.00**

Notes:

Deleted one (1) Wastewater Operator I

Added one (1) Wastewater Operator II

The title changes vary based on the employee's progression within the career series of their respective field.

EXPENSE BUDGET SUMMARY

General Ledger Code	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget	Budget Change	Percent Change
11-5030411-1 SALARIES AND WAGES	$ 930,073	$ 1,007,942	$ 1,131,859	$ 1,040,468	$ 1,159,141	$ 27,282	2.4%
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATIONS	1,800	1,950	2,000	2,448	2,400	400	20.0%
11-5080411-1 CALLOUT	5,473	11,000	8,000	9,719	9,000	1,000	12.5%
11-5110411-1 LONGEVITY	17,478	18,000	16,800	16,370	18,000	1,200	7.1%
11-5070411-1 OVERTIME	23,478	24,300	27,500	16,528	27,500	-	0.0%
11-5090411-1 STANDBY PAY	20,497	19,311	24,658	24,020	25,773	1,115	4.5%
11-5116411-1 FICA AND MEDICARE	76,569	97,412	108,938	83,692	111,728	2,790	2.6%
11-5112411-1 RETIREMENT CONTRIBUTIONS	97,370	112,457	138,170	124,120	146,820	8,650	6.3%
11-5128411-1 VISION INSURANCE	1,496	1,584	2,556	2,106	2,376	(180)	-7.0%
11-5124411-1 LIFE INSURANCE	1,878	2,076	2,532	2,398	2,532	-	0.0%
11-5126411-1 HEALTH INSURANCE	153,886	166,620	256,776	205,154	237,840	(18,936)	-7.4%
11-5129411-1 DENTAL INSURANCE	8,820	9,624	15,816	11,637	13,116	(2,700)	-17.1%
11-5132411-1 LONG TERM DISABILITY INS.	2,869	3,113	3,720	3,518	3,708	(12)	-0.3%
11-5801411-1 CERTIFICATIONS	1,215	8,275	8,100	2,023	7,800	(300)	-3.7%
11-5470411-1 CHEMICALS	602,643	700,000	716,000	541,354	706,000	(10,000)	-1.4%
11-5500411-1 CONTRACTS	111,575	815,000	1,341,000	239,957	1,347,000	6,000	0.4%
11-5250411-1 GAS OIL AND FUEL	47,436	70,000	75,000	42,483	75,000	-	0.0%
11-5350411-1 MEMBERSHIPS	1,304	3,400	3,600	3,000	3,600	-	0.0%
11-5450411-1 SUPPLIES	77,259	157,500	160,800	94,505	190,300	29,500	18.3%
11-5950411-1 OTHER EXPENSES	543	22,000	22,000	8,084	22,000	-	0.0%
11-5420411-1 PERMITS AND FEES	23,127	84,610	84,800	59,706	89,400	4,600	5.4%
11-5700411-1 REPAIRS AND MAINTENANCE	16,767	83,000	84,000	52,173	85,000	1,000	1.2%
11-5720411-1 TOOLS AND EQUIPMENT	806	2,000	2,500	1,710	2,500	-	0.0%
11-5152411-1 UNIFORM SERVICES	10,132	21,645	22,800	6,662	23,000	200	0.9%
11-5902411-1 ELECTRICITY	1,029,826	1,444,000	1,454,000	852,188	1,654,000	200,000	13.8%
11-5903411-1 NATURAL GAS	2,900	8,000	8,000	13,239	9,000	1,000	12.5%
11-5904411-1 GRIT AND SCREENING REMOVAL	29,255	44,000	46,000	37,279	46,000	-	0.0%
11-5905411-1 WATER	14,862	22,000	23,000	18,380	23,000	-	0.0%
11-5800411-1 CONFERENCES AND MEETINGS	13,787	22,300	22,500	15,739	28,500	6,000	26.7%
Total Expenses	**$ 3,325,124**	**$ 4,983,119**	**$ 5,813,425**	**$ 3,530,659**	**$ 6,072,034**	**$ 258,609**	**4.4%**

OPERATIONS BUDGET DETAIL

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5030411-1 SALARIES AND WAGES		$ 1,131,859	$ 1,159,141	$ 27,282
11-5060411-1 BONUS, AWARDS, AND RECERTIFICATIONS		2,000	2,400	400
11-5080411-1 CALLOUT		8,000	9,000	1,000
11-5070411-1 OVERTIME		27,500	27,500	-
11-5090411-1 STANDBY PAY		24,658	25,773	1,115
11-0000411-1 TOTAL FRINGE BENEFITS		545,308	536,120	(9,188)
	Subtotal	**$ 1,739,325**	**$ 1,759,934**	**$ 20,609**
11-5801411-1 CERTIFICATIONS				
	Allowance for Advancement (Certification Testing)	$ 3,000	$ 3,000	$ -
	State Water Resource Control Board (SWRCB) Certification Application	2,500	2,500	-
	California Water Environment Association (CWEA) Technical Certification (Test)	2,000	2,000	-
	SWRCB Operator IV (Renewal)	-	300	300
	SWRCB Operator III (Renewal)	300	-	(300)
	SWRCB Operator II (Renewal)	300	-	(300)
	Subtotal	**$ 8,100**	**$ 7,800**	**$ (300)**
11-5470411-1 CHEMICALS				
	Sodium Hypochlorite (Univar)	$ 510,000	$ 510,000	$ -
	Sodium Bisulfite (Univar)	150,000	150,000	-
	Ferric Chloride (Univar)	50,000	40,000	(10,000)
	Calcium Hypochlorite (Foster Gardner)	6,000	6,000	-
	Subtotal	**$ 716,000**	**$ 706,000**	**$ (10,000)**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5500411-1 CONTRACTS				
	Sludge Disposal And Transportation	$ 1,000,000	$ 1,000,000	$ -
	Consulting Interim Services	150,000	150,000	-
	Soffa/Trimax Treatment Plant Upgrades for SCADA System	50,000	50,000	-
	Piping and Instrumentation Diagram Drawing Updates	40,000	40,000	-
	Temporary Help Service	36,000	36,000	-
	Contractor Contingency	25,000	25,000	-
	IT Upgrades	19,000	19,000	-
	Annual Flow Meter Calibrations	9,000	15,000	6,000
	Switchboard "S" Cleaning and Testing	12,000	12,000	-
	Subtotal	**$ 1,341,000**	**$ 1,347,000**	**$ 6,000**
11-5250411-1 GAS OIL AND FUEL				
	Gas and Oil for District Vehicles	$ 75,000	$ 75,000	$ -
	Subtotal	**$ 75,000**	**$ 75,000**	**$ -**
11-5350411-1 MEMBERSHIPS				
	California Water Environment Association (CWEA) Membership Renewals	$ 2,400	$ 2,400	$ -
	Water Environment Federation (WEF)	1,200	1,200	-
	Subtotal	**$ 3,600**	**$ 3,600**	**$ -**
11-5450411-1 SUPPLIES				
	Polymer for Belt Press 18 Totes (Polydyne)	$ 85,000	$ 100,000	$ 15,000
	Miscellaneous Operating Supplies Including Reagents for Chlorination and Dichlorination Analyzers	24,000	24,000	-
	Four (4) Belts for Belt Press	20,000	24,000	4,000
	D.O. Probes and Ammonia Probes Caps	18,000	18,000	-
	Respirator Masks and Cartridges	-	10,000	10,000
	Miscellaneous Small Tools, Torches, Pliers, Small Air Pumps, Etc.	8,000	8,000	-
	Lock Out/Tag Out Supplies	3,300	3,300	-
	Student Materials for Distribution for Public Relations Efforts	2,500	3,000	500
	Subtotal	**$ 160,800**	**$ 190,300**	**$ 29,500**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5950411-1 OTHER EXPENSES				
	Miscellaneous Expense Contingency Fund	$ 22,000	$ 22,000	$ -
	Subtotal	**$ 22,000**	**$ 22,000**	**$ -**
11-5420411-1 PERMITS AND FEES				
	Annual NPDES Permit Fee (SWRCB)	$ 57,500	$ 57,500	$ -
	South Coast Air Quality Management District (SCAQMD) Facility Permits	18,700	22,000	3,300
	Dept of Environmental Health	4,300	4,500	200
	Fire Service Permit (City of Indio)	2,500	3,000	500
	Alarm System Permit (City of Indio)	700	1,000	300
	Miscellaneous	700	1,000	300
	Hot Spot Program (SCAQMD)	400	400	-
	Subtotal	**$ 84,800**	**$ 89,400**	**$ 4,600**
11-5700411-1 REPAIRS AND MAINTENANCE				
	Contingency	$ 40,000	$ 40,000	$ -
	Iron Sponge Media and Nets	25,000	25,000	-
	Plant Paint Rehabilitation	10,000	10,000	-
	Analyzer Parts	9,000	10,000	1,000
	Subtotal	**$ 84,000**	**$ 85,000**	**$ 1,000**
11-5720411-1 TOOLS AND EQUIPMENT				
	Miscellaneous Small Tool Acquisition and Replacement	$ 2,500	$ 2,500	$ -
	Subtotal	**$ 2,500**	**$ 2,500**	**$ -**
11-5152411-1 UNIFORM SERVICES				
	Uniforms Nine (9) Employees	$ 13,000	$ 13,000	$ -
	Hats	5,000	5,000	-
	Boots Nine (9) Employees	3,500	3,500	-
	Gloves, Ear Plugs, Safety Items Nine (9) Employees	1,300	1,500	200
	Subtotal	**$ 22,800**	**$ 23,000**	**$ 200**
11-5902411-1 ELECTRICITY				
	Imperial Irrigation District (IID)	$ 1,300,000	$ 1,500,000	$ 200,000
	Tesla PPA	154,000	154,000	-
	Subtotal	**$ 1,454,000**	**$ 1,654,000**	**$ 200,000**

General Ledger Code		FY26 Budget	FY27 Budget	Variance
11-5903411-1 NATURAL GAS				
	Natural Gas Usage for the Administration, Laboratory, Operations Buildings and Digester Boiler (SoCalGas)	$ 8,000	$ 9,000	$ 1,000
	Subtotal	**$ 8,000**	**$ 9,000**	**$ 1,000**
11-5904411-1 GRIT AND SCREENING REMOVAL				
	Screenings and Grit Hauling to Lambs Canyon, California (Burrtec)	$ 46,000	$ 46,000	$ -
	Subtotal	**$ 46,000**	**$ 46,000**	**$ -**
11-5905411-1 WATER				
	Potable Water (Indio Water Authority)	$ 23,000	$ 23,000	$ -
	Subtotal	**$ 23,000**	**$ 23,000**	**$ -**
11-5800411-1 CONFERENCES AND MEETINGS				
	Conferences, Training Seminars, Lodging and Related Expenses	$ 18,000	$ 24,000	$ 6,000
	National Fire Protection Agency (NFPA) and NEC Training	4,500	4,500	-
	Subtotal	**$ 22,500**	**$ 28,500**	**$ 6,000**
	Total Expenses	**$ 5,813,425**	**$ 6,072,034**	**$ 258,609**



CAPITAL IMPROVEMENT PROGARM



CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a distinct, twenty-year planning document that outlines scheduled capital expenditures. These expenditures encompass both the rehabilitation and replacement of existing infrastructure and equipment, as well as significant construction initiatives.

The CIP strategically aligns each capital project with appropriate funding sources and defines the projected timeline for implementation. For major initiatives requiring external financing, the financial implications can extend across the full twenty-year horizon of the plan.

PRIORITIZATION OF CAPITAL IMPROVEMENT PROJECTS

The District employs a structured capital planning process to ensure optimal use of available resources across projects that may compete for funding from single or multiple sources. This process begins with department heads or their designees compiling a “Needs List”, which includes the scope of work for each proposed project. These proposals are submitted to the District Engineer who then develops formal capital projects based on the identified needs.

The District Management Team reviews each proposed project using a standardized Capital Project Ranking Scorecard, which evaluates and prioritizes projects according to specific criteria and weighted scores:

Evaluation Criteria and Weights:

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

After scoring, the District Engineer incorporates the prioritized projects into the Twenty-Year Capital Improvement Program (CIP). The finalized CIP is then submitted to the Board of Directors for review and approval.

CIP BUDGET OVERVIEW

The Capital Budget supports the advancement of the District's CIP by allocating funding to key infrastructure projects and capital assets. For FY 2026/27, a total of 29 capital projects were proposed. Major initiatives included in this year's CIP are:

- Recycled Water Project – Phase II Design
- Digester #2 Cleaning and Equipment Maintenance
- New Campus Design and Construction
- Biosolids Conversion Project Design

These projects aim to maintain, repair, and expand the District's infrastructure to meet current and future service demands.

In addition to project-specific funding, the CIP budget also covers expenditures for capital assets, which may include:

- Land and improvements
- Easements
- Buildings and building improvements
- Vehicles, machinery, and equipment
- Infrastructure
- Other tangible or intangible assets used in operations

According to the District's Fixed Assets Accounting Policy, capitalizable assets are defined as fixed assets that:

- Have an expected useful life of more than one (1) year, and
- Have an individual acquisition cost of $10,000 or more

This policy ensures consistency and accountability in the management of long-term capital investments.

Fiscal Year 2026/27 Capital Budget

System	Recurring Project	Project Number	Project	Total
Plant Facility	✓	21-0001	Vehicle & Major Equipment Replacement Fund	$ 825,000
Sewage Collection	✓	21-0002	Lateral Grant Program	50,000
Sewage Collection	✓	21-0003	Sewer Repairs And/Or Rehabilitation	130,000
Sewage Collection	✓	21-0004	Contingency	200,000
Plant Facility		23-0002	Concrete Repairs To Asp Plant	150,000
Plant Facility		24-0003	Flow Meter Replacements For Ras And Primary Sludge	20,000
Plant Facility		24-0005	Upgrade District Security Cameras	200,000
Plant Facility		24-0006	Biosolids Conversion Project - Design	300,000
Sewage Collection		25-0005	Emergency Response Trailer	50,000
Plant Facility		26-0001	Digester #2 Cleaning And Equipment Maintenance	1,500,000
Plant Facility		26-0006	Scada Upgrade	150,000
Plant Facility		26-0010	Install Large Vehicle Shade Structure Near Drying Bed	250,000
Plant Facility		26-0011	Additional Parking For Customers And Staff	250,000
Sewage Collection		26-0012	Replace 18-Inch Cast Iron Pipe Under Railroad Design	300,000
Plant Facility		26-0013	Biosolids Conversion Project - Construction	2,103,000
Plant Facility		27-0001	District-Wide Phone System Upgrade And Modernization	40,000
Plant Facility		27-0002	Board Room Rehabilitation Project	60,000
Plant Facility		27-0003	Erp Purchasing & Procurement Module Implementation	30,000
Plant Facility		27-0004	Contact Chamber Secondary Water Piping Replacement	300,000
Plant Facility		27-0005	Replace Moyno Sludge Pumps	75,000
Plant Facility		27-0006	Treatment Plant Asphalt Improvements	300,000
Sewage Collection		27-0007	Cctv Van Communication Cable Replacement	15,000
Sewage Collection		27-0008	Cvag Arts And Music Line Improvements On Ave 48	250,000
Plant Facility		27-0009	Concrete Pad For Trash Dump Roll Off	15,000
Sewage Collection		27-0010	Collection System Repairs/Rehabilitation/Replacement Design	782,000
Plant Facility		27-0011	New Campus Design And Construction	10,500,000
Plant Facility		27-0012	Install Riser On Primary Sludge Line	10,000
Plant Facility		27-0013	Wrf Master Plan Condition Assessment Improvements	500,000
Plant Facility		27-0014	1 Mgd Tertiary Treatment Facility Design	500,000
			Total	**$ 19,855,000**

RECURRING/NON-RECURRING CAPITAL PROJECTS

The District's Capital Improvement Program (CIP) budget includes both recurring and non-recurring capital projects, each with distinct financial characteristics and impacts.

Recurring Capital Projects

Recurring capital projects involve expenditures related to maintenance and replacement of existing infrastructure and equipment due to ordinary wear and tear. These projects typically include:

- Replacement or maintenance of materials
- Mechanical and electrical systems
- Structural systems
- Operational equipment

These projects are routine in nature, do not significantly impact the operating budget, and are funded through the restricted CIP fund.

Non-Recurring Capital Projects

Non-recurring capital projects represent one-time investments in new infrastructure or facilities. These projects are not expected to recur and frequently result in long-term operational and financial impacts.

For the fiscal year 2026/27, the CIP budget includes 25 non-recurring capital projects. Notable examples include:

- Recycled Water Project – Phase II Design
  - Total Cost: $7.5 million
  - Funding: $1.92 million grant appropriation and $500K from the Capital Replacement Reserve Fund (Fund 12)
  - Financial Impact: The District is actively searching for the remaining funding through Public-Private Partnerships.
- Digester #2 Cleaning and Equipment Maintenance
  - Cost: $1.5 million
  - Funding: Capital Replacement Reserve Fund (Fund 12)
- New Campus Design and Construction

    - Total Cost: $60 million
    - Funding Source: Long-term debt obligations for infrastructure
- Biosolids Conversion Project Design
    - Total Cost: $9.5 million
    - Funding Source: Capital Improvement Reserve Fund (Fund 13). The District is actively searching for the remaining funding through Public-Private Partnerships and discretionary grant funding.

All remaining non-recurring capital projects will be financed through:

- Capital Replacement Reserve Fund (Fund 12)
- Capital Improvement Reserve Fund (Fund 13)

Annually, 40% of the District's operating budget is allocated to Fund 12 to support the long-term sustainability of infrastructure assets.

FUNDING SUMMARY

Funding for the planned Capital Improvement Projects (CIP) for Fiscal Year 2026/27 is sourced from three primary funding streams, supporting a range of critical infrastructure initiatives. The total funding strategy reflects a balance of internal reserves, grants, and external financing:

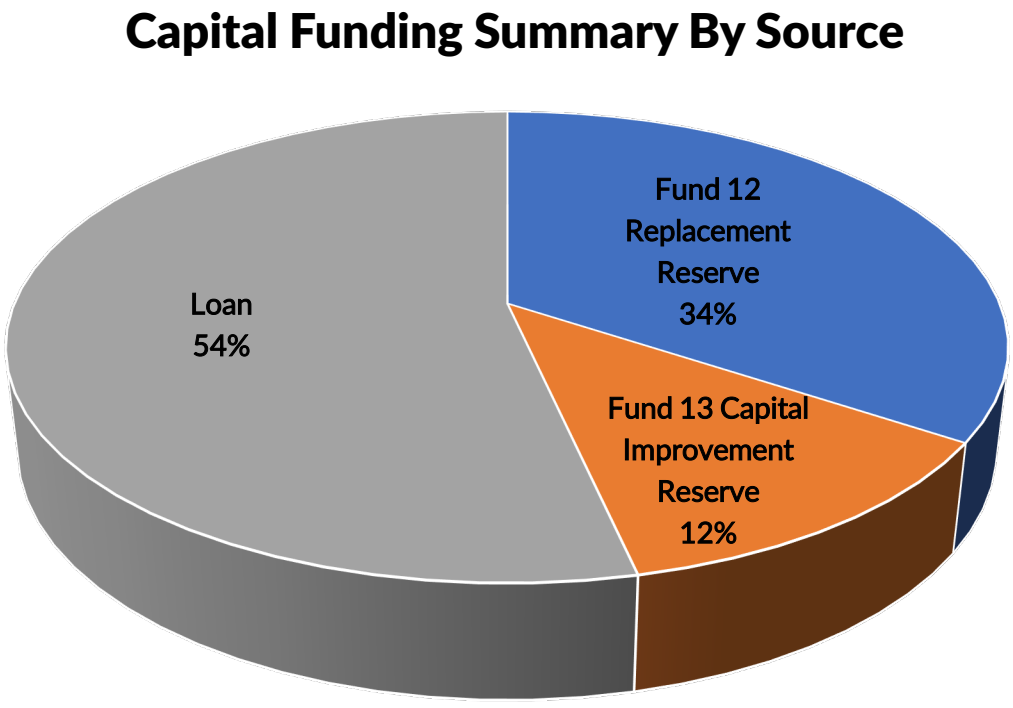
Primary Funding Sources:

1. Capital Replacement Reserve Fund (Fund 12)
    - Amount: $6.9 million
    - Purpose: Supports approximately 26 projects, primarily non-recurring capital improvements such as maintenance and infrastructure replacement
2. Longterm Funding – Debt Issuance
    - Amount: $ 10.5 million
    - Purpose: New Campus Design and Construction
    - Impact: Long-term loan repayment obligations over a 20-year period
3. Capital Improvement Reserve Fund (Fund 13)
    - Amount: $2.4 million
    - Purpose: Design and construction of the Biosolids Conversion Project

This diversified funding strategy enables the District to implement a well-balanced Capital Improvement Program, effectively leveraging external grants and financing alongside internal reserves to maintain, modernize, and expand critical infrastructure in a fiscally responsible and sustainable manner.

The table and graph below illustrate the distribution of funding sources for the fiscal year 2026/27 Capital Improvement Program (CIP) budget.

Funding Source	FY27 Budget
Fund 12 Replacement Reserve	$ 6,952,000
Fund 13 Capital Improvement Reserve	2,403,000
Loan	10,500,000
Total Funds Requested	**$ 19,855,000**



TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM

The following tables list all capital projects included in the fiscal year 2027-2046 CIP by the system type.

Project Description	2026/27	2027/28	2028/29	2029/30	2030/31
PLANT FACILITY					
Vehicle & Major Equipment Replacement Fund	825,000	850,000	850,000	850,000	850,000
Biosolids Conversion Project - Design	300,000	-	-	-	-
Biosolids Conversion Project - Construction	2,103,000				
1 Mgd Tertiary Water Treatment Project - Design	500,000	3,000,000	-	-	-
Wrf Master Plan Phase Ii Pond Decommissioning	-	4,952,347	20,403,670	-	-
Wrf Master Plan Phase Iii Design	-	-	-	11,293,090	-
Wrf Master Plan Phase Iii Construction	-	-	-	-	35,005,414
Wrf Master Plan Future Expansion 2040 & Beyond	-	-	-	-	-
New Building Campus - Design	10,500,000	-	-	-	-
New Building Campus - Construction	-	-	-	-	-
Concrete Repairs To Asp Plant	150,000	-	-	-	-
Upgrade District Security Cameras	200,000	-	-	-	-
Digester #2 Cleaning And Equipment Maintenance	1,500,000	-	-	-	-
Scada System Upgrade	150,000	-	-	-	-
Additional Parking For Customers & Staff	250,000	-	-	-	-
Construct Large Vehicle Shade Structure Near Drying Bed	250,000	-	-	-	-
District-Wide Phone System Upgrade & Modernization	40,000	-	-	-	-
Board Room Rehablititation Project	60,000	-	-	-	-
New Enterprise Resource Planning Software	30,000	-	-	-	-
Contact Chamber Secondary Water Piping Replacement	300,000	-	-	-	-
Asphalt Improvements For The Treatment Plant	300,000				
Replace Moyno Sludge Pumps	75,000	-	-	-	-
Concrete Pad For Trash Dump Roll Off	15,000	-	-	-	-
Install Riser On Primary Sludge Line	10,000				
Wrf Master Plan Condition Assessment Improvements	500,000				
Flow Meter Replacements For Ras & Primary Sludge	20,000	-	-	-	-
Future Operation Projects	-	600,000	600,000	600,000	2,000,000
SUBTOTAL - PLANT	**$ 18,078,000**	**$ 9,402,347**	**$ 21,853,670**	**$ 12,743,090**	**$ 37,855,414**
SEWAGE COLLECTION					
Lateral Grant Program	$ 50,000	$ 55,000	$ 56,307	$ 57,433	$ 58,582
Sewer Main Rehabilitation Or Replacement Design	782,000	782,280	537,130	537,130	291,990
Sewer Main Rehabilitation Or Replacement Construction	-	4,005,080	3,020,670	2,036,260	1,051,850
Manhole Rehabilitation	-	-	-	-	-
Sewer Repairs And/Or Rehabilitation	130,000	133,317	137,317	141,437	145,680
Emergency Response Trailer	50,000	-	-	-	-
Evaluate 18-Inch Cast Iron Pipe Under Railroad	300,000	-	-	-	-
Cvag Arts & Music Line Improvements On Avenue 48	250,000	-	-	-	-
Cctv Van Communication Cable Replacement	15,000	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System Cip Design	-	-	-	-	-
Interim Collection System Cip Construction	-	-	-	-	-
Build-Out Collection System Cip Projects	-	-	-	-	-
Future Collection Projects	-	150,000	200,000	200,000	250,000
SUBTOTAL - COLLECTIONS	**$ 1,577,000**	**$ 5,125,677**	**$ 3,951,424**	**$ 2,972,260**	**$ 1,798,102**
CONTINGENCY	$ 200,000	$ 200,000	$ 225,000	$ 225,000	$ 225,000
TOTAL	**$ 19,855,000**	**$ 14,728,024**	**$ 26,030,094**	**$ 15,940,350**	**$ 39,878,516**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2031/32	2032/33	2033/34	2034/35	2035/36
PLANT FACILITY					
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 Mgd Tertiary Water Treatment Project - Design	-	-	-	-	-
Wrf Master Plan Phase Ii Pond Decommissioning	-	-	-	-	-
Wrf Master Plan Phase Iii Design	-	-	-	-	-
Wrf Master Plan Phase Iii Construction	36,055,577	10,995,823	-	-	-
Wrf Master Plan Future Expansion 2040 & Beyond	-	-	-	-	-
New Building Campus - Design	-	-	-	-	-
New Building Campus - Construction	-	-	-	-	-
Concrete Repairs To Asp Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Digester #2 Cleaning And Equipment Maintenance	-	-	-	-	-
Scada System Upgrade	-	-	-	-	-
Additional Parking For Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure Near Drying Bed	-	-	-	-	-
District-Wide Phone System Upgrade & Modernization	-	-	-	-	-
Board Room Rehablititation Project	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
Contact Chamber Secondary Water Piping Replacement	-	-	-	-	-
Asphalt Improvements For The Treatment Plant					
Replace Moyno Sludge Pumps	-	-	-	-	-
Concrete Pad For Trash Dump Roll Off	-	-	-	-	-
Install Riser On Primary Sludge Line					
Wrf Master Plan Condition Assessment Improvements					
Flow Meter Replacements For Ras & Primary Sludge	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 38,905,577**	**$ 13,845,823**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 59,754	$ 60,949	$ 62,168	$ 63,411	$ 64,679
Sewer Main Rehabilitation Or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation Or Replacement Construction	-	-	-	-	-
Manhole Rehabilitation	150,000	154,500	159,135	163,909	168,826
Sewer Repairs And/Or Rehabilitation	150,050	154,552	159,189	163,965	168,884
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-Inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Cvag Arts & Music Line Improvements On Avenue 48	-	-	-	-	-
Cctv Van Communication Cable Replacement	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	248,455	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	2,387,715	-	-	-
Interim Collection System Cip Design	-	-	302,856	-	-
Interim Collection System Cip Construction	-	-	-	2,912,776	-
Build-Out Collection System Cip Projects	-	-	-	-	7,020,147
Future Collection Projects	250,000	300,000	300,000	400,000	400,000
SUBTOTAL - COLLECTIONS	**$ 858,259**	**$ 3,057,716**	**$ 983,348**	**$ 3,704,061**	**$ 7,822,536**
CONTINGENCY	$ 225,000	$ 225,000	$ 225,000	$ 225,000	$ 225,000
TOTAL	**$ 39,988,836**	**$ 17,128,539**	**$ 4,058,348**	**$ 6,779,061**	**$ 10,897,536**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2036/37	2037/38	2038/39	2039/40	2040/41
PLANT FACILITY					
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 Mgd Tertiary Water Treatment Project - Design	-	-	-	-	-
Wrf Master Plan Phase Ii Pond Decommissioning	-	-	-	-	-
Wrf Master Plan Phase Iii Design	-	-	-	-	-
Wrf Master Plan Phase Iii Construction	-	-	-	-	-
Wrf Master Plan Future Expansion 2040 & Beyond	-	-	-	-	-
New Building Campus - Design	-	-	-	-	-
New Building Campus - Construction	-	-	-	-	-
Concrete Repairs To Asp Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Digester #2 Cleaning And Equipment Maintenance	-	-	-	-	-
Scada System Upgrade	-	-	-	-	-
Additional Parking For Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure Near Drying Bed	-	-	-	-	-
District-Wide Phone System Upgrade & Modernization	-	-	-	-	-
Board Room Rehablititation Project	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
Contact Chamber Secondary Water Piping Replacement	-	-	-	-	-
Asphalt Improvements For The Treatment Plant					
Replace Moyno Sludge Pumps	-	-	-	-	-
Concrete Pad For Trash Dump Roll Off	-	-	-	-	-
Install Riser On Primary Sludge Line					
Wrf Master Plan Condition Assessment Improvements					
Flow Meter Replacements For Ras & Primary Sludge	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 65,973	$ 67,292	$ 68,638	$ 70,011	$ 71,411
Sewer Main Rehabilitation Or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation Or Replacement Construction	-	-	-	-	-
Manhole Rehabilitation	173,891	179,108	184,481	190,015	195,715
Sewer Repairs And/Or Rehabilitation	173,951	179,170	184,545	190,081	195,783
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-Inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Cvag Arts & Music Line Improvements On Avenue 48	-	-	-	-	-
Cctv Van Communication Cable Replacement	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System Cip Design	-	-	-	-	-
Interim Collection System Cip Construction	-	-	-	-	-
Build-Out Collection System Cip Projects		-	-	-	-
Future Collection Projects	500,000	500,000	500,000	500,000	500,000
SUBTOTAL - COLLECTIONS	**$ 913,815**	**$ 925,570**	**$ 937,664**	**$ 950,107**	**$ 962,909**
CONTINGENCY	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
TOTAL	**$ 4,013,815**	**$ 4,025,570**	**$ 4,037,664**	**$ 4,050,107**	**$ 4,062,909**

TWENTY-YEAR CAPITAL IMPROVEMENT PROGRAM (CONTINUED)

Project Description	2041/42	2042/43	2043/44	2044/45	2044/46
PLANT FACILITY					
Vehicle & Major Equipment Replacement Fund	850,000	850,000	850,000	850,000	850,000
Biosolids Conversion Project - Design	-	-	-	-	-
Biosolids Conversion Project - Construction					
1 Mgd Tertiary Water Treatment Project - Design	-	-	-	-	-
Wrf Master Plan Phase Ii Pond Decommissioning	-	-	-	-	-
Wrf Master Plan Phase Iii Design	-	-	-	-	-
Wrf Master Plan Phase Iii Construction	-	-	-	-	-
Wrf Master Plan Future Expansion 2040 & Beyond	146,981,233	-	-	-	-
New Building Campus - Design	-	-	-	-	-
New Building Campus - Construction	-	-	-	-	-
Concrete Repairs To Asp Plant	-	-	-	-	-
Upgrade District Security Cameras	-	-	-	-	-
Digester #2 Cleaning And Equipment Maintenance	-	-	-	-	-
Scada System Upgrade	-	-	-	-	-
Additional Parking For Customers & Staff	-	-	-	-	-
Construct Large Vehicle Shade Structure Near Drying Bed	-	-	-	-	-
District-Wide Phone System Upgrade & Modernization	-	-	-	-	-
Board Room Rehablititation Project	-	-	-	-	-
New Enterprise Resource Planning Software	-	-	-	-	-
Contact Chamber Secondary Water Piping Replacement	-	-	-	-	-
Asphalt Improvements For The Treatment Plant					
Replace Moyno Sludge Pumps	-	-	-	-	-
Concrete Pad For Trash Dump Roll Off	-	-	-	-	-
Install Riser On Primary Sludge Line					
Wrf Master Plan Condition Assessment Improvements					
Flow Meter Replacements For Ras & Primary Sludge	-	-	-	-	-
Future Operation Projects	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
SUBTOTAL - PLANT	**$ 149,831,233**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**	**$ 2,850,000**
SEWAGE COLLECTION					
Lateral Grant Program	$ 72,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
Sewer Main Rehabilitation Or Replacement Design	-	-	-	-	-
Sewer Main Rehabilitation Or Replacement Construction	-	-	-	-	-
Manhole Rehabilitation	200,000	220,000	220,000	220,000	220,000
Sewer Repairs And/Or Rehabilitation	200,000	220,000	220,000	220,000	220,000
Emergency Response Trailer	-	-	-	-	-
Evaluate 18-Inch Cast Iron Pipe Under Railroad	-	-	-	-	-
Cvag Arts & Music Line Improvements On Avenue 48	-	-	-	-	-
Cctv Van Communication Cable Replacement	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Design	-	-	-	-	-
Avenue 48 Sewer Main Upgrade Construction	-	-	-	-	-
Interim Collection System Cip Design	-	-	-	-	-
Interim Collection System Cip Construction	-	-	-	-	-
Build-Out Collection System Cip Projects	-	-	-	-	-
Future Collection Projects	500,000	500,000	500,000	500,000	500,000
SUBTOTAL - COLLECTIONS	**$ 972,000**	**$ 1,015,000**	**$ 1,015,000**	**$ 1,015,000**	**$ 1,015,000**
CONTINGENCY	$ 250,000	$ 250,000	$ 250,000	$ 275,000	$ 275,000
TOTAL	**$ 151,053,233**	**$ 4,115,000**	**$ 4,115,000**	**$ 4,140,000**	**$ 4,140,000**

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0001 Recurring Project

Project Name: Vehicle and Equipment Replacement Fund

Category: Equipment – Heavy Duty
Vehicle – Truck, Heavy Duty (Hydro, Vactor, Dump, etc.)

