

As a matter of proper business decorum, the Board of Commissioners respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
VICTORVILLE CITY HALL, CONFERENCE ROOM D
14343 CIVIC DRIVE, VICTORVILLE CA 92392

Public can dial-in to listen and participate at: 720-386-7442 or online at:
<https://www.uberconference.com/kcasteel>

Thursday, June 17, 2021
7:30 a.m.

Teleconference Notice

Pursuant to the executive order given by Governor of the State of California (Executive Order N-29-20) and the Order of the Health Officer of the County of San Bernardino dated March 17, 2020, participation by the public at the June 17, 2021, VVWRA Board meeting will be held by teleconference to address the concerns regarding public gatherings, public distancing and the contagion of COVID 19 (Corona Virus). The teleconferencing number for the meeting will be 720-386-7442 or online at: <https://www.uberconference.com/kcasteel>

IMPORTANT COVID-19 NOTICE

CONSISTENT WITH ORDERS BY THE GOVERNOR OF CALIFORNIA AND THE HEALTH OFFICER OF THE COUNTY OF SAN BERNARDINO, IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE TRANSMISSION OF COVID-19 (CORONAVIRUS) AND TO ENABLE APPROPRIATE SOCIAL DISTANCING, THE VVWRA BOARD MEETING WILL NOT BE OPEN TO PUBLIC ATTENDANCE IN PERSON, BUT THE BOARD MEETING WILL BE OPEN TO THE PUBLIC BY WAY OF BOTH TELECONFERENCING AND E-MAIL.

THE PUBLIC MAY LISTEN IN AND PARTICIPATE IN THIS BOARD MEETING THROUGH THE PHONE NUMBER PROVIDED 720-386-7442 or online at: <https://www.uberconference.com/kcasteel>.

MEMBERS OF THE PUBLIC WHO WISH TO COMMENT ON MATTERS BEFORE THE BOARD MAY PARTICIPATE IN THE FOLLOWING WAYS:

(1) COMMENTS AND CONTACT INFORMATION CAN BE EMAILED TO PUBCOMMENT@VVWRA.COM BY 3:00 P.M. THE DAY BEFORE THE SCHEDULED MEETING TO BE INCLUDED IN THE WRITTEN RECORD;

(2) A REQUEST TO SPEAK CAN BE EMAILED TO PUBCOMMENT@VVWRA.COM AND AT THE TIME THE REQUESTED AGENDA ITEM IS TO BE ADDRESSED, THE BOARD SECRETARY WILL CONTACT THE COMMENTER BY PHONE AND ALLOW THE COMMENTER TO SPEAK TO THE BOARD VIA SPEAKER PHONE DURING THE LIVE MEETING FOR UP TO THREE MINUTES. IF YOU WISH TO ADDRESS ANY ITEM ON THE AGENDA, PLEASE INDICATE WHICH ITEM YOU WILL BE ADDRESSING AND WISH TO BE HEARD. IF YOU HAVE NO ACCESS TO E-MAIL OR TELEPHONE, PLEASE CONTACT VVWRA'S BOARD SECRETARY AT 760-246-2896 FOR ALTERNATIVE ARRANGEMENTS.

ACCESS TO THE AGENDA WILL BE MADE AVAILABLE AT VVWRA'S WEBSITE: WWW.VVWRA.COM; IF YOU NEED ACCESS TO PRINTED (HARD) COPIES OF THE AGENDA PLEASE CONTACT 760-246-2896 OR KCASTEEL@VVWRA.COM AND ARRANGEMENTS WILL BE MADE TO PROVIDE HARD COPIES OF THE AGENDA AS NEEDED.

VVWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment, and recycling.

Call to Order

Jones

Roll Call

Casteel

Public Comments- Closed Session Agenda Items

Jones

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted. Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; or (c) employment actions, or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information. Closed Session is scheduled to commence at 7:30 a.m.. If the matters discussed in closed session require additional time beyond 8:00 a.m., in deference to the public, the Board may continue the Closed Session discussion after Open Session is concluded. In that case, Closed Session will resume after the Commissioners Comments section and any reportable action will be reported after the continued Closed Session has concluded and before adjournment.

Closed Session

Item 1. (Gov. Code Sec. 54954.5-54956.9(d))- Government Tort Claim- City of Hesperia- Settlement Discussion

Item 2. (Gov. Code Sec. 54957)- Conference with Legal Counsel-Public Employee Evaluation- General Manager

Item 3. (Gov. Code Sec. 54957(b)(1))- Conference with Legal Counsel- Public Employee Discipline

Call to Order & Pledge of Allegiance

Jones

Report from Closed Session

Legal

Public Comment (Government Code Section 54954.3)

Jones

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. VVWRA requests

that all public speakers complete a speaker's card and provide it to the Secretary. Persons desiring to submit paperwork to the Board of Commissioners shall provide a copy of any paperwork to the Board Secretary for the official record. We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Possible Conflicts of Interest

Jones

Consent Calendar

Jones

All matters placed on the Consent Calendar are considered as not requiring discussion or further explanation and unless any particular item is requested to be removed from the Consent Calendar by a Commissioner, staff member or member of the public in attendance, there will be no separate discussion of these items. All items on the Consent Calendar will be enacted by one action approving all motions and casting a unanimous ballot for resolutions included on the consent calendar. All items removed from the Consent Calendar shall be considered in the regular order of business.

Item 4. Receive, Approve and File Minutes

- Regular Board Meeting 05/20/21

Poulsen

Item 5. Receive, Approve and File May 2021 Disbursement

- Warrant Summary Disbursements

Item 6. Recommendation to Approve Amendment to Contract of General Manager Contract

Board Action Required

Staff Recommendation: Approve as presented

Public Hearing

Jones

Item 7. Adoption of FY 2021-2022 Budget

Action Items

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

Item 8. Recommendation to Adopt Resolution 2021-03 Adoption of the FY 2021-2022 Budget

It is recommended that the Board of Commissioners approve Resolution 2021-03 Adoption of the Proposed Budget as presented for the year ending June 30, 2022.

Poulsen

Board Action Required

Staff Recommendation: Approve as Presented

Item 9. Recommendation to Adopt Resolution 2021-04 FY 2021-2022 Holiday Schedule

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-04 to establish the paid holidays for VVWRA employees during fiscal year 2021-2022 which is consistent with the MOU with the Employees Association adopted on December 8, 2016.

Casteel

<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 10.</u> Recommendation to Approve Resolution 2021-05 Recycled Water Rates	It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-05 to establish a new recycled water rate for all recycled water customers.	Poulsen
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 11.</u> Recommendation to Approve Resolution 2021-06 ADM/FOG Tipping Fees	It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-06 to establish a new ADM/FOG tipping fee of \$.05 per gallon.	Poulsen
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 12.</u> Recommendation to Approve the General Manager to Purchase Replacement Components for the WEDECO UV Disinfection Systems Located at Apple Valley and Hesperia Sub-regional Facilities in the Amount of \$105,827.80	It is recommended that the Board of Commissioners approve the General Manager to purchase replacement components for the WEDECO UV disinfection systems located at Apple Valley and Hesperia sub-regional facilities in the amount of \$105,827.80.	Adams
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 13.</u> Recommendation to Cancel the June 24th Board Meeting.	It is recommended that the Board of Commissioners cancel the regularly scheduled June 24, 2021 Meeting if the Board adopts the FY 2021-22 Budget.	Casteel
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 14.</u> Election of Officers	It is recommended that the Board of Commissioners approve the rotation of officers for the FY 2021-2022, effective July 1, 2021.	Casteel
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		

Staff Reports

<u>Item 15.</u> General Managers Report	Poulsen
Reports are submitted as presented by Staff on a Quarterly Basis.	
Report Range	Board Meeting Date (Thursday)
1st Quarter January 2021-March 2021	May 20, 2021
2 nd Quarter April 2021-June 2021	September 16, 2021
3 rd Quarter July 2021- September 2021	November 18, 2021
4 th Quarter October 2021- December 2021	February Board 2022

Adjournment

Jones

The board will adjourn to a regular board meeting on July 15, 2021 at 7:30 a.m.

American Disabilities Act Compliance Statement *Government Code Section 54954.2(a)*



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the VVWRA's Secretary at (760) 246-8638 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

Agenda posting

Government Code Section 54954.2

This agenda has been posted in the main lobby of the Authority's Administrative offices not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

Agenda items received after posting

Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the VVWRA office located at, 20111 Shay Road, Victorville CA 92394. The materials will also be posted on the VVWRA website at www.vvwra.com.

Items Not Posted

Government Code Section 54954.2(b)

In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done as an emergency item or because there is a need to take immediate action, which came to the attention of the Board subsequent to the posting of the agenda, or as set forth on a supplemental agenda posted in the manner as above, not less than 72 hours prior to the meeting date.

Items Continued

Government Section 54954.2(b)(3)

Items may be continued from this meeting without further notice to a Committee or Board meeting held within five (5) days of this meeting

Meeting Adjournment

This meeting may be adjourned to a later time and items of business from this agenda may be considered at the later meeting by Order of Adjournment and Notice

VVWRA's Board Meeting packets and agendas are available for review on its website at www.vvwra.com. The website is updated on Friday preceding any regularly scheduled board meeting.

**MINUTES OF A REGULAR MEETING
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWVRA)
May 20, 2021**

CALL TO ORDER: Chair Debra Jones called the meeting to order at 7:50 AM; via teleconference with the following members present:

**CITY OF VICTORVILLE
CITY OF HESPERIA
ORO GRANDE (CSA 42) AND
SPRING VALLEY LAKE (CSA 64)
TOWN OF APPLE VALLEY**

**Debra Jones, Chair
Bill Holland, Vice-Chair
Dakota Higgins, Secretary
Scott Nassif, Treasurer**

VWVRA Staff and Legal Counsel:

**Darron Poulsen, General Manager
Kristi Casteel, Secretary to GM/Board
Piero Dallarda, Legal Counsel (BB&K)**

**Robert Coromina, Director of Administration
Chieko Keagy, Controller**

Guest Present:

**Keith Metzler, City of Victorville
Doug Robertson, Town of Apple Valley**

Nils Bentsen, City of Hesperia

Chair Jones read the following statement:

Welcome to the VWVRA May 20, 2021, regular meeting. I hope that you can all hear us. If you are following us and you are unable to speak for any reason or encounter any difficulties, please contact via e-mail our Board clerk, Kristi Casteel, her contact information is printed on the first page of the agenda. She or another VWVRA employee will try to assist you. Please note that we will be having a closed session shortly after 7:30 a.m. telephonically though a different line so this line maybe silent until we come back from closed session. I am sure that all the participants have noticed the COVID 19 notice on the first page of our agenda. Public participation in our democracy is really fundamental to the health of our democracy. We wish we could hold our meeting in public participation but given the current COVID19 contagion concerns and our Governor's order and the Order of the Public Health officer for the County of San Bernardino, we are holding our meeting with public participation via Internet and telephonically. We will do our best to conduct the meeting in an orderly fashion and make sure that anyone who would like to participate has a chance to do so. Please follow the instructions on the first page of the agenda so we can make sure that you get to participate.

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

Chair Jones asked if there were any comments from the public regarding any item on the Closed Session Agenda. Hearing none, Chair Jones called for a motion to enter into Closed Session.

Moved: Commissioner Higgins

Second: Commissioner Nassif

Motion to enter Closed Session

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins- Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Jones called the meeting to order at 8:15 AM.

Roll Call for Open Session

Chair Jones- Present

Commissioner Holland- Present

Commissioner Higgins- Present

Commissioner Nassif- Present

REPORT FROM CLOSED SESSION

None

PUBLIC COMMENTS- REGULAR SESSION AGENDA

None

POSSIBLE CONFLICT OF INTEREST

Commissioner Nassif will be abstaining from any disbursements to Napa Auto Parts on item 4

CONSENT CALENDAR:

3. **Receive, Approve and File Minutes, April 15, 2021 and April 29, 2021**
4. **Receive, Approve and File April 2021 Disbursement**
5. **Recommendation to Ratify the Expenses of the Purchase of Two High Speed Turbo Blowers for an Amount Not to Exceed \$668,412.50 From the Operating Emergency Capital Reserve Account**

Moved: Commissioner Higgins

Second: Commissioner Nassif

Approval of the Consent Calendar Items 3, 4, and 5 with Commissioner Nassif abstaining from any disbursements to Napa Auto Parts on item 4.

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins- Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

ACTION ITEM:

6. **Recommendation to Approve Amendment to Contract of General Manager Contract**

Moved: Commissioner Nassif

Second: Commissioner Higgins

Approval for the amendment of the General Manager's contract and issue a bonus to the General Manager in the sum of \$5,000.00. The Board also directed legal to bring back the General Manager's contract to amend the options to include time off language.

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

- 7. **Recommendation to Approve the General Manager to Award an Annual Janitorial Services Contract, With A Three Year Term, To Veterans Janitorial Services For \$32, 260 Annually, Pending Legal Review and Approval of the Agreement**

Moved: Commissioner Nassif Second: Commissioner Higgins

Approval for the General Manager to award an annual Janitorial services contract with a three-year term to Veteran Janitorial Services for \$32,260.00 annually, pending legal review and approval of the agreement.

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

- 8. **Recommendation to Approve the General Manager to Award a Contract to Collicutt Energy Services in the Amount of \$227,778.58 For the Overhaul of the Waukesha Engines on Blowers 4 and 5, Pending Legal Review and Approval of the Agreement**

Moved: Commissioner Higgins Second: Commissioner Nassif

Approval for the General Manager to award a contract to Collicutt Energy Services in the amount of \$227778.58 for the overhaul of the Waukesha engines on blowers 4 and 5, pending legal review and approval of the agreement.

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

- 9. **Recommendation to Approve the General Manager to Award a Contract to Trussell Technologies Inc. in the Amount of \$64,730 to Perform the UV Spot Check Bioassay at the Apple Valley and Hesperia Sub-Regional Facilities, Pending Legal Approval of the Agreement**

Moved: Commissioner Nassif

Second: Commissioner Higgins

Approval for the General Manager to award a contract to Trussell Technologies Inc. in the amount of \$64,730 to perform the UV spot check bioassay at the Apple Valley and Hesperia sub-regional facilities, pending legal approval of the agreement.

Chair Jones- Yes

Commissioner Holland- Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

STAFF/PROFESSIONAL SERVICES REPORTS:

10. **General Managers Report**
 - **2021-2022 Budget Presentation**
11. **Financial and Investment Report – First Quarter 2021**
12. **Operations & Maintenance Report – First Quarter 2021**
13. **Environmental Compliance Department Reports – First Quarter 2021**
14. **Septage Receiving Facility Reports – First Quarter 2021**
15. **Safety & Communications Report – First Quarter 2021**

CLOSED SESSION (If Closed Session is continued)

ADJOURNMENT

The board will adjourn to a regular board meeting on June 17, 2021 at 7:30 a.m.

APPROVAL:

DATE: June 17, 2021

BY:

 Approved by VVWRA Board Paul Cook,
 Secretary VVWRA Board of Commissioners



Victor Valley Wastewater Reclamation Authority

A Joint Powers Authority and Public Agency of the State of California

Administrative Offices

20111 Shay Road, Victorville, CA 92394


Telephone: (760) 246-8638

Fax: (760) 948-9897

e-mail: mail@vwwra.com

DATE: June 17, 2021

TO: Darron Poulsen
General Manager

FROM: Chieko Keagy 
Controller

SUBJECT: Cash Disbursements Register

RECOMMENDED ACTION

It is recommended that the Board of Commissioners approve the cash disbursements and payroll register for the Victor Valley Wastewater Reclamation Authority.

BACKGROUND

The Cash Disbursements Register totals represented below are for the month of MAY 2021, check numbers 123958-124011 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>ACH's and EFT's</i>	<i>Payroll</i>	<i>Total</i>
<i>\$141,714.14</i>	<i>\$589,424.21</i>	<i>\$309,692.17</i>	<i>\$1,040,830.52</i>

**Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/21 through 5/31/21**

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Vendor #	Vendor Name	Type	Payment #	Date	Total
AIRG000	Airgas Usa, Llc	Check	123958	05/05/21	\$ 3,034.33
CONC000	Answering 365	Check	123959	05/05/21	\$ 123.00
APPL004	Applied Industrial Technologies	Check	123960	05/05/21	\$ 891.77
VICT003	City Of Victorville / Sanitation	Check	123961	05/05/21	\$ 4,393.10
HIGG000	Higgins, Dakota	Check	123962	05/05/21	\$ 200.00
JONE003	Jones, Debra	Check	123963	05/05/21	\$ 200.00
DELL003	Dell Inc.	Check	123964	05/05/21	\$ 811.27
ELL001	Elliot'S Concrete Cutting & Coring	Check	123965	05/05/21	\$ 700.00
HIDE000	Hi-Desert Communications	Check	123966	05/05/21	\$ 100.00
HOPK000	Hopkins Technical Products, Inc.	Check	123967	05/05/21	\$ 12,213.22
KONI000	Konica Minolta Business Solutions	Check	123968	05/05/21	\$ 184.36
APPL000	Liberty Utilities	Check	123969	05/05/21	\$ 86.46
NAPA000	Napa Victorville	Check	123970	05/05/21	\$ 257.62
ORKI000	Orkin	Check	123971	05/05/21	\$ 411.00
PRUD001	Prudential Overall Supply	Check	123972	05/05/21	\$ 674.44
NASS000	Nassif, Scott	Check	123973	05/05/21	\$ 200.00
HOLL000	Holland, William J.	Check	123974	05/05/21	\$ 200.00
DETE000	Detection Instrument Corporation	Check	123975	05/11/21	\$ 618.17
FHAS000	Fha Services, Inc.	Check	123976	05/11/21	\$ 964.13
HERI000	Heritage Environmental Services, L.L.C.	Check	123977	05/11/21	\$ 5,707.68
HESP004	Hesperia Water District	Check	123978	05/11/21	\$ 4,701.02
HIGH003	High Desert Lock & Safe	Check	123979	05/11/21	\$ 191.88
KONI000	Konica Minolta Business Solutions	Check	123980	05/11/21	\$ 407.67
APPL000	Liberty Utilities	Check	123981	05/11/21	\$ 4,375.35
ORKI000	Orkin	Check	123982	05/11/21	\$ 822.00
PRUD001	Prudential Overall Supply	Check	123983	05/11/21	\$ 670.61
ROYA001	Royal Industrial Solutions	Check	123984	05/11/21	\$ 8,039.18
TOWN001	Town & Country Tire	Check	123985	05/11/21	\$ 20.00
UNIT000	United Rentals Northwest, Inc	Check	123986	05/11/21	\$ 78.03
WEST010	West End Material Supply	Check	123987	05/11/21	\$ 334.46
28DI000	28Th District Agricultural Associaiton	Check	123988	05/18/21	\$ 50.00
SENT000	Dan Sentman	Check	123989	05/18/21	\$ 206.97
FIBR000	Fibracast Ltd	Check	123990	05/18/21	\$ 22,011.00
DYEL000	Mike Dyell Machine Shop	Check	123991	05/18/21	\$ 690.00
ORKI000	Orkin	Check	123992	05/18/21	\$ 154.00
PRUD001	Prudential Overall Supply	Check	123993	05/18/21	\$ 671.70
UNIT000	United Rentals Northwest, Inc	Check	123994	05/18/21	\$ 529.25
AIRG000	Airgas Usa, Llc	Check	123995	05/26/21	\$ 2,937.38
CONC000	Answering 365	Check	123996	05/26/21	\$ 143.00
ATMO000	Atmospheric Analysis And Consulting, Inc	Check	123997	05/26/21	\$ 1,385.00
BIGS000	Big Sky Electric	Check	123998	05/26/21	\$ 19,640.00
CINT000	Cintas Corporation	Check	123999	05/26/21	\$ 498.31
DONE001	Done-Right Concrete Co	Check	124000	05/26/21	\$ 18,640.00
EDEN000	Edenbros, Llc	Check	124001	05/26/21	\$ 38.80
HIGH003	High Desert Lock & Safe	Check	124002	05/26/21	\$ 70.04
KONI000	Konica Minolta Business Solutions	Check	124003	05/26/21	\$ 168.75
NAPA000	Napa Victorville	Check	124004	05/26/21	\$ 172.81
ORKI000	Orkin	Check	124005	05/26/21	\$ 565.00
PRUD001	Prudential Overall Supply	Check	124006	05/26/21	\$ 674.44
RAIN000	Rain For Rent	Check	124007	05/26/21	\$ 8,356.69
ROBE002	Robertson'S Ready Mix, Ltd	Check	124008	05/26/21	\$ 9,189.38
SENS001	Sensaphone	Check	124009	05/26/21	\$ 419.40
THUR000	Thurlow'S Heating & A/C Inc.	Check	124010	05/26/21	\$ 2,753.00
TOWN001	Town & Country Tire	Check	124011	05/26/21	\$ 138.47
Total Checks					\$ 141,714.14