Sub-Category: Replacement

Project Description: This fund is used to replace District vehicles and significant, higher-cost equipment. The annual contribution is based on data collected on all vehicles and equipment using a 10 to 20-year replacement schedule. The total cost is calculated over a 20-year window using an estimated inflation percentage. List purchases for each year.

Project Justification: This fund is necessary in order to maintain an efficient vehicle fleet and equipment to proper specifications.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 825,000
Total			$ 825,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0002 Recurring Project

Project Name: Lateral Grant Program

Category: Infrastructure – Sewer Lines

Sub-Category: Replacement – Private Lateral

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

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 50,000
Total			$ 50,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0003 Recurring Project

Project Name: Sewer Repairs and/or Rehabilitation

Category: Infrastructure – Sewer Lines

Sub-Category: Emergency Repairs

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

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 130,000
Total			$ 130,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 21-0004 Recurring Project

Project Name: Contingency for Emergency Repairs

Category: Improvements – General

Sub-Category: Emergency Repairs

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

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 50,000
12 Replacement Fund	12-8660000-0	2026/27	$ 100,000
12 Replacement Fund	12-8680000-0	2026/27	$ 50,000
Total			$ 200,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 23-0002

Project Name: Concrete Repairs to ASP Plant

Category: Improvements – General

Sub-Category: Rehabilitation / Improvement

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

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-28

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-866000-00	2026/27	$ 150,000
Total			$ 150,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0003

Project Name: Flowmeter Replacements for RAS and Primary Sludge

Category: Improvement – General

Sub-Category: Replacement

Project Description: Replace flowmeters for the RAS Station and the Primary Sludge System.

Project Justification: The flowmeters are at the end of their useful life and need to be replaced.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 20,000
Total			$ 20,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0005

Project Name: Upgrade District Security Cameras

Category: Improvement – General

Sub-Category: Rehabilitation / Improvement

Project Description: Upgrade District Security Cameras.

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 200,000
Total			$ 200,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 24-0006

Project Name: Biosolids Conversion Project - Design

Category: Improvement – General

Sub-Category: Rehabilitation / Improvement

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

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-86430000-0	2026/27	$ 300,000
Total			$ 300,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 25-0005

Project Name: Emergency Response Trailer

Category: Vehicle – Trailer

Sub-Category: Expansion

Project Description: The purchase of an Emergency Response Trailer for storage of essential equipment and parts for use during an emergency.

Project Justification: This is a regulatory requirement under the Waste Discharge Requirements General Order of the State of California.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 50,000
Total			$ 50,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0001

Project Name: Digester #2 Cleaning and Equipment Maintenance

Category: Improvement – General

Sub-Category: Rehabilitation / Improvement

Project Description: Cleaning Digester #2 and maintenance of pumps & valves

Project Justification: Digester #2 has been in service for over 10 years. Digesters should be cleaned every 10 years. Several valves and pumps associated with Digester #2 need maintenace and/or replacement.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 1,500,000
Total			$ 1,500,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0006

Project Name: SCADA Evaluation and Upgrade

Category: Improvement – General

Sub-Category: Upgrade

Project Description: SCADA Evaluation and Upgrade

Project Justification: Upgrade the SCADA System to the latest version of Ignition software.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement	12-86600000-0	2025/26	$ 150,000
Total			$ 150,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0010

Project Name: Install Large Vehicle Shade Structure near Drying Bed

Category: Buildings – General Structures

Sub-Category: Expansion

Project Description: Install Large Vehicle Shade Structure near Drying Bed

Project Justification: Shade structure is needed to protect heavy equipment from sun exposure. Tires, seats, joysticks, etc. sitting in the sun without cover will lead to earlier replacement costs.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 250,000
Total			$ 250,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0011

Project Name: Additional Parking for VSD Staff

Category: Buildings – General Structures

Sub-Category: Expansion

Project Description: Additional Parking for VSD Staff

Project Justification: Additional parking is needed to accommodate the growing number of customers, staff, vendors and visitors. The current lot has reached capacity when all staff is present.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 250,000
Total			$ 250,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0012

Project Name: Evaluate 18-inch cast iron pipe under railroad

Category: Infrastructure – Sewer Lines

Sub-Category: Rehabilitation / Improvement

Project Description: Evaluate the 18-inch cast iron under railroad

Project Justification: The 18-inch cast iron pipe under the UP Railroad is 75 years old. The pipe is such that it cannot be inspected with our CCTV equipment. The pipe needs to be evaulated in order to determine if it needs to be replaced or rerouted.

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 300,000
Total			$ 300,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 26-0013

Project Name: Biosolids Conversion Project - Construction

Category: Improvement – General

Sub-Category: Rehabilitation / Improvement

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

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

Project Schedule:

Start Date	Completion Date
Jul-25	Jun-28

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
13 Capital Improvement	13-86430000-0	2026/27	$ 2,103,000
Total			$ 2,103,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0001

Project Name: District – Wide Phone System Upgrade and Modernization

Category: Software

Sub-Category: Replacement

Project Description: The District will replace its existing phone system with a modern, cloud-based Voice over Internet Protocol (VoIP) communication platform. The project includes the procurement and installation of new handsets, system licensing, configuration, call routing design, voicemail-to-email integration, mobile/remote capabilities, emergency notification features, and staff training.

Project Justification: The District's current phone system is aging, increasingly difficult to maintain, and lacks the functionality, flexibility, and security required to support modern public agency operations. As hardware and software approach end-of-life status, the risk of service interruption, repair delays, and compatibility issues increases.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 40,000
Total			$ 40,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0002

Project Name: Board Room Rehabilitation Project

Category: Furniture – Office Fixtures

Sub-Category: Replacement

Project Description: The Board Room Rehabilitation Project consists of a comprehensive modernization of the District's Board Room to enhance functionality, accessibility, and technological capabilities for public meetings and internal operations. The project includes:

- Installation of a new audio and video recording system to support live streaming, archival recording, and improved sound clarity.
- Replacement of the existing conference/Board table to improve layout, cable management, and technology integration.
- Replacement of Board and audience seating to enhance ergonomics, safety, and professional appearance.

Project Justification: The District's Board Room serves as the primary venue for governance, policy decisions, financial oversight, public hearings, and community engagement. As the central hub for Board and executive leadership functions, it is essential that the space supports operational efficiency.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 60,000
Total			$ 60,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0003

Project Name: ERP Purchasing & Procurement Module Implementation

Category: Software

Sub-Category: Expansion

Project Description: The District proposes to implement a comprehensive Purchasing and Procurement Enterprise Resource Planning (ERP) module. This software solution will modernize and automate the District's full purchasing lifecycle—from requisition to payment—while strengthening internal controls, budget oversight, and financial transparency.

Project Justification: Automating the purchasing lifecycle will:

•Reduce manual paperwork and email-based approvals
•Minimize invoice discrepancies
•Decrease processing time for purchase orders and payments
•Improve coordination between departments

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 30,000
Total			$ 30,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0004

Project Name: Contact Chamber Secondary Water Piping Replacement

Category: Infrastructure – Treatment Plant

Sub-Category: Replacement

Project Description: The secodary water lines around the chlorine contact chamber are in need of repair and replacement.

Project Justification: The existing pipelines are heavily corroded due to the presence of chlorine.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 300,000
Total			$ 300,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0005

Project Name: Replace Moyno Sludge Pumps

Category: Infrastructure – Treatment Plant

Sub-Category: Replacement

Project Description: Replace two (2) existing Moyno sludge pumps located adjacent to the sludge holding tank.

Project Justification: The existing pumps currently require frequent maintenance given their current usage. The pumps will need increased maintenance once the District shifts to biosolids handling seven (7) days a week.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 75,000
Total			$ 75,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0006

Project Name: Treatment Plant Asphalt Improvements

Category: Improvements – General

Sub-Category: Rehabilitation / Improvement

Project Description: Add new asphalt and concrete paving to additional areas of the tretament plant.

Project Justification: Adding additional paved sections arount the treatment plant will facilitate vehicle access to crucial and frequently visited parts of the facility as well as act as dust and erosion control.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 300,000
Total			$ 300,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0007

Project Name: CCTV Van Communication Cable Replacement

Category: Vehicle – Truck, Light Duty

Sub-Category: Replacement

Project Description: Replace the existing communication cable in the CCTV van used to operate the camera crawler.

Project Justification: The existing cable is damaged from age and use and is in need of replacement to ensure proper operation during recording.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 15,000
Total			$ 15,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0008

Project Name: CVAG Arts and Music Line Improvements on Ave 48

Category: Infrastructure – Manholes

Sub-Category: Rehabilitation / Improvement

Project Description: Increase the grade for 105 manholes on Avenue 48 where CVAG is constructiong their new Arts and Music Line project.

Project Justification: The District's manholes will have to be adjusted to grade to meet the new finished grade of the reconstructed Avenue 48.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-28

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 250,000
Total			$ 250,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0009

Project Name: Concrete Pad for Trash Dump Roll Off

Category: Improvements – General

Sub-Category: Rehabilitation / Improvement

Project Description: Install a new concrete pad for the trash dump roll off area.

Project Justification: The current trash dump roll of area does not have a concrete pad which leads to difficulty removing debris from the area.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 15,000
Total			$ 15,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0010

Project Name: Collection System Repairs/Rehabilitation/Replacement Design

Category: Infrastructure – Sewer Lines

Sub-Category: Rehabilitation/Improvement

Project Description: This is a 10-year repair, rehabilitation and replacement program for the collection system. The purpose of this project is to repair, rehabilitate, replace and/or realign aging or defective pipelines and/or segments projected to reach capacity within the foreseeable future.

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

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-36

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8632000-0	2026/27	$ 782,000
Total			$ 782,000

FY 2025/26 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0011

Project Name: New Campus Design and Construction

Category: Buildings – Office Buildings

Sub-Category: Expansion

Project Description: Design for a new building campus replacing the existing office and lab buildings.

Project Justification: The District is need of additional office space to meet staffing needs. The current laboratory is inadequate and cannot maintain proper temperature and humidity as required by lab standards. It will cost more to repair the current lab than to replace it.

Project Schedule:

Start Date	Completion Date
Jul -26	Jun-31

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8680000-0	2026/27	$ 10,500,000
Total			$ 10,500,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0012

Project Name: Install Riser on Primary Sludge Line

Category: Improvements – General

Sub-Category: Rehabilitation / Improvement

Project Description: Install a new riser on the existing primary sludge line.

Project Justification: Adding a new riser to the existing line will facilitate the repair and maintenance of the existing main sewer line.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 10,000
Total			$ 10,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0013

Project Name: WRF Master Plan Condition Assessment Improvements

Category: Improvements – General

Sub-Category: Rehabilitation / Improvement

Project Description: Perform various improvements to existing treatment plant assets according to the WRF master plan recommendations.

Project Justification: The master plan identified several areas across the treatment plant that are in need of rehabilitation to ensure smooth operation and longevity of existing assets.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 500,000
Total			$ 500,000

FY 2026/27 Capital Expenditures
Valley Sanitary District
Capital Project Justification

Project Number: 27-0014

Project Name: 1 MGD Tertiary Treatment Facility Design

Category: Infrastructure – Treatment Plant

Sub-Category: Expansion

Project Description: Design a new tertiary treatment facility capable of procuding 1 MGD of tertiary water for selling to future buyers.

Project Justification: The feasibility study completed in the previous fiscal year was approved by the Bureau of Reclamation and the State Water Resources Control Board so design for the new facility can commense based on the report's findings and recommendations.

Project Schedule:

Start Date	Completion Date
Jul-26	Jun-27

Project Funding Sources (Requested):

Fund Type	GL No.	Fiscal Year	Amount
12 Replacement Fund	12-8660000-0	2026/27	$ 500,000
Total			$ 500,000





Valley Sanitary District

"Safeguarding community health and sustainability, as we have done for over 100 years."

To learn more about our wastewater treatment facility, visit our website by scanning the QR code!

(760) 238-5400 | 45-500 Van Buren Street Indio, CA 92201 | www.valley-sanitary.org

ITEM 8.2
ACTION

Valley Sanitary District

DATE: June 9, 2026

TO: Board of Directors

FROM: Jeanette Juarez, Chief Administrative Officer

SUBJECT: AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR CYBER LIABILITY INSURANCE IN AN AMOUNT NOT TO EXCEED $16,406

Suggested Action
Approve

Strategic Plan Compliance
GOAL 6: Improve Planning, Administration and Governance

Fiscal Impact
The financial impact of $16,406 is included in the proposed operating budget for the fiscal year 2026/27.

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

Background
Cyber liability insurance is essential for businesses as it provides financial protection against the growing and costly threats of cyberattacks and data breaches. George Peterson Insurance has provided a cover letter detailing the proposed coverage, which is included with this report. The invoice is also attached for review.

The proposed renewal period is from July 1, 2026, to June 30, 2027, with a total premium of $16,406.

Recommendation
Authorize the General Manager to negotiate and execute a contract with George Peterson Insurance

Agency for the purchase of the Cyber Liability Policy in an amount not to exceed $16,406.

Attachments

8.2 Attachment A VSD Cyber Quote Cover Letter.PDF
8.2 Attachment B VSD Cyber Rnl Quote.Pdf

George Petersen Insurance Agency

June 3, 2026

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

Dear Jeanette:

Enclosed is the quote for your Cyber Liability coverage, which renews July 1, 2026.

Coverage is through Underwriters at Lloyds, an A+:XV rated, non-admitted carrier.

This is the CFC program through Lloyds, and offers the following coverages:

CYBER INCIDENT RESPONSE	
Incident Response Costs	$2,000,000
Legal and Regulatory Costs	$2,000,000
Security and Forensic Costs	$2,000,000
Crisis Communication Costs	$2,000,000
Privacy Breach Management Costs	$2,000,000
Third Party Privacy Breach Mgmt Costs	$2,000,000
Post Breach Remediation Costs	$ 50,000
CYBER CRIME	
Funds Transfer Fraud	$250,000
Theft of Funds Held in Escrow	$250,000
Theft of Personal Funds	$250,000
Extortion (including Ransomware)	$2,000,000
Corporate Identity Theft	$250,000
Telephone Hacking	$250,000
Push Payment Fraud	$50,000
Unauthorized Use of Corporate Resources	$250,000
SYSTEM DAMAGE/BUSINESS INTERRUPTION	
System Damage/Rectification Costs	$2,000,000
Income Loss/Extra Expense	$2,000,000
Additional Extra Expense	$100,000
Consequential Reputational Harm	$2,000,000
Claim Preparation Costs	$25,000
Hardware Replacement Costs	$2,000,000
NETWORK SECURITY & PRIVACY LIABILITY	
Network Security Liability	$2,000,000
Privacy Liability	$2,000,000
Regulatory Fines	$2,000,000

MEDIA LIABILITY

Defamation	$2,000,000
Intellectual Property Rights Infringement	$2,000,000

The policy is written on a Claims-Made basis.

The renewal premium is $16,405.62, about the same as last year ($16,378.24). Below is a breakdown of the premium, taxes and fees:

Annual Premium:	$15,325.00
Policy Fee:	$ 575.00
Surplus Lines Taxes/Fees:	$ 505.62
Total Annual Premium:	$16,405.62

To bind coverage, please confirm that you have downloaded and registered the incident response mobile app, details of which are in the attached brochure. Our invoice for the renewal premium of $16,405.62 is also attached.

Please review and let me know if you would like to discuss. Thank you for allowing me to provide this quote for you.

Sincerely,

Peter Potente

Why choose **CFC cyber?**

Find out why CFC's market-leading cyber insurance products are trusted by over 100,000 businesses around the globe to help protect them against cyber risk.

Broad cyber coverage

Covering a range of attacks and incidents, including:

- **Unlimited reinstatements with nil deductible,** where you'll pay either none, or only single deductible, no matter how many cyber incidents we respond to.
- **Proactive cyber attack prevention** contractually embedded into the insurance product as a world first.
- **Business interruption** includes full limits for systems failure events, lost or missed bids, data recreation cover and emergency continuity costs.
- **Interim payments** for business interruption losses prior to the final adjustment.
- **Extensive crime coverage,** including invoice manipulation, theft of client funds and physical goods.
- **Affirmative coverage** for AI, contingent bodily injury, extortion response costs and more.

Largest in-house incident response and claims team

- **+200 incident response experts** situated around the globe to offer 24x7x365 support.
- **Specifically trained** to triage, remediate and recover businesses from cyber attacks.
- **Regionally specialized claims team** —who have a deep understanding of your local jurisdiction.

Cyber attack prevention services—as standard

Working to protect you from cyber attacks—helping to prevent a claim, before it happens.

- Starts the day you bind, working throughout the policy period.
- Included as standard, at no extra cost.
- Using a range of advanced cyber security tools and technology to identify threats and alert you to those that matter.

99.1% cyber claims acceptance rate*

- Giving you the confidence and peace of mind that your largest business risk will be covered.
- Providing you with a comprehensive product that covers what it says it will.

25 years' cyber experience

- As one of the **longest running cyber providers,** you can trust we work to put your business first.
- The largest in-house cyber team in the market, who offer a **streamlined and efficient process** from underwriting and cyber security to incident response and claims.

Based on the last 12 months of cyber claims.

Note: Incident response services are provided by an affiliate of CFC Underwriting Ltd, trading under the name CFC Response.

Cyber attack prevention and remediation

A CFC cyber policy offers protective services working to help prevent attacks from happening in the first place. If an incident does occur, our expert technical team will help get you back online, fast.

Proactive cyber attack prevention

Working to protect you from cyber incidents.

We supplement your existing cyber security programme by assessing your businesses' attack surface to understand what we're protecting. Then work around the clock, seeking to identify threats and risks that could impact your businesses—only alerting you to those threats that matter.

Using a range of advanced cyber security tools:

Threat intelligence

We partner with government and private threat intelligence organizations to receive and **analyze information about cyber threats** targeting your business.

Threat hunting

Our cyber threat analysts **actively search the dark web** and hacker forums for compromised customer credentials and any other malicious activity.

Vulnerability scanning

We actively **scan insureds for known vulnerabilities** and cyber risks that have a high correlation to claims.

Real-time claims data

We use our own proprietary claims data to help **identify attack trends** and potential threats.

Expert incident response and cyber claims

Helping to get you back online, fast.

If we alert you to malicious activity in your system, or you notify us of something, our in-house team are trained to:

Triage

Once notified, **we'll be in touch within 15 mins*** to assess the situation and identify the necessary resources to address the incident.

Contain

Our team of cyber security engineers, forensic specialists and incident responders will **contain and remediate the incident**. If needed, we'll partner with third-party specialists.

Recover

Once contained, our incident response and claims team work closely together to rebuild systems, reconstitute data and **get your business back up and running.**

Response app

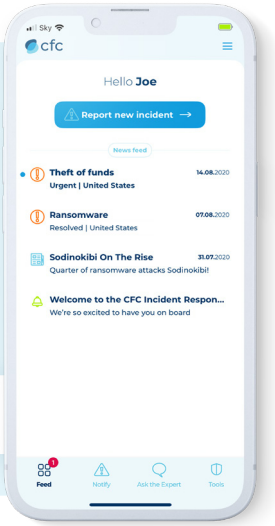
Our award-winning mobile app offers free exclusive cyber security tools and access to technical support 24/7. Helping you get the most out of our preventative and responsive cyber services.

- **Most secure line of communication** with our expert cyber security team.
- Fastest **way to alert us** of an incident.
- Receive personalized critical **cyber threat alerts.**

Download today to get the most out of your cyber policy.

GET IT ON Google Play

Download on the App Store



*For notifications that come through our app, Response or via phone.

Note: Incident response services are provided by an affiliate of CFC Underwriting Ltd, trading under the name CFC Response.

INDICATION OF TERMS

REFERENCE NUMBER:	7216710
COMPANY NAME:	Valley Sanitary District
TOTAL PAYABLE:	USD15,900.00
Premium breakdown:	
Cyber & Privacy:	USD12,833.00
Cyber Crime:	USD2,492.00
TRIA:	USD0.00
Policy Administration Fee:	USD575.00
BUSINESS OPERATIONS:	Wastewater Treatment Facility
LEGAL ACTION:	Worldwide
TERRITORIAL SCOPE:	Worldwide
AGGREGATE DEDUCTIBLE:	USD10,000.00 in the aggregate
REPUTATIONAL HARM PERIOD:	12 months
INDEMNITY PERIOD:	12 months
TIME FRANCHISE:	8 hours
WORDING:	Cyber Proactive Response v4.0
ENDORSEMENTS:	Complaints notice (California) Policyholder Disclosure Notice Of Terrorism Insurance Coverage RT Specialty Special Amendatory Clause
SUBJECTIVITIES:	This quote is subject to the following being provided by the stated deadline: 1. Satisfactory confirmation that you have downloaded & registered our incident response mobile app, details of which can be found with your policy documents. (30 days post binding)
POLICY PERIOD:	12 months
DATE OF ISSUE:	19 May 2026
OPTIONAL EXTENDED REPORTING PERIOD:	12 months for 100% of applicable annualized premium
SECURITY:	Certain underwriters at Lloyd's and other insurers
UNDERWRITER:	George Potter
ADDITIONAL NOTES:	

THIS INDICATION OF TERMS IS ONLY VALID FOR 30 DAYS FROM THE DATE OF ISSUE

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PLEASE REFER TO THE FOLLOWING PAGES FOR A FULL BREAKDOWN OF LIMITS, RETENTIONS AND APPLICABLE CLAUSES

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DECLARATIONS

INSURING CLAUSE 1: CYBER INCIDENT RESPONSE

SECTION A: INCIDENT RESPONSE COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION B: LEGAL AND REGULATORY COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION C: IT SECURITY AND FORENSIC COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION D: CRISIS COMMUNICATION COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION F: THIRD PARTY PRIVACY BREACH MANAGEMENT COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION G: POST BREACH REMEDIATION COSTS

Limit of liability:	USD50,000	each and every claim, subject to a maximum of 10% of all sums **we** have paid as a direct result of the **cyber event**

INSURING CLAUSE 2: CYBER CRIME

SECTION A: FUNDS TRANSFER FRAUD

Limit of liability:	USD250,000	each and every claim

SECTION B: INVOICE MANIPULATION

Limit of liability:	USD250,000	each and every claim

SECTION C: NEW VENDOR FRAUD

Limit of liability:	USD250,000	each and every claim

SECTION D: PHYSICAL GOODS FRAUD

Limit of liability:	USD250,000	each and every claim

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SECTION E: THEFT OF PERSONAL FUNDS

Limit of liability:	USD250,000	each and every claim

SECTION F: CORPORATE IDENTITY THEFT

Limit of liability:	USD250,000	each and every claim

SECTION G: THEFT OF FUNDS HELD IN ESCROW

Limit of liability:	USD250,000	each and every claim

SECTION H: THEFT OF CLIENT FUNDS

Limit of liability:	USD50,000	each and every claim

SECTION I: CUSTOMER PAYMENT FRAUD

Limit of liability:	USD50,000	each and every claim

SECTION J: TELEPHONE HACKING

Limit of liability:	USD250,000	each and every claim

SECTION K: UNAUTHORIZED USE OF COMPUTER RESOURCES

Limit of liability:	USD250,000	each and every claim

INSURING CLAUSE 3: CYBER EXTORTION

Limit of liability:	USD2,000,000	each and every claim

INSURING CLAUSE 4: SYSTEM DAMAGE AND BUSINESS INTERRUPTION

SECTION A: SYSTEM DAMAGE AND RECTIFICATION COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION B: HARDWARE REPLACEMENT COSTS

Limit of liability:	USD2,000,000	each and every claim

SECTION C: INCOME LOSS AND EXTRA EXPENSE

Limit of liability:	USD2,000,000	each and every claim

SECTION D: EMERGENCY AND ADDITIONAL OPERATIONAL CONTINUITY COSTS

Limit of liability:	USD100,000	each and every claim

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SECTION E: VOLUNTARY AND REGULATORY SHUTDOWN

Limit of liability:	USD2,000,000	each and every claim

SECTION F: DEPENDENT BUSINESS INTERRUPTION

Limit of liability:	USD2,000,000	each and every claim

SECTION G: CONSEQUENTIAL REPUTATIONAL HARM

Limit of liability:	USD2,000,000	each and every claim

SECTION H: LOST OR MISSED BIDS

Limit of liability:	USD2,000,000	each and every claim

SECTION I: CLAIM PREPARATION COSTS

Limit of liability:	USD25,000	each and every claim

INSURING CLAUSES 5 AND 7 - 9 COMBINED

Aggregate limit of liability:	USD2,000,000	in the aggregate

INSURING CLAUSE 5: NETWORK SECURITY & PRIVACY LIABILITY

SECTION A: NETWORK SECURITY LIABILITY

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION B: PRIVACY LIABILITY

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION C: MANAGEMENT LIABILITY

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION D: REGULATORY FINES, PENALTIES AND INVESTIGATION COSTS

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION E: PCI FINES, PENALTIES AND ASSESSMENTS

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION F: CONTINGENT BODILY INJURY

Aggregate limit of liability:	USD250,000	in the aggregate, including **costs and expenses**

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INSURING CLAUSE 6: CRIMINAL REWARD COVER

Limit of liability:	USD100,000	each and every claim

INSURING CLAUSE 7: MEDIA LIABILITY

SECTION A: DEFAMATION

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

Aggregate limit of liability:	USD2,000,000	in the aggregate, including **costs and expenses**

INSURING CLAUSE 8: TECHNOLOGY ERRORS AND OMISSIONS

NO COVER GIVEN

INSURING CLAUSE 9: COURT ATTENDANCE COSTS

Aggregate limit of liability:	USD100,000	in the aggregate

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OUR REGULATORY STATUS

CFC Underwriting Limited is authorized and regulated by the United Kingdom Financial Conduct Authority (FCA). CFC Underwriting Limited's Firm Reference Number at the FCA is 312848. These details may be checked by visiting the Financial Conduct Authority website at https://register.fca.org.uk/. Alternatively, the Financial Conduct Authority may be contacted on +44 (0)20 7066 1000.

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations to you in respect of insurance policies that we have underwritten on behalf of insurers. This depends on the type of business and the circumstances of the claim. In respect of general insurance business the FSCS will cover 90% of the claim, without any upper limit and for compulsory classes of insurance, the FSCS will cover 100% of the claim, without any upper limit. Further information about compensation scheme arrangements is available from the FSCS.

HOW TO COMPLAIN - CALIFORNIA

We intend to provide an excellent service to you. However, we recognize that there may be occasions when you feel that this has not been achieved. If you are unhappy with any aspect of the service that you receive from us, please contact CFC stating the nature of your complaint, the certificate and/or claim number.

You can contact us directly at complaints@cfc.com or please write to:

The Managing Director
CFC Underwriting Limited
11th Floor, 8 Bishopsgate
London EC2N 4BQ
United Kingdom

Alternatively, you may wish to contact the Lloyd's Complaints Department.

The address of the Complaints team at Lloyd's is:

Lloyd's Complaints Department
c/o Lloyd's America Inc
280 Park Avenue
East Tower, 25th Floor
New York, NY, 10017
USA

Telephone: 1-844-849-7828
E-mail: complaints@lloyds.com

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

The California Department of Insurance should be contacted only after discussions with the insurer, its agent, or representative, have failed to produce a satisfactory resolution. You may contact the California Department of Insurance to obtain information on your rights or make a complaint at:

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Consumer Hotline
1-800-927-4357 (HELP)

TDD Number
1-800-482-4833 (TTY)

California Department of Insurance
Consumer Services Division
300 South Spring Street, South Tower
Los Angeles, CA 90013

The existence of this complaints procedure does not affect your right to commence a legal action or an alternative dispute resolution proceeding in accordance with your contractual rights.

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DATA PROTECTION NOTICE

We collect and use relevant information about you to provide you with your insurance cover or the insurance cover that benefits you and to meet our legal obligations. Where you provide us or your agent or broker with details about other people, you must provide this notice to them.

The information we collect and use includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include more sensitive details such as information about your health and any criminal convictions you may have.

In certain circumstances, we may need your consent to process certain categories of information about you (including sensitive details such as information about your health and any criminal convictions you may have). Where we need your consent, we will ask you for it separately. You do not have to give your consent and you may withdraw your consent at any time. However, if you do not give your consent, or you withdraw your consent, this may affect our ability to provide the insurance cover from which you benefit and may prevent us from providing cover for you or handling your claims.

The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

We will process individual insured's details, as well as any other personal information you provide to us in respect of your insurance cover, in accordance with our privacy notice and applicable data protection laws.

To enable us to use individual insured's details in accordance with applicable data protection laws, we need you to provide those individuals with certain information about how we will use their details in connection with your insurance cover.

You agree to provide to each individual insured this notice, on or before the date that the individual becomes an individual insured under your insurance cover or, if earlier, the date that you first provide information about the individual to us.

We are committed to using only the personal information we need to provide you with your insurance cover. To help us achieve this, you should only provide to us information about individual insureds that we ask for from time to time.

You have rights in relation to the information we hold about you, including the right to access your information. If you wish to exercise your rights, discuss how we use your information or request a copy of our full privacy notice, please contact us directly at dataprotection@cfc.com.

For more information about how we use your personal information please see our full privacy notice, which is available online on our website at:

http://www.cfc.com/privacy

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OTHER COSTS, FEES AND CHARGES

A Policy Administration Fee may be charged by CFC Underwriting Limited for administration costs incurred by it for its role in the distribution of this policy. Any applicable Policy Administration Fee:

a. is separate from and in addition to the premium stated in the Declarations page; and

b. constitutes a separate agreement between the Insured stated in the Declarations page and CFC Underwriting Limited which will come into effect upon inception of the policy.

If a Policy Administration Fee is applicable then it will be deemed fully earned upon inception of this policy and it will not be refundable in the event this policy is cancelled in accordance with the terms and conditions of this policy

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POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

ATTACHING TO POLICY NUMBER: N/A
THE INSURED: Valley Sanitary District
WITH EFFECT FROM: -

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

The Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is USD0.00 and does not include any charges for the portion of losses covered by the United States government under the Act.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

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RT SPECIALTY SPECIAL AMENDATORY CLAUSE

ATTACHING TO POLICY NUMBER: N/A
THE INSURED: Valley Sanitary District
WITH EFFECT FROM: -

It is understood and agreed that the following amendments are made to the Declarations page:

1. The time period shown as the "TIME FRANCHISE" is deleted in its entirety and replaced with the following:
   TIME FRANCHISE: 6 hours

2. The duration and premium stated as the "OPTIONAL EXTENDED REPORTING PERIOD" are deleted in their entirety and replaced with the following:
   12 months for 100% of applicable annualized premium
   24 months for 160% of applicable annualized premium
   36 months for 200% of applicable annualized premium
   48 months for 225% of applicable annualized premium
   60 months for 250% of applicable annualized premium
   72 months for 275% of applicable annualized premium

3. SECTION G: POST BREACH REMEDIATION COSTS of INSURING CLAUSE 1 is deleted in its entirety and replaced with the following:

   SECTION G: POST BREACH REMEDIATION COSTS
   Limit of liability: USD75,000 each and every claim

4. SECTION I: CLAIMS PREPARATION COSTS of INSURING CLAUSE 4 is deleted in its entirety and replaced with the following:

   SECTION I: CLAIMS PREPARATION
   Limit of liability: USD50,000 each and every claim

5. The following SECTIONS are added to INSURING CLAUSE 4:

   SECTION: NON-TECH DEPENDENT BUSINESS INTERRUPTION
   Limit of liability: USD1,000,000 each and every claim

   SECTION: CONTINGENT PROPERTY DAMAGE
   Limit of liability: USD250,000 each and every claim

6. The following SECTIONS are added to INSURING CLAUSE 5:

   SECTION: CORRECTIVE ACTION PLAN COSTS
   Aggregate limit of liability: USD50,000 in the aggregate, including costs and expenses

   WRONGFUL COLLECTION AND USE OF PERSONAL DATA AND DATA PRIVACY REGULATORY INVESTIGATIONS SECTIONS COMBINED

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Aggregate limit of liability:	USD50,000	in the aggregate, including costs and expenses

SECTION: WRONGFUL COLLECTION AND USE OF PERSONAL DATA

Aggregate limit of liability:	USD50,000	in the aggregate, including costs and expenses

SECTION: DATA PRIVACY REGULATORY INVESTIGATION

Aggregate limit of liability:	USD50,000	in the aggregate, including costs and expenses

7. INSURING CLAUSE 9: COURT ATTENDANCE COSTS is deleted in its entirety and replaced with the following:

INSURING CLAUSE 9: COURT ATTENDANCE COSTS

Aggregate limit of liability:	USD1,000,000	in the aggregate, sub-limited to USD3,000 per day

It is further understood and agreed that the following amendments are made to this Policy:

1. INSURING CLAUSE 1 (SECTION D only) is deleted in its entirety and replaced with the following:

SECTION D: CRISIS MANAGEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event** or **system failure** first discovered by **you** during the **period of the policy** to:

a. engage with a crisis communications consultant to obtain specific advice in direct relation to the **cyber event** or **system failure**;

b. coordinate media relations in response to the **cyber event** or **system failure**;

c. receive training for relevant spokespeople with respect to media communications in direct relation to the **cyber event** or **system failure**; and

d. formulate a crisis communications plan in order to reduce damage to **your** brand and reputation as a direct result of the **cyber event** or **system failure**.

2. INSURING CLAUSE 1 (SECTION E only) is deleted in its entirety and replaced with the following:

SECTION E: PRIVACY BREACH MANAGEMENT COSTS

We agree to pay on **your** behalf any reasonable sums necessarily incurred by **you**, or on **your** behalf, as a direct result of a **cyber event**

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first discovered during the **period of the policy** to:

a. print and post appropriate notices for any individual affected by the actual or suspected **cyber event** or to send e-mail notices or issue substitute notices, including any privacy breach notification that **you** are not legally obliged to make;

b. provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals;

c. set up a call center to manage inbound and outbound calls in direct relation to the **cyber event**;

d. provide translation services to manage communications with affected or potentially affected individuals;

e. issue appropriate notices, via a method determined by us, to any individuals other than those stated in a. above that are requested by **you** and agreed to by **us** (**our** agreement will not be unreasonably withheld); and

f. freeze the credit of any affected individual and subsequently remove that credit freeze.

3. The first paragraph of **INSURING CLAUSE 3: CYBER EXTORTION** is deleted in its entirety and replaced with the following:

   We agree to pay on behalf of the **company** any ransom (including ransoms paid in fiat currency, cryptocurrency or in the form of tangible property) in response to an extortion demand made against **you** and first discovered by **you** during the **period of the policy** as a direct result of any actual or threat of:

4. The final line of **INSURING CLAUSE 4** (**SECTION A** only) is deleted in its entirety and replaced with the following:

   reasonably and necessarily incurred as a direct result of any loss or damage to the data application components of **your computer systems**, where the loss or damage is first discovered by **you** during the **period of the policy**.

5. **INSURING CLAUSE 4** (**SECTION I** only) is deleted in its entirety and replaced with the following:

   SECTION I: CLAIM PREPARATION COSTS

   We agree to pay on **your** behalf any reasonable sums necessarily incurred to determine the amount of **your income loss** sustained following an interruption to **your business operations** covered under **INSURING CLAUSE 4**. **We** will only pay these costs where they are incurred with an expert appointed by the **claims manager** that is agreed between **you** and **us**.

6. The following **SECTIONS** are added to **INSURING CLAUSE 4**:

   SECTION: NON-TECH DEPENDENT BUSINESS INTERRUPTION

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We agree to reimburse **you** for **your income loss** and **extra expense** sustained during the **indemnity period** as a direct result of an interruption to **your business operations** arising directly out of any sudden, unexpected and continuous outage of computer systems used directly by a **non-tech supply chain partner** first discovered by **you** during the **period of the policy**, provided that the computer systems downtime lasts longer than the **time franchise** and arises directly out of any **cyber event**, **system failure** or **operator error**.

SECTION: CONTINGENT PROPERTY DAMAGE

We agree to reimburse **you** for any reasonable sums necessarily incurred:

a. to repair or rebuild **your premises**;

b. to repair or replace **your contents** and **stock**;

c. for electronic data restoration;

d. to make temporary repairs to, expedite permanent repairs for, or expedite permanent replacement of, your premises or contents and stock;

e. to remove any debris; and

f. for professional services including architects, surveyors and engineers

as a direct result of physical damage to **your premises** or **contents** and **stock** first occurring during the **period of the policy** and caused by a **cyber event**.

However, **we** will not make any payment under this Section for which **you** are entitled to indemnity under any other insurance, except for any additional sum which is payable over and above the other insurance.

7. The following is added to **INSURING CLAUSE 5** (**SECTION D** only):

   The insurability of the fines and penalties will be determined in accordance with the most favorable State law.

8. **INSURING CLAUSE 5** (**SECTION E** only) is deleted in its entirety and replaced with the following:

   SECTION E: PCI FINES, PENALTIES AND ASSESSMENTS

   We agree to pay on **your** behalf any fines, penalties and card brand assessments including fraud recoveries, operational reimbursements, non-cooperation costs, card reissuance costs and case management fees, which **you** become legally obliged to pay to **your** acquiring bank or payment processor as a direct result of a payment card breach first discovered by **you** during the **period of the policy**.

   We will also pay costs and expenses on **your** behalf.

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9. The following **SECTIONS** are added to **INSURING CLAUSE 5**:

   SECTION: CORRECTIVE ACTION PLAN COSTS

   We agree to pay on **your** behalf any sums necessarily incurred with the **claims manager** in order to meet any of the following requirements specified within a corrective action plan agreed by **you** with the OCR as a direct result of a **cyber event** first discovered by **you** during the **period of the policy**:

   a. the development of a Health Insurance Portability and Accountability Act (HIPAA) of 1996 compliant information security document set;

   b. complete a HIPAA compliance audit;

   c. the costs associated with completing an information security risk assessment; and

   d. the costs associated with the implementation of a security awareness training program.

   SECTION: WRONGFUL COLLECTION AND USE OF PERSONAL DATA

   We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including the establishment of any consumer redress fund and associated expenses) as a result of any **claim** first made against **you** during the **period of the policy** arising directly out of any non-compliance with any **data privacy regulation**.

   We will also pay costs and expenses on **your** behalf.

   SECTION: DATA PRIVACY REGULATORY INVESTIGATION

   We agree to pay on **your** behalf any fines and penalties resulting from a **regulatory investigation** first initiated against **you** during the **period of the policy** arising as a direct result of any non-compliance with any **data privacy regulation**.

   We will also pay costs and expenses on **your** behalf.

10. **INSURING CLAUSE 7** (**SECTION B** only) is deleted in its entirety and replaced with the following:

    SECTION B: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

    We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** or any applicable optional extended reporting period for any:

    a. infringement of any intellectual property rights, including, but not limited to, copyright, trademark, trade dilution, trade dress, commercial rights, design rights, domain name rights, image rights, moral rights, service mark or service name, but not including patent;

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b. act of passing-off, piracy or plagiarism or any misappropriation of content, concepts, format rights or ideas or breach of a contractual warranty relating to intellectual property rights;

c. breach of any intellectual property rights license acquired by **you**;

d. failure to attribute authorship or provide credit;

e. misappropriation of a trade secret;

f. invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness; or

g. improper deep linking or framing

arising out of any **media content** (including any **media content** that has been created, in whole or in part, by artificial intelligence programs or where such programs have been used to assist in the creation of **media content**).

We will also pay costs and expenses on **your** behalf.

11. The final paragraph of **YOUR DEDUCTIBLE** is deleted in its entirety and replaced with the following:

In respect of **INSURING CLAUSE 4** (**SECTIONS C**, **D**, **E**, **F** and the **NON-TECH DEPENDENT BUSINESS INTERRUPTION SECTION** only), a single **time franchise** and **indemnity period** will apply to each **claim**. Where the same original cause or single source or event causes more than one period of c**omputer systems** downtime these will be considered one period of **computer systems** downtime whose total duration is equal to the cumulative duration of each individual period of **computer systems** downtime.

12. The **DEFINITION** of **"Computer systems"** is deleted in its entirety and replaced with the following:

"Computer systems" means

all electronic computers used directly by **you**, including operating systems, software, hardware and all communication and open system networks and any data or websites wheresoever hosted, off-line media libraries and data back-ups, personal devices of **employees** and **senior executive officers** where used directly for **business operations**, and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

"**Computer systems**" also means supervisory control and data acquisition (SCADA) systems, industrial control systems and other similar operational technology.

13. The following are added to the **DEFINITION** of **"claim"**:

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e. a request for arbitration or mediation; or

f. a request to toll or waive statute of limitations

14. Part b. of the **DEFINITION** of **"Costs and expenses"** is deleted in its entirety and replaced with the following:

b. any pre or post judgement interest; and

15. The **DEFINITION** of **"Cyber event"** is deleted in its entirety and replaced with the following:

"Cyber event" means

any actual or suspected unauthorized system access, electronic attack or **privacy breach**, including but not limited to an attack that utilizes artificial intelligence (AI), denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or ransomware), computer virus or actions of a rogue **employee**.

16. Part b. of the **DEFINITION** of **"Indemnity period"** is deleted in its entirety and replaced with the following:

b. the downtime of computer systems used directly by a **supply chain partner** or **non-tech supply chain partner**;

17. The first paragraph of the **DEFINITION** of **"Media content"** is deleted in its entirety and replaced with the following;

any content created or disseminated by **you** or on **your** behalf, including but not limited to user generated content, business communications and content disseminated through books, magazines, brochures, social media, billboards, websites, mobile applications, television and radio.

18. The **DEFINITION** of **"Employee"** is deleted in its entirety and replaced with the following:

"Employee" means

any employee of the **company**, any intern working for the **company**, any volunteer working for the **company** and any individual working for the **company** as an independent contractor.

19. The **DEFINITION** of **"Privacy breach"** is deleted in its entirety and replaced with the following:

"Privacy breach" means

an actual or suspected unauthorized disclosure of information (including information in electronic, paper or audio format and biometric information) arising out of an electronic attack, accidental disclosure, theft or the deliberate actions of a rogue **employee** or **third party**.

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"**Privacy breach**" does not mean a situation where information is deliberately shared with or sold to a **third party** with the knowledge and consent of a **senior executive officer**.

20. The **DEFINITION** of **"Senior executive officer"** is deleted in its entirety and replaced with the following:

    "Senior executive officer" means

    board members, the chief executive officer, chief finance officer, chief information officer, chief information security officer, general counsel, chief privacy officer and chief risk manager of the **company**, including any individual performing the functional equivalents of these positions in the **company**.

21. The **DEFINITION** of **"Subsidiary"** is deleted in its entirety and replaced with the following:

    "Subsidiary" means

    any entity which the **company** has majority ownership of, meaning more than 50% ownership, or managing control of on or before the **inception date**.

22. The following paragraph is added to the **DEFINITION** of **"Supply chain partner"**:

    "**Supply chain partner**" does not mean **non-tech supply chain partner**.

23. The second paragraph of the **"System failure" DEFINITION** is deleted in its entirety and replaced with the following:

    However, in respect of **INSURING CLAUSE 4** (**SECTION F** and the **NON-TECH DEPENDENT BUSINESS INTERRUPTION SECTION** only), "**system failure**" also means any sudden, unexpected and continuous downtime of computer systems used directly by a **supply chain partner** or **non-tech supply chain partner** which renders them incapable of supporting their normal business function and is caused by an application bug, an internal network failure or hardware failure.

24. The **DEFINITION** of **"you/your"** is deleted in its entirety and replaced with the following:

    "You/your" means:

    a. the **company**, **employees** and **senior executive officers** solely acting in the normal course of **your business operations**;

    b. the estates, heirs, legal representatives or assigns of any **employee** or **senior executive officer** in the event of their death, incapacity, insolvency or bankruptcy but only with respect to any act, error or omission committed or alleged to have been committed by the **employee** or **senior executive officer** while acting in their capacity as **employee** or **senior**

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executive officer; and

c. the parent, spouse, domestic partner, civil partner or child of any **employee** or **senior executive officer** but only in respect of any claim made against them by reason of:

   i. their status as parent, spouse, domestic partner, civil partner or child of the **employee** or **senior executive officer**; or

   ii. their ownership or interest in property which the claimant seeks as recovery for an alleged act, error or omission committed by the **employee** or **senior executive officer** while acting in their capacity as **employee** or **senior executive officer**.

25. The following **DEFINITIONS** are added:

"Contents" means

items at **your premises** that the **company** owns or is legally responsible for, other than stock, are used primarily in connection with **your business operations** and are not permanently attached to a building, including:

a. improvements made to the **premises** by **you** as a tenant or by a previous tenant who previously occupied the **premises**, including decorating, flooring, internal fixtures and fittings, aerials and satellite dishes;

b. desktop computer hardware and ancillary equipment (including monitors, keyboards and printers);

c. television, photocopying and telecommunications equipment;

d. valuable documents including plans and designs in paper format;

e. heating oil contained in fixed tanks in the open at your premises;

f. refrigeration, ventilation, cooking, dishwashing and laundry appliances;

g. locks and keys, provided this is necessary to maintain the security of your premises or safes;

h. any trailer, provided that it was unattached from, being attached to, or being detached from, a motor vehicle when the damage occurred;

i. outdoor signs located on the premises; and

j. the personal belongings of any employee or visitor whilst at your premises, provided they are not covered under any other insurance.

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"Data privacy regulation" means

any law or regulation in any jurisdiction relating to the collection, control, processing or transfer of personal data.

"Premises" means

any building owned or leased by the company solely for the purpose of conducting **your business operations** and including:

a. any completed extension to the building;

b. any permanently installed machinery and equipment;

c. any permanently attached fixtures and fittings;

d. landlord's fixtures and fittings;

e. retaining walls, outdoor walls, gates, fences, yards, car parks, roadways and pavements;

f. trees, shrubs, plants and lawns;

g. piping, ducting, cables, wires and accessories extending to the public mains that **you** are responsible for; and

h. fixed glass in windows, doors, skylights, mirrors fixed to the building, glass showcases and shelves fixed to the building, sanitary fixtures and fittings and other fixed glass.

"Stock" means

a. stock;

b. samples;

c. merchandise goods; and

d. goods held in trust;

whilst at **your premises**.

"Non-tech supply chain partner" means

any **third party** that provides **you** with goods or services under a written contract.

"**Non-tech supply chain partner**" does not mean a **supply chain partner**.

26. The "Associated Companies" **EXCLUSION** is deleted in its entirety and replaced with the following:

Associated companies

a. in respect of any **claim** made by any company, firm or partnership in which the **company** has greater than a 25% executive or financial interest, unless the **claim** emanates from an independent **third party**;

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b. in respect of any **claim** made by any company, firm, partnership or individual which has greater than a 25% executive or financial interest in the **company**, unless the **claim** emanates from an independent **third party**; or

c. in respect of any **claim** made by or on behalf of the **company** against a **third party**.

However, this Exclusion will not apply to any cover afforded under the **ADDITIONAL INSUREDS CONDITION**.

27. The final paragraph of the "Bodily injury and property damage" **EXCLUSION** is deleted in its entirety and replaced with the following:

However, this Exclusion will not apply to:

a. **INSURING CLAUSE 4** (**CONTINGENT PROPERTY DAMAGE SECTION** only);

b. **INSURING CLAUSE 5** (**SECTIONS A**, **B** and **C** only) and **7**, in respect of any **claim** as a direct result of mental injury or emotional distress; and

c. **INSURING CLAUSE 5** (**SECTION F** only), in respect of any **claim** as a direct result of **bodily injury**.

28. The following is added to the "Patent infringement" **EXCLUSION**:

However this Exclusion will not apply to **INSURING CLAUSE 5** (**SECTION A** only) for any infringement of a patent by a **third party** as a direct result of any **cyber event**.

29. The "Product IP infringement" **EXCLUSION** is deleted in its entirety and replaced with the following:

Product IP infringement

arising directly or indirectly from the actual or alleged:

a. infringement of any intellectual property right by any product manufactured, designed, formulated, licensed, distributed or sold by **you**; or

b. the misappropriation of any trade secret by **you** or a **third party**.

However, part b. of this Exclusion will not apply to **INSURING CLAUSES 5** (**SECTION A** only) and **7** (**SECTION B** only).

30. The final paragraph of the "Property and hardware costs" **EXCLUSION** is deleted in its entirety and replaced with the following:

However, this Exclusion will not apply to **INSURING CLAUSE 4** (**SECTION B** and the **CONTINGENT PROPERTY DAMAGE SECTION** only).

31. The final paragraph of the "Terrorism" **EXCLUSION** is deleted in its

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entirety and replaced with the following:

However, this Exclusion does not apply to a **cyber event** affecting **your computer systems**, a **supply chain partner's** or a **non-tech supply chain partner's** computer systems.

32. The following is added to the "Uninsurable fines" **EXCLUSION**:

    However, **we** will apply the most favorable State law to **you** in determining whether the fines, penalties, civil or criminal sanctions or multiple, punitive or exemplary damages are insurable.

33. The following is added to the "Unlawful surveillance" **EXCLUSION**:

    However, this Exclusion will not apply to **INSURING CLAUSE 5** (**WRONGFUL COLLECTION AND USE OF PERSONAL DATA SECTION** only).

34. The "Willful or dishonest acts of senior executive officers" **EXCLUSION** is deleted in its entirety and replaced with the following:

    Willful or dishonest acts of senior executive officers

    arising out of any willful, malicious, reckless or dishonest act or omission by a **senior executive officer** as determined by final and non-appealable adjudication, arbitral tribunal or written admission.

    However, no willful, criminal, malicious or dishonest act, error or omission committed by a **senior executive officer** will be imputed to any other **senior executive officer** for the purpose of determining the applicability of this Exclusion.

35. The following are added to the **EXCLUSIONS RELATING TO ALL INSURANCE CLAUSES**:

    Cyber events

    in respect of the **WRONGFUL COLLECTION AND USE OF PERSONAL DATA** and **DATA PRIVACY REGULATORY INVESTIGATIONS SECTIONS** of **INSURING CLAUSE 5** only, arising directly out of any **cyber event**.

    Data privacy regulations

    arising directly or indirectly out of any **data privacy regulation**.

    However, this Exclusion will not apply to the **WRONGFUL COLLECTION AND USE OF PERSONAL DATA** and **DATA PRIVACY REGULATORY INVESTIGATION SECTIONS** of **INSURING CLAUSE 5**.

36. In paragraph 1 of the "What you must do in the event of a circumstance which could give rise to a claim" **CONDITION**, the words "**INSURING CLAUSES 7** and **8**" are deleted in their entirety and replaced with "**INSURING CLAUSES 7**, **8** and the **WRONGFUL COLLECTION AND USE OF PERSONAL DATA** and **DATA PRIVACY REGULATORY INVESTIGATION SECTIONS** of **INSURING CLAUSE 5**".

37. The first part b. of the "What you must do if an incident takes place" **CONDITION** is deleted in its entirety and replaced with the following:

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b. in respect of **INSURING CLAUSES 2** and **3**, report the incident to the appropriate law enforcement authorities if necessary;

38. The last paragraph of the "Agreement to pay claims (duty to defend)" **CONDITION** is deleted in its entirety and replaced with the following:

    We will not settle any **claim** without **your** consent. If **you** refuse to provide **your** consent to a settlement recommended by **us** and elect to continue legal proceedings in connection with the **claim**, our liability for the **claim** will not exceed the amount for which the **claim** could have been settled, plus:

    a. 90% of any costs and expenses incurred after the date the settlement was recommended by **us**; and

    b. 90% of that part of any sum **you** become legally obliged to pay in excess of the settlement amount recommended by **us**.

    We will have no responsibility to pay the remaining 10% of the costs and expenses and that part of any sum **you** become legally obliged to pay as stated in a. and b. above.

39. The following is added to the "Additional insureds" **CONDITION**:

    Where **we** indemnify a **third party** as an additional insured under this Policy, this Policy will be primary and non-contributory to the **third party's** own insurance, but only if **you** and the **third party** have entered into a contract that contains a provision requiring this.

40. The first paragraph of the "Cancellation" **CONDITION** is deleted in its entirety and replaced with the following:

    This Policy may be canceled:

    a. at any time upon prior written request by **you**; or

    b. with 60 days written notice by **us** in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the **inception date**.

41. Where "14 days" is stated in the "Cancellation" **CONDITION**, it is deleted in its entirety and replaced with "30 days".

42. Where "60 days" is stated in the "Extended reporting period" **CONDITION**, it is deleted in its entirety and replaced with "90 days".

43. Where "30 days" is stated in the "Optional extended reporting period" **CONDITION**, it is deleted in its entirety and replaced with "90 days".

44. The "Mergers and acquisitions" **CONDITION**, it is deleted in its entirety and replaced with the following:

    Mergers and acquisitions

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If **you** acquire or create an entity during the **period of the policy**, including an entity merging into or consolidating with **you** and the **company** is the surviving entity, cover is automatically extended under this Policy to include the acquired or created entity as a **subsidiary**. Cover for any acquired or created entity is only provided under this Policy for any act, error or omission committed, or **cyber event** first discovered, on or after the date of its acquisition or creation.

If during the **period of the policy** you are acquired by another entity, or you merge or consolidate with another entity and the **company** is not the surviving entity, then cover under this Policy will continue until the **expiry date** but only in respect of any act, error or omission committed, or **cyber event** first discovered, prior to the date of the acquisition, merger or consolidation.

45. The "Supply chain interruption events" **CONDITION** is deleted in its entirety and replaced with the following:

    Supply chain interruption events

    In respect of **INSURING CLAUSE 4** (**SECTION F** and the **NON-TECH DEPENDENT BUSINESS INTERRUPTION SECTION** only), it is a condition precedent to liability under this Policy that you submit to us a written report from the **supply chain partner** or **non-tech supply chain partner** confirming the root cause and length of the outage.

46. The first paragraph of the "Our Rights of recovery" **CONDITION** is deleted in its entirety and replaced with the following:

    If **we** make any payment under this Policy and **you** have any right of recovery against a **third party** in respect of this payment, then **we** will maintain this right of recovery. **You** will do whatever is reasonably necessary to secure this right and will not do anything after the event which gave rise to the claim to prejudice this right. However, **we** will not seek any right of recovery where **you** have explicitly waived **your** right of recovery prior to the incident which gave rise to a claim under this Policy.

SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE POLICY

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ITEM 8.3
ACTION

Valley Sanitary District

DATE:	**June 9, 2026**
TO:	**Board of Directors**
FROM:	**Jeanette Juarez, Chief Administrative Officer**
SUBJECT:	**AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FOR EARTHQUAKE INSURANCE COVERAGE FOR FISCAL YEAR 2026/27 IN AN AMOUNT NOT TO EXCEED $650,757**

Suggested Action
Approve

Strategic Plan Compliance
GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs

Fiscal Impact
The annual premium for the recommended earthquake insurance coverage is $650,757.

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

Background
Valley Sanitary District maintains earthquake insurance coverage to protect its critical wastewater treatment, collection, and administrative facilities from potential losses associated with seismic events. Given Southern California's proximity to major fault systems and the significant replacement value of District infrastructure, earthquake coverage remains an important component of the District's overall risk management strategy.

As part of the Fiscal Year 2026/27 renewal process, the District's Statement of Values was updated to reflect current insured assets totaling approximately $158.4 million, including recent facility improvements and capital investments.

George Petersen Insurance Agency solicited and evaluated available market options for earthquake coverage. According to the broker, numerous carriers were contacted; however, several markets declined to quote or were unable to provide competitive pricing. Other proposals received ranged from approximately $800,000 to $1,000,000 annually, making the recommended coverage the most competitive option available.

The proposed insurance program consists of three layers of coverage provided by the following carriers:

Carrier	Coverage Limit	Premium
QBE Specialty Insurance Company	$50,000,000 Primary Layer	$465,342
Underwriters at Lloyd's of London	$50,000,000 Excess Layer	$93,481
Palomar Excess and Surplus Insurance Company	$58,369,319 Excess Layer	$91,934
Total Premium	**$158,369,319 Total Coverage**	**$650,757**

The proposed policy provides a combined earthquake coverage limit of approximately $158.4 million, which aligns with the District's current insured property values. The policy includes a 15% deductible per unit, subject to applicable policy terms and conditions.

Staff notes that despite increases in insured values resulting from District facility expansions, the overall insurance rate decreased approximately 16.75% compared to the prior year, from 0.4760 to 0.3962, resulting in favorable pricing relative to current market conditions.

The recommended coverage provides comprehensive protection for District assets while balancing risk exposure and fiscal responsibility. Staff believes the proposed policy represents the best available value in the current earthquake insurance marketplace and provides the financial protection necessary to support recovery efforts following a significant seismic event.

Recommendation
Authorize the General Manager to execute all documents necessary to bind and maintain earthquake insurance coverage through George Petersen Insurance Agency for Fiscal Year 2026/27 in an amount not to exceed $650,757.

Attachments
8.3 Attachment A Cover Letter - Earthquake.pdf
8.3 Attachment B VSD EQ Invoice.pdf
8.3 Attachment C Quote_EQ One $50M Primary.pdf
8.3 Attachment D Quote_Vikco $50M X $50M.pdf
8.3 Attachment E VSD Arrowhead $58M x $100M Quote.pdf

George Petersen Insurance Agency

June 3, 2026

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

Dear Jeanette:

Attached is the Earthquake quote for Valley Sanitary District, for the policies that renew effective June 30, 2026.

With the increase last year in total insured values due to the expansion, the Statement of Values now reflects $158,369,225. Below is the breakdown of the carriers, limits and premiums:.

Limit	Deductible	Premium
Through QBE Specialty:		
$50,000,000	15%	$465,341.80
Through Underwrites at Lloyds:		
$50,000,000	15%	$ 93,481.08
Through Palomar:		
$58,369,319	15%	$ 91,933.38

Attached is a premium summary showing the premiums and net rates, by tier of coverage. The rate has decreased by 16.75%, from .4760 last year to .3962 this year.

We have approached other markets this year but none were able to provide a competitive quote. Great Lakes, Westchester, Axis, Arch Specialty, Golden Bear, Kinsale, Mt. Hawley and Landmark all declined as they could not compete with the existing policies. Several others came in anywhere from $800,000 to $1,000,000 in annual premium.

Please let me know if you would like me to present this at the next Board Meeting.

To bind coverage, please sign, date and return the attached D1 Form, the Statement of Values and
Terrorism forms, and return along with your payment in the amount of $650,756.26.

Please review and let me know if you would like to discuss. Thank you for allowing me to provide this quote for you.

Sincerely,

Peter Potente

Loc#	Description (No punctuation)	Construction Type	Protection Class	Year Built	Stories	Roof Geometry	Roof Covering	Street	City	State	Zip	GPS Lat	GPS Lon	Building	Contents	County	Square Footage	Roof Improvement (Enter Year Only)	Wiring Improvement (Enter Year Only)	Plumbing Improvement (Enter Year Only)	Heating Improvement (Enter Year Only)
1-1	Administration Building	Masonry	4	1971	1	Flat	Thermo Plastic	45-500 Van Buren	Indio	CA	92201			1,478,526	343,470	Riverside	5640	2012	2012	2012	2012
1-2	Fence	Masonry	4	2016				45-500 Van Buren	Indio	CA	92201			698,389	-	Riverside					
1-3	Lab Building	Masonry	4	2012	1	Flat	Thermo Plastic	45-500 Van Buren	Indio	CA	92201			1,144,900	114,490	Riverside	1730				
1-4	Operations Building	Masonry	4	2012	1	Flat	Thermo Plastic	45-500 Van Buren	Indio	CA	92201			1,144,900	114,490	Riverside	1390				
1-5	Gas Tanks and Pumps	Specialized	4	1990				45-500 Van Buren	Indio	CA	92201			24,033	-	Riverside					
1-6	Shop/ O&M Office	Frame	4	1976	2	Slope	Metal	45-500 Van Buren	Indio	CA	92201			117,925	122,504	Riverside	4240				
1-7	Maintenance Bldg	Masonry	4	2012	1	Flat	Tar	45-500 Van Buren	Indio	CA	92201			610,810	-	Riverside	2330				
1-8	Security Fence	Non-Combustil	4	2017				45-500 Van Buren	Indio	CA	92201			701,205	-	Riverside					
1-9	Block Wall	Masonry	4	2017				45-500 Van Buren	Indio	CA	92201			146,211	-	Riverside					
1-10	Shaded Structure	Frame	4	2017				45-500 Van Buren	Indio	CA	92201			465,007	-	Riverside					
1-11	Old ASP Pump House	Specialized	4	1971	1	Slope	Tar	45-500 Van Buren	Indio	CA	92201			117,925		Riverside					
1-12	Storage Building	Frame	4	1990	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			59,535	70,984	Riverside	410				
1-13	Pumps, Cyclone Separators Grit Classifiers , Fowl	Specialized	4	1982				45-500 Van Buren	Indio	CA	92201			117,925	538,103	Riverside					
1-14	Blower Building	Masonry	4	1971	1	Flat	Thermo Plastic	45-500 Van Buren	Indio	CA	92201			397,157	1,946,330	Riverside	1515	2015	2012	2012	2023
1-15	Generator	Masonry	4	2003				45-500 Van Buren	Indio	CA	92201			172,880	-	Riverside					
1-16	Aeration Basin - 4 tanks	Specialized	4	1971				45-500 Van Buren	Indio	CA	92201			780,822	1,333,809	Riverside					
1-17	Anoxic Tanks, Mixers & Accessories	Masonry	4	2009				45-500 Van Buren	Indio	CA	92201			353,774	263,327	Riverside					
1-18	6 Pumps, Hoist, Gates, Valves and Instruments	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			1,087,655	964,006	Riverside					
1-19	Frequency drives, Instrumentations	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201				564,436	Riverside					
1-20	2 Bars, screens, conveyor, compactor	Specialized	4	1998				45-500 Van Buren	Indio	CA	92201			337,746	-	Riverside					
1-21	Electrical Instrumentation	Specialized	4	1998				45-500 Van Buren	Indio	CA	92201			98,461	57,412	Riverside					
1-22	Pond Aeration Control Center	Specialized	4	2007	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			94,225	141,968	Riverside					
1-23	Diesel Generator #2	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			22,898	88,157	Riverside					
1-24	Mix Liquor Channel	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			299,964	279,356	Riverside					
1-25	3 Circular Secondary Clarifiers	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			2,289,800	818,604	Riverside					
1-26	RAS Pump Station #1	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			217,531	337,746	Riverside					
1-27	RAS Pump Station #2	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			137,388	240,429	Riverside					
1-28	Drain Pump Station #2	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			137,388	128,229	Riverside					
1-29	Polymer Building	Masonry	4	2007	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			127,084	190,053	Riverside	635				
1-30	Belt Press Building	Masonry	4	2007	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			446,511	1,488,370	Riverside	2860				
1-31	Power Building A	Masonry	4	2007	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			103,041	263,327	Riverside	440				
1-32	Chlorine Contact Chamber 3, Plant Water System	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			2,289,800	578,175	Riverside					
1-33	Sodium Hydrochlorite Building	Masonry	4	2007	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			601,073	543,828	Riverside	1960				
1-34	CCT2 Feed Vault	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			160,286		Riverside					
1-35	Dechlorination Building #2	Frame	4	2007	1	Slope	Fiberglas	45-500 Van Buren	Indio	CA	92201			105,331	148,837	Riverside					
1-36	Outfall & Vaults	Specialized	4	2007				45-500 Van Buren	Indio	CA	92201			36,637	-	Riverside					
1-37	**Aerated Grit Tanks - This item and line 41 to be**	Specialized	4	2013				45-500 Van Buren	Indio	CA	92201			744,185	-	Riverside					
1-38	**Ferric Chloride Building**	Frame	4	2013	1	Slope	Metal	45-500 Van Buren	Indio	CA	92201			171,735	-	Riverside					
1-39	Primary Sed Tanks & primary clarifier - 2025 - In	Specialized	4	2013				45-500 Van Buren	Indio	CA	92201			6,010,725	-	Riverside					
1-40	Diaester & Mixing Equipment - **Incl Influent Pum**	Specialized	4	2013				45-500 Van Buren	Indio	CA	92201			7,441,850	-	Riverside					
1-41	Gas Scrubber & Boiler Facility	Masonry	4	2013				45-500 Van Buren	Indio	CA	92201			1,144,900	-	Riverside					
1-42	Flare & Equipment	Specialized	4	2013				45-500 Van Buren	Indio	CA	92201			686,940	-	Riverside					
1-43	Skyline 65 x 50 trailer - To be replaced with loraz	Frame	4					45-500 Van Buren	Indio	CA	92201			74,900	-	Riverside					
1-44	2 - wooden/metal structres - 40 x 10	Frame	4					45-500 Van Buren	Indio	CA	92201			85,600	-	Riverside					
1-45	Diesel Generator #4	Specialized	4	2013				45-500 Van Buren	Indio	CA	92201				$ 200,000.00	Riverside					
1-46	Pond Contact Chamber/Pond Discharge	Specialized	4	2004				45-500 Van Buren	Indio	CA	92201				$ 2,000,000.00	Riverside					
1-47	**10 FT Shed Office Building for Belt Filter Press**	Frame	4	**2024**	1	Slope	Foam	45-500 Van Buren	Indio	CA	92201			19,670	5,350	Riverside					
1-48	Mobile Office	Frame	4					45-500 Van Buren	Indio	CA	92201			294,250	42,800						
1-49	Additional bar screen and new conveyor	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 2,807,050.00	Riverside					
1-50	Aerated Grit Tank, grit classifiers, cyclone separators, pumps, fpvc air blower, piping	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 20,354,500.00	Riverside					
1-51	Rotary Screw Thickners, shade structure, pumps, polymer system, piping	Specialized	4	2025	1		Shade structure & 2 side walls	45-500 Van Buren Street	Indio	CA	92201				$ 10,374,400.00	Riverside					
1-52	Additional Digester, flare, boiler, pumps and piping	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 36,950,650.00	Riverside					
1-53	Replacement of Electrical Switch Board MS	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 3,319,860.00	Riverside					
1-54	Filtrate Reflux Pump Station	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 4,634,300.00	Riverside					
1-55	South perimeter chain link fence adjacent to pond 3, 8 foot tall and 5,250 feet long	Non-Combustil	4	2025				45-500 Van Buren Street	Indio	CA	92201				$38,000	Riverside					
1-56	Generator #1 & Automatic Transfer Switch	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 191,550.00	Riverside					
1-57	Generator #2 Replacement	Specialized	4	2025				45-500 Van Buren Street	Indio	CA	92201				$ 400,000.00	Riverside					
2-1	**Lift Station - Barrymore**	Specialized	4	1972				Heyburn/Barrymore/Garbo, Indian Palms Cou	Indio	CA	92201			114,490	-	Riverside					
3-1	**Lift Station - Carver**	Specialized	4	1962				84229 Avenue 48 & Bataan	Indio	CA	92201			117,925	-	Riverside					
4-1	**Lift Station - Vandenburg**	Specialized	4	2007				Vandenburg & Pic Way at Indian Palms Country	Indio	CA	92201			103,041	-	Riverside					
5-1	**Lift Station - Calhoun**	Specialized	4	2004				**NW corner Calhoun St. & Avenue 49**	Indio	CA	92201			573,319	-	Riverside					
	Grit Chamber	Specialized	4	2025				45-500 Van Buren	Indio	CA	92201			20,706,806		Riverside					
	Returning Sludge Dewatering Filtrate	Specialized	4	2025				45-500 Van Buren	Indio	CA	92201			6,764,998							
														62,186,087	**$5,600,800**						