ADSC000	A.D.S. Corp.	Electronic Fund Transfer	051320211	05/13/21	\$ 7,150.00
PROT001	Adt Commercial	Electronic Fund Transfer	052720211	05/27/21	\$ 332.73
PROT001	Adt Commercial	Electronic Fund Transfer	051320212	05/13/21	\$ 929.55
PROT001	Adt Commercial	Electronic Fund Transfer	050620211	05/06/21	\$ 485.13
AIRP001	Air Products And Chemicals, Inc.	Electronic Fund Transfer	052020211	05/20/21	\$ 12,884.70
ALLC000	All Covered	Electronic Fund Transfer	052720212	05/27/21	\$ 1,438.00
ALLC000	All Covered	Electronic Fund Transfer	051320213	05/13/21	\$ 1,677.50
ALLC000	All Covered	Electronic Fund Transfer	050620212	05/06/21	\$ 176.77
ALL003	Allied Electronics Inc	Electronic Fund Transfer	052720213	05/27/21	\$ 798.32
ALSG001	Als Group Usa Corp	Electronic Fund Transfer	052720214	05/27/21	\$ 1,140.00
AMER006	American Express	Electronic Fund Transfer	051320214	05/13/21	\$ 2,904.45
AME000	Ametek Arizona Instrument, Llc Db	Electronic Fund Transfer	052020212	05/20/21	\$ 854.00
AME000	Ametek Arizona Instrument, Llc Db	Electronic Fund Transfer	051320215	05/13/21	\$ 854.00
AME000	Ametek Arizona Instrument, Llc Db	Electronic Fund Transfer	051320215	05/13/21	\$ (854.00)
ANAE000	Anaergia Technologies, Llc	Electronic Fund Transfer	052020213	05/20/21	\$ 9,480.00
ANTH000	Anthony, Donna	Electronic Fund Transfer	051920211	05/19/21	\$ 428.00
APPL013	Applied Maintenance Supplies & Solution	Electronic Fund Transfer	052720215	05/27/21	\$ 4,108.50
APPL013	Applied Maintenance Supplies & Solution	Electronic Fund Transfer	051320216	05/13/21	\$ 1,841.40
ESBA000	Babcock Laboratories, Inc	Electronic Fund Transfer	050620213	05/06/21	\$ 30,525.80
BECK000	Beck Oil, Inc.	Electronic Fund Transfer	052020214	05/20/21	\$ 2,671.83
BECK000	Beck Oil, Inc.	Electronic Fund Transfer	051320217	05/13/21	\$ 2,385.93
BECK000	Beck Oil, Inc.	Electronic Fund Transfer	050620214	05/06/21	\$ 22.67
BILL002	Billings, Richard	Electronic Fund Transfer	051920212	05/19/21	\$ 428.00

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/21 through 5/31/21

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Vendor #	Vendor Name	Type	Payment #	Date	Total
BIOG001	Biogas Engineering	Electronic Fund Transfer	051320218	05/13/21	\$ 9,010.00
BIOG000	Biogas Power Systems- Mojave, Llc	Electronic Fund Transfer	051320219	05/13/21	\$ 64,119.27
BLAC003	Blackline Safety Corp	Electronic Fund Transfer	052720216	05/27/21	\$ 210.00
BLAC003	Blackline Safety Corp	Electronic Fund Transfer	050620215	05/06/21	\$ 210.00
BREN001	Brenntag Pacific, Inc	Electronic Fund Transfer	052020215	05/20/21	\$ 11,304.15
BSKA000	Bsk Associates	Electronic Fund Transfer	0513202110	05/13/21	\$ 1,390.00
BSKA000	Bsk Associates	Electronic Fund Transfer	050620216	05/06/21	\$ 1,640.00
VEBA000	California School Veba	Electronic Fund Transfer	050620217	05/06/21	\$ 722.28
CDWG000	Cdw Government, Inc	Electronic Fund Transfer	052020216	05/20/21	\$ 2,077.78
CDWG000	Cdw Government, Inc	Electronic Fund Transfer	0513202111	05/13/21	\$ 9,347.47
CDWG000	Cdw Government, Inc	Electronic Fund Transfer	050620218	05/06/21	\$ 538.60
CORR000	Correia, Bruce	Electronic Fund Transfer	051920213	05/19/21	\$ 428.00
CULL000	Culligan Water Conditioning	Electronic Fund Transfer	050620219	05/06/21	\$ 555.70
DKFS000	D.K.F. Solutions Group, Llc	Electronic Fund Transfer	0506202110	05/06/21	\$ 350.00
DAGN000	Dagnino, Roy	Electronic Fund Transfer	051920214	05/19/21	\$ 428.00
DAVI001	Davis, Tim	Electronic Fund Transfer	051920215	05/19/21	\$ 428.00
DUDE000	Dudek	Electronic Fund Transfer	052720217	05/27/21	\$ 9,883.75
DXPE000	Dxp Enterprises (Formerly Cortech Engineering)	Electronic Fund Transfer	0513202112	05/13/21	\$ 1,942.23
DXPE000	Dxp Enterprises (Formerly Cortech Engineering)	Electronic Fund Transfer	0506202111	05/06/21	\$ 10,124.86
EMEL000	E&M Electric And Machinery, Inc	Electronic Fund Transfer	052720218	05/27/21	\$ 1,260.00
FACI000	Facilities Engineering	Electronic Fund Transfer	0506202112	05/06/21	\$ 851.19
FLIN000	Flint, Terrie Gossard	Electronic Fund Transfer	051920216	05/19/21	\$ 238.25
GIEN000	Gi Endurant Llc	Electronic Fund Transfer	0506202113	05/06/21	\$ 2,786.30
GILL001	Gillette, Randy	Electronic Fund Transfer	051920217	05/19/21	\$ 428.00
GRAI000	Grainger	Electronic Fund Transfer	052720219	05/27/21	\$ 254.60
GRAI000	Grainger	Electronic Fund Transfer	052020217	05/20/21	\$ 1,727.34
GRAI000	Grainger	Electronic Fund Transfer	0513202113	05/13/21	\$ 5,720.26
GRAI000	Grainger	Electronic Fund Transfer	0506202114	05/06/21	\$ 7,121.30
GYUR000	Gyurcsik, Darline	Electronic Fund Transfer	051920218	05/19/21	\$ 206.97
HAAK000	Haaker Equipment Company	Electronic Fund Transfer	0527202110	05/27/21	\$ 901.34
HAAK000	Haaker Equipment Company	Electronic Fund Transfer	052020218	05/20/21	\$ 5,085.00
HAAK000	Haaker Equipment Company	Electronic Fund Transfer	0513202114	05/13/21	\$ 651.14
HACH000	Hach Company	Electronic Fund Transfer	0527202111	05/27/21	\$ 7,380.78
HACH000	Hach Company	Electronic Fund Transfer	052020219	05/20/21	\$ 1,953.39
HACH000	Hach Company	Electronic Fund Transfer	0513202115	05/13/21	\$ 8,671.07
HESP006	Hesperia Outdoor Power Equipment	Electronic Fund Transfer	0506202115	05/06/21	\$ 773.21
HIGH015	High Desert Affordable Landscaping	Electronic Fund Transfer	0513202116	05/13/21	\$ 4,585.76
HINO000	Hinojosa, Thomas	Electronic Fund Transfer	051920219	05/19/21	\$ 428.00
ILIN000	Ilink Business Management	Electronic Fund Transfer	0527202112	05/27/21	\$ 263.88
ILIN000	Ilink Business Management	Electronic Fund Transfer	0506202116	05/06/21	\$ 263.88
INDU009	Inductive Automation Llc	Electronic Fund Transfer	0527202113	05/27/21	\$ 2,125.00
INSI000	Insight Vision (Alliance Technology)	Electronic Fund Transfer	0513202117	05/13/21	\$ 9,039.00
ROBI000	John Robinson Consulting, Inc	Electronic Fund Transfer	0513202118	05/13/21	\$ 2,950.00
ESPI000	Julio Espinoza	Electronic Fund Transfer	0520202110	05/20/21	\$ 85.45
KENI000	Keniston, Olin	Electronic Fund Transfer	0519202110	05/19/21	\$ 238.25
LABO002	Labor Finders	Electronic Fund Transfer	0520202111	05/20/21	\$ 284.02
LABO002	Labor Finders	Electronic Fund Transfer	0506202117	05/06/21	\$ 845.44
LUHD000	Luhdorff And Scalmanini	Electronic Fund Transfer	0527202114	05/27/21	\$ 299.75
MAIN000	Main, Randy	Electronic Fund Transfer	0519202111	05/19/21	\$ 428.00
MCGE000	Mcgee, Mark	Electronic Fund Transfer	0519202112	05/19/21	\$ 428.00
MCGR000	Mcgrath Rentcorp	Electronic Fund Transfer	0506202118	05/06/21	\$ 5,466.43
MCMA000	Mcmaster-Carr Supply Co.	Electronic Fund Transfer	0506202119	05/06/21	\$ 792.15
MICH000	Michael'S Auto Detail	Electronic Fund Transfer	0520202112	05/20/21	\$ 630.00
QUIN003	Michelle Quintana	Electronic Fund Transfer	0520202113	05/20/21	\$ 12.99
MONT000	Montgomery, Lillie	Electronic Fund Transfer	0519202113	05/19/21	\$ 168.56
NALI000	Nalian, L. Christina	Electronic Fund Transfer	0519202114	05/19/21	\$ 168.56
NAVE000	Nave, Patrick	Electronic Fund Transfer	0519202115	05/19/21	\$ 428.00
NETG000	Netgain Networks, Inc	Electronic Fund Transfer	0506202120	05/06/21	\$ 15,984.10
PCBP000	Pcb Piezotronics, Inc.	Electronic Fund Transfer	0513202119	05/13/21	\$ 1,827.64
TRAK000	Promantek Inc	Electronic Fund Transfer	0506202121	05/06/21	\$ 7,000.00
PVFS000	Pvf Sales Inc	Electronic Fund Transfer	0527202115	05/27/21	\$ 3,351.28
PVFS000	Pvf Sales Inc	Electronic Fund Transfer	0513202120	05/13/21	\$ 688.39
PVFS000	Pvf Sales Inc	Electronic Fund Transfer	0506202122	05/06/21	\$ 2,870.85
QUIN002	Quinn Company	Electronic Fund Transfer	0513202121	05/13/21	\$ 24.00
SCAP000	Scap	Electronic Fund Transfer	0513202122	05/13/21	\$ 1,686.00
SOCA000	Socal Filters And Services Inc.	Electronic Fund Transfer	0527202116	05/27/21	\$ 1,018.72
ASHL000	Solenis Llc	Electronic Fund Transfer	0513202123	05/13/21	\$ 8,230.19
STRO001	Strong'S Enterprise, Llc	Electronic Fund Transfer	0527202117	05/27/21	\$ 12,563.98
TMOB000	T-Mobile	Electronic Fund Transfer	0506202123	05/06/21	\$ 198.88
TRIM000	Trimax Systems	Electronic Fund Transfer	0527202118	05/27/21	\$ 122,600.00
TRIM000	Trimax Systems	Electronic Fund Transfer	0520202114	05/20/21	\$ 9,950.00
USBA000	U.S. Bank	Electronic Fund Transfer	0527202119	05/27/21	\$ 6,133.18
USAB000	U.S.A. Bluebook	Electronic Fund Transfer	0527202120	05/27/21	\$ 1,178.53
UNDE000	Underground Service Alert Of Southern California	Electronic Fund Transfer	0513202124	05/13/21	\$ 120.78
VETE000	Veteran Janitorial, Llc	Electronic Fund Transfer	0506202124	05/06/21	\$ 2,630.00
WEST000	West Coast Safety Supply	Electronic Fund Transfer	0527202121	05/27/21	\$ 4,386.10
XYLE000	Xylem Dewatering Solutions	Electronic Fund Transfer	0513202125	05/13/21	\$ 4,982.34
XYLE001	Xylem Water Solutions	Electronic Fund Transfer	0527202122	05/27/21	\$ 2,504.54
XYLE001	Xylem Water Solutions	Electronic Fund Transfer	0520202115	05/20/21	\$ 13,538.92
FLYE000	Flyers Energy, Llc	Bank Draft	DFT02079	05/19/21	\$ 2,583.01

**Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/21 through 5/31/21**

Vendor #	Vendor Name	Type	Payment #	Date	Total
FLYE000	Flyers Energy, Llc	Bank Draft	DFT02047	05/06/21	\$ 846.66
KONI000	Konica Minolta Business Solutions	Bank Draft	DFT02076	05/12/21	\$ 757.86
LINC000	Lincoln Financial Group	Bank Draft	DFT02048	05/06/21	\$ 4,030.56
LINC000	Lincoln Financial Group	Bank Draft	DFT02049	05/06/21	\$ 80.11
PRIN000	Principal Life Ins. Co.	Bank Draft	DFT02050	05/06/21	\$ 2,377.02
SOUT000	Southern California Edison	Bank Draft	DFT02081	05/19/21	\$ 13,494.95
SOUT000	Southern California Edison	Bank Draft	DFT02082	05/19/21	\$ 1,429.36
SOUT000	Southern California Edison	Bank Draft	DFT02083	05/19/21	\$ 960.49
SOUT000	Southern California Edison	Bank Draft	DFT02080	05/19/21	\$ 11,361.99
SOUT000	Southern California Edison	Bank Draft	DFT02078	05/12/21	\$ 12,565.59
SOUT006	Southwest Gas Company	Bank Draft	DFT02108	05/26/21	\$ 28.20
SOUT006	Southwest Gas Company	Bank Draft	DFT02107	05/26/21	\$ 43.45
SOUT006	Southwest Gas Company	Bank Draft	DFT02109	05/26/21	\$ 44.22
SOUT006	Southwest Gas Company	Bank Draft	DFT02051	05/06/21	\$ 19,902.40
SPAR000	Sparkletts Drinking Water	Bank Draft	DFT02052	05/06/21	\$ 944.12
CHAR001	Spectrum (Prev. Charter Communications)	Bank Draft	DFT02106	05/26/21	\$ 4,696.40
CHAR001	Spectrum (Prev. Charter Communications)	Bank Draft	DFT02046	05/06/21	\$ 5,545.40
APPL007	Town Of Apple Valley	Bank Draft	DFT02075	05/12/21	\$ 311.18
UPS0000	Ups	Bank Draft	DFT02111	05/26/21	\$ 276.64
UPS0000	Ups	Bank Draft	DFT02110	05/26/21	\$ 13.52
UPS0000	Ups	Bank Draft	DFT02084	05/19/21	\$ 289.73
UPS0000	Ups	Bank Draft	DFT02077	05/12/21	\$ 18.63
UPS0000	Ups	Bank Draft	DFT02053	05/06/21	\$ 39.67
Total ACH & EFT					\$ 589,424.21

Approved
Changy 060921

Total Checks	\$ 141,714.14
Total ACH and EFT	\$ 589,424.21
Total Payroll - May 2021	\$ 309,692.17
Total	\$ 1,040,830.52

**EMPLOYMENT AGREEMENT BETWEEN VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY AND DARRON POULSEN**

This EMPLOYMENT AGREEMENT (“Agreement”) is made by and between DARRON POULSEN (“General Manager”) and the Board of Commissioners of the VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY, a joint powers authority (“Authority”), hereinafter also referred to as “Board of Commissioners.” The Parties hereto agree as follows:

Section 1. Employment.

1.1 The Board of Commissioners agrees to employ said DARRON POULSEN as General Manager, and he agrees and does accept employment as General Manager upon the terms and conditions set forth herein.

1.2 General Manager agrees to perform the functions and duties of General Manager as specified in the job description set forth in Attachment “B,” attached hereto and incorporated herein by this reference, and any other functions or duties as may be established or directed by the Board of Commissioners. General Manager agrees to perform all such functions and duties to the best of his ability and in an efficient and competent manner.

Section 2. Term of the Agreement.

2.1 This Agreement shall be for an initial term of three (3) years, beginning December 2, 2019 and ending December 1, 2022. Subject to the Authority’s right to terminate this Agreement and General Manager’s employment at any time pursuant to Section 3. of this Agreement, this Agreement shall automatically be renewed for subsequent one (1) year periods unless the Authority provides written notice to the General Manager no less than twelve (12) months prior to the expiration of the current term or an extended term that the Agreement will be terminated. Unless otherwise provided for by a subsequent written agreement between the Parties, the terms and conditions of this Agreement shall apply to any extended term of this Agreement.

2.2 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Board of Commissioners to terminate the services of General Manager at any time, subject only to the provisions set forth in this Agreement.

2.3 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the General Manager to resign at any time from his position with the Authority, subject only to the provisions set forth in this Agreement.

2.4 General Manager agrees to remain in the exclusive employment of the Authority during the term of this Agreement, and he shall neither accept other employment or become employed by any other person, business, or organization during the term of this Agreement. As used in this section, the term “employed” shall not be construed to include occasional teaching, writing, or consulting on General Manager’s time off, which may be undertaken by the General Manager with the express written consent of the Board of Commissioners.

Section 3. Termination and Severance Pay.

3.1 General Manager serves at the will and pleasure of the Board of Commissioners and may be terminated with or without cause at any time. Consequently, nothing in this Agreement shall in any way affect the Board of Commissioner's right to terminate the employment of General Manager and this Agreement on an at-will basis, with or without cause, at any time, as provided herein.

3.2 In the event General Manager and this Agreement are terminated during the first year of this Agreement without cause, Authority agrees to provide General Manager with severance pay as a lump sum cash payment equal to three (3) months base salary, including any annual adjustment, less deductions required by law. In the event that General Manager and this Agreement are terminated after the first year of this Agreement without cause, Authority agrees to provide General Manager with severance pay or a lump sum cash payment equal to six (6) months base salary, including any annual adjustment, less deductions required by law. Also, in addition to the lump sum payment, Board of Commissioners shall provide for continuance of the General Manager's health insurance benefits provided herein for six (6) months from and after the date of termination or until General Manager finds other employment, whichever occurs first. Said continuance of insurance shall be provided at the Authority's expense.

3.3 In the event General Manager is terminated for cause, General Manager shall not be entitled to any severance pay or continued benefits. Termination for cause is defined as follows:

- (a) A willful breach of this Agreement.
- (b) Habitual neglect of duties required to be performed under this Agreement.
 - (i) Any acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude.
- (c) Refusal or failure to act in accordance with any specific written directive or order of the Board of Commissioners.

3.4 In the event that General Manager is terminated for cause, General Manager will be presented with written notice of the basis for said cause. Upon receipt of said written notice, General Manager, within five (5) business days, may request a hearing before the Board of Commissioners. The issue at the hearing shall be limited solely to whether or not there is sufficient evidence to support a finding of termination for cause such that the General Manager would not be entitled to any severance pay and benefits. Under no circumstances shall the General Manager be entitled to reinstatement as a result of such hearing.

3.5 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of General Manager to voluntarily resign at any time from his position with Authority, subject only to the provisions set forth in this Agreement. In the event the General Manager voluntarily resigns from his position with the Authority, then the General Manager shall provide the Board of Commissioners thirty (30) days' notice in advance, unless the Parties agree otherwise. In the event the General Manager voluntarily resigns, he shall not be entitled to any severance pay or

benefits, but the Board of Commissioners shall pay the General Manager for accrued vacation benefits.

3.6 Notwithstanding any other provision herein, in accordance with Government Code Section 53260, the cash payment that General Manager may receive in the event of the termination of this Agreement, as set forth in Section 3.2 above, shall not exceed an amount equal to the monthly base salary of General Manager multiplied by the number of months left on the unexpired term of this Agreement.

3.7 Statutory Obligations; Abuse of Office or Position. Pursuant to Government Code Sections 53243, 53243.1 and 53243.2, if Employee is convicted of a crime involving an abuse of his office or position, all of the following shall apply: (1) if Employee is provided with administrative leave pay pending an investigation, Employee shall be required to fully reimburse such amounts paid; (2) if the Authority pays for the criminal legal defense of Employee (which would be in its sole discretion, as it is generally not obligated to pay for a criminal defense), Employee shall be required to fully reimburse such amounts paid; and (3) if this Agreement is terminated, any cash settlement related to the termination that Employee may receive from the Authority shall be fully reimbursed to the Authority or void if not yet paid to Employee. For this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under color of authority; or (2) a crime against public justice, including a crime described in Title 7 commencing with section 92 of the Penal Code.

Section 4. Salary and Expenses.

4.1 Board of Commissioners agrees to pay the General Manager for his services rendered a base salary of One Hundred Ninety-Five Thousand Dollars (\$16,250.00) per month in installments at the same time as other employees of the Authority are paid, commencing December 2, 2019. The General Manager's base salary shall be increased after six months to Two Hundred Thousand Dollars (\$200,000.00) annually. Thereafter, the General Manager's base salary shall be increased annually by the same percentage increase that non-contract employees for the Authority are to receive for the same period as measured pursuant to a Consumer Price Index ("CPI") to be determined by the Authority .

4.2 Authority shall reimburse General Manager, within its budget and upon approval of the Board of Commissioners, for all actual and necessary expenses incurred in connection with the performance of his official duties. General Manager agrees to maintain and submit accurate records of all expenses for which reimbursement is claimed.

Section 5. Benefits.

5.1 Vacation. The General Manager shall receive credit for 120 hours of vacation upon hire. Thereafter, the General Manager's vacation accrual rate shall be at 120 hours per year in accordance with and subject to VVWRA employee guidelines and policies.

5.2 Administrative Leave. The General Manager shall be provided with a paid administrative leave at a rate of 40 hours at the beginning of each year, commencing on December 2, 2019, and on December 2 of each year thereafter. Any administrative leave not used by the end of business on December 1 of the following year shall be forfeited. The purpose

of this administrative leave is designed to compensate General Manager for the fact that his job will require him to devote a significant amount of time outside of regular business hours. The General Manager may use administrative leave for personal business and/or other personal reasons.

5.3 Retirement. The Authority agrees to provide for participation in and pay all Employer and Employee contributions in the California Public Employees Retirement System (PERS) described as 2.% at 62, not integrated with social security, or if unavailable, an equivalent retirement program. There will be no direct contribution by the Authority to a deferred compensation program. The Authority will provide a matching contribution of up to 5% (five percent) to a deferred compensation plan selected by the General Manager.

5.4 Disability, Health, and Life Insurance. The Authority agrees to keep in force and to make required premium payments for the General Manager for insurance policies covering the General Manager and his dependents, the same as are provided to all general employees of the Authority under the Authority's Personnel Rules and Regulations. The Authority agrees to purchase and to pay the required premium on a term life insurance policy in an amount equal to twice the General Manager's annual salary. The Authority also agrees to purchase and to pay the required premium on short-term and long-term disability insurance the same as are provided to all general employees of the Authority under the Authority's Personnel Rules and Regulations. If required by the insurance provider, the General Manager agrees to submit once per calendar year to a complete physical examination by a qualified physician of his choice, the cost of which shall be paid by the Authority. The Authority agrees to maintain the General Manager's medical records in confidence.

5.5 Dues, Subscription and License Fees. To the extent the Authority's approved annual budget designates sufficient funds for the purposes identified in this section. The Authority agrees to pay for the professional dues and subscriptions necessary for the General Manager's continued and full participation in national, state, regional and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, and for the good of the Authority.

5.6 Professional Development. To the extent the Authority's approved annual budget designates sufficient funds for the following purposes, the Authority agrees to pay registration fees and travel subsistence expenses of the General Manager for professional and official travel, meetings, and occasions adequate to continue the professional development of the General Manager and to adequately pursue necessary official business and other functions for the Authority. Upon the prior approval of the Board of Commissioner's, the Authority also agrees to pay for related tuition, fees, and travel and subsistence expenses of the General Manager for educational degree programs, short courses, institutes, and seminars that are necessary for his professional development and the good of the Authority.

5.7 Other Leave. General Manager shall accrue sick leave and shall be provided with holiday leave and bereavement leave as are provided to other employees of the Authority under the Authority's Personnel Rules and Regulations. Except as specifically provided in this Agreement, the General Manager is exempt from the Authority's Personnel Rules and Regulations.

5.8 The General Manager shall be provided with a monthly automobile allowance of five-hundred (\$500) dollars. The General Manager shall provide all related liability insurance. Further, it is understood that this automobile allowance may be subject to state and federal withholdings.

5.9 The General Manager shall receive a technology allowance of one-hundred dollars (\$100) per month. It is understood that this technology allowance may be subject to state and federal withholdings.

Section 6. Performance Evaluation.

The Authority shall review and evaluate the performance of the General Manager each year within thirty (30) days prior to this Agreement's anniversary date. Said review and evaluation shall be conducted by an ad hoc committee, the members of which shall be established by the Board of Commissioners. Evaluation criteria shall be developed by the General Manager in conjunction with the Board of Commissioners, and the evaluation criteria shall be adopted by mutual consent of the Board of Commissioners and the General Manager within one hundred twenty (120) days of commencement of this Agreement, or as soon as practicable thereafter. General Manager's salary and benefits may be reviewed annually and adjusted by the Board of Commissioners at its discretion for performance, merit or longevity. Any such adjustment shall not exceed two percent (2%) of base salary. Solely at its discretion, under no obligation and on a one-time yearly basis, the Board of Commissioners may solely at its discretion adjust the compensation of VVWRA's General Manager by any of the following means (1) a one-time payment of Mr. Poulsen's out of pocket expense for medical health coverage while employed at VVWRA; (2) a one-time lump sum payment; (3) a one-time increase in percentage contribution to Mr. Poulsen's existing 457 retirement account; (4) a one-time contribution to an established 401A retirement account not to exceed the allowable legal limit; ~~and/or~~, (5) a one-time contribution to a Health Reimbursement Arrangement/Account (HRA); and/or additional vacation or personal time off.

Section 7. Bonding.

The Authority shall bear the full costs of any fidelity or other bonds required of the General Manager under any law or ordinance.

Section 8. General Provisions.

8.1 This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the employment of General Manager by Authority, and contains all of the covenants and agreements between the parties with respect to the employment of General Manager by Authority.

8.2 Each party agrees and acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on either party.

8.3 Any modification of this Agreement will be effective only if made in writing and signed by both General Manager and Authority.

8.4 If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

8.5 This Agreement shall be governed by and construed in accordance with the law of the State of California.

8.6 This Agreement shall be construed as a whole, according to its fair meaning, and not in favor or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement.

8.7 General Manager acknowledges that he has consulted legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

By: _____
Darron Poulsen

**VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY**

By: _____
Scott Nassif, Chair
VWRA Board of Commissioners

APPROVED AS TO FORM:

By: _____
General Counsel, VWRA for Best Best
& Krieger LLP



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DP*
SUBMITTED BY: Chieko Keagy, Controller *CK*
DATE: June 18, 2020,
SUBJECT: **RECOMMENDATION TO ADOPT RESOLUTION 2021-03
ADOPTION OF THE FY 2021-2022 BUDGET**

<input checked="" type="checkbox"/> For Action	<input checked="" type="checkbox"/> Fiscal Impact
<input type="checkbox"/> Information Only	<input type="checkbox"/> Account Code:
	<input checked="" type="checkbox"/> Funds Budgeted/Approved:

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve Resolution 2021-03: Adoption of the Proposed Budget as presented for the year ending June 30, 2022.

PREVIOUS ACTION(S)

None

BACKGROUND INFORMATION

Staff prepared the budget for the year ending June 30, 2022, based on input from each department. This budget was presented and discussed at the Finance Committee meeting held, during May 2021 and at the Board meeting on May 20, 2021.

The fiscal impact of \$878,341 is a proposed operational budget surplus for the year ending June 30, 2022, that will be applied for the capital fund.

Attachment(s):

Exhibit 1- Resolution 2021-03 FY 2021-2022 Budget

EXHIBIT 1

RESOLUTION 2021-03

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
TO APPROVE AND ADOPT THE FISCAL YEAR 2021-2022 BUDGET**

WHEREAS, the General Manager submitted to the Board of Commissioners (“Commission”) of the Victor Valley Wastewater Reclamation Authority (“VWVRA”) a proposed budget for the period July 1, 2021, through June 30, 2022, otherwise known as Fiscal Year 2021-2022, and said proposed budget provides details of the proposed revenues, expenditures, and appropriations for VWVRA during Fiscal Year 2021-2022 (“Budget”);

WHEREAS, the Commission has duly reviewed and considered the proposed Fiscal Year 2021-2022 Budget with respect to the projected revenues and the proposed expenditures, projects, programs, annual surcharge rate adjustments, and related items accordingly;

WHEREAS, the Commission provided public notice of and held a public hearing on June 17, 2021, on the proposed Fiscal Year 2021-2022 Budget (“Public Hearing”);

WHEREAS, at the Public Hearing all public input on the Budget was received and considered by the Commission;

WHEREAS, the Commission believes that it is both appropriate and desirable to address CPI increases for employees at the same time that it considers adoption of the Authority’s Budget; and that is consistent with the MOU adopted by the Board with the Employees Association on December 8, 2016;

WHEREAS, the Commission also adopted Resolution 2000-17, which established policies and procedures to determine appropriate employee salaries and to ensure that salaries remain competitive, while retaining fiscal flexibility for the Authority;

WHEREAS, the Commission has determined that it is economically feasible and in the best interest of Authority to adjust employees’ salaries by the Consumer Price Index (CPI) as the Authority desires to select, train, and develop well-qualified employees to work for and represent the Authority, and that competitive wages and stability in the work force are both rewarding to the employees and in the best interest of the Authority;

WHEREAS, the Commission for the Authority (“Commission”) has carefully considered the steps necessary to establish appropriate salaries and insure the long-term success of the Authority.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Budget for Fiscal Year 2021-2022 for the Victor Valley Wastewater Reclamation Authority, a copy of which is attached hereto as Exhibit “A”, is hereby approved and adopted, and the amounts of the proposed expenditures are appropriated for the projects, programs, and expenditures specified therein and as currently proposed in the accompanying Capital Improvement Plan spreadsheets, which are subject to future revision by the Board, and;

Section 2. The Commission has determined that it is economically feasible and in the best interest of the Authority to adjust employee salary ranges by the annual Consumer Price Index (CPI). The CPI utilized for this purpose is the annual average for All Urban Consumers for the Los Angeles-Riverside-Orange County area, as published by the Bureau of Labor Statistics, for the 12-month period ending March 31, 2021. The CPI percent change for the year ending March 31, 2021 is 3.5 percent. The adjusted steps and ranges shall be as shown in the attached Exhibit “B”.

Section 3. Adoption of Annual Increases. The effective date of salary range adjustments described herein shall be July 1, 2021

Section 4. Execution of Resolution. The Chair of the Commission shall sign this Resolution, and the Secretary of the Commission shall certify that this Resolution was duly and properly adopted by the Commission.

Section 5. Within fifteen (15) days after the adoption of this resolution, the General Manager shall cause a copy of this resolution and the attached budget to be delivered to every member entity of VVWRA.

ADOPTED AND APPROVED this 17th day of June, 2021

Debra Jones, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Paul Cook, Secretary
VVWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VVWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 17, 2021.

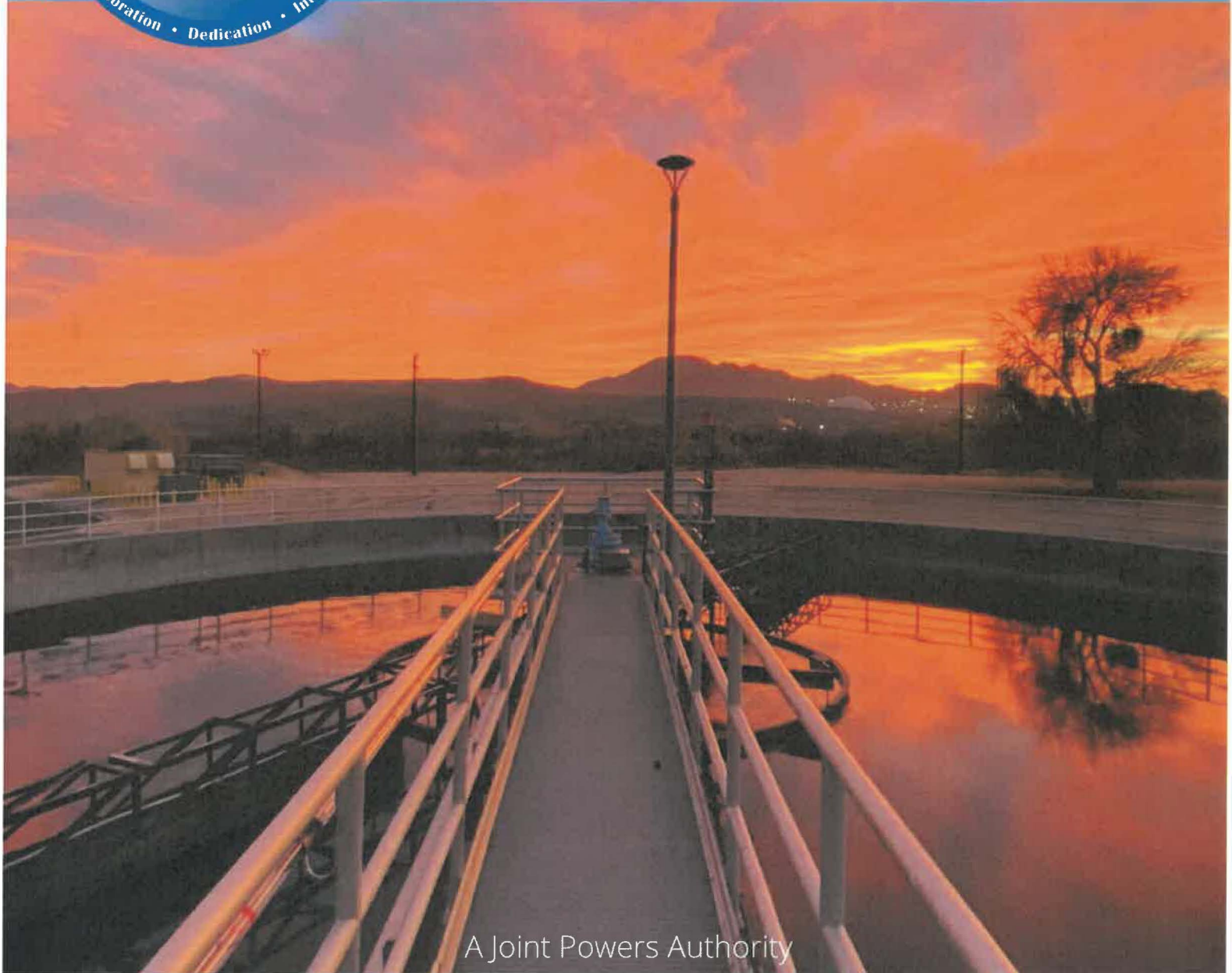
Kristi Casteel – Clerk of the Board

EXHIBIT A

Resolution 2021-03



Proposed Annual Budget FY 21/22



A Joint Powers Authority





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Victor Valley Wastewater Reclamation Authority