Legend showing Loc# to Asset #	
Loc#	Asset #
1-45	22
1-46	710
1-49	130
1-50	210
1-51	960
1-52	905 / 930
1-53	410
1-54	810
1-55	840
1-56	120
1-57	410

Note
A third bar screen was added
Pump station is located on NW corner of 810
Chain link fence is long south side of 840
Generator #1 will located next to pump station
Generator #2 is part of the blower bldg

157,206,887	**Property**	Total
1,162,338	**Mobile Equip.**	Total
158,369,225	**TIV**	

George Petersen Insurance Agency, Inc. - Santa Rosa 175 W College Ave Santa Rosa CA, 95401-5099 Phone: (707) 525-4150	**INVOICE** Account: VALLSAN-01 Date: 6/3/2026

Valley Sanitary District Jeanette Juarez 45-500 Van Buren Indio, CA 92201	**Account Manager: Tina Eads**

Transaction Description	**Amount**
QBE $50M Earthquake Renewal Premium	$465,341.80
Lloyds $50M Earthquake Renewal Premium	$93,481.08
Palomar $58M Earthquake Renwal Premium	$91,933.38
Invoice Total	**$650,756.26**

Payment Due: June 25, 2026
Make all checks payable to:

George Petersen Insurance Agency, Inc. - Santa Rosa
175 W College Ave
Santa Rosa CA, 95401-5099

Please include your Account Code: VALLSAN-01
Make Payment online: https://georgepetersen.appliedpay.com

THANK YOU FOR YOUR BUSINESS!

Valley Sanitary District

06/30/2026 - 06/30/2027

Prepared for:

Pete Potente

George Petersen Insurance Agency, Inc.

Prepared by:

Dawn Cusack
213.593.3436
dcusack@brcins.com

Date: 05/27/2026
Quote Expires In: 14 Days

Insurance Proposal

We are pleased to offer the following Quotation for your review which has been obtained solely on the basis of your instructions to us. Note this Quotation may be withdrawn at any time prior to acceptance and coverage may not be bound without prior consent from the insurer as confirmed in writing by Brown & Riding.

Please note that the coverage, terms, and conditions described in this Quotation may differ from those requested in Producer's original submission. Producer is responsible for reviewing the suitability of coverage, terms, and conditions with the insured and for reconciling any differences between this Quotation and your original submission to us.

INSURED:
Valley Sanitary District

MAILING ADDRESS:
45-500 Van Buren
Indio, CA, 92201

POLICY TERM:
06/30/2026 - 06/30/2027

INSURER
QBE Specialty Insurance Company

STATUS
Non Admitted

PREMIUM BREAKDOWN:

Premium	$	450,000.00	
Company Fee	$	1,000.00	Fully earned at inception
CA SL Tax	$	13,530.00	
CA Stamping Fee	$	811.80	
Total Gross Amount	**$**	**465,341.80**	

25% MINIMUM RETAINED PREMIUM IN THE EVENT OF CANCELLATION. NO FLAT CANCELLATIONS.

Brown & Riding Insurance Services, Inc., 0592033

TERMS
Terms and Conditions Per Attached EQ One Quote **– $50M Primary**

SUBJECTIVITY(IES)
Signed D-1
Signed TRIA
Signed SOV
Inspection Contact Name, Number, and Email
Compliance with inspection recommendations, if any are made.
No Earthquake (or Flood, if covered) losses in the last five years
As Per Carrier Quote

TRIPRA
Pursuant to the Terrorism Risk Insurance Act of 2002 (TRIA), as Outlined on the Attached, Coverage for Certified Acts of Terrorism is Available for an Additional Premium of $225,000. If TRIA is accepted, the TRIA premium is 100% fully-earned.

Brown & Riding will bind or place insurance solely upon the written instructions of Producer. Brown & Riding assumes no legal obligation as to the insurance applicant, insured, or known or unknown third parties regarding the suitability, adequacy, or appropriateness of limits, terms, conditions, exclusions, and other policy features.

Producer guarantees payment of premium for risks placed through Brown & Riding. If Producer does not make timely payment of any sums due Brown & Riding, then the policy may be canceled for non-payment of premium.

By binding this coverage, the Retailer confirms that the prospective insured has (1) been advised of the right to receive policy documents in paper format; and (2) has consented to receive all such documents electronically.

Please note that in placing or attempting to place insurance requested by Producer, we perform several tasks, which may or may not include: review of losses, risk modeling, coverage comparison, coverage negotiation with various carrier representatives, policy review, policy issuance and servicing. We may charge a fee for these services in addition to any commission that may be payable to us by the carrier with which we bind your client’s business. Fees charged at binding will be fully earned. Producer shall be responsible for disclosing to Producer's customer all Brown & Riding fees, income, and charges.

Regards,

Dawn Cusack

DATE: Tuesday, May 26, 2026
TO: **Travis Johnson**
Brown and Riding Insurance Services, Inc. - Los Angeles, CA
FROM: Lisa M. Boateng
E-mail: lboateng@eqone.com
Phone: 818-844-2026
CA Insurance License Number: 0C79819

RE: **Valley Sanitary District**

SUBMISSION #: 203609 **QUOTE #:** 6-1 ***THIS QUOTE IS VALID FOR 30 DAYS***

Renewal Quote for Policy No.: SSE91608-00

COMPANY: QBE Specialty Insurance Company (AM Best Rating: A XV Non-Admitted)
TERM: 06/30/26 - 06/30/27
PERILS: EARTHQUAKE, BLDG ORD
POLICY LIMIT: $50,000,000. - Loss Limit
SUBLIMITS: $50,000,000 **Building Ordinance** - Limited as shown below:
$50,000,000 **Contingent Liability**
$6,218,609 **Combined Demo & ICC**
$3,000,000 **Paved Surfaces - Walks, Driveways, Light Poles, Signs, Underground Piping**
PROPERTY: Real Property, Fences, Block Walls, Gates, Furniture, Fixtures, Equipment, Machinery
DEDUCTIBLE: **EQ:** **P/D:** 15% per Unit
T/E: Not Covered
Subject to $50,000 Minimum per Occurrence

All limits are per occurrence and in the annual aggregate (separately as respects flood and earthquake including EQSL where applicable).

Loc #	Address	City	State	Zip	FL	CL	D/I%	VAL

Per Statement of Values on file with the Company received 05/19/2026

TOTAL VALUES: $158,369,225
FORMS: Named Peril - Commercial Form
CONDITIONS: 25% Minimum Earned Premium; If the Insured cancels, earned premiums shall be computed on a Short Rate basis (Pro-Rata less 10%) or 25% Minimum Earned, whichever is greater; Demo & ICC - Limited to the Percentage Shown Above of the Bldg Value/Bldg - In the event that Dollar Amount Exceeds the Sublimit, the Policy Sublimit shall Prevail; Structures listed on a National Register of Historic Places are ineligible for coverage; Wholesale Broker is Responsible for All Surplus Lines Filings and Maintaining a Signed Acknowledgement of the Fraud Warning; No Earthquake (or Flood, if covered) losses in the last five years; TRIA Coverage is subject to coverage also being purchased on the All Risk Underlying;
NOTE: The signed TRIA form must be returned at the time of binding. If the Insured elects to reject TRIA and the signed form is not received within 30 days of binding, we will issue an ADDITIONAL PREMIUM endorsement adding the coverage;
The signed Surplus Lines Filing Letter must be returned at the time of binding;
The terms, conditions and coverages may be different than those requested in your original Submission/Outline of Coverage. Please make sure you review this Quote/Binder carefully. EQ One/QBE does not take any responsibility for differences between this Quote/Binder and terms originally requested; Carrier participation subject to change at time of binding.
EXCLUSIONS: Per Named Peril Commercial Form, Flood, NBCR

DATE: Tuesday, May 26, 2026

TO: **Travis Johnson**
Brown and Riding Insurance Services, Inc. - Los Angeles, CA

FROM: Lisa M. Boateng
E-mail: lboateng@eqone.com
Phone: 818-844-2026

CA Insurance License Number: 0C79819

RE: **Valley Sanitary District**

SUBMISSION #: 203609 **QUOTE #:** 6-1 ***THIS QUOTE IS VALID FOR 30 DAYS***

PREMIUM:

		INCLUDING TRIA
TERRORISM PREMIUM (TRIA):	**NOT COVERED**	**$225,000.00**
ALL OTHER PREMIUM:	**$450,000.00**	**$450,000.00**
POLICY FEE:	**$1,000.00**	**$1,000.00**
INSPECTION FEE:		
ACCOUNT TOTAL:	**$451,000.00**	**$676,000.00**

COMMENTS: Demo/ICC sublimit will apply individually, not combined, 10% Real Property Value (Coverage A included in the Real Property Limit).
Fences, Block Walls, and Gates covered as shown in the SOV provided. Foundations are covered as part of our standard building definition.

ABBREVIATIONS: AA=Agreed Amount, ACV=Actual Cash Value, Add'l=Additional, ALE=Additional Living Expense, ALS=Actual Loss Sustained, AOL=Any Other Location, AOP=All Other Perils, B/O=Building Ordinance, BLDG ORD=Building Ordinance, CL=Contingent Liability, D&I=Demolition and Increased Cost of Construction, Demo=Demolition, EM=Earth Movement, EMSL=Earth Movement Sprinkler Leakage, EQ=Earthquake, EQSL=Earthquake Sprinkler Leakage, F/Z=Flood Zone, FL=Flood, Loc=Locations, FRC=Functional Replacement Cost, GRC=Green Replacement Cost, ICC=Increased Cost of Construction, N/A=Not Applicable, NBCR=Nuclear Biological Chemical and Radiological, NFIP=National Flood Insurance Program, P/D=Property Damage, P/O=Part Of, PP=Personal Property, RC=Replacement Cost, RP=Real Property, SIR=Self Insured Retention, SK=Stock, SLA=Surplus Line Association, SOV=Statement of Values, SP=Selling Price, STPG=Stamping Fee, T/E=Time Element, VAL=Valuation, VAR=Values at Risk, VARTOL=Values at Risk at Time of Loss, X/S=Excess

POLICY NUMBER: **EQ-01-01-056-01 0623**
Issuing Company: **QBE Specialty Insurance Company**

NOTICE TO POLICYHOLDERS - FRAUD WARNING

Fraud Warnings

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Notice to Alabama residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof."

Notice to Alaska residents: "A person who knowingly and with intent to injure, defraud, or deceive an insurance companyfiles a claim containing false, incomplete, or misleading information may be prosecuted under state law."

Notice to Arizona residents: "For your protection Arizona law requires the following statement to appear on this form. Anyperson who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties."

Notice to Arkansas residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Notice to California residents: "For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison."

Notice to Colorado residents: "It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies."

Notice to Delaware residents: "Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony."

Notice to District of Columbia residents: "WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant."

Notice to Florida residents: "Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree."

Notice to Idaho residents: "Any person who knowingly, and with intent to defraud or deceive any insurance company, filesa statement of claim containing any false, incomplete, or misleading information is guilty of a felony."

Notice to Indiana residents: "A person who knowingly and with intent to defraud an insurer files a statement of claimcontaining any false, incomplete, or misleading information commits a felony."

Notice to Kansas residents: "Fraud is defined as: 'an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance that such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.'"

Notice to Kentucky residents: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime."

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Notice to Louisiana residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Notice to Maine residents: "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits."

Notice to Maryland residents: "Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Notice to Minnesota residents: "A person who files a claim with intent to defraud or helps commit a fraud against aninsurer is guilty of a crime."

Notice to New Hampshire residents: "Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20."

Notice to New Jersey residents: "Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties." "Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties."

Notice to New Mexico residents: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES."

Notice to New York residents: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation."

Notice to Ohio residents: "Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud."

Notice to Oklahoma residents: "WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony."

Notice to Pennsylvania residents: "Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Notice to Rhode Island residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

Notice to Tennessee residents: "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits."

Notice to Texas residents: "Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison."

Notice to Utah residents: "Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinementin state prison."

Notice to Vermont residents: "Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law."

Notice to Virginia residents: "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits."

Notice to Washington residents: "It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits."

Notice to West Virginia residents: "Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison."

© QBE, 2023

Valley Sanitary District

06/30/2026 - 06/30/2027

Prepared for:

Pete Potente

George Petersen Insurance Agency, Inc.

Prepared by:

Dawn Cusack
213.593.3436
dcusack@brcins.com

Date: 05/27/2026
Quote Expires In: 30 Days

Insurance Proposal

We are pleased to offer the following Quotation for your review which has been obtained solely on the basis of your instructions to us. Note this Quotation may be withdrawn at any time prior to acceptance and coverage may not be bound without prior consent from the insurer as confirmed in writing by Brown & Riding.

Please note that the coverage, terms, and conditions described in this Quotation may differ from those requested in Producer's original submission. Producer is responsible for reviewing the suitability of coverage, terms, and conditions with the insured and for reconciling any differences between this Quotation and your original submission to us.

INSURED:
Valley Sanitary District

MAILING ADDRESS:
45-500 Van Buren
Indio, CA, 92201

POLICY TERM:
06/30/2026 - 06/30/2027

INSURER
Underwriters at Lloyds of London

STATUS
Non Admitted

PREMIUM BREAKDOWN:

Premium	$	90,000.00	
Company Fee	$	300.00	Fully earned at inception
Company Inspection Fee	$	300.00	Fully earned at inception
CA SL Tax	$	2,718.00	
CA Stamping Fee	$	163.08	
Total Gross Amount	**$**	**93,481.08**	

25% MINIMUM RETAINED PREMIUM IN THE EVENT OF CANCELLATION. NO FLAT CANCELLATIONS.

Brown & Riding Insurance Services, Inc., 0592033

TERMS
Per Attached Vikco Quote

SUBJECTIVITY(IES)
Signed D-1
Signed TRIA
Signed SOV
Inspection Contact Name, Number, and Email
Compliance with inspection recommendations, if any are made.
As Per Carrier Quote

TRIPRA
Pursuant to the Terrorism Risk Insurance Act of 2002 (TRIA), as Outlined on the Attached, Coverage for Certified Acts of Terrorism is Available for an Additional Premium of $90,000. If TRIA is accepted, the TRIA premium is 100% fully-earned.

Brown & Riding will bind or place insurance solely upon the written instructions of Producer. Brown & Riding assumes no legal obligation as to the insurance applicant, insured, or known or unknown third parties regarding the suitability, adequacy, or appropriateness of limits, terms, conditions, exclusions, and other policy features.

Producer guarantees payment of premium for risks placed through Brown & Riding. If Producer does not make timely payment of any sums due Brown & Riding, then the policy may be canceled for non-payment of premium.

By binding this coverage, the Retailer confirms that the prospective insured has (1) been advised of the right to receive policy documents in paper format; and (2) has consented to receive all such documents electronically.

Please note that in placing or attempting to place insurance requested by Producer, we perform several tasks, which may or may not include: review of losses, risk modeling, coverage comparison, coverage negotiation with various carrier representatives, policy review, policy issuance and servicing. We may charge a fee for these services in addition to any commission that may be payable to us by the carrier with which we bind your client’s business. Fees charged at binding will be fully earned. Producer shall be responsible for disclosing to Producer's customer all Brown & Riding fees, income, and charges.

Regards,

Dawn Cusack

VIKCO INSURANCE SERVICES

12657 Alcosta Blvd, Suite 403
San Ramon, CA 94583
Phone: 925.743.9100
License # 0785576

Quote Date: 05/27/2026

Term: 06/30/2026 to 06/30/2027

Attn: Dawn Cusack
Brown & Riding
633 West 5th Street, Ste. 2000
Los Angeles, CA 90071

Email: dcusack@brsins.com

Quote Number: VIK295908

Underwriter: Edward Gerpe
Email: egerpe@vikco.com

We are pleased to offer the following terms, valid until June 30, 2026, for the Applicant (Proposed Named Insured) listed below. Please review it carefully. The coverage, terms and conditions may differ from those requested and failure to provide the coverage shall impose no liability on Vikco Insurance Services, LLC or the issuing company listed below.

Applicant (Proposed Named Insured): Valley Sanitary District
Mailing Address: 45-500 Van Buren
Indio, CA 92201

☐ New Business ☒ Renewal of DSP2506027

Issuing Company(ies):
certain Underwriters at Lloyds (Hiscox)
StarStone Specialty Insurance Company
Fortegra Specialty Insurance Company
Fortegra Specialty Insurance Company
Houston Specialty Insurance Company
Chaucer Insurance Company DAC
certain Underwriters at Lloyds (Dale)
certain Underwriters at Lloyds (Blenheim)

Perils:
☐ Difference in Conditions including:
☐ Earthquake Shock ☐ Earthquake Sprinkler Leakage ☐ Flood
☒ Earthquake Shock only including:
☐ Earthquake Sprinkler Leakage ☐ Flood
☒ Terrorism (TRIPRA of 2007)

Limits: $50,000,000 part of $50,000,000 in excess of $50,000,000

Limits apply per occurrence in the annual aggregate

Deductible: Earthquake Shock 15% per Unit Subject to a minimum of $50,000
☐ Including Time Element:
☐ Business Income ☐ Extra Expense ☐ Rental Value
☐ Excluding Time Element — Business Interruption Deductible

Earthquake Sprinkler Leakage:	N/A	Subject to a minimum of
Flood:	N/A	Subject to a minimum of
All Other Perils:	N/A	

Terrorism:	15%

TIV: $158,369,225

Real Property: $62,186,087 Contents: $96,183,138 Business Interruption:

Property Covered:

- ☒ Real Property
- ☐ Business Income
- ☐ Rental Values
- ☐ Stock
- ☐ Leasehold Interest
- ☐
- ☐
- ☒ Business Personal Property
- ☐ Extra Expense
- ☐ Tenant Improvements/Betterments
- ☒ Machinery and Equipment
- ☐ Contingent Business Income
- ☐
- ☐

Valuation:

Property Damage: ☒ Replacement Cost ☐ Actual Cash Value

Stock:

Time Element including Extra Expense: ☐ Replacement Cost ☒ Actual Loss Sustained

Coverage Form:

- ☐ Company Form
  - ☒ Difference in Conditions ☐ Named Peril
- ☒ Company Excess Property form (subject to review and approval of underlying form)
- ☐ Manuscript

Additional Coverage(s) / Terms:

☒ Building Ordinance / ICC / Demo	Sublimit: $6,218,608 ICC and DEMO collectively
☐ EDP	Sublimit:
☐ Accounts Receivable	Sublimit:
☐ Valuable Papers	Sublimit:
☐ Fine Arts	Sublimit:
☐ Debris Removal	up to a maximum of
☐ Extended Period of Indemnity	days
☐ Increased Period of Restoration	days
☒ Extended Building Definition	
☐ Civil Authority	Sublimit:
☐ Ingress / Egress	Sublimit:
☐ Utility Services	Sublimit:
☐ Margin Clause	Sublimit:
☐ Underground Pipes, Flues or Drains	Sublimit:
☐ Other:	
☒ Other: Paved Surfaces - Walks, Driveways, Light Poles, Signs, Underground Piping.	$3,000,000
☐ Other:	
☐ Other:	

Exclusions:

- ☒ Flood
- ☒ Earthquake Sprinkler Leakage
- ☐ Flood – Locations within Flood zone prefixed by A or V
- ☒ Biological or Chemical Materials
- ☒ War and Civil War
- ☒ Radioactive Contamination
- ☒ Nuclear Incident
- ☒ Electronic Data Processing and Computer Systems
- ☒ Pollution
- ☒ Asbestos
- ☒ Microorganism
- ☐ Other:

Conditions:

- ☒ Warrant All Risk Parallel Policy
- ☒ Insured Warrants No Pre-Existing Earthquake Damage
- ☒ 60/10 Days Notice of Cancellation
- ☒ Several Liability
- ☒ Lloyd's Privacy Statement
- ☒ Service of Suit

Territory / Locations: Per Statement of Values on file with the Company -

Premiums and Fees:

Premiums:		
Premium:	$90,000.00	25% Minimum Earned
TRIA Premium:	$90,000.00	Not included in Premium above
Total Premium:	$180,000.00	
Taxes & Fees:		
Policy Fee:	$300.00	Fully Earned
Catastrophe Analysis Fee:	$300.00	Fully Earned
Inspection Fee:		Fully Earned
State Taxes and Fees:	$2,881.08	Broker is responsible for filing
TRIA Premium State Taxes and Fees:	$2,862.00	Broker is responsible for filing

NOTES:

Coverage includes: Walks, walkways, driveways, patios, paved surfaces, retaining walls, fences, gates, foundations, underground property, light poles and signs.

(Authorized Representative)

Valley Sanitary District

06/30/2026 - 06/30/2027

Prepared for:

Pete Potente

George Petersen Insurance Agency, Inc.

Prepared by:

Dawn Cusack
213.593.3436
dcusack@brcins.com

Date: 05/27/2026
Quote Expires In: 30 Days

Insurance Proposal

We are pleased to offer the following Quotation for your review which has been obtained solely on the basis of your instructions to us. Note this Quotation may be withdrawn at any time prior to acceptance and coverage may not be bound without prior consent from the insurer as confirmed in writing by Brown & Riding.

Please note that the coverage, terms, and conditions described in this Quotation may differ from those requested in Producer's original submission. Producer is responsible for reviewing the suitability of coverage, terms, and conditions with the insured and for reconciling any differences between this Quotation and your original submission to us.

INSURED:
Valley Sanitary District

MAILING ADDRESS:
45-500 Van Buren
Indio, CA, 92201

POLICY TERM:
06/30/2026 - 06/30/2027

INSURER
Palomar Excess and Surplus Insurance Co

STATUS
Non Admitted

PREMIUM BREAKDOWN:

Premium	$	87,500.00	
Company Fee	$	1,600.00	Fully earned at inception
CA SL Tax	$	2,673.00	
CA Stamping Fee	$	160.38	
Total Gross Amount	**$**	**91,933.38**	

25% MINIMUM RETAINED PREMIUM IN THE EVENT OF CANCELLATION. NO FLAT CANCELLATIONS.

Brown & Riding Insurance Services, Inc., 0592033

Date: 05/27/2026
Quote Expires In: 30 Days

TERMS
Per Attached Arrowhead Quote

SUBJECTIVITY(IES)
Signed D-1
Completed TRIA DocuSign
Inspection Contact Info – Jeanette Juarez, jjuarez@valley-sanitary.org, phone #(760) 238-5400
Written verification of no soft story parking - prior to binding
Written verification of no losses - prior to binding
As Per Carrier Quote

TRIPRA
Pursuant to the Terrorism Risk Insurance Act of 2002 (TRIA), as Outlined on the Attached, Coverage for Certified Acts of Terrorism is Available for an Additional Premium of $43,750. If TRIA is accepted, the TRIA premium is 100% fully-earned.

Brown & Riding will bind or place insurance solely upon the written instructions of Producer. Brown & Riding assumes no legal obligation as to the insurance applicant, insured, or known or unknown third parties regarding the suitability, adequacy, or appropriateness of limits, terms, conditions, exclusions, and other policy features.

Producer guarantees payment of premium for risks placed through Brown & Riding. If Producer does not make timely payment of any sums due Brown & Riding, then the policy may be canceled for non-payment of premium.

By binding this coverage, the Retailer confirms that the prospective insured has (1) been advised of the right to receive policy documents in paper format; and (2) has consented to receive all such documents electronically.

Please note that in placing or attempting to place insurance requested by Producer, we perform several tasks, which may or may not include: review of losses, risk modeling, coverage comparison, coverage negotiation with various carrier representatives, policy review, policy issuance and servicing. We may charge a fee for these services in addition to any commission that may be payable to us by the carrier with which we bind your client’s business. Fees charged at binding will be fully earned. Producer shall be responsible for disclosing to Producer's customer all Brown & Riding fees, income, and charges.

Regards,

Dawn Cusack

ARROWHEAD

Special Risk Division
701 B Street, Suite 2100, San Diego CA 92101

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

Quote Date: 5/18/2026 Quote Valid Until: 6/30/2026 12:01 AM; Local time at the location of the property involved Account Number: 190002

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

Named Insured: VALLEY SANITARY DISTRICT Term: 6/30/2026 to 6/30/2027
Mailing Address: 45-500 VAN BUREN, INDIO, CA 92201

Renewal of Various ☐ New Business

Layer 1 Carrier Listing:

		EQ Limit
Obsidian Specialty Insurance Company	8.57%	$5,000,000
Palomar Excess and Surplus Insurance Company - Treaty 1	42.83%	$25,000,000
Palomar Excess and Surplus Insurance Company - Treaty 3	17.13%	$10,000,000
Steadfast Insurance Company	31.47%	$18,369,225

NON ADMITTED CARRIERS - Current rating may be found at ambest.com

Perils: Earthquake only Excluding Flood, Excluding Earthquake Sprinkler Leakage
☒ Terrorism (TRIPRA of 2015)
☒ Building Ordinance Coverage A: Included. ICC/Demo: Excluded.
*(coverage applies to Building Ordinance only)
If excess - BO coverage applies only if all underlying carriers are including with no sublimits

Layer 1: $ 58,369,225 (100.00%) part of $ 58,369,225 excess of $ 100,000,000
Limits apply per occurrence and in the aggregate for the following: Earthquake

Deductibles: EQ **15 %** per Unit

☐ Including Time Element - ☐ Business Income ☐ Extra Expense ☐ Rental Value

☒ Excluding Time Element BI deductible if different from PD:

Minimum EQ Deductible:	**$ 50,000**
EQSL:	**Excluded**
Flood:	**Excluded**
AOP:	**Excluded**
Terrorism:	**Same as EQ**

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

Property **Covered:**	☒	Real Property	☒	Business Personal Property
	☐	Hard Costs	☐	Soft Costs
	☐	Business Income	☒	EDP
	☐	Extra Expense	☐	Tenant Improvements/Betterments
	☐	Rental Value	☐	Stock
	☐	Leasehold Interests	☒	Machinery and Equipment
	☐	Contingent Business Income	☐	Accounts Receivable
	☐	Per Submission	☐	Valuable Papers
	☐	Fine Arts	☐	
	☐		☐	
	☐			

Valuation:	Property Damage	☒	RC	☐ ACV
	Time Element including Extra Expense	☐	RC	☐ ALS

Territory/Locations: CA only - 45-500 Van Buren St, 48630 Monroe St., 84229 Avenue 48 & Bataan & NW corner Calhou St. & Avene 49, Indio, CA 92201 - Per application received 4/1/26 and on file with Company.

TIV: $ 158,369,225

Forms:

☒ Company Form

☐ Company Excess Follow Form (subject to review and approval of form we are to follow)
Copy of policy we are to follow must be received within 75 days of effective date or we will issue our form

☐ Manuscript Form (subject to approval of final executed policy form and approval of form we are following if following form)
Manuscript form and copy of policy we are to follow must be received within 75 days of effective date or we will issue our form

If doing Excess Follow Form or Manuscript Form, we require a complete copy of the policy we are following which is subject to approval prior to issuing our policy. Our policy will not be issued without it.

Exclusions:

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

Conditions: ☒ Warrant All Risk Underlyer

- ☒ Debris Removal clause (Company Form)
- ☒ Excess Limit of Liability and Participation Clause (Company Form)
- ☒ Drop Down clause applicable only to covered locations, perils and interests
- ☒ Statement of Values form
- ☐

PREMIUM:	$ 87,500	25% Minimum Earned
TRIPRA of 2015 Premium:	$ 43,750	Not included in premium above
Total Premium	$ 131,250	
Catastrophe Analysis Fee:	$ 1,600	Fully Earned
Inspection Fee:	$ 0	Fully Earned

Plus applicable SLA Taxes and Fees - broker is responsible for the calculation of these taxes and fees, payment to the appropriate SLA office and filing of the SLA form. Broker is responsible for maintaining signed insurance applications and acknowledgement of state fraud warnings.

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

Quote Subject to:	Written verification of no soft story parking - prior to binding Written verification of no losses - prior to binding

Comments:

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

Coverage for paved surfaces, walks, driveways, light poles, signs and underground piping are excluded.

However, notwithstanding this exclusion, this Company agrees to allow covered losses caused by the peril of Earthquake to erode the underlying aggregate and drop down by virtue of form 0706A - Drop Down clause applicable only to covered locations, perils and interests.

Real property includes block walls and gates.

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

https://www.bbinsurance.com/ccpa-privacy-notice/
https://www.munichre.com/us-non-life/en/general/privacy-statement.html

ZURICH

THIS DISCLOSURE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER ANY POLICY

DISCLOSURE OF IMPORTANT INFORMATION RELATING TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA: $13,768

*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

C. Disclosure of $100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed $100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Revised Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act may be certified as an "act of terrorism" if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed $5,000,000.

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Notice Regarding Surplus Lines Filing Confirmation and TRIPRA Rejection Forms

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

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

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

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

Schedule of Applicable Fees

Catastrophe Analysis Fee $ 1,600

Obsidian Specialty Insurance Company - $ 400.00
Palomar Excess and Surplus Insurance Company - Treaty 1 - $ 400.00
Palomar Excess and Surplus Insurance Company - Treaty 3 - $ 400.00
Steadfast Insurance Company - $ 400.00

Inspection Fee $ 0

Not Applicable

ITEM 8.4
ACTION

Valley Sanitary District

DATE:	**June 9, 2026**
TO:	**Board of Directors**
FROM:	**Jeanette Juarez, Chief Administrative Officer**
SUBJECT:	**SET A PUBLIC HEARING DATE FOR JULY 28, 2026, DETERMINING CERTAIN ACCOUNTS DELINQUENT AND DIRECTING THE PLACEMENT OF THESE ACCOUNTS ON THE PROPERTY TAX ROLLS FOR COLLECTION**

Suggested Action
Approve

Strategic Plan Compliance
GOAL 2: FINANCE. Sustainable, Long-Term Funding is in Place

Fiscal Impact
The delinquent account balance to be placed on the tax roll equals $2,636.

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

Background
Annually, District staff reviews the outstanding invoices of all properties that have not paid their invoices for various fees. To collect the unpaid charges and to ensure adequate procedural due process is provided, a Public Hearing date is required, and notice is sent to each specific property and posted on the District website. At the Public Hearing, the Board of Directors will adopt a resolution allowing the delinquent invoices to be placed on the property tax roll for collection.

If approved at the July 28, 2026, meeting of the Board of Directors, the collectability of the amounts placed on the tax rolls will be secured.

Recommendation
Set a public hearing date for July 28, 2026, to consider placing delinquent service charges on the county tax rolls.

Attachments
8.4 Attachment_A_Notice_of_Public_Hearing_Delimquent_Charges.docx

NOTICE OF PUBLIC HEARING
PLACEMENT OF DELINQUENT SERVICE FEES ON THE COUNTY TAX ROLLS

NOTICE IS HEREBY GIVEN that Valley Sanitary District will hold a public hearing in the Board Room at Valley Sanitary District, 45-500 Van Buren Street, Indio, California beginning at 1:00 p.m. on July 28, 2026, to consider the following:

> Pursuant to Health and Safety Code Sections 5470, 5473.5, 5473.6, 5473.7 and 5473.8, a written report has been filed with the District Secretary of Valley Sanitary District, containing a description of each parcel of real property receiving services for which payment is delinquent and containing the amount of delinquent service charges for each such parcel for the period ending June 30, 2026.

The purpose of the hearing is to determine whether the delinquent charges described in said report shall be collected on the tax roll in the same manner, by the same person and at the same time as, together with and not separately from, the general taxes. This means that, if the delinquent charges are not paid in a timely manner, they may be assessed against the property and collected as a tax lien.

ITEM 8.5
ACTION

Valley Sanitary District

DATE: June 9, 2026

TO: Board of Directors

FROM: Ian Wilson

SUBJECT: AUTHORIZE THE GENERAL MANAGER TO EXTEND THE BIOSOLIDS HAULING CONTRACT WITH SYNAGRO WEST LLC.

Suggested Action
Approve

Strategic Plan Compliance
GOAL 1: FACILITIES. Reliable, Sustainable Facilities that Meet Customer Needs

Fiscal Impact
The fiscal impact for the extension of the Agreement is not to exceed $1,000,000. This amount is included in the budget for fiscal year 2026/27.

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

Background

On May 23, 2023, the Board of Directors of Valley Sanitary District awarded Synagro West, LLC a three-year agreement for biosolids hauling and disposal services, effective July 1, 2023. The agreement includes a provision stating that, “The District shall have the unilateral option, at its sole discretion, to renew this Agreement automatically for no more than two additional one-year terms.”

During the past year, Valley Sanitary District has experienced an increase in biosolids production compared to previous years. Synagro has consistently provided the hauling and disposal capacity necessary to accommodate this increased production. District staff have also conducted site visits to

Synagro's biosolids composting facility and have found the company to be transparent in its operations and recordkeeping practices. Synagro continues to welcome annual District visits and maintains open communication regarding its services.

Since execution of the original agreement, staff have been highly satisfied with the quality, reliability, and responsiveness of the services provided by Synagro West, LLC. Based on this positive performance, staff recommends exercising the District's option to extend the agreement for one additional one-year term.

Synagro has submitted an updated cost proposal of $74.51 per wet ton, effective July 1, 2026. This represents an increase from the current rate of $69.64 per wet ton. According to Synagro, the increase is primarily attributable to higher transportation costs resulting from increased fuel prices. The trucking subcontractor, utilized for hauling services, have adjusted their rates to reflect these increased operating expenses.

Recommendation
Staff recommends that the Board of Directors authorizes the General Manager to extend the biosolids hauling contract with Synagro West LLC for a period of 1-year not to exceed the annual budgeted amount of $1,000,000.

Attachments
8.5 Attachment A 2026_Synagro-AZ Soils Site Inspection Report.pdf
8.5 Attachment B AZ SOILS Windrow.jpg
8.5 Attachment C Valley Sanitary Biosolids Hauling Proposal 6.2026.docx
8.5 Attachment D Synagro Professional Services Agreement Extension.pdf

Valley Sanitary District

Operations Department

Biosolids Facility Site - Inspection

General Information

Date / Time:	**04/15/2026 09:29 – 10:25**
VSD Attendee(s):	**Ian Wilson, Kenney Kepley, Chris Rahman, Anna Bell**
Facility Attendee(s):	**Brian Millage (Technical Services Specialist / Operations)**
Inspection Type / Purpose:	**Annual Facility Inspection**

Facility Information:

Facility Name:	**Synagro West, LLC** **AZ Soils Composting Facility**
Location:	**41326 McVey Rd Vicksburg, AZ 85348** **(NW of I-10 from Fondomonte Arizona Farms)**
Management Practice Type:	**Biosolids Hauler/Composter**
Handler / Preparer	**Off-Site 3rd Party Hauler**
Practice Detail:	**Composter** **Hold temperatures at 131*C for continuous 15 days**
Type of Biosolids	**Class A**
Number of Staff:	**4 employees**
Days of Operation:	**365 days/year, including holidays** **Staff arrive at 6am**
Age of Facility:	**Began operations in 1991; 35 years**
Size of Facility:	**80 total acres; 40 acres in use**
Facility Security:	**Gated facility with two entrances (E & W) and security cameras; unstaffed overnight**
Chemical Storage:	**Diesel fuel tank with secondary containment**
Nearest Water Source (contaminants):	**Berms are installed; nearest water source (storm water ravine) is approx.. 1.5 miles away across the roadway**
Calibrations / Certs:	**-Three thermometers w/2-degree intervals (expire April 2026) – replacements on order to replace before expiration, rather than repair / recertify** **-Truck Scales (expire April 2026) – scheduled to arrive (photo sun-bleached)** **--Serviced 10/14/2025 for 6month duration; license: 2495 – next due 04/20/26**
Laboratory Results:	**Annual (Latest Feb 2025)** **Routine sampling of incoming hauls, as needed** **Routine sampling of fecal coliform and salmonella** **Lab used is Legend Technical Services in Phoenix, AZ**
Final Destination Records:	**Outbound product logged by destination**
Records / Retention	**- Haul tickets, thermometer certifications, scale certification (see attached), daily temperature logs (see attached), windrow Process to Further Reduce Pathogens (PFRP) records (see attached), lab results** **- Records retained for 5 years** **- Report to County monthly, annually to state / EPA**

Facility Description

- Gated facility with security cameras on the office and maintenance building.
- All areas have berms to reduce runoff/contaminant potential.
- 300 ft to ground water well
- Truck wash area for commercial vehicles (in the drying bed area) has a berm away from the rows.
- Drying bed is sloped to gravity feed to a channel which leads to a lined retention basin; this liquid is left to evaporate. Any unevaporated liquids are mixed in with some finished compost to create new rows.
- Diesel fuel tank with secondary containment is located next to maintenance building; berms are located away from the drying beds.
- Potable water from well is used to wash trucks, supply water for water trucks, and for general maintenance activities.

40 CFR 503 Requirements (PFRP):

Pathogen (PSRP) Practice	Vector (PSRV) Practice
503.32(a)(7)	503.33(b)(5)
Windrow composting	Aerobic process, >14 days
Temperature maintained 55 degrees Celsius for >15days	Temperature >40 degrees Celsius
At temperature, minimum of 5 windrows	Average temperature >45 degrees Celsius

Description of Operations:

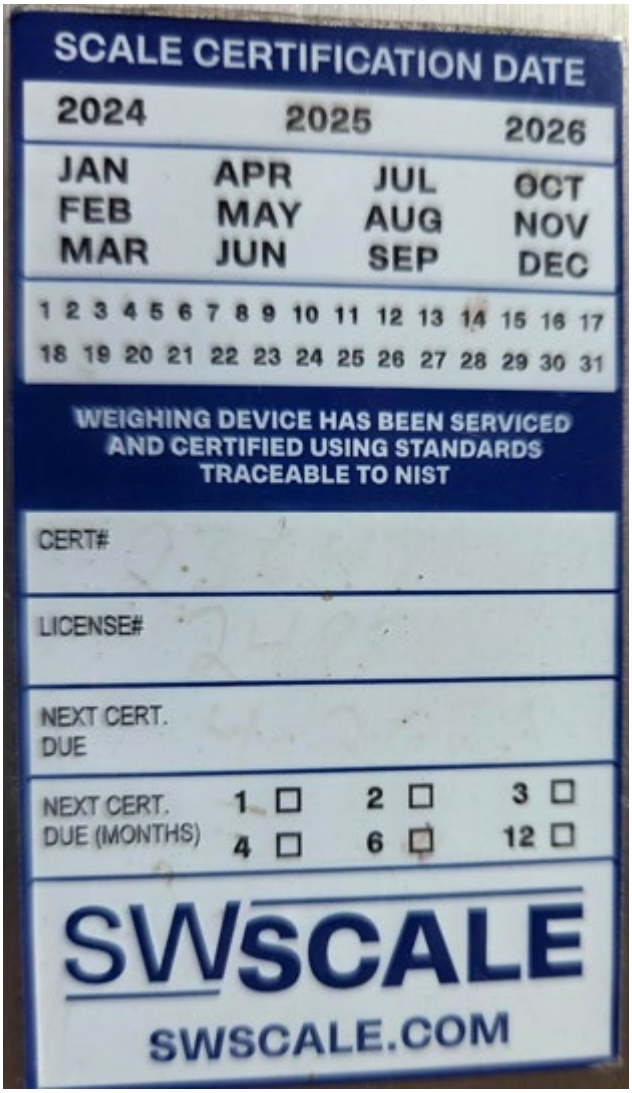
PPE Required: Hi-Vis Vest, Hard Hat, Safety Shoes, Safety Glasses

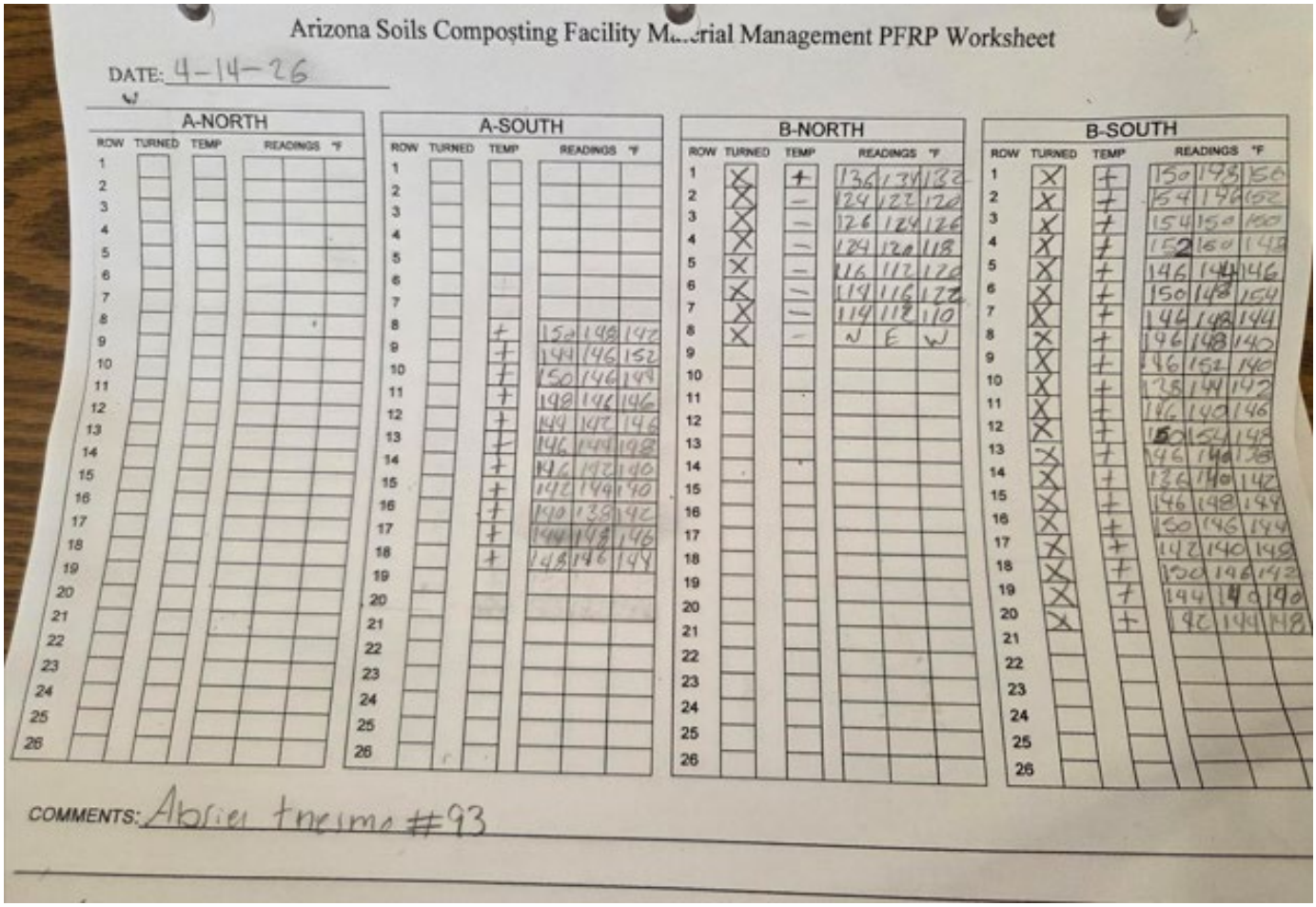
- 3rd party haulers enter the facility and through the weight scales; depending on the hauler, contents are sampled prior to offloading.
- Hauled materials (i.e. biosolids, dog food, green waste, dairy products, etc.) are combined into sections and rows (approx. 300 ft in length, 8ft tall and 18ft wide), which are spread and windrowed approx. 3 times a week with turners.
- Woodchips are added as needed; a separate section for woodchips is present in the eastern part of the facility.
- Working facility grounds is asphalt lined; the final section (screenings & haul) is native compact ground
- Rows are defined by location and number – Sections: A North, A South, B North, B South; Rows: 1 – 26.
- Daily temperatures are recorded using 3 ft long certified thermometers every 100 ft (each row received 3 temperature check points)
- Once the row achieved >132ºF, the piles are wind-rowed at a minimum of 5 times over the course of 15 days (reduction about 40% of solid material).
- After 15 days, the rows are transported to another section for screening using a 1/2-inch screen; this equipment is located at the western end of the facility.
- Once screened, the biosolids are then piled, sampled for Class A requirements (routinely Fecal Coliform and Salmonella, annually for all other constituents) and ready for outbound.
- Biosolids are bulk picked up in trucks by Arizona farmers (used for hay, cotton, etc. – no food crops).
- Portions of processed solids are recombined with incoming freshly hauled materials.
- Facility typically receives 18 – 20 trucks daily during weekdays; Facility Permit Limitation states cannot accept more than 800 tons/day.

Documents Attached: **YES** NO

Site-Visit Inspection Report Completed by: **Anna Bell** Date: **04/16/2026**







Arizona Soils Composting Facility Material Management PFRP Worksheet

DATE: 4-14-26

A-NORTH

ROW	TURNED	TEMP	READINGS °F		
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					

A-SOUTH

ROW	TURNED	TEMP	READINGS °F		
1					
2					
3					
4					
5					
6					
7					
8		+	152	148	142
9		+	144	146	152
10		+	150	146	144
11		+	148	146	146
12		+	144	142	146
13		+	146	144	148
14		+	146	142	140
15		+	142	144	140
16		+	140	138	142
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21					
22					
23					
24					
25					
26					

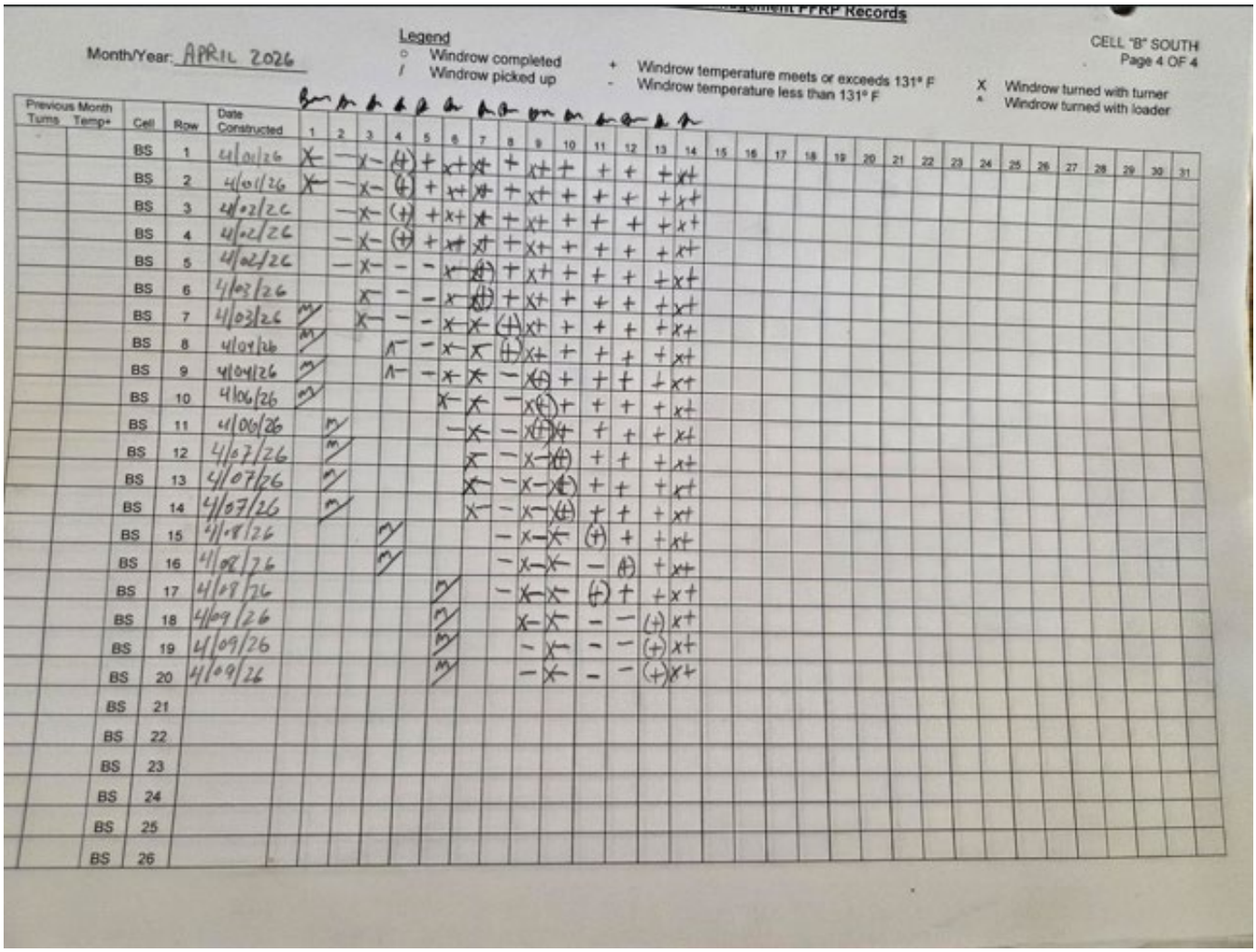
B-NORTH

ROW	TURNED	TEMP	READINGS °F		
1	X	+	136	134	132
2	X	–	124	122	120
3	X	–	126	124	126
4	X	–	124	120	118
5	X	–	116	112	120
6	X	–	119	116	122
7	X	–	114	112	110
8	X	–	N	E	W
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					

B-SOUTH

ROW	TURNED	TEMP	READINGS °F		
1	X	+	150	148	150
2	X	+	154	146	152
3	X	+	154	150	150
4	X	+	152	150	148
5	X	+	146	144	146
6	X	+	150	148	154
7	X	+	144	148	144
8	X	+	146	148	140
9	X	+	146	152	140
10	X	+	138	144	142
11	X	+	136	140	146
12	X	+	150	154	148
13	X	+	146	140	138
14	X	+	136	140	142
15	X	+	146	148	144
16	X	+	150	146	144
17	X	+	142	140	148
18	X	+	150	146	142
19	X	+	144	140	140
20	X	+	142	144	148
21					
22					
23					
24					
25					
26					

COMMENTS: Aboriel tneimo #93



Legend
○ Windrow completed
/ Windrow picked up
\+ Windrow temperature meets or exceeds 131° F
\- Windrow temperature less than 131° F
X Windrow turned with turner
^ Windrow turned with loader

Month/Year: APRIL 2026

CELL "B" SOUTH
Page 4 OF 4

Previous Month Turns	Previous Month Temp+	Cell	Row	Date Constructed
		BS	1	4/01/26
		BS	2	4/01/26
		BS	3	4/02/26
		BS	4	4/02/26
		BS	5	4/02/26
		BS	6	4/03/26
		BS	7	4/03/26
		BS	8	4/04/26
		BS	9	4/04/26
		BS	10	4/06/26
		BS	11	4/06/26
		BS	12	4/07/26
		BS	13	4/07/26
		BS	14	4/07/26
		BS	15	4/08/26
		BS	16	4/08/26
		BS	17	4/08/26
		BS	18	4/09/26
		BS	19	4/09/26
		BS	20	4/09/26
		BS	21	
		BS	22	
		BS	23	
		BS	24	
		BS	25	
		BS	26	



Materials Management Agreement

435 Williams Court, Suite 100
Baltimore, MD 21220
www.synagro.com

6/2/2026

Ian Wilson
Wastewater Operations Manager
Valley Sanitary District
Via email

Re: Services Agreement for Solids Handling

Dear Mr. Wilson:

The above referenced pricing proposal is for Synagro to accept and beneficially reuse solids generated at the Valley Sanitary District Wastewater Treatment plan Synagro shall, through its subcontractor, transport the solids to our Arizona Soils Compost. VSD will load the solids into a Synagro provided trailers.

Rate	Unit	Service
$74.51	Per Wet Ton	Compost dewatered solids from the Valley Sanitary Wastewater Treatment Plant. Minimum load of 23.5 tons, maximum load of 25 tons

**This proposal assumes that the solids meet all applicable regulatory requirements and a mutually acceptable agreement is executed.*

We appreciate your business and should you have any questions about our submittal or our approach to the project, please feel free to contact me at 909-289-3350 or via email at bvoss@synagro.com.

Sincerely,

Brian Voss

Brian Voss
Senior Business Development Manager

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

For

Synagro Biosolids Hauling Agreement

This Amendment #1 (Amendment) to Professional Services Agreement between the VALLEY SANITARY DISTRICT ("District") and Synagro West LLC("Consultant") is entered into on July, 2026.

Except as modified in this Amendment, the Professional Services Agreement ("Agreement"), originally dated July1, 2023, between the District and the Consultant shall remain in full force and effect.

The parties to this Amendment agree to the following changes to the Agreement.

Section 1. Services.

a. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional consulting services necessary for the Project. Consultant shall provide the District with the services described in the scope of services attached hereto as Exhibit “A” and by this reference incorporated herein.

Section 2. Compensation.

a. The District shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A", attached and by reference incorporated as part of this Amendment. In no event shall the total amount paid for services rendered by Consultant under this Amendment exceed the sum of **One Million Dollars ($1,000,000)**.

Section 3. Term of Amendment.

a. The term of this Amendment shall be from July 1, 2026, to June 30, 2027, unless terminated as provided in the Agreement. Consultant shall complete the services within the term of the Agreement, and any amendments, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of the Agreement if necessary to complete the services.

The District and the Consultant have duly executed this Amendment #1 to be effective as of date stated in the opening paragraph above.

VALLEY SANITARY DISTRICT	Synagro West LLC
By: _____	By: _____
Jason Dafforn General Manager	Rhylee Callan Contracts Manager

ITEM 9.1
REVIEW

Valley Sanitary District

DATE: **June 9, 2026**

TO: **Board of Directors**

FROM: **Jason Dafforn, General Manager**

SUBJECT: **RECEIVE MONTHLY GENERAL MANAGERS REPORT FOR MAY 2026**

Suggested Action
Review

Strategic Plan Compliance
GOAL 5: GOVERNANCE. An Ever-Improving Board Sets Clear and Thoughtful Direction for the District

Fiscal Impact
There is no fiscal impact from this report.

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

Background

The following data represents the activities and metrics for the month of May 2026.

Administrative Services

- Conducted 2 Regular Board Meetings
- Conducted 1 Community Engagement Meeting
- Submitted the Special District Leadership Foundation (SDLF) Certificate of Transparency
- Published 2 social media posts
- Attended 5 community outreach events
- Coordinated an e-blast campaign with California State University, San Bernardino (CSUSB) to promote the Valley Sanitary District Internship Program
- Attended the CAPIO 2026 Annual Conference

- Attended the SDARC Quarterly Luncheon
- Finalized the Fiscal Year 2026/27 Budget Book design
- Completed the District Asset Tagging Project
- New Hires: None
- Authorized Positions vs. Filled Positions:
    - Student Internship Program: 4 authorized part-time positions
- Open Recruitments:
    - Student Internship Program
- The following safety trainings were completed:
    - Respiratory Protection Training
    - Heat Illness Prevention Training
    - Lockout/Tagout Awareness Training for Authorized and Affected Employees
- The following policies were updated and reformatted:
    - Sick Leave and Family and Medical Leave Act (FMLA) Policy
    - Leaves Policy
- Lost-Time Accidents: None

Environmental Compliance Services

- Successfully completed and passed 1 proficiency testing (PTs)
- 05/20 – Staff member presented virtually at the CASA & CDPH "Wastewater Surveillance in Public Health 101 Webinar Series" – Session #3: Sustaining WWS: Lessons from the Front Lines"
- 05/22 – 05/29 – Staff member on vacation

Operations & Maintenance

- Headworks Bio-Filter smoke test
- Put South A.S.P. Contact Chamber online drained North Contact Chamber
- Assisted Maintenance with replacing strainers and internal valve parts in North Contact Chamber
- Removing water from South Cell
- Lab HVAC Install
- Installed 3 Surge buster valves at RAS
- Replaced AC mini split in SO2 building
- Backflush 6 influent wells
- Rehab 1 Aerator
- Fabricate valve stem bases at aeration bases
- Refresh 2 offices by old shop
- Headwork rebuild of 2 - 24" valve actuators.
- Desert Landscape at gate 3
- New belts at belt press building

Development Services

- Construction has begun on the Premier Packing Support Building on the corner of Van Buren Street and Enterprise Way.
- Construction has begun on a new Donut Shop on the Corner of Oasis Street and Miles Avenue
- Construction has begun on the AutoZone Warehouse expansion on the Corner of Jackson Street and Avenue 42.

- DR Horton has started the Fifth Tract of the five Tracts in the Dolfina Housing subdivision on the Corner of Avenue 49 and Jackson Street
- Construction had begun on a commercial building on the corner of Market Steet and Fleming Way.
- Construction of a new 180-unit apartment complex has begun on the Northwest corner of Avenue 44 and Golf Center Parkway
- Construction has begun on the ABC Club Recovery Center Expansion near the intersection of Indio Boulevard and Palm Avenue.
- Construction has begun on the Skyline Apartment complex. This is a 61-unit apartment complex on the northwest corner of Bliss Avenue and Oasis Street in the downtown Indio area.

Collection Services

- No-Spill report for the month of May will be submitted to the California Integrated Water Quality System, as required in the Waste Discharge Requirements Monitoring and Reporting Program. Due by the end of the month.
- Monthly preventative maintenance service of lift stations is scheduled for the month.
- CCTV pipe assessment is currently being conducted in the area of Sungold and Valencia.
- Jetting crew is currently working in the area of Avenue 49 and Jefferson
- Staff member passed CWEA Collection System Maintenance Grade 2 examination.

Capital Improvement Program

- With the help of Hoch Consulting, VSD has completed feasibility phase of the 1 MGD Reclaimed Water Project. VSD received an earmark from Senator Schiff's office for $1.92 million to cover the design cost of this project. The project will now proceed to the design phase where VSD will hire another firm to design the new tertiary plant based on the recommendations from the feasibility study. *Update: VSD staff are preparing the request for qualifications documents to hire a consultant to design the project.*
- VSD has selected to partner with Lystek International to develop a program for converting VSD's biosolids into liquid fertilizer using Lystek's patented methodology. This will allow VSD to avoid having to haul off its biosolids to Arizona and instead utilize the fertilizer for land application in California. VSD and Lystek have signed a memorandum of understanding in support of this partnership. *Update: Lystek continues to develop the site layout and structural design for the new waste handling building. VSD has provided comments on the most recent building design and layout drawings for incorporation.*
- VSD has chosen Sillman Architects as the architectural firm for the preparation of the VSD Campus Master Plan. The intent of this RFP is to solicit proposals from qualified consultants to assist the District in developing This comprehensive Campus Master Plan will evaluate and recommend long-term facility improvements for VSD's main campus. The architect will develop three conceptual Campus Master Plan alternatives that address the relocation of the Certified Laboratory, construction of a new Office and Training Building, expansion of parking and solar facilities, and general modernization of the existing campus. Work will include site planning, conceptual design, renderings, cost estimating, and facilitation of a workshop with District staff and stakeholders to review the proposed alternatives. *Update: The Board has chosen to proceed with the new campus design alternative. The next phase of the project will be to go out to bid for a firm to design the project. VSD staff are determining what the best project delivery method will be to design and construct this project before starting bid document preparation.*

- VSD staff are preparing for the cleaning of Digester #2 which has not been done since its construction in 2013. VSD is going to publicly bid for a contractor to remove all the grit and debris from the inside of the digester, thoroughly clean the tank and the associated piping, and perform any repairs required to the inside lining of the tank. *Update: The project has been re-released for bidding starting April 28th with updated bid documents and specifications. A pre-bid meeting will be held on May 13th and the bidding period will close on June 4 th.*
- VSD staff and Z&K Consultants are preparing a project to upgrade the existing security camera system. The focus of the upgrades will be to increase the coverage of the security system, make it easier to be analyzed during an incident, and increase the amount of storage by having the system be cloud based instead of on premise. The consultants have prepared a technical memorandum which outlines the condition and specifications of the existing system and the alternatives the District has for new cameras and systems. *Update: The consultant and VSD staff are working together to prepare the bid documentation for public advertisement.*
- VSD staff and Z&K Consultants are preparing a project to replace an existing sewer main that travels under the Union Pacific Railroad with a new sewer main along Indio Boulevard. The existing main an encased 18-inch cast iron line and shows signs of tuberculation. The current condition of the pipe makes it very difficult to inspect without risk of damage to the equipment or to the line itself. VSD and Z&K staff have determined that the best option is to abandon the existing line and construct a new line. *Update: VSD staff are working with the Z&K engineers to design a desired alignment before preparing bidding documents.*

Recommendation

Receive and file the General Manager's Report for activities during the month of May 2026.