A Joint Powers Authority and Public Agency of the State of California

20111 Shay Road, Victorville, CA 92394

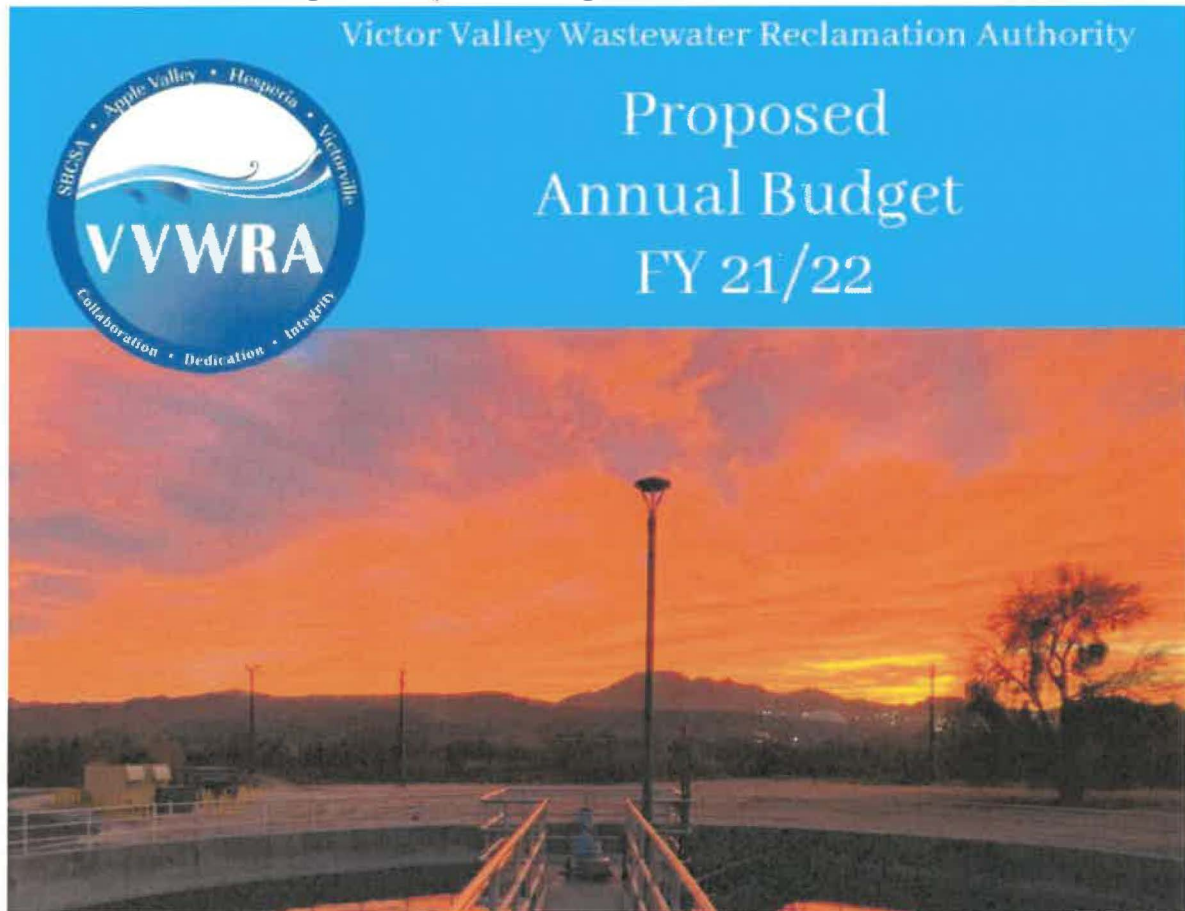
Telephone: (760) 246-8638

Fax: (760) 246-2898

e-mail: mail@vwwra.com

1 Budget Executive Summary

1.1 General Manager Budget Message



TO THE BOARD OF COMMISSIONERS, MEMBER AGENCIES OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY: THE TOWN OF APPLE VALLEY, THE CITY OF HESPERIA, THE COUNTY OF SAN BERNARDINO AND THE CITY OF VICTORVILLE, AND REGIONAL STAKEHOLDERS.



On behalf of the Victor Valley Wastewater Reclamation Authority (VWRA/Authority), I am pleased to present for your consideration our Fiscal Years 2021-2022 Operating and Capital Budget. Preparation for these Budget calculations and supporting documents began on February 22, 2021. Preparing for my second budget season as the VWRA General Manager, myself and the staff evaluated the changes we made last fiscal year and discussed further changes to improve our budgeting process and reporting. We reaffirmed our primary goal to develop a balanced, more focused, and comprehensive budget. The team worked diligently together to evaluate the present budget structure to identify shortcomings and ambiguity. We collaboratively identified areas for further improvement to provide greater clarity with fewer line items, elimination of line-item duplications and more a definitive separation of Department fiscal responsibility.

There are three key VWRA staff members who are fiscally responsible for developing their own independent budgets. The Plant Superintendent, Brad Adams, manages twenty-two staff members, including Operators, Mechanics and Electricians, who are responsible for the operations of the regional and sub-regional facilities. He is responsible for developing the Operations portion of the fiscal year budget. The Director of Administration, Robert Coromina, manages six employees who perform the environmental compliance, information technology, human resources, and safety functions within the Authority. The Controller, Chieko Keagy oversees development of the overall budget with her staff of four employees. Mr. Coromina and Ms. Keagy jointly develop the Administrative portion of the fiscal year budget.

VWRA Mission Statement

“VWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment and recycling.”

In addition to developing two clear internal Departments who are held accountable for effective planning and budgeting, the number of line items was again shortened to eliminate budgeting difficulties and overlap. The management team continues to improve their budgeting skills through a much clearer understanding of where they have budgeted funds for their regular operations instead of having to dive into multiple layers of line items and codes. The elimination and consolidation of certain line items has allowed the management team to further sharpen their pencils on the more general line items this budget year. Each manager went through the task of eliminating worst case scenarios from the individual line items and to budget as close to normal

expected operating costs for every element of their budget. The projected worst case scenario funds were placed once again in one contingency fund that they can draw upon should any out of the ordinary situations arise. This process has eliminated additional funds from many line items that in the past had inflated budget numbers for the unknown situations that sometimes occur.



The VVWRA Budget Team



Darron Poulsen
General Manager



Brad Adams
Plant Superintendent



Robert Coromina
Director of Administration



Chieko Keagy
Controller

This last year was a struggle to build on stronger working relationships due to the COVID 19 Pandemic. We had numerous staff members working from home and necessary operational people were split into 2 specific schedules to avoid interaction. Through all those significant changes we still were able to accomplish a great deal with regards to capital projects and internal enhancements to our operations and procedures. We continued to grow our understanding and implementation of the Mission of the Authority and we further dedicated ourselves to the core values of Collaboration, Dedication and Integrity. The VVWRA staff and the management team have heightened our efforts to continue our growth in making a culture shift to value every employee equally at a higher level and to put our customers, the Member Agencies, first in all our decision and planning efforts.

The budget presented to you this June 17, 2021 provides for a surplus in revenues that will be used to fund our strategy of pay-as-you-go Capital projects. This new budget is moving us closer to our desired debt ratio coverage of 1.2. Last year's (FY 2021) budget had a debt ratio of .84. The current year (FY 2022) budget has a 1.16 debt ratio and an operating surplus budget of \$878,341. Operating revenues increased by 12% attributed to increased wastewater flows, new industrial waste fees, increased recycled water sales and an increase in FOG and ADM tipping fees. Operating expenses went up 10% mostly attributed to the Sub-Regional facilities that are expected be online next fiscal year. The Sub-Regional facilities will require new operations staff and increased chemical costs. Increased power costs, increased sampling costs and increased maintenance costs. The team is excited to move forward with the operations of the Sub-Regional facilities and being able to serve our member agencies with recycled water.



The Victor Valley Wastewater Reclamation Authority is committed to the Mission Statement utilizing our Core Values as the guiding principles to achieve the desired goals in the coming fiscal year. The Authority strives to maintain transparency, responsiveness and good stewardship toward our Board of Commissioners, our Member Agencies, our stakeholders, and our employees. I would like to take this opportunity to thank the External Finance Committee made up of financial staff from the Member Agencies and the Internal Finance Committee, Commissioners Scott Nassif and Dakota Higgins for input on the proposed budget. Special thanks to the Finance staff including Controller, Chieko Keagy; Senior Accountant, Xiwei Wang; Accountant, Kyle Parker; Accounting Technician, Anne Mazzarella; and Asset Management Technician, Daniel Enriquez.

Respectfully Submitted

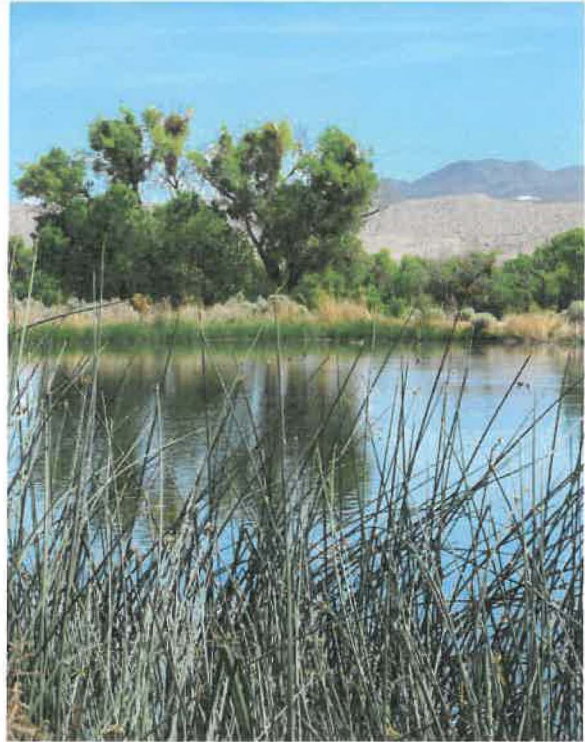
A handwritten signature in black ink that reads "Darron Poulsen". The signature is written in a cursive, flowing style.

Darron Poulsen
VWRA General Manger



1.2 Overview of Revenue Changes and Analysis

This document includes the budget information for the fiscal year ending June 30, 2022 (hereafter referred to as FY 2022) for Victor Valley Wastewater Reclamation Authority (VWRA or Authority). This financial plan serves as a policy document, operation guide, and as a means of transparent communication. The budget document is a comprehensive and balanced financial plan that features the analytical elements of a fiscally responsible public Authority. The budget also provides an overview of department operations and relative statistics utilized to measure performance and the achievement of goals. The Authority has developed a thorough table of contents inclusive of six major sections and a glossary that will help the reader locate information.