Attachments

Attachment A Admin Services Report.pdf
Attachment B NPDES Report for April 2026.pdf
Attachment C Collection Services Report 2026 (2) .pdf
Attachment D Development Services Report May 2026.pdf
Attachment E Capital Improvement Program Report May 2026.pdf
Attachment F Environmental Compliance Summary.pdf
Attachment G Wastewater Surveillance Newsletter_June 2026.pdf

Administrative Services - Task Summary 2026

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Active Litigation Filed	-	-	-	-	-								-
Board Meeting	2	2	5	4	2								15
Budget/Finance Committee Meeting	1	-	-	-	-								1
Operations Committee Meeting	-	-	-	-	-								-
Commuity Engagement Committee Meeting	1	-	1	-	1								3
Employee Anniversaries	2	5	4	1	3								15
Employee Promotions	-	1	3	2	1								7
Facebook Postings	1	1	3	2	1								8
Instagram Postings	2	6	3	4	2								17
Insurance Claims Initiated	-	-	-	-	-								-
Lost Time Work Incidents	-	-	-	-	-								-
Media Coverage Items	1	-	1	-	-								2
New Hires	1	-	1	-	-								2
Press Release	-	-	-	-	-								-
Public Records Request	1	2	-	2	-								5
Resignations	-	-	-	-	-								-
Retirements	-	-	-	-	-								-

	Plant Influent		ASP Effluent Composite		Pond Effluent Flow	Pond Effluent Composite		Total Plant Discharge (Outfall) Grab												
April 2026	CBOD (mg/L)	TSS (mg/L)	CBOD (mg/L)	TSS (mg/L)	Pond Effluent Flow (MGD)	CBOD	TSS	EColi (MPN/100ml)	Oil and Grease (mg/L)	Copper (ug/L)	Cyanide (total) (ug/L)	Ammonia (total, as N) (mg/L)	Nitrate (as N) (mg/L)	Nitrite (as N) (mg/L)	Total Nitrogen (mg/L)	o-Phosphate (as P) (mg/L)	Phosphorus (total, as P)	Hardness (total, as CaCO3) (mg/L)	TDS (mg/L)	Turbidity (NTU)
1					0			48.7												
2					0															
3					0															
4					0															
5					0															
6	216	260	7.80	9.50	0				< 1.40	3.50	3.50	0.940	10.0	0.0840	13.0	0.180	0.270	158	495	0.750
7					0			68.3												
8					0															
9					0															
10					0															
11					0															
12					0															
13	220	226	14.0	11.7	0															
14					0			199												
15					0															
16					0															
17					0															
18					0															
19					0															
20	244	270	19.0	31.6	0															
21					0			15.3												
22					0															
23					0															
24					0															
25					0															
26					0															
27	249	259	9.30	4.50	0			20.3												
28					0															
29					0															
30					0															
Maximum	249	270	19.0	31.6	0			199	< 1.40	3.50	3.50	0.940	10.0	0.0840	13.0	0.180	0.270	158	495	0.750
Minimum	216	226	7.80	4.50	0			15.3	< 1.40	3.50	3.50	0.940	10.0	0.0840	13.0	0.180	0.270	158	495	0.750
Average	232	254	12.53	14.33	0			46.0*	0.70	3.50	3.50	0.940	10.0	0.0840	13.0	0.180	0.270	158	495	0.750
Exceedences	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Permit LIMITS			25	30		40.0	49.0	126(mo) / 400 (max)	25	8.5	4.4									

Collection Services Task Summary Report for 2026

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total To Date
Customer Service Calls	2	1	1	1	-								5
F.O.G. Inspection - Completed													-
F.O.G. Inspection - Fail													-
F.O.G. Inspection - Pass													-
Quarterly Maintenance W/O	26	-	-	26	-								52
Lift station inspection	23	12	19	18	23								95
Manhole inspection	138	157	170	198	200								863
Sewer line CCTV (feet)	19,186	11,164	10,057	9,337	17,354								67,098
Sewer line cleaning (feet)	53,050	54,672	65,010	69,656	61,004								303,392
SSO Response - Cat 1	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 2	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 3	0	0	0	0	0	0	0	0	0	0	0	0	0
SSO Response - Cat 4	0	0	0	0	0	0	0	0	0	0	0	0	
USA Markings	55	28	25	30	20								158

VALLEY SANITARY DISTRICT DEVELOPMENT SERVICES REPORT

9-Jun-26

Plan Check in Progress
Inspection in Progress
New Project

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
47852 Belvedere Way ADU	47852 Belvedere Way	plans submitted for an 800 sqft ADU. Plans approved through portal	Waiting for owner to process permit paperwork.
81488 Riverlane Residence	81488 Riverlane Dr	Plans submitted for 2084 sqft private residence, Permit 4260 12/01/2025	Inspect work improvements as scheduled.
81494 Riverlane Residence	81494 Riverlane Dr	Plans submitted for 2084 sqft single family home, Permit 4259 12/01/2025	Inspect work improvements as scheduled.
ABC Recovery Center Expansion	44359 Palm Street	Plans submitted and deposit paid for an expansion ro the ABC Recovery building. 03/17/25 Permit 4217	Inspect work improvements as scheduled.
ABC Recovery Center Expansion Arch	82301 Indio Blvd	Arch. Plans submitted and deposit paid for an expansion to the ABC Recovery building. Refer to #240011. 03/17/2025 Permit 4217	Inspect work improvements as scheduled.
Abravanel ADU	82917 Larsen Dr.	Plans Submitted for a detached 800 sqft ADU. Emailed Contractor payment receipt & permit #4200 Finaled 2/28/26	No further action required
Acosta ADUs	83059 DILLON AVE	Plans Submitted for 2 ADUs. City issued permit and has active hold in the portal	Plans In Queue
Autozone Jackson Street	41850 Jackson Street/aAvenue 42	Plans submitted for plan check. Sewer main relocation. Plans approved 1/21/21. Waiting for engineer to finalize easements docs. Permit 3954 issued 5/13/21.	10% warrenty bond in place Reinspect and notice of acceptenace Due 1/1/2023
AutoZone Megahub	41850 Jackson St	Warehouse expansion for Autozone. Plans approved and notified applicant.	Inspect work improvements as scheduled.
AutoZone Megahub Civil	41850 Jackson St	Civil plans submitted for new car parts warehouse for Autozone. Plans approved and notified applicant.	Inspect work improvements as scheduled.
Beautiful Day Restaurant	45238 Oasis St	Plans submitted for a sandwich shop T.I. Permit 4202 1/15/25	Inspect work improvements as scheduled.
Bliss & Oasis Apts Architectural Plans	NW Corner of Bliss Ave and Oasis St	Permit 4241 6/25/25	Inspect work improvements as scheduled.
Bliss & Oasis Apts Sewer Improv. Plan	NW Corner of Bliss Ave and Oasis St	Plans submitted for Civil Plans, fee paid with check. Plans approved and notified the applicant 11/21/24.	Inspect work improvements as scheduled.
Carranza Residence	83204 Sonora Ave	plans submitted for private residence. Completed 1st check thru City portal 3/30/26.	Perform 2nd plan check upon plan resubmittal.
Carranza Residence 2	83196 Sonora Ave	plans submitted for private residence. Completed 1st check thru City portal 3/30/26.	Perform 2nd plan check upon plan resubmittal.
Casa Del Cava Bed & Breakfast	82399 John Nobles Ave	plans submitted for new BnB. Completed 2nd check and returned to the applicant 9/9/25.	Perform 3rd plan check upon plan resubmittal. Plans in Queue
Chandi Plaza Building "B" Shell	81-971 Indio Blvd/Avenue 44	Plans submitted for plan check. Completed 1st check and returned to the applicant 10/13/20. Issued permit 3963 on 6/29/21.	Inspect work improvements as scheduled.
Chris Scott Double ADU	82229 Valencia Avenue	plans submitted for double ADUs. Plans approved and notified applicant.	Waiting for owner to process permit paperwork.
Coco Palms Tract 38072-2	South East Corner of Avenue 49 and Jackson	Plans submitted and plan check fee paid for phase 2 of housing tract. . Lateral Resubmission for 38072-1/38072-2 were picked up	Inspect work improvements as scheduled.
Coco Palms Dolfina 38072-4	South East Corner of Avenue 49 and Jackson	Plans submitted for phase 4 of Coco Palms. Plan Check Fee Paid. Emailed Stacie from Heitec that plans are ready	Waiting for owner to process permit paperwork.
Coco Palms Tract 38072-3	South East Corner of Avenue 49 and Jackson St	Plans submitted for phase 3 of Coco Palms. Plan Check Fee Paid. Plans were resubmitted for 2nd Plan Check. Plans signed ready for pick up 04/04/24	Inspect work improvements as scheduled.
Coco Palms/Dolfina 38072-5	S.E. Corner of Avenue 49 and Jackson	Plans submitted for phase 5 of Coco Palms. Plans approved 03/20/25	Waiting for owner to process permit paperwork.
Commercial Building for Abel Lupian	45105 Commerce St	Plans Submitted for a mechanic shop and office. Completed 1st check and returned to applicant 6/12/25.	Waiting for owner to process permit paperwork.
Corregidor Residence	84179 Corregidor Ave	Plans submitted for a single family residence. Emailed home owner fee quote 08/12/2025	Waiting for owner to process permit paperwork.
Cresencio Rios ADU	43546 Sola St	plans submitted for 2 story ADU Permit 4273 02/26/2026	Inspect work improvements as scheduled.
CVRM New Life Resale Boutique	47510 Van Buren St	Plans submitted for a new resale store. Plans approved, notified the applicant 5/20/26.	Waiting for owner to process permit paperwork.
Deglet Noor 3 story Apt Bldg	45720 Deglet Noor	3 story 6 unit affordable housing. 1st plan check approved thru City portal.	Perform 2nd plan check upon plan resubmittal.
Del Taco #303 Remodel	82742 Hwy 111	Architectural Plans submitted and deposit paid for a Drive-thru Taco shop remodel. Permit 4183 9/19/24	Inspect work improvements as scheduled.
Desert Pre-School Academy	81670 Hwy 111	Plans submitted for a preschool in the old Sizzler Restaurant. Completed 1st plan check and returned to applicant.	Perform 2nd plan check upon plan resubmittal.
Donna Forte Restaurant	82862 Miles Ave	Restaurant T.I. with GI installation. Completed 1st check and returned to the applicant 5/12/26.	Perform 2nd plan check upon plan resubmittal.
Dutch Bros Coffee Ave 42	83020 Ave 42	Plans submitted for a drive-thru coffe shop. Plans approved. Permit 4220 04/22/25 Finaled 12/22/25	Inspect work improvements as scheduled.
Eduardo Servin Residence	43928 Faye St	Plans submitted for a private residence on a previously developed lot. 12/30/24 Permit 4198	Inspect work improvements as scheduled.
EOS Fitness Hwy 111	Highway/Jefferson Street	Plans submitted for construction of new gym facility. Plans approved and notified applicant 4/27/20. Permit 4049 Finaled 9/12/2024	Waiting for owner to submit Warranty Bond
Gady Gabrielzadeh ADU	48680 Sojourn St	plans submitted for an ADU.	Waiting for owner to process permit paperwork.
I-10 Monroe Conceptual Site Plans	SE Corner of Monroe and Ave 42	The Palms at Indio Sewer Plans submitted (Fee paid 8/19/22) Approved 6/8/23	Inspect work improvements as scheduled.
I-10 Monroe Conceptual Site Plans Pt. 2	SE Corner of Monroe and Ave 42	Plans Submitted and fee paid for Sewer Development. Aproved 6/8/23	Waiting for owner to submit Bonds and Development agreement paperwork.
IEHP Indio TI	83240 Hwy 111	Medical T.I. building. Completed 1st check thru City portal 5/22/26.	Perform 2nd plan check upon plan resubmittal.
Indian Palms 32	Cochran Drive & Garland Road	Civil plans submitted for public sewer for 32 unit condo complex. 2nd plan check complete. 9/1/21. Plans approved 9/17/21.	10% warrenty bond in place Reinspect and notice of acceptenace Due 10/1/2024

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
Indio Gas Station Urban Plaza	83305 Indio Blvd	plans submitted for a convenience store and gas station	Perform 2nd plan check upon plan resubmittal.
Indio Grand Marketplace Ph 1 (Bldg 2A)	82227 Hwy 111	Plans submitted for 4800 sqft T.I retail building. Completed plan check thru City portal.	Waiting for owner to process permit paperwork.
Indio Grand Marketplace Ph 1 (Bldg 2B)	82227 Hwy 111	Plans submitted for 8000 sqft T.I retail building. Completed plan chech thru City portal.	Waiting for owner to process permit paperwork.
Indio Grand Marketplace Ph 1 (Civil)	82227 Hwy 111	Plans submitted for 2 commercial retail buildings. Plans approved.	Waiting for owner to process permit paperwork.
Indio Industrial Park Ste H T.I.	82855 MARKET ST H	A tenant Improvement of approximately 10,000 sq.ft. Plans approved thru City portal 4/27/26.	No further action.
Indio Industrial Park Unit 400 T.I.	82855 MARKET ST B Unit:400	A tenant Improvement of approximately 5,000 sq.ft. Plans approved thru City portal 4/27/26.	No further action.
Indio Juvenile Court	47671 Oasis St/ Ave 48	Plans submitted to demo existing juvenile court building and construct new building on the same site. Plans approved, notified applicant project ready to permit 9/30/21. Permit # 4004 1/25/22	Inspect work improvements as scheduled.
Indio Marketplace Architectural	82227 Highway 111/Rubidoux	Plans submitted for mall TI. Completed 2nd check and notified applicant 8/2/22.	Waiting for owner to process permit paperwork.
Indio Marketplace Civil	82227 Highway 111/Rubidoux	Plans submitted for mall TI, Completed second plan check and returned to the applicant 11/12/21.	Waiting for owner to process permit paperwork.
Indio MOB	81650 JFK Ct	plans submitted for medical office building. Plan check completed thru City portal.	Perform 4th plan check upon plan resubmittal.
Indio Plaza Sewer Relocation	82126 Hwy 111/Monroe St.	Plans submitted for sewer line and manhole relocation. Plans approved and notified applicant 7/28/22.	Waiting for owner to process permit paperwork.
Indio Police HQ	46800 Jackson St	plans submitted for a new Indio PD headquarters at the corner of Jackson and Dr Carreon. 2nd plan check completed thru City portal.	Perform 2nd plan check upon plan resubmittal.
Iris Cardenas Residence	83101 Sonora Dr	plans submitted for a SFR	Waiting for owner to process permit paperwork.
Irma Angulo New Residence	46580 Linda Flora St	New 1893sqft home to be rebuilt. Plan approved and applicant notified.	Waiting for owner to process permit paperwork.
Jackson Townhomes	44090 Jackson St	plans submitted for 10 unit apartment complex. Completed 1st plan check thru City portal.	Perform 2nd plan check upon plan resubmittal.
JDG Commercial Building	82553 Market St	Plans submitted for a new story commercial building. Completed plan check, signed plans and notified applicant project ready to permit 4/30/25. Permit 4224 5/1/25	Inspect work improvements as scheduled.
Jenaro Alvarez ADU	47612 GRANITE CT	plans submitted for an ADU 2 Br 1bath. Plans approved through Indio Portal	Waiting for owner to process permit paperwork.
JFM Senior Senior Arch Plans Parcel 1 Phase 4	83801 / 83285 Dr Carreon	Plans Submitted for Senior Villa Apts, plan check deposit paid. Permit #4265 12/15/2025	Inspect work improvements as scheduled.
JFM Senior Villas Public/Private Sewer Phase 4	83801 / 83285 Dr Carreon	Plans Submitted for Senior Villa Apts, plan check deposit paid. Adriana from MSA will resend plans that just arrived.Pending Architectural to complete fee quote. MSA will come Jul 1 to pick up plans 06/28/2024	Waiting for owner to process permit paperwork.
JFM Villas Parcel 2 Phase 5	47135 Van Buren St	Plans submitted for Apt complex sewer improvement. Emailed MSA to pick up plans at front desk 02/26/2025 Permit 4213	Inspect work improvements as scheduled.
Joe Sampsson ADU	82297 MILES AVE	plans submitted for an ADU. Completed 1st review in Indio Portal.	Perform 2nd plan check upon plan resubmittal.
John Nobles Apts civil plans	John Nobles Avenue/Rubidoux Street	Plans submitted for on-site private sewer. Completed 1st plan check and returned to applicant 7/12/22.	Perform 2nd plan check upon plan resubmittal.
Jose Lopez ADU	43590 Apache St	plans submitted for an ADU. Completed review in Indio Portal	Perform 2nd plan check upon plan resubmittal. Plans in Queue
Kings Castle Taco Architectural	82991 Bliss Avenue	Plans submitted for building TI for taco shop. Completed 2nd plan check. Civil plans submitted for review 7/21/22.	Waiting for owner to process permit paperwork.
Kings Castle Taco Civil Plans	82991 Bliss Avenue	Plans submitted for building TI for taco shop 7/21/22. Plans approved and notified the applicant 9/7/22.	Waiting for owner to process permit paperwork.
Labar Golf Warehouse	83633 Citrus Ave	plans sunbmitted for a new commercial building and outdoor storage structure. Plans approved thru City portal.	Waiting for owner to process permit paperwork.
Las Plumas/Coco Palm Tract 38072-1	South East Corner of Avenue 49 and Jackson St	Plans submitted for 173 lot housing tract. Completed first plan check 4/27/21.	Inspect work improvements as scheduled.
Magical Estates Additional Spaces T.I.	82490 Highway 111/Arabia Street	Plans submitted for tract mall T.I. on Hwy 111. Plans approved and notified applicant 4/7/25. Finaled 5/22/26	No further action required
Maverik Convenience Store Arch	83620 Ave 45	Arch plans submitted for a gas station on Avenue 45. Plans approved thur the City portal.	Waiting for owner to process permit paperwork.
Maverik Convenience Store Civil	83620 Ave 45	Civil plans submitted for a gas station on Indio Blvd. Completed 1st check and returned to applicant 11/3/25.	Perform 2nd plan check upon plan resubmittal.
New residence for Ruiz Family	44913 Palm St	New Single family home. Completed final check, approved plan thru City portal.	Waiting for owner to process permit paperwork.
Nicholson ADU	82433 Gable Drive	Plans Submitted for an ADU. Emailed owner to pickup plans.Permit 4197 12/26/24	Inspect work improvements as scheduled.
Outdoor Resorts Lot 231 addition	80394 Ave 48 lot 231	Plans submitted for additional restroom. Emailed contractor and owner fee quote 9/16/25 Permit4277	Inspect work improvements as scheduled.
Outdoor Resorts Lot 249 Casita	80394 Ave 48 space 249	Build new FRSS with bath, kitchen. Emailed fee quote to developer 08/14/2025	Inspect work improvements as scheduled.
Outdoor Resorts Lot 358 Casita	80394 Ave 48 space 358	Build new TRSS with bath, kitchen and outdoor BBQ. Emailed fee quote to developer 03/13/2026	Inspect work improvements as scheduled.
Outdoor Resorts Lot 368 Casita	80394 Ave 48 space 368	Build new TRSS with bath, kitchen and outdoor BBQ. Emailed fee quote to developer 04/28/2026	Inspect work improvements as scheduled.
Outdoor Resorts Lot 408 Casita	80394 Ave 48 space 408	Plans Submitted for a RV casita. Emailed Desert pride 07/24/25	Inspect work improvements as scheduled.
Outdoor Resorts Lot 412 Casita	80394 Ave 48 space 412	Plans Submitted for a RV casita. Permit 4236 06/05/25	Inspect work improvements as scheduled.
Pacific West Apts Architectural Plans	Ave 44 & Golf Center Parkway	Plans submitted for 180 unit affordable housing. Plans approved and notified applicant 2/6/2025.	Inspect work improvements as scheduled.
Pacific West Apts Civil Sewer Plans	NW Corner of Ave 44 & Golf Center Pkwy	Sewer Improvement Plans for Affordable Housing. 05/01/25 Plans Permitted 4225	Inspect work improvements as scheduled.
Painted Dough	45073 Oasis St	Donut Shop T.I. with 1500 gal G.I. Completed 1st check and returned to applicant 4/23/26.	Inspect work improvements as scheduled.
Palmera Apartments Civil	NE Corner of Monroe and Requa	Plans submitted for Sewer Developmet, fee paid. Completed 2nd plan check and returned to the applicant 3/9/23	Perform 3rd plan check upon plan resubmittal.
Palmera Project Arc	Requa Ave West of Monroe PM 38493	Plans Submitted for Apt Homes with Clubhouse. Completed 1st plan check and returned to the applicant 9/11/23.	Perform 2nd plan check upon plan resubmittal.
Paniagua Residence ADU	82297 Miles Ave	convert garage to ADU	Plans In Queue
Paradiso Tract 31815	East of Monroe North of Ave 41	New model homes under construction. Warranty Bond received 3/2/2023.	Notice of acceptance after 12 month warranty bond release.
Paradiso Tract 31815 & 31815-3	East of Monroe North of Ave 41	Plans submitted for new housing tract phases. Completed first plan check 2/25/21. Plans Approved 3/25/21.	10% warrenty bond in place Reinspect and notice of acceptenace Due 3/1/2024
Pawley Pool Aquatic Facility	46350 Jackson Street/Date Ave.	Plans submitted for new Aquatic Center on existing public pool site. Project Expired in 2020. Resbmitted 10/25/21. Plans approved and notified applicant 10/12/23. Permit #4131 11/06/23	Inspect work improvements as scheduled.
Premier Packing Support Building	46-167 Van Buren	Plans submitted for Indio Agricultural Support building. Project permitted 10/13/25. Permit 4255	Inspect work improvements as scheduled.
Private residence for Cristina Ayon	49115 Ridgeback Ct	Plans submitted, fee paid. Plans approved and notified applicant project ready to permit 12/22/22. Permit 4071 1/12/23	Inspect work improvements as scheduled.
Ranch RV & self Storage	83734 Dr Carreon	Plans submitted, fee paid with check. Completed 2nd plan check and notified applicant 12/14/22. Permit 4090 2/28/2023	Inspect work improvements as scheduled.

PROJECT NAME	STREET ADDRESS / CROSS STREET	CURRENT PROJECT STATUS	NEXT ACTION ITEM
RCOE Indio Conference Center	83625 Dr Carreon Blvd	Plans submitted for a conference center and fee paid for RCOE. Emailed Beryl at DRL group that plans are ready for pickup 10/07/24 Permit 4189	Inspect work improvements as scheduled.
Residence for Mr and Mrs Job Lopez	49-134 Ridgeback Ct	Plans Submitted and fee paid for private residence. Plans approved and notified applicant 3/16/23. Permit 4093	Inspect work improvements as scheduled.
Ridgeback Ct Family Residence	49128 Ridgeback Ct	Plans submitted for single family residence, plan check fee paid. Plans approved. Permit 4114 7/20/23	Inspect work improvements as scheduled.
Robles Residence	46760 Yorktown St	Plans submitted for an ADU. Fee quote attached to Indio Portal 07/30/25	Waiting for owner to process permit paperwork.
Rosa Galaz Remodel	48170 Hjorth St	Desert Shores Resort Remodel and Additon. Plans approved in Portal	Waiting for owner to process permit paperwork.
Ross Family Residence	48753 Southview Pl	NEW SINGLE FAMILY RESIDENCE TWO-STORY WITH 4 CAR GARAGE	Waiting for owner to process permit paperwork.
Salad and Go	82051 Ave 42	Plans submitted for a Restaurant. Plans aproved and notified applicant 3/1/24. Permit 4172	Inspect work improvements as scheduled.
Saphire Apartments	45733 Oasis St	Plans submmited for 30 unit Mixed-Use Apartment Complex, Plan Check Deposit paid. Emailed Ashai Design fee quote and approval letter 05/16/24. Permit 4156	Inspect work improvements as scheduled.
Smith Residence	82291 DeVito Ct	3700 Sqft residence in Indian Palms. 1st review completed through City portal.	Perform 2nd plan check upon plan resubmittal.
Soul & Body Pharmacy TI	82013 Dr Carreon Dr Ste I	remodeling medical suite for pharmacy. Plan approved, permit issued. 4275	Inspect work improvements as scheduled.
Statewide Office T.I.	45257 Oasis St	Plans submitted for a new office T.I. Completed 1st check and returned to applicant 5/15/25.	Perform 2nd plan check upon plan resubmittal.
Stutz Packing Company	82025 Ave 44	plans submitted for sewer improvement and easement docs	Plans In Queue
The Greens	NE Corner Of Jackson St and Ave 42	Plans Submitted for a new commercial development. Plans approved and notified the applicant 2/6/25. 4/29/25 Permit 4222	Inspect work improvements as scheduled.
Tony Fimbres Residence	82305 DEVITO CT INDIO	new 3,714 sf single family residence. Completed 1st check thru City portal.	Perform 2nd plan check upon plan resubmittal.
Walmart Gas Station	82391 Ave 42 Indio CA	Arch plans submitted for a gas station on Ave 42 Walmart. Plans approved thru the City portal.	Waiting for owner to process permit paperwork.
Walmart Gas Station Civil	82391 Ave 42 Indio CA	Civil plans submitted for a gas station on Ave 42 Walmart. Plans approved.	Plans approved, waiting for architectural plan resubmittal.
Wendy's Sewer Improvement Plans	81711 Hwy 111	Plans submitted for sewer improvement plans for a fast food restaurant. Plans sent out Pending Easement review 10/14/2024 Permit 4195 12/12/24	Plans approved, waiting on final easement docs.
Wok King Chinese Restaurant	42211 Jackson St	T.I. for a Chinese FSE with G.I.	Waiting for owner to process permit paperwork.

	May	Fiscal Year
New Projects	2	56
Projects Permitted	2	13
Projects Finaled	9	55

Monthly Capital Improvement Project Update - May 2026				
	Project Description	**Current Status**	**Fiscal Year Budget**	**Total Spent to Date**
Recycled Water Project Feasibility Study	With the help of Hoch Consulting, VSD has completed feasibility phase of the 1 MGD Reclaimed Water Project. VSD received an earmark from Senator Schiff's office for $1.92 million to cover the design cost of this project. The project will now proceed to the design phase where VSD will hire another firm to design the new tertiary plant based on the recommendations from the feasibility study.	VSD staff are preparing the request for qualifications documents to hire a consultant to design the project.	$2,000,000.00	$47,864.63
Biosolids Conversion Project	VSD has selected to partner with Lystek International to develop a program for converting VSD's biosolids into liquid fertilizer using Lystek's patented methodology. This will allow VSD to avoid having to haul off its biosolids to Arizona and instead utilize the fertilizer for land application in California. VSD and Lystek have signed a memorandum of understanding in support of this partnership.	Lystek continues to develop the site layout and structural design for the new waste handling building. VSD has provided comments on the most recent building design and layout drawings for incorporation.	$1,000,000.00	$108,849.00
Digester No. 2 Cleaning	VSD staff are preparing for the cleaning of Digester #2 which has not been done since its construction in 2013. VSD is going to publicly bid for a contractor to remove all the grit and debris from the inside of the digester, thoroughly clean the tank and the associated piping, and perform any repairs required to the inside lining of the tank.	The project has been re-released for bidding starting April 28th with updated bid documents and specifications. A prebid meeting will be held on May 13th and the bidding period will close on June 4th.	$600,000.00	$29,630.00
VSD New Campus Project	VSD has chosen Sillman Architects as the architectural firm for the preparation of the VSD Campus Master Plan. The intent of this RFP is to solicit proposals from qualified consultants to assist the District in developing This comprehensive Campus Master Plan will evaluate and recommend long-term facility improvements for VSD's main campus. The architect will develop three conceptual Campus Master Plan alternatives that address the relocation of the Certified Laboratory, construction of a new Office and Training Building, expansion of parking and solar facilities, and general modernization of the existing campus. Work will include site planning, conceptual design, renderings, cost estimating, and facilitation of a workshop with District staff and stakeholders to review the proposed alternatives.	The Board has chosen to proceed with the new campus design alternative. The next phase of the project will be to go out to bid for a firm to design the project. VSD staff are determining what the best project delivery method will be to design and construct this project.	$2,000,000.00	$106,655.00
Upgrade District Security Cameras	VSD staff and Z&K Consultants are preparing a project to upgrade the existing security camera system. The focus of the upgrades will be to increase the coverage of the security system, make it easier to be analyzed during an incident, and increase the amount of storage by having the system be cloud based instead of on premise. The consultants have prepared a technical memorandum which outlines the condition and specifications of the existing system and the alternatives the District has for new cameras and systems.	The consultant and VSD staff are working together to prepare the bid documentation for public advertisement.	$150,000.00	$0.00
Replace 18-inch Cast Iron Pipe Under Railroad	VSD staff and Z&K Consultants are preparing a project to replace an existing sewer main that travels under the Union Pacific Railroad with a new sewer main along Indio Boulevard. The existing main an encased 18-inch cast iron line and shows signs of tuberculation. The current condition of the pipe makes it very difficult to inspect without risk of damage to the equipment or to the line itself. VSD and Z&K staff have determined that the best option is to abandon the existing line and construct a new line.	VSD staff are working with the Z&K engineers to design a desired alignment before preparing bidding documents.	$300,000.00	$0.00

Environmental Compliance Summary Report for 2026

Task	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
Pretreatment													
Customer Service Calls	5	6	10	13									34
Commercial Approval Letters	0	0	1	2									3
Change of Ownership Inspection	0	0	3	3									6
SIU Permit Compliance	5	3	3	5									16
FOG-FSE Inspections Completed	17	17	19	10									63
Commercial Inspections Completed	3	6	10	6									25
Environmental & Collections investigations	0	1	0	1									2
Non-compliance follow-up	2	2	3	5									12
Failed Inspections or NOV	0	3	0	0									3
Total # of Inspections	25	27	32	22	0	0	0	0	0	0	0	0	106

Laboratory	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total YTD
# of Collected Samples	283	277	309	300									1,169
# of Tests (Analyses)	506	460	472	418									1,856
# of Samples sent to Contract Labs	5	13	15	24	0	0	0	0	0	0	0		57
# of Contracted Tests (Analyses)	57	32	82	101									272
# of Samples - WBE Surveillance	34	33	37	34									138
% of Samples performed In-House	98.2%	95.3%	95.1%	92.0%									95.2%

Wastewater Surveillance

Your Guide to VSD & Pathogens

June 2026









VSD Program

Wastewater surveillance is used to monitor the presence of pathogens within VSD's service community by tracking trends in virus rates. Public health officials can utilize the data to prevent and control disease within our service area.

Websites VSD Program data shared with:

- WastewaterScan
- Biobot Analytics – Pathogens
- Biobot & Office of National Drug Control Policy (ONDCP) Program
- CDC – National Wastewater Surveillance System (NWSS)
- CalSuWers & Riverside Public Health Laboratory (RPHL) Network

PodCast: WEF "Sewer Signals"

PROGRAM UPDATES

- No updates.

Pathogen Information

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

Respiratory Pathogens

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

Gastrointestinal Pathogens

Rotavirus	Major cause of GI illness (diarrheal disease) among infants and young children, vaccine preventable.
Human Norovirus GII	Leading cause of GI illness

Other Pathogens of Concern

Candida auris	Global health threat, emerging fungus resistant to all 3 major antifungal medicines. Infection can vary from superficial (skin) infections to more severe, life-threatening infections.
Hepatitis A	Contaminated food or water or contact with infected; symptoms include fatigue, nausea, abdominal pain, loss of appetite and low-grade fever. Inflames in the liver cause mild to severe illnesses. Vaccine preventable.
Mpox	Symptoms like smallpox but milder, rarely fatal.
Measles	Very contagious and can cause serious health complications. Best protection is MMR vaccine for long-lasting protection against all strains of measles.
Parvovirus	Virus, also called “fifth disease” causing a face rash.
West Nile Virus	Spread through infected mosquitoes. It starts in the summer and continues through fall.