VWRA Percolation Pond

Following FY 2021, the Authority eliminated the Repairs and Replacements Fund and rolled the reoccurring regular operational expenses into the Operations and Maintenance Fund in the FY 2022 budget. Significant capital assets that need replacement on an as-needed basis are now within the Operations and Maintenance Fund as supplemental capital purchases. These assets are not normally critical to operations and can be budgeted only when funds are available. In previous VWRA budgets, small capital projects that could not use restricted connection fee dollars were also located in the Repairs and Replacement Fund. All projects, inclusive of services and assets are now located in the Capital fund and appropriate funding sources are tracked appropriately. VWRA accounts for these two divisions, Operations and Capital, using enterprise accounting practices and a comprehensive accounting software. The VWRA conducts its businesses based on an Enterprise Accounting System that is an accrual accounting system, that is similar to a regular business accounting method, by recording revenues and expenses as incurred instead of recognizing transactions when cash is received or paid.

VWRA provides wastewater treatment services to four member agencies: City of Victorville, City of Hesperia, Town of Apple Valley, and two areas of San Bernardino County Special Districts. The Authority treats and bills the total wastewater flow from the Member Agencies based on the approved flow allocation per member agencies, on average of, 59% from the City of Victorville, 19% from the City of Hesperia, 16% from the Town of Apple Valley, and the



remaining 6% from the two areas of San Bernardino County Special Districts. This treatment process is billed to the member agencies at a rate of \$4,414 per million gallons of flow based on the percentage of overall flow allocation. Other operating income includes septage processing fees; tipping fees for anaerobically digestible materials, fats, oils, and grease; sludge flow; industrial pretreatment fees; reclaimed water sales; and high strength surcharge fees. The proposed total operating revenue for FY 2022 is projected to be \$20.0 million. After the payment of the debt service, the remaining funds available for operating expenses is \$17.1 million.

In addition to the user fee revenues, the Authority is also projecting the collection of \$1.2 million of connection fees. Connection fees are collected from the Member Agencies as development impact fees which are paid to the Cities by developers seeking additional capacity and connection to the VVWRA system. The connection fee revenues are based on the connection fee rate \$4,679 per equivalent dwelling unit (EDU) that was effective on April 1, 2020. The use of connection fee revenues is restricted to capital projects that add capacity to the VVWRA assets that deliver, treat, and monitor wastewater. The use of these funds is more clearly stated in the Financial Information Capital Projects at Section Six of this document.

1.3 Overview of Operational Expenses

VVWRA has submitted a proposed operating expense budget of \$19.1 million consisting of \$2.9 million in debt service and \$16.2 million for operations and maintenance expenses for FY 2022. These expenses exclude non-cash items, such as depreciation expense. The Authority predicted the operating revenues and expenses based on the assumption that the Authority will continue operating both sub-regional plants in Apple Valley and City of Hesperia during the FY 2022. These additional operations add extra expenses, but also add additional revenues from the sale of recycled water.

We expect the total unrestricted reserve at June 30, 2022 to be \$2.4 million after applying \$76 thousand to supplemental capital purchases and the remaining unrestricted reserve to proposed capital projects. These capital projects are explained in greater detail in the Capital section of this booklet. In addition, we expect to have \$6.7 million for the total restricted reserve.

The \$5.8 million one-time revenue associated with FEMA and Cal OES retentions we received during FY 2021 was added to the FY 2021 operating reserve during the mid-year budget review in January 2021.

Past budgets reported operational expenses as one department when in fact there are three key VVWRA staff members who are fiscally responsible for developing their own independent budgets. The Plant Superintendent, Brad Adams, manages 22 staff members, including Operators, Mechanics and electricians, who are responsible for the operations of the regional and sub-regional facilities. He is responsible for developing the budget to operate the facilities. The Director of

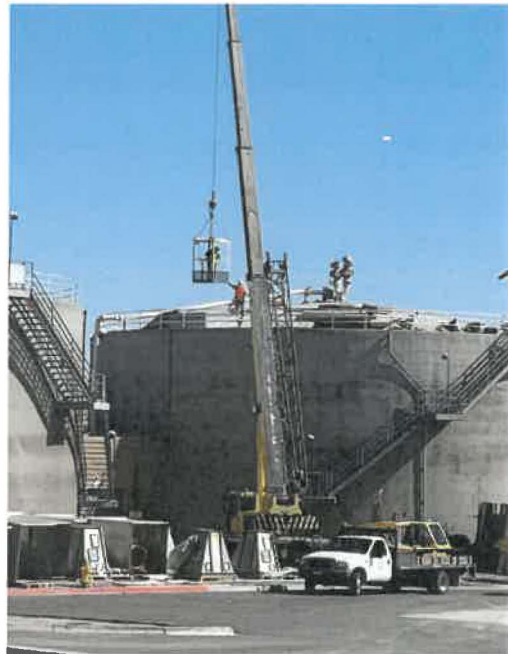


Administration, Robert Coromina, manages 6 employees who perform the environmental compliance, IT, human resources, and safety. Further, the Controller, Chieko Keagy, combines both department activities to develop the overall budget.

The two clear internal Departments have eliminated the complexity of budgeting, utilizing a contingency line item that each department manager could draw upon should any out of the ordinary situations arise.

1.4 Capital Projects Strategy Update

The Authority made good progress in completing the scheduled Capital projects slated to be completed last fiscal year. Significant improvements were made to Digesters one and two. Both assets received new mixing equipment as part of the Renewable Natural Gas (RNG) Project. Digester 2 also received a new membrane roof and new sludge, and gas lines were installed to improve operations. Work on Digesters four and five also took place. Both digesters were drained, cleaned of significant debris, and had new mixing boxes and rails installed for future installation of new propeller mixers in those digesters. The completion of the RNG project is scheduled for the FY2021-22 budget year. This public / private partnership with SoCal Biomethane will result in greater tipping fee revenues from the taking of FOG and ADM as well as increased production of methane gas which will be cleaned by SoCal Biomethane and sold to Southwest Gas as a renewable supply. The revenues generated from the sale of this gas will be shared between SoCal Biomethane and VWRA. The project is a significant benefit to the environment lessening the impacts of excess FOG and ADM as well lessening the burning of excess methane gas. In addition, the revenues will aid in keeping wastewater treatment costs lower for VWRA Member Agencies and provide an additional revenue source for much needed Capital projects.



Regional Plant Digesters

Another significant project completed last fiscal year was the Interceptor Risk Assessment Analysis. This project provided insight on the current condition and capacity of the Authority's interceptor piping system, which conveys Member Agency wastewater to the regional plant. Significant discoveries were made on capacity concerns during wet weather, peak flow, conditions



that will need to be addressed as part of the Authority's long term capital project planning. The project also made us aware of the concerns we have with regards to infiltration and inflow (I&I) during wet weather events. Capacity concerns can be mitigated by lowering the I&I so a new project scheduled for FY 2021-22 was developed to collaborate with Member Agencies to perform a region-wide study on how to lower I&I. By identifying and making improvements, the Authority will gain almost 10 years of capacity for peak wet weather flow before larger pipeline projects identified in the study need to be built.

Having this type of information is critical to a long-term capital improvement program. With this new information staff now knows that if I&I can be reduced then they can focus on planning and completing necessary operational projects that do not increase treatment capacity. Many of the Capital projects scheduled for the next few years will assure proper operations of existing assets. Significant projects, such as replacing large blower motors and coating important operational assets to extend operating life, are now proposed to be completed in the FY 2021-22 Capital Budget.

A significant project that needs to be addressed in the near future is a new Administrative Building. The Authority's administrative staff are working from temporary construction trailers that have been leased for over eight years. The lease fees and the energy costs to cool and heat these temporary trailers are significant. Staff is proposing that the best and least expensive course of action is to rehabilitate and remodel the existing Administrative Building which is currently not occupied due to asbestos concerns. Staff is proposing in the FY2021-22 Capital budget that the building be mitigated for the asbestos and that a study be performed to re-utilize the building for current and future administrative needs.

The pay-as-you-go Capital Project strategy implemented last year has now been enhanced with the results of the Interceptor Risk Assessment Analysis Report. This report provided guidance on when capacity related projects would need to be completed and it also identified and provided a cost analysis on what the capacity related projects should be. Funds beyond operating expenses are proposed to be realized in the FY 2021-22 and the RNG project promises to provide other revenues to help fund future Capital projects. Staff is gaining the necessary knowledge and experience to continue and sustain a comprehensive Capital Improvement Plan to protect and assure proper operations and capacity of all the VWRA assets and facilities.

1.5 Debts – SRF Loans

The agency has conducted its financial planning for the next five years, FY 2020 through FY 2024. Following the financial plan, the FY 2022 budget will result in a debt coverage ratio of 1.16, which is close to the desired value of a 1.20 as specified in the loan agreements with the State Water Resources Control Board.



Although there are no applicable legal debt limits for VVWRA to adhere to, the agency is challenged with the loan contractual obligation of maintaining the annual debt service reserve to cover the following year SRF loan payments. The rate study was conducted to keep the pay-as-you-go strategy for capital projects within these constraints.

VVWRA's total debt service for FY 2022 is \$4,882,810. Out of this amount, \$2,749,738 is funded by the user charge revenue, and \$2,133,072 is supposed to be funded by the connection fee revenue. VVWRA's debt service amount will decrease in future years as the agency continues to pay off debts. Please see the following pages for future loan payments.

Based on the Board consensus to pay back the loans timely, the Board has approved the user fee and connection fee rate adjustments during FY 2020. The new user fee was effective October 1, 2019 that will continue increasing by 8% annually throughout FY 2024. The adjusted connection fee rate was effective December 1, 2019 that will remain effective throughout FY 2024.



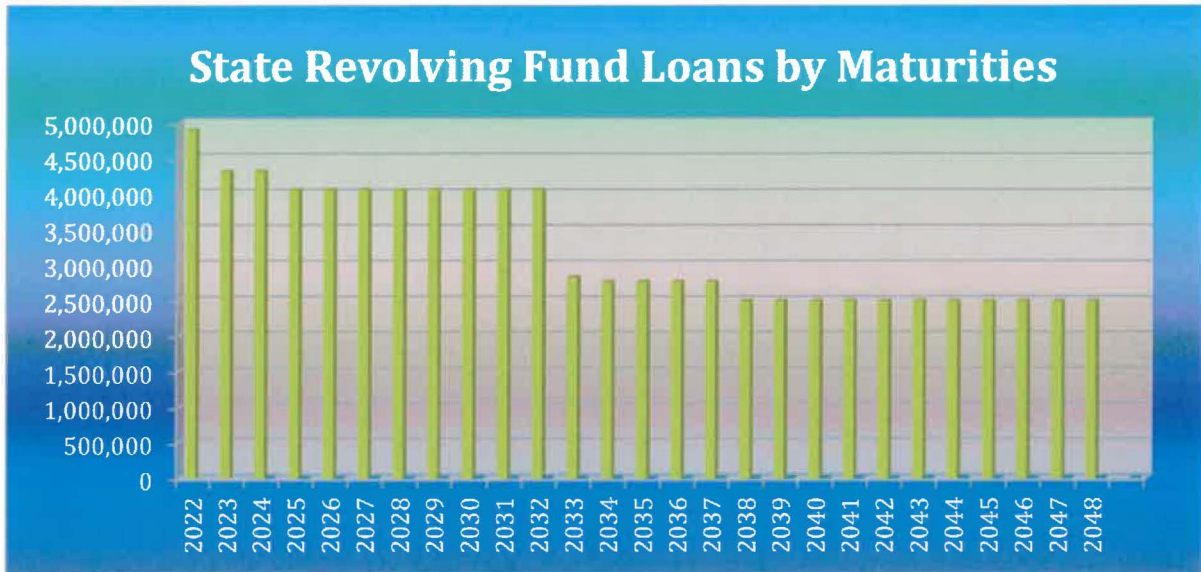
Inside a Regional Plant Digester

The table below represents our debt service payments for the Clean Water State Revolving Fund (SRF) loans. As of July 1, 2022, the agency has seven outstanding loans that are all SRF loans. Their annual repayments are presented in a bar graph at the following page. As a special district, the agency is not required to maintain a legal debt limit but is required to adhere to the debt coverage clauses.