Substance Information

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

Parent	Metabolite	Type
Alprazolam	4-hydroxy alprazolam	High-Risk Substance
Cocaine	Benzoylecgonine	
Fentanyl	Nor fentanyl	
Ketamine	Norketamine	
Medetomidine	3-hydroxy medetomidine	
Methamphetamine	Amphetamine	
Nicotine	trans-3'-Hydroxycotinine	
Xylazine	4-hyroxy xylazine	
Acetyl fentanyl	Acetyl Norfentanyl	Illicit Opioid
Carfentanil		
Heroin	6-MAM, Morphine	
Parafluorofentanyl		
Sufentanil		
Tiapentine	MC5	
Codeine		RX Opioid
Dihydrocodeine	Dihydromorphine	
Hydrocodone	Norhydrocodone	
Hydromorphone	Hydromorphine-3-glucuronide	
Morphine	Morphine-3-glucuronide	
Oxycodone	Nor oxycodone	
Oxymorphone		
Tramadol	N-Desmethyltramadol O-Desmethyltramadol	
Buprenorphine	Norbuprenorphine	SUD Treatment
Methadone	EDDP	
Naloxone	6α-Naloxol	

Data Trends

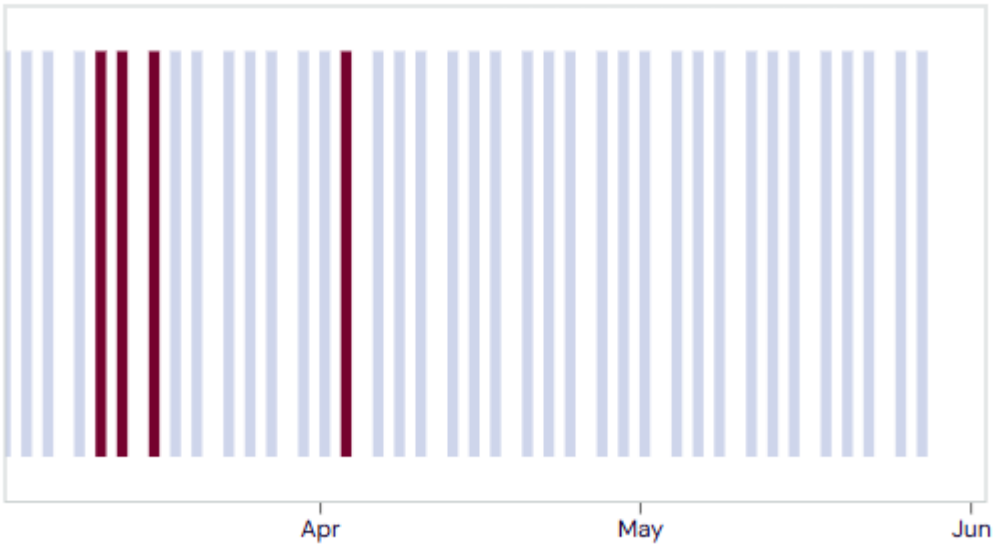
WastewaterSCAN

Following Pathogens had no Detections – No graphs displayed:

Candidozyma auris **H5 influenza** **Mpox clade II/ Ib** **West Nile Virus**

Measles Not Detected

0 out of 5 samples in the 10 days prior to the last sample date were positive

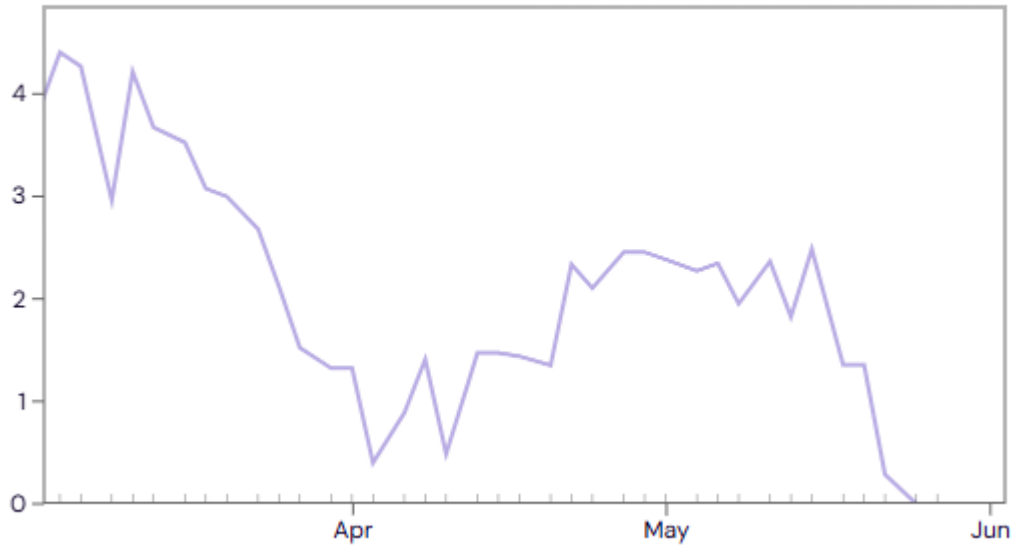


Level: Not detected Detected

See details >

SARS-CoV-2 Low

Downward trend in the last 21 days and low concentration

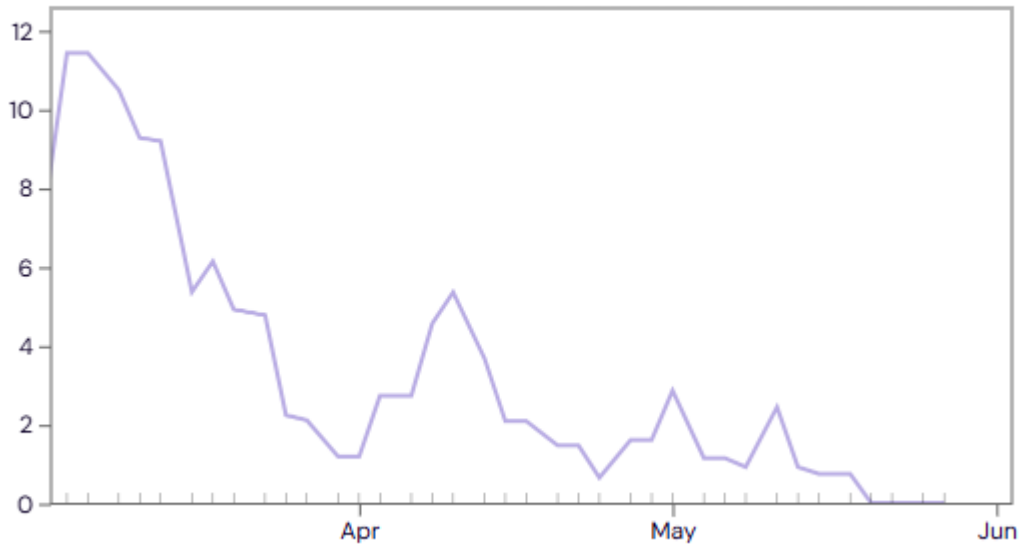


Sample collected SARS-CoV-2

See details >

Respiratory syncytial virus (RSV) Low

Pathogen is seasonal and not in onset

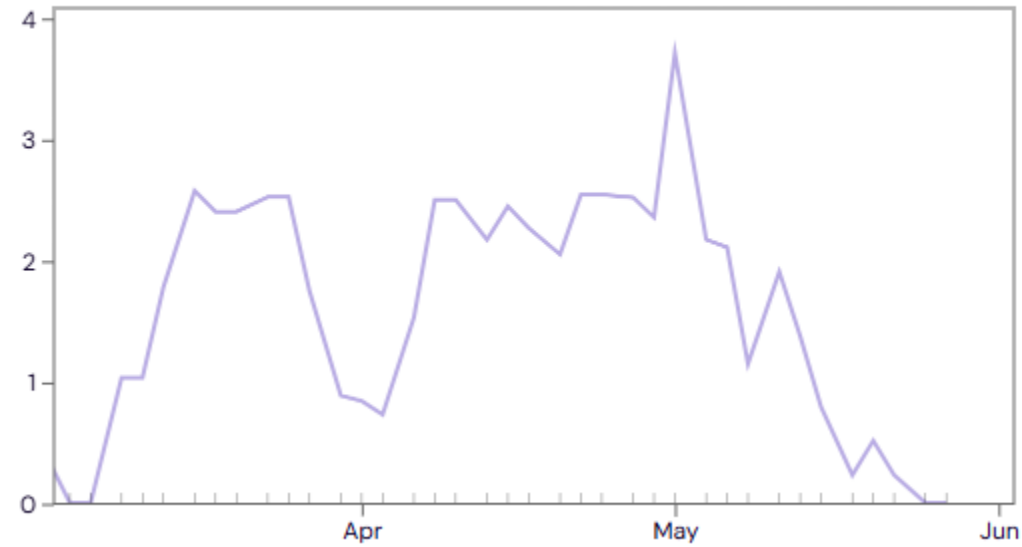


Sample collected — RSV

See details >

Influenza B Low

No trend in the last 21 days and low concentration

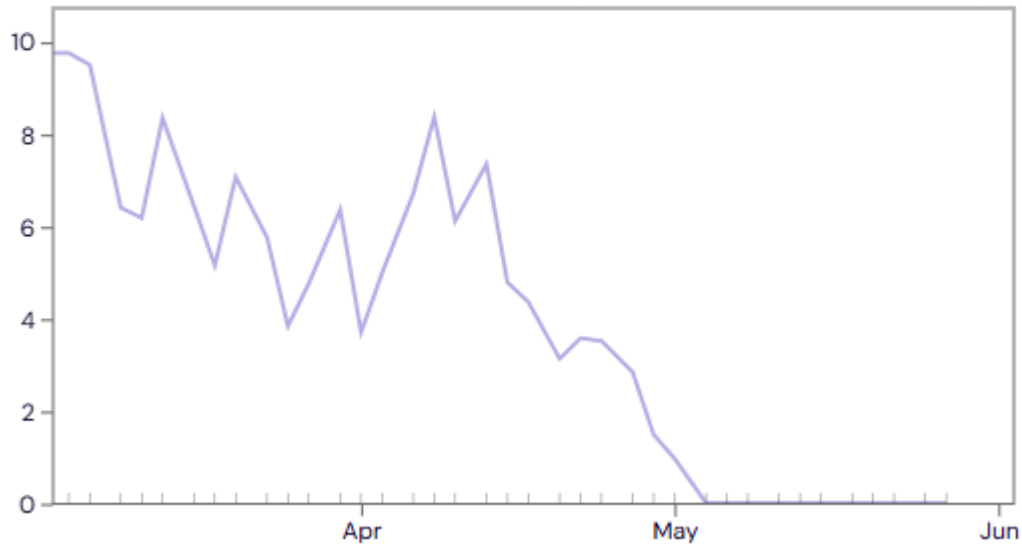


Sample collected — Influenza B

See details >

Human Metapneumovirus Low

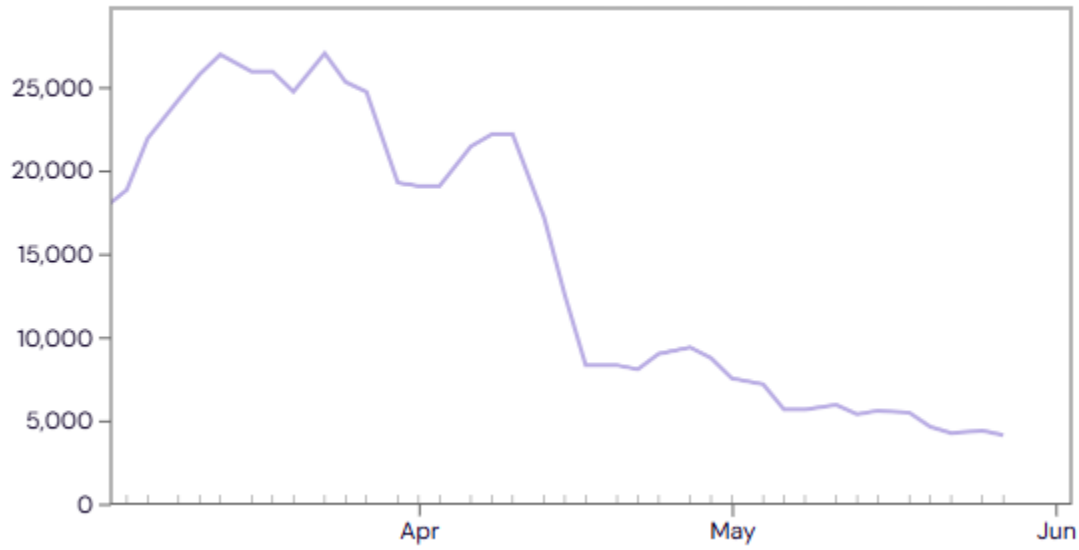
Pathogen is seasonal and not in onset



See details >

Norovirus Low

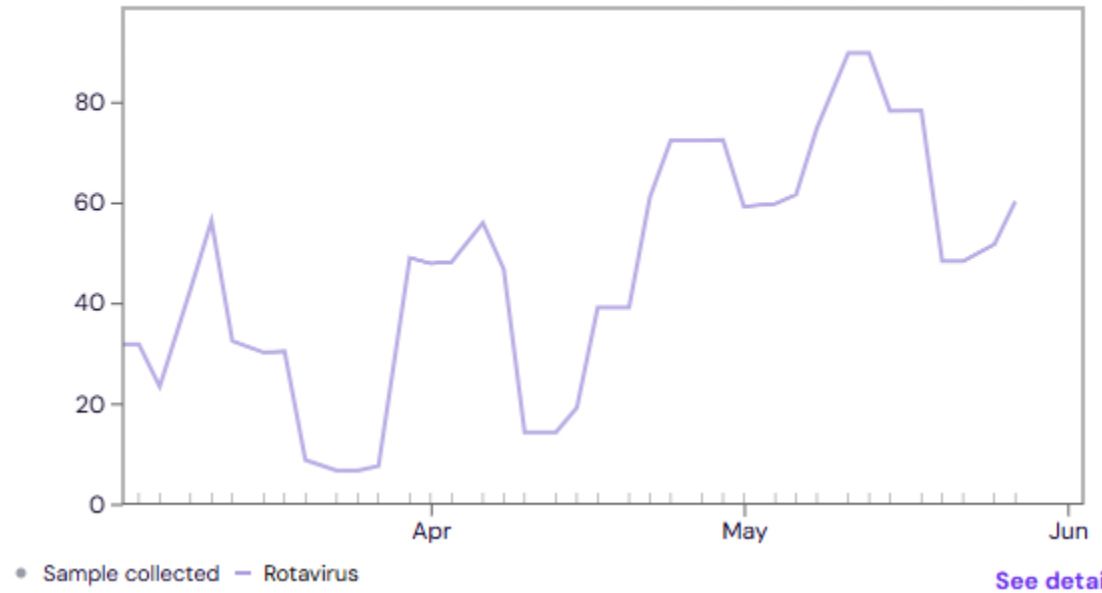
No trend in the last 21 days and low concentration



See details >

Rotavirus Low

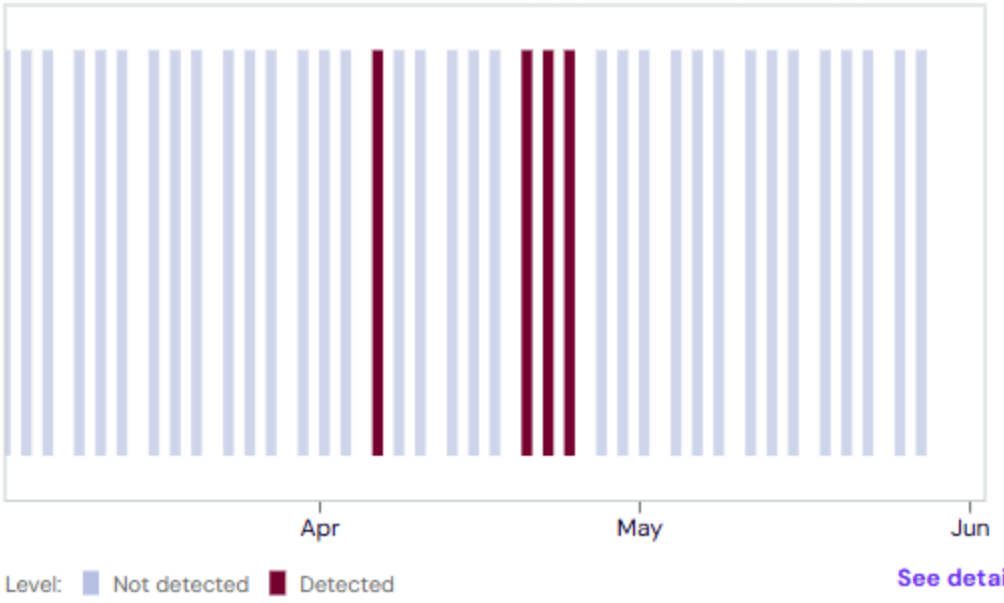
No trend in the last 21 days and low concentration



See details >

Hepatitis A Not Detected

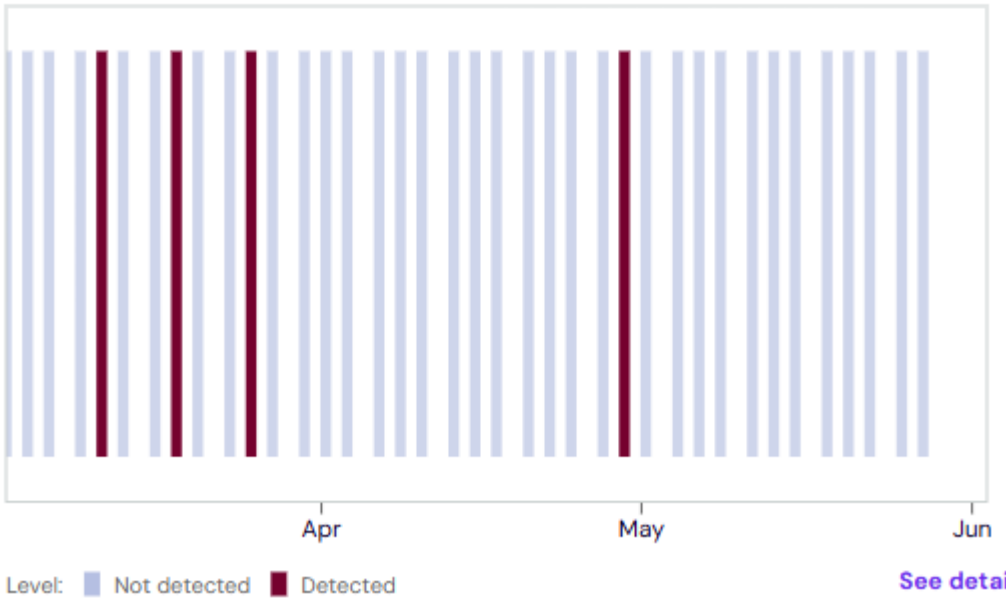
0 out of 5 samples in the 10 days prior to the last sample date were positive



See details >

Parvovirus Not Detected

0 out of 5 samples in the 10 days prior to the last sample date were positive

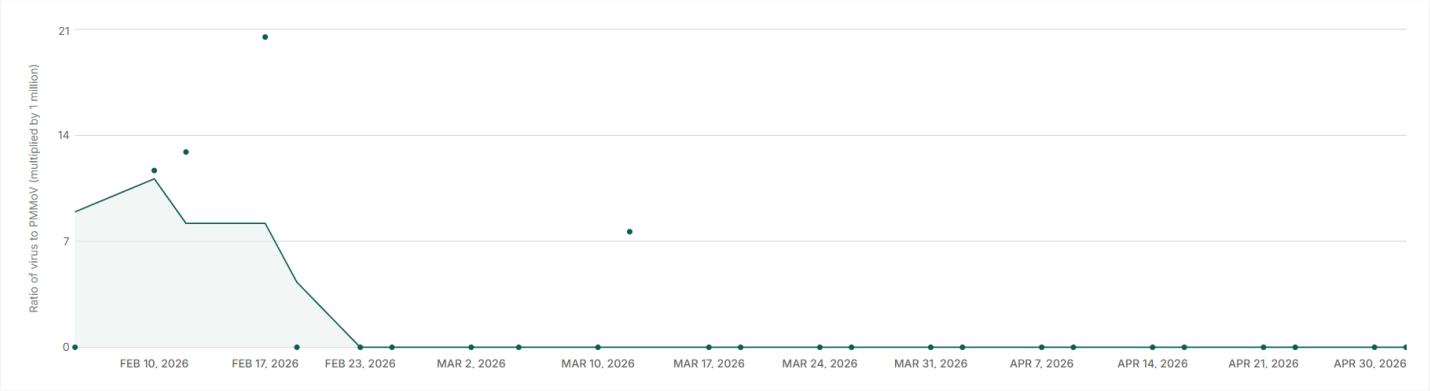


See details >

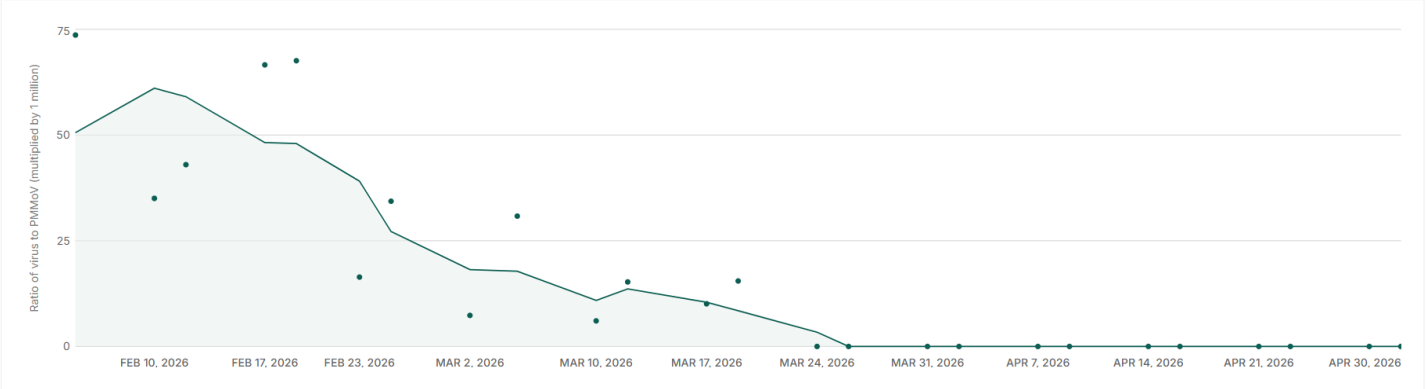
CDC-NWSS

Participation from 08/24/22 – 04/30/26 - Total 578 Samples collected

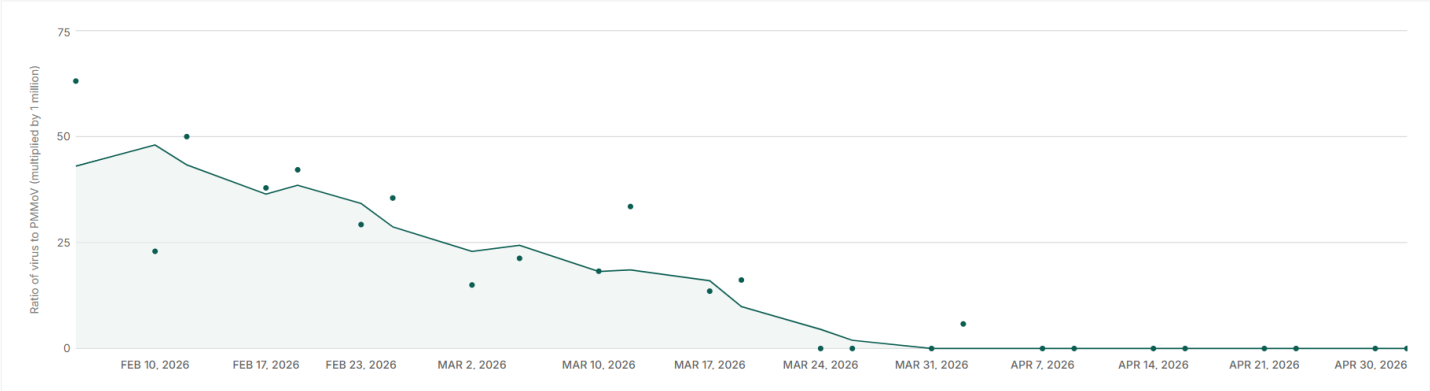
Influenza H1



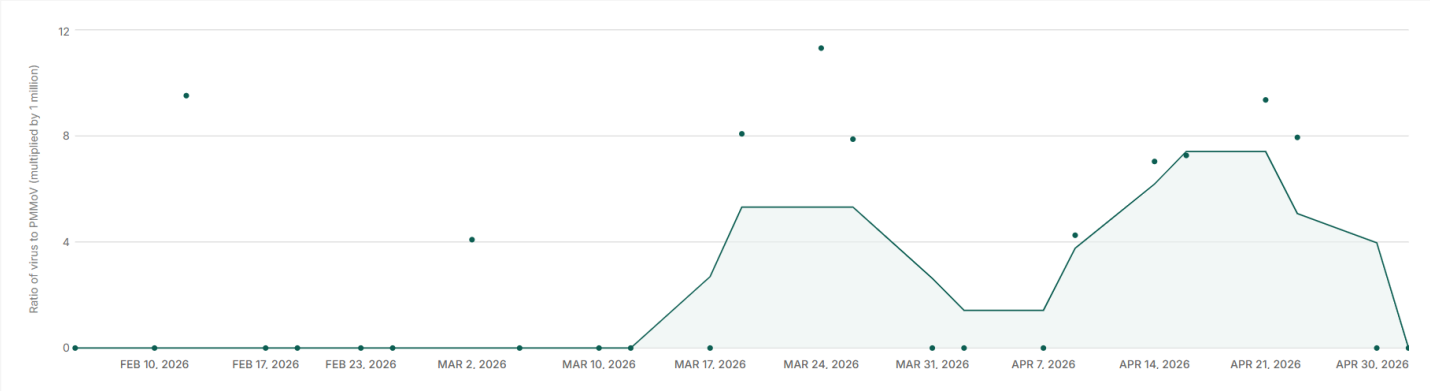
Influenza H3



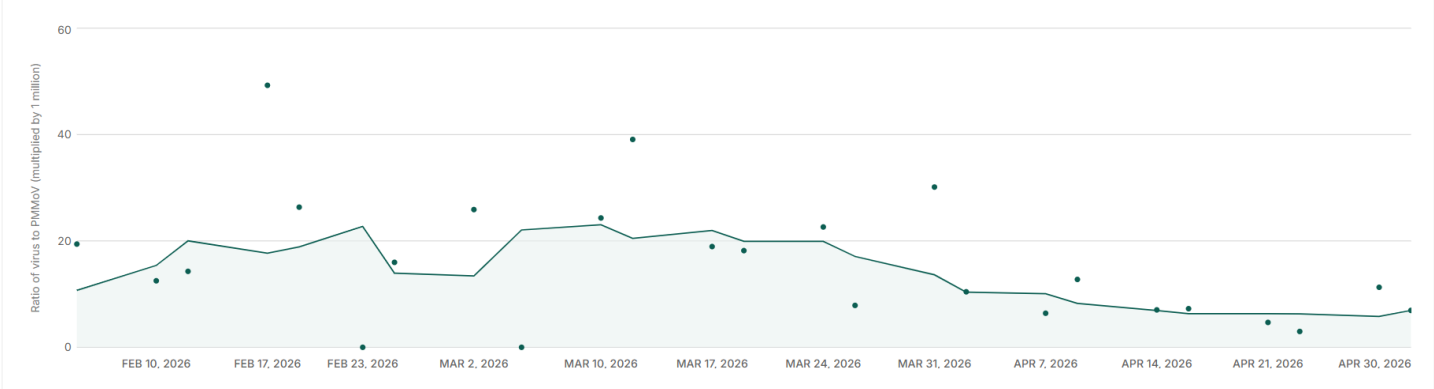
Influenza A



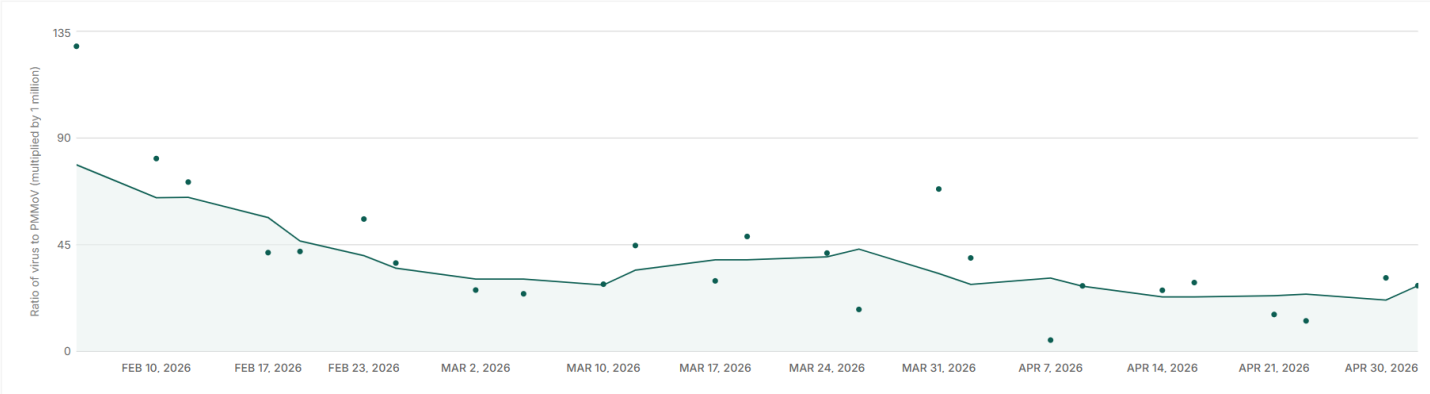
Influenza B



RSV



Sars-CoV-2 (Covid-19)



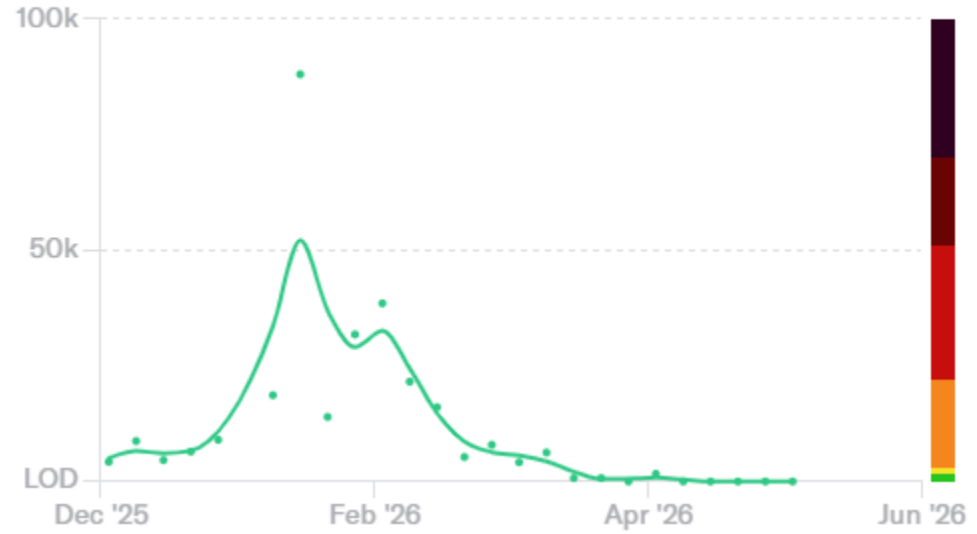
Biobot – Pathogens



Influenza

View Command Center →

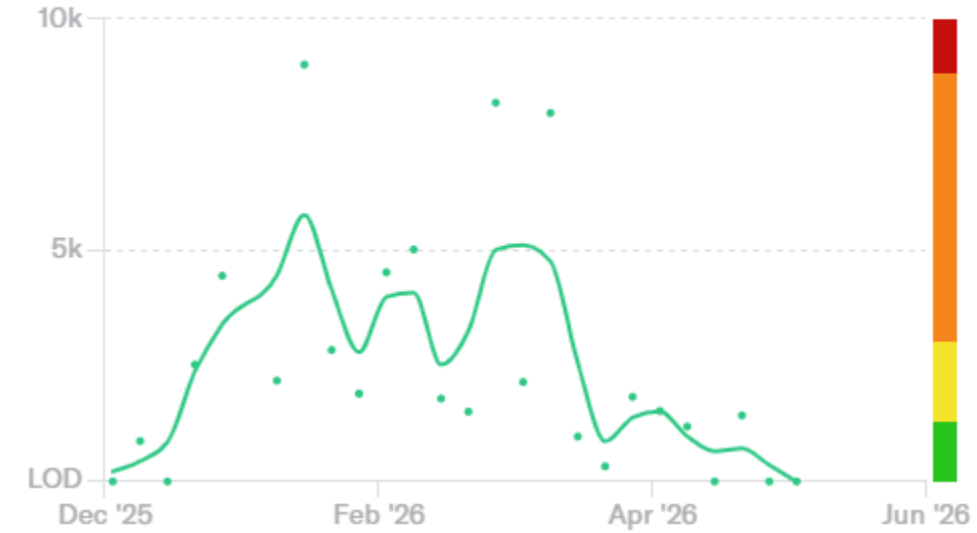
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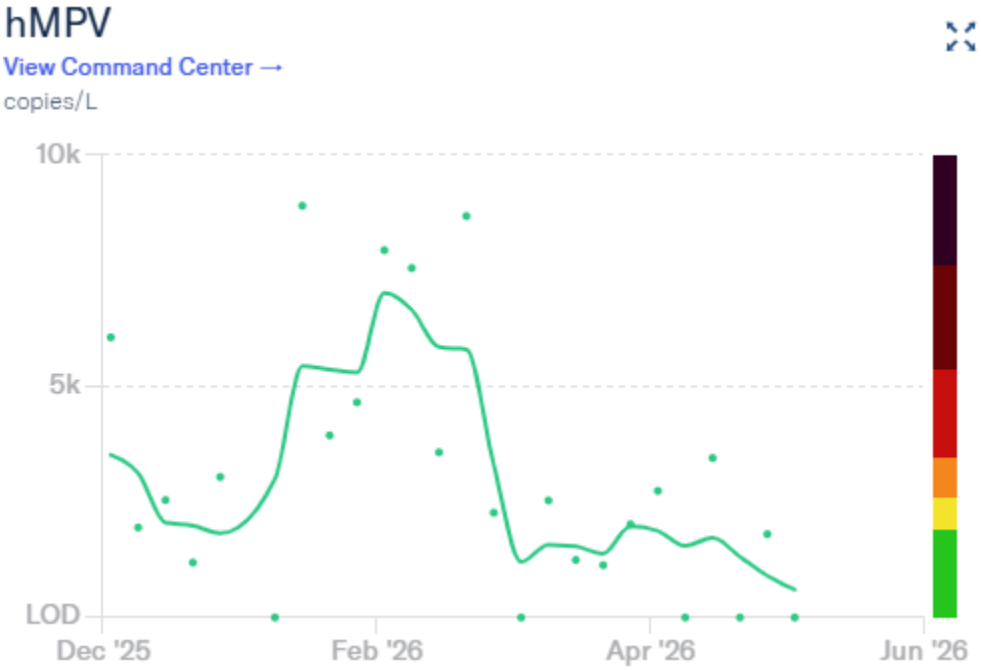


RSV

View Command Center →

copies/L





Riverside Public Health System

Data

Target	Current Week 04.06.26	Prior Week 03.30.26	Trend
COVID-19	16.60	72.50	Decrease
Influenza A	0	0	No trend
Influenza B	0	0	No trend
RSV	28.11	277.33	Decrease

**Flow- and population-normalized concentrations (copies per 100,000 population per day).*

Data

Target	Current Week 04.13.26	Prior Week 04.06.26	Trend
COVID-19	19.47	16.60	Increase
Influenza A	10.64	0	Increase
Influenza B	0	0	No trend
RSV	28.52	28.11	Increase

**Flow- and population-normalized concentrations (copies per 100,000 population per day).*

Data

Target	Current Week 04.20.26	Prior Week 04.13.26	Trend
COVID-19	39.26	19.47	Increase
Influenza A	0	10.64	Decrease
Influenza B	10.37	0	Increase
RSV	15.66	28.52	Decrease

**Flow- and population-normalized concentrations (copies per 100,000 population per day).*

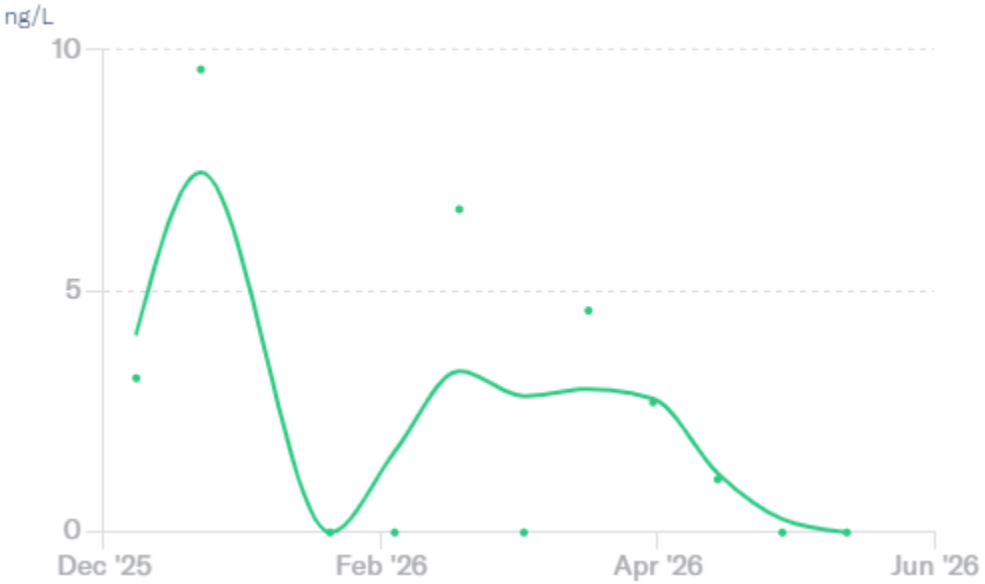
Target	Current Week 04.27.26	Prior Week 04.20.26	Trend
COVID-19	60.42	39.26	Increase
Influenza A	0	0	No trend
Influenza B	12.17	10.37	Increase
RSV	21.08	15.66	Increase

**Flow- and population-normalized concentrations (copies per 100,000 population per day).*

Biobot – High-Risk Substances

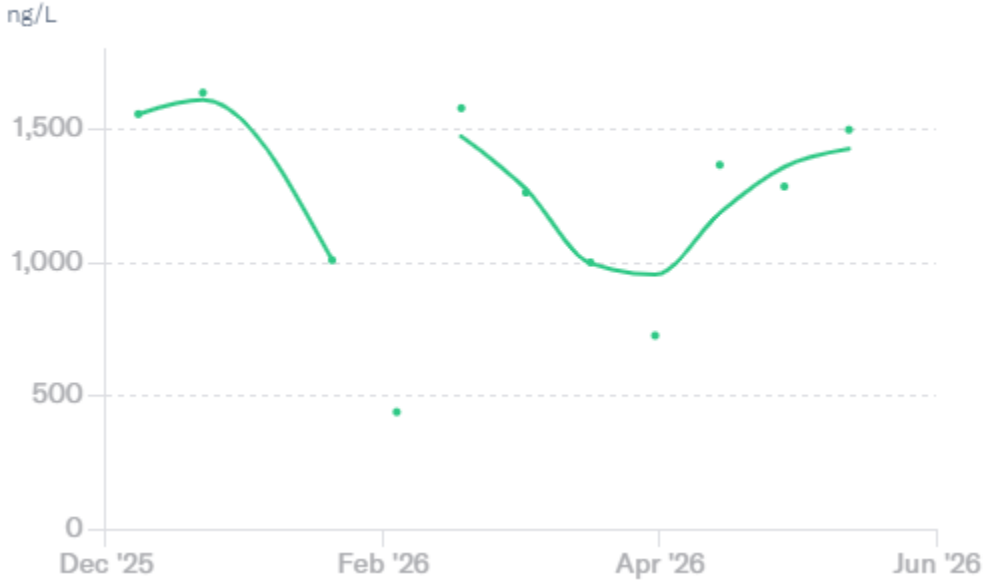
Alprazolam

View Command Center →



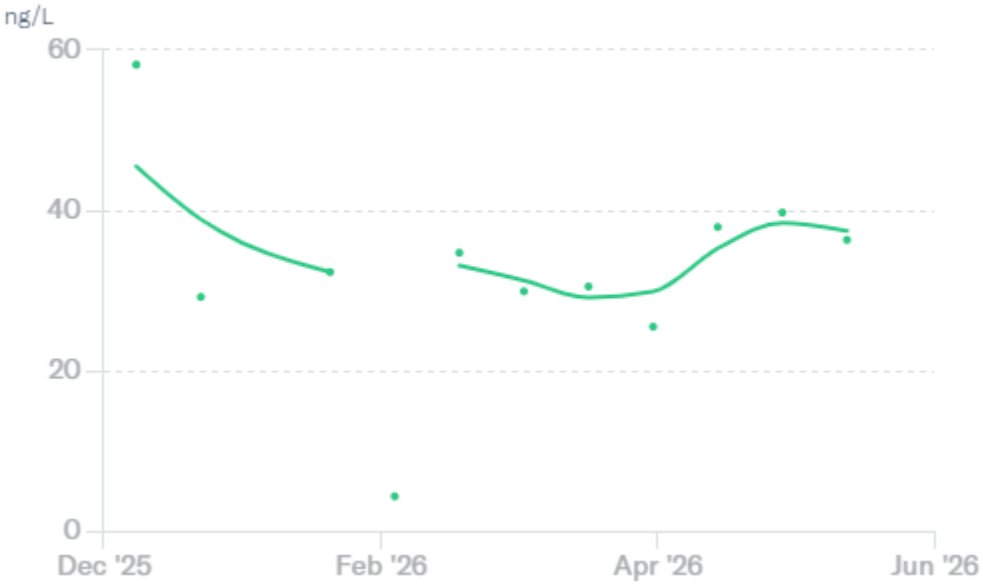
Cocaine

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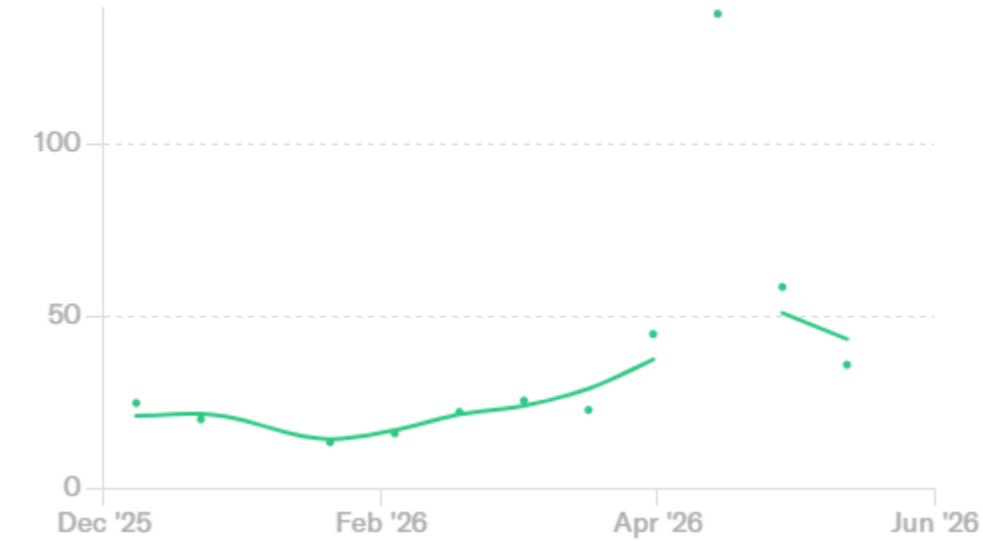
Fentanyl

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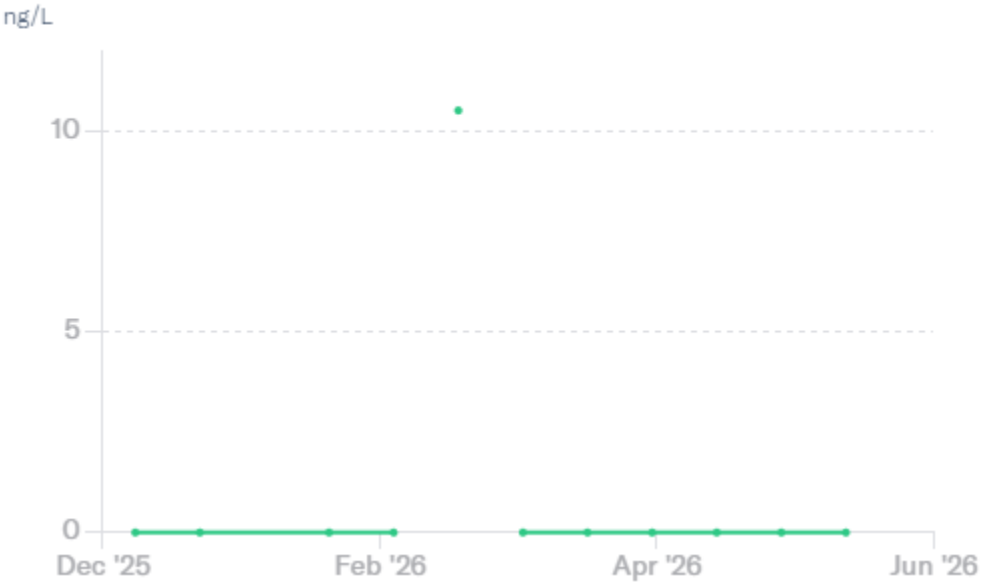
Ketamine

View Command Center →



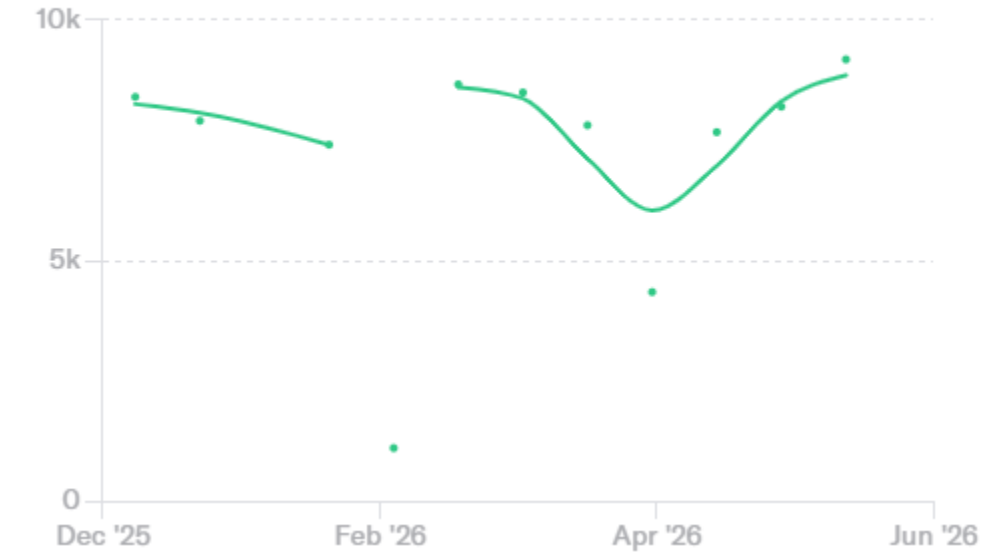
Medetomidine

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Methamphetamine

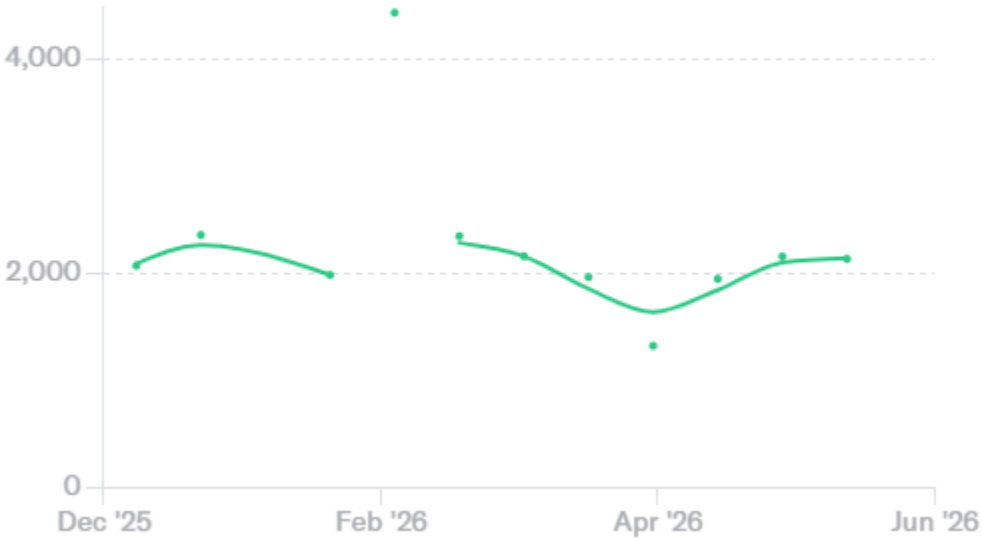
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Nicotine

View Command Center →

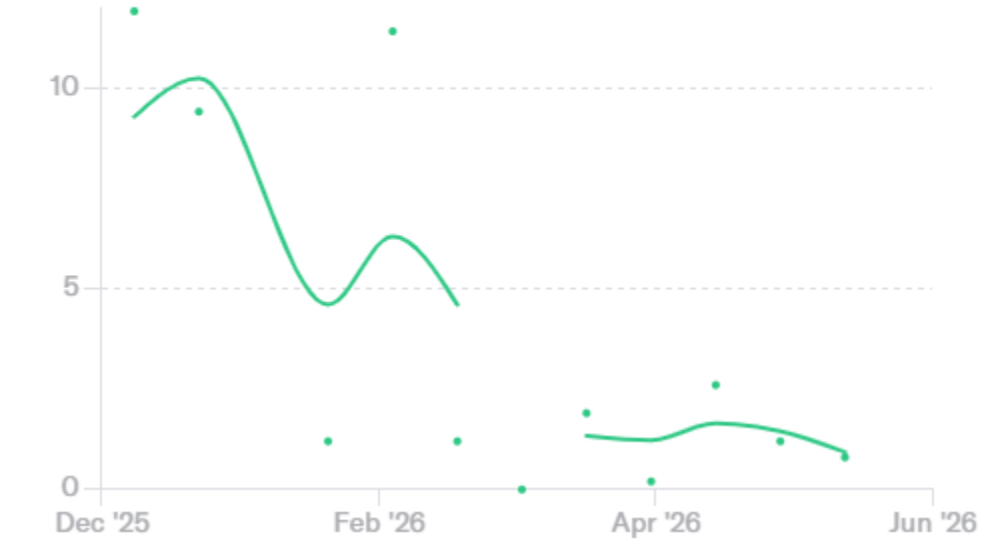
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Xylazine

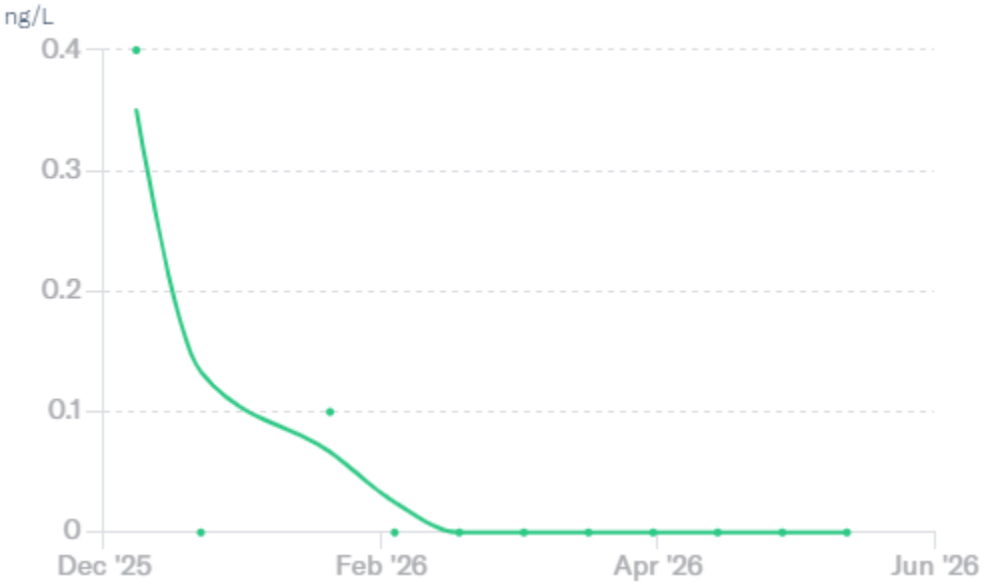
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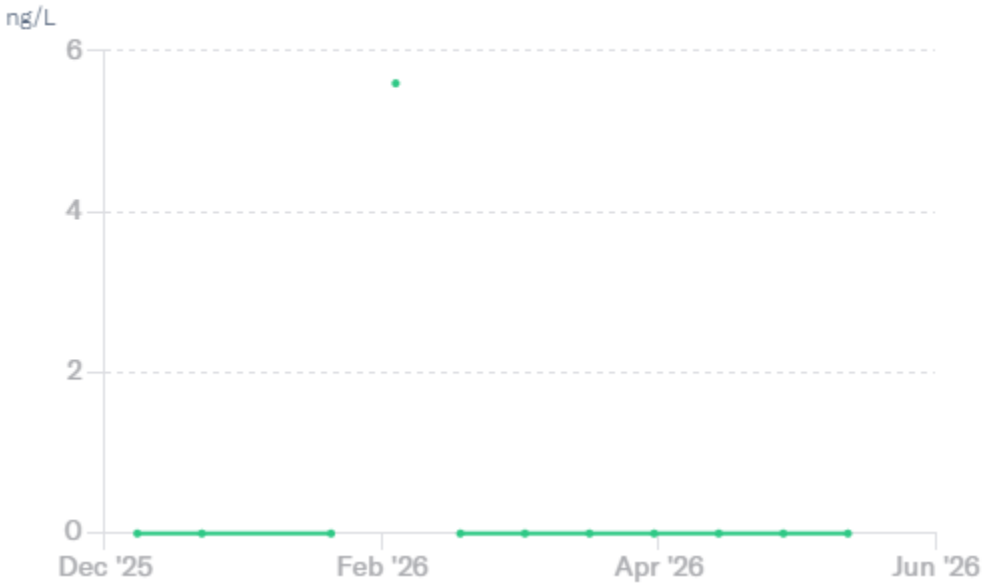
Acetyl Fentanyl

View Command Center →



Carfentanil

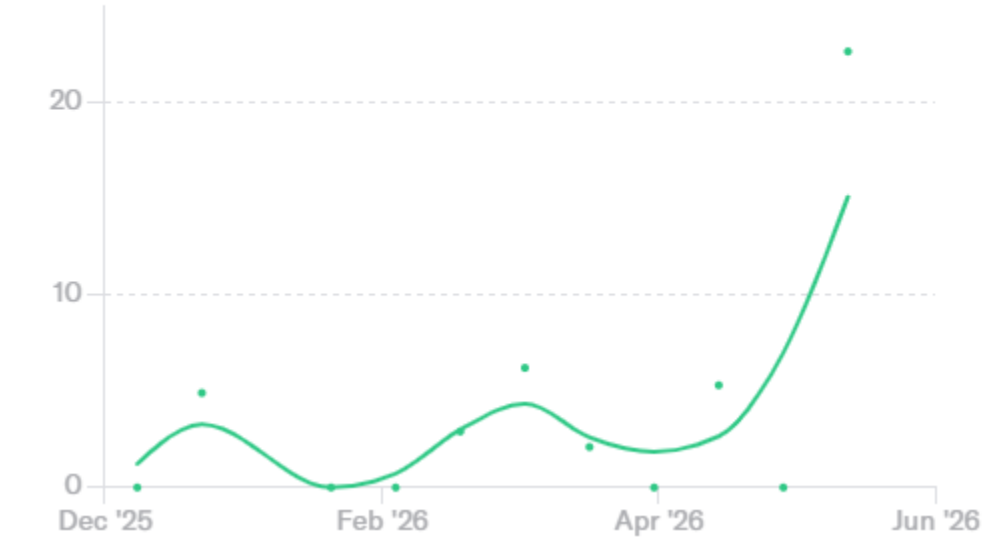
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Heroin

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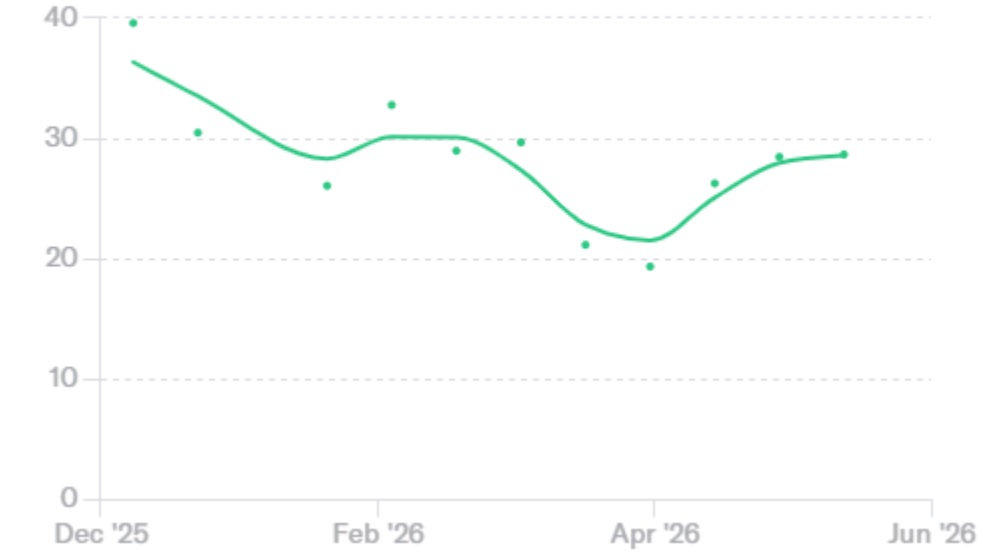
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Methadone

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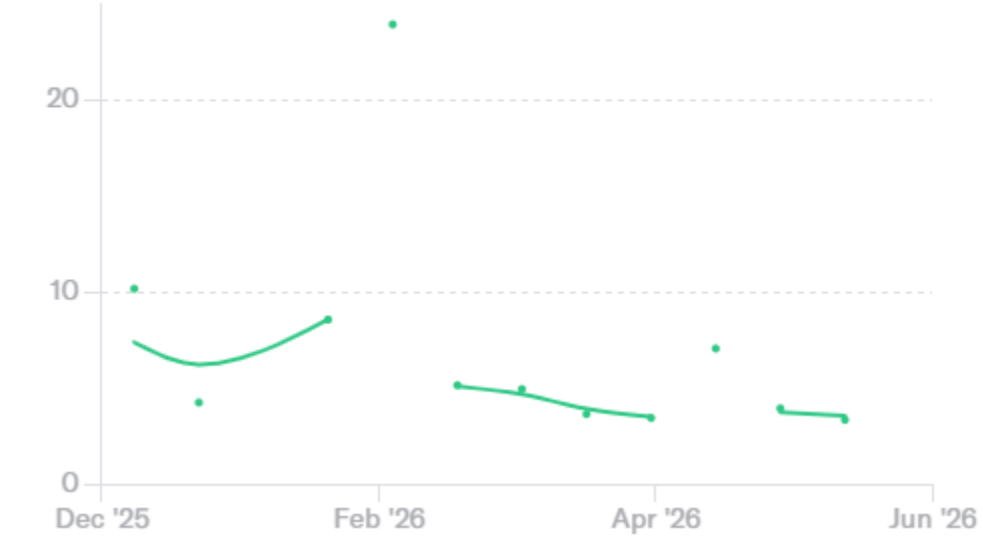
ng/L



Naloxone

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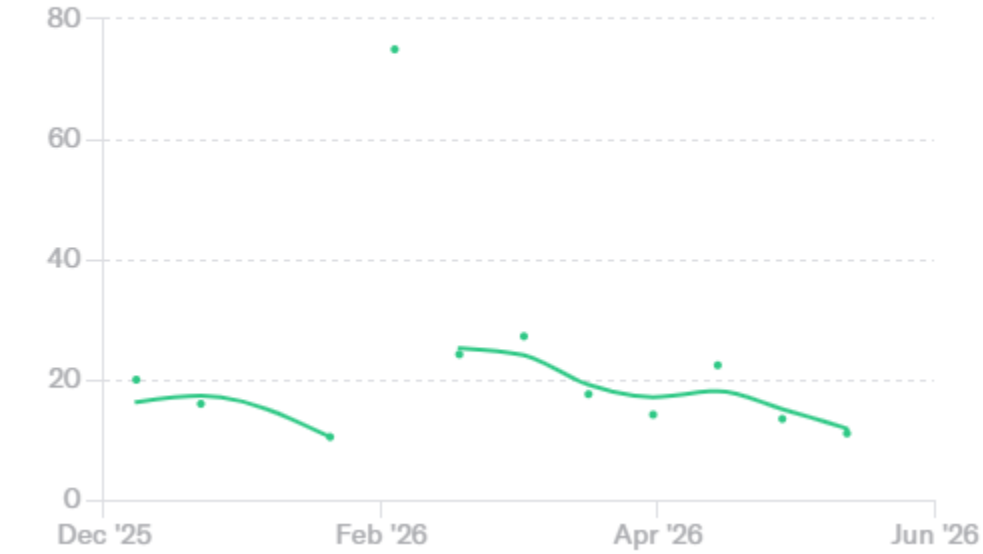
ng/L



Buprenorphine

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ng/L



ITEM 10.1
DISCUSSION

Valley Sanitary District

DATE: **June 9, 2026**

TO: **Board of Directors**

FROM: **Holly Gould, Clerk of the Board**

SUBJECT: **UPDATE OF THE OPERATIONS COMMITTEE MEETING - JUNE 2, 2026**

Suggested Action
Discuss

Strategic Plan Compliance
GOAL 4: OUTREACH. A Well-Designed and Properly Resourced Outreach Plan is Sustained

Fiscal Impact
There is no fiscal impact from this report.

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

Background
Receive an update from the Operations Committee for the meeting held on June 2, 2026.

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

Attachments
02 Jun 2026 Meeting Minutes.edited.doc

VALLEY SANITARY DISTRICT
OPERATIONS COMMITTEE
REGULAR MEETING MINUTES
June 2, 2026

A meeting of the Valley Sanitary District (VSD) Operations Committee was held at 45-500 Van Buren Street in Indio, California, on Tuesday, June 2, 2026.

1. CALL TO ORDER

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

2. ROLL CALL

Directors Present:
Committee Member Edgar Santana
Committee Member Mike Duran

Staff Present:
Holly Gould, Clerk of the Board; Ron Buchwald, District Engineer; Ian Wilson, Wastewater Operations Manager; Andy Schroeder, Laboratory Technician I; Maya Federbush, Environmental Compliance Inspector II; Adrian Contreras, Associate Engineer

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

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

None.

5. DISCUSSION / ACTION ITEMS

5.1 Approve Minutes for October 7, 2025, Operations Committee Meeting

Committee Member Duran motioned to approve the minutes of the October 7, 2025, Operations Committee meeting. Committee member Santana seconded the motion. Motion carried.

5.2 Select a Committee Chairperson

Committee Member Mike Duran nominated Edgar Santana as the Operations Committee Chairperson for 2026.

5.3 Report Back from the 2026 CWEA Annual Conference

Andy Schroeder, Laboratory Technician, gave a report on the CWEA Annual Conference he attended in Sacramento. He stated that it was a great conference and that he enjoyed hearing other perspectives and insights. Some of the presentations Andy attended were an ELAP update, PFAS & Biosolids regulatory challenges, and Quality Control System non-conformities. Andy thanked the committee for the opportunity to attend the conference.

5.4 Report Back from the P3S (Pretreatment) Conference

Maya Federbush, Environmental Compliance Inspector, gave a report on the annual Pretreatment, Pollution Prevention, and Stormwater (P3S) Conference and Expo, which Anna Bell, Andy Schroeder, and she attended in Riverside. Maya stated that it was a very good conference and that she appreciated the content geared toward her specific role as an inspector. The conference also included a range of technical and programmatic sessions, including effective outreach strategies, certification test preparation, after-hours compliance response, and source control program development.

5.5 Report Back from the CWEA Collections Systems Maintenance & Environmental Compliance Inspector Symposium Workshop

Maya Federbush, Environmental Compliance Inspector, gave a report on the CWEA Collections Systems Maintenance & Environmental Compliance Inspector Symposium Workshop that was attended by Anna Bell, Mario Luna, and herself in Indio. The workshop supports continued coordination between operational divisions by covering a range of topics from both Collections and Environmental Compliance perspectives, including program development for fats, oils, and grease (FOG) and equipment-focused sessions such as Vactor nozzle applications.

5.6 Presentation of Staff Projects on the Treatment Plant

Ian Wilson, Wastewater Operations Manager, gave a presentation to the committee on recent treatment plant projects completed by staff, including the pond sludge removal, ferric chloride pump skid shade structure, aeration basin expansion joint installation, aeration basin diffusers, the return activated sludge check valve installation, dredge rehabilitation, headworks biofilter smoke test, and the repair of welds to the original feed gates from the 1970s. Some members of the operations staff visited the composting facility in Vicksburg, AZ, where the District's biosolids are hauled.

6. ADJOURNMENT

As there was no further business to discuss, the meeting adjourned at 2:14 p.m. The next regular committee meeting will be on August 4, 2026.

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