Fiscal Year	11 MGD Expansion	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement	Nanticoke Bypass	Apple Valley Sub-Regional	Hesperia Sub-Regional	Total
2022	579,870	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,882,810
2023	-	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,302,940
2024	-	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,302,940
2025	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2026	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2027	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2028	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2029	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2030	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2031	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2032	-	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2033	-	-	-	60,393	271,633	1,024,951	1,462,850	2,819,827
2034	-	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2035	-	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2036	-	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2037	-	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2038	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2039	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2040	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2041	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2042	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2043	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2044	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2045	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2046	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2047	-	-	-	-	-	1,024,951	1,462,850	2,487,801
2048	-	-	-	-	-	1,024,951	1,462,850	2,487,801
Total	579,870	774,453	11,303,710	2,895,588	4,346,128	27,673,677	39,496,950	87,070,376

After FY 2025 the repayment amount will be lowered to about \$4.0 million and then after FY 2033, the payment amount will become near \$2.8 million. The high repayment amounts will negatively impact both operations and capital projects throughout the years.



VVWRA has utilized the SRF loans through California State Water Resources Control Board to fund most capital projects. The construction of the projects below was completed during the years before June 30, 2018. The following list shows two years of principal and interest repayments per Operations/Maintenance and Capital Funds.

	2022	11 MGD Expansion	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Nanticoke Bypass Project	Apple Valley Sub-Regional Project	Hesperia Sub-Regional Project	2022 Total
SRF Loan Amount	\$	11,430,726	4,084,688	15,717,668	4,286,380	4,459,190	26,455,229	37,758,385	104,192,266
Annual Payment	\$	579,870	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,882,810
Payment Date		April 3	February 13	June 30	December 31	June 30	February 28	February 28	
1. Operations		0.00%	0.00%	75.00%	100.00%	75.00%	61.00%	61.00%	
Original Loan	\$	-	-	11,788,251	4,286,380	3,344,393	16,137,690	23,032,615	
Principal	\$	-	-	574,930	208,628	150,750	477,921	682,108	2,094,337
Interest	\$	-	-	195,778	49,117	52,975	147,299	210,332	655,401
Annual Payment	\$	-	-	770,708	257,745	203,725	625,220	892,340	2,749,738
2. Capital		100.00%	100.00%	25.00%	0.00%	25.00%	39.00%	39.00%	
Original Loan	\$	11,430,726	4,084,688	3,929,417	-	1,114,798	10,317,539	14,725,770	
Principal	\$	571,534	239,719	191,643	-	50,250	305,556	436,100	1,794,802
Interest	\$	8,336	18,432	65,259	-	17,658	94,175	134,410	338,270
Annual Payment	\$	579,870	258,151	256,902	-	67,908	399,731	570,510	2,133,072
Total Principal	\$	571,534	239,719	766,573	208,628	201,000	783,477	1,118,208	3,889,139
Total Interest	\$	8,336	18,432	261,037	49,117	70,633	241,474	344,642	993,671
Annual Payment	\$	579,870	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,882,810



2023	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Nanticoke Bypass Project	Apple Valley Sub-Regional Project	Hesperia Sub-Regional Project	2023 Total
SRF Loan Amount	\$ 4,084,688	\$ 15,717,668	\$ 4,286,380	\$ 4,459,190	\$ 26,455,229	\$ 37,758,385	\$ 92,761,540
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,940
Payment Date	February 13	June 30	December 31	June 30	February 28	February 28	
1. Operations	0.00%	75.00%	100.00%	75.00%	61.00%	61.00%	
Original Loan	\$ -	\$ 11,788,251	\$ 4,286,380	\$ 3,344,393	\$ 16,137,690	\$ 23,032,615	
Principal	\$ -	\$ 590,453	\$ 212,592	\$ 153,614	\$ 482,700	\$ 688,930	\$ 2,128,289
Interest	\$ -	\$ 180,255	\$ 45,153	\$ 50,111	\$ 142,520	\$ 203,410	\$ 621,449
Annual Payment	\$ -	\$ 770,708	\$ 257,745	\$ 203,725	\$ 625,220	\$ 892,340	\$ 2,749,738
2. Capital	100.00%	25.00%	0.00%	25.00%	39.00%	39.00%	
Original Loan	\$ 4,084,688	\$ 3,929,417	\$ -	\$ 1,114,798	\$ 10,317,539	\$ 14,725,770	
Principal	\$ 245,712	\$ 196,818	\$ -	\$ 51,205	\$ 308,611	\$ 440,461	\$ 1,242,807
Interest	\$ 12,439	\$ 60,085	\$ -	\$ 16,704	\$ 91,120	\$ 130,049	\$ 310,397
Annual Payment	\$ 258,151	\$ 256,903	\$ -	\$ 67,909	\$ 399,731	\$ 570,510	\$ 1,553,204
Total Principal	\$ 245,712	\$ 787,270	\$ 212,592	\$ 204,819	\$ 791,311	\$ 1,129,391	\$ 3,371,096
Total Interest	\$ 12,439	\$ 240,340	\$ 45,153	\$ 66,814	\$ 233,640	\$ 333,459	\$ 931,846
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,942



Regional Secondary Clarifiers



1.6 Environmental and Regulatory Changes

Current and future regulations have a significant effect on VVWRA's financial planning. The VVWRA currently operates one regional wastewater plant located in the City of Victorville and two sub-regional water reclamation plants (WRP) located in the City of Hesperia and the Town of Apple Valley.

VVWRA faces a greater need for capital funding than ever before to pay for new infrastructure, system expansions, renewal, and replacement of existing facilities, as well as to meet increasingly stringent environmental regulations and compliance requirements.

The regional wastewater plant is regulated by both a National Pollutant Discharge Elimination System (NPDES) permit issued under the authority of the Federal Clean Water Act (CWA) and a Waste Discharge Requirements (WDR) issued by the State of California. WDR permits regulate the WRP's. All three facilities produce disinfected tertiary recycled water available for member agencies' use. Under the NPDES and WDR permits, VVWRA manages several environmental programs.

Pre-treatment program:

The CWA covers non-domestic sources of wastewater that discharge directly to a publicly owned treatment works (POTW) like the VVWRA. Such discharges may be federally regulated or regulated by VVWRA's pre-treatment ordinance, which is enforced by VVWRA in cooperation with member agencies under authority derived from the CWA.

VVWRA plants are not designed to treat most toxic or non-conventional pollutants that are present in industrial waste. Consequently, discharges from both industrial and commercial sources can cause problems at these plants and can have detrimental effects on the water quality of the Mojave River.

The undesirable effects of those discharges can be prevented by using treatment techniques or management practices to reduce or eliminate the discharge of the contaminants. The act of treating wastewater before discharge to a POTW is commonly referred to as pretreatment. The National Pre-treatment Program, published in 40 CFR Part 403, provides the regulatory basis to require nondomestic dischargers to comply with pre-treatment standards to ensure that the goals of the Clean Water Act (CWA) are attained. The objectives of the National Pre-treatment Program are stated in 40 CFR 403.2, as follows:

- Prevent the introduction of pollutants into a POTW that will interfere with the operation of the POTW, including interference with its use or disposal of municipal sludge.
- Prevent the introduction of pollutants into a POTW that will pass through the treatment works or otherwise be incompatible with such works.



- Improve opportunities to recycle and reclaim municipal and industrial wastewaters and sludges.

Recycled water program:

To augment and optimize its water recycling capabilities, VVWRA has elected to design and construct sub-regional WRP's within the wastewater collection system to produce disinfected tertiary recycled water closer to the end-users and thereby minimize overall production and distribution costs. VVWRA is the recycled water program administrator.

Due to the proximity to the former George Air Force base, VVWRA works closely with the Air Force to monitor the plume of pollutants for a superfund site located nearby.

As federal and state grant funding programs continue to be reduced and/or eliminated, VVWRA continues to focus more attention on planning for the funding of future capital needs and finding alternative sources for capital funding.

1.7 Overview Conclusion

During the year ended June 30, 2021, the VVWRA staff were successful in developing and getting an approval on new pretreatment and industrial user permits and fees, an increase to the FOG and ADM tipping fee, and new recycled water rates for all Member Agencies. All of these changes were put into place to assure that individual programs were self-funded and not being subsidized by the wastewater treatment user fees. The RNG project scheduled to be completed next Fiscal year will add an additional revenue stream that will lessen future user fee increases and will also help fund future capital projects. All these changes were developed in an effort to create greater fiscal security and strength to provide a solid base for the future fiscal planning for the Authority. The FY 2022 budget predicts the Authority will achieve a 1.16 debt ratio up from a 0.84 debt ratio in FY 2021. The new budget format and more interaction with the staff resulted in an increase in revenues in excess of the increase in operating expenses. All these factors are proposed to produce a surplus that has been allocated to the pay-as-you-go CIP strategy. Overall, the VVWRA Budget Team is excited to share the fiscal planning for the FY 2022 budget and looks forward to working with the Board to get approval and implement the FY 2022 budget.



2 History and Governance

2.1 History of VWRA

The Victor Valley Wastewater Reclamation Authority was originally formed by the Mojave Water Agency to help meet the requirements of the Federal Clean Water Act and provide wastewater treatment for the region. The original treatment plant, with supporting pipelines and infrastructure, began operating in 1981 to provide tertiary level treatment for up to 4.5 million gallons per day (MGD) for discharge into the Mojave River to replenish the aquifer. The current operations at the regional treatment plant treat 11 MGD. The VWRA operates as a Special District of the State of California which operates under a Joint Powers Authority (JPA) agreement between the member agencies, the Town of Apple Valley, The City of Hesperia, the County of San Bernardino Service Areas 42, and 64 and the City of Victorville.

Over the years, VWRA has completed treatment plant upgrades and several capacity increases. The regional treatment plant is currently capable of treating a portion of the flow to a tertiary level and the remaining flow to a secondary level for percolation. A majority of the highly treated wastewater is discharged into the Mojave River Basin, while a smaller quantity is sold to Victorville power plant and American Organics.

In FY 2018 the Authority completed construction on the sub-regional treatment plants in the Town of Apple Valley and the City of Hesperia. These facilities will start full operations in FY 2022 and will treat between .5 and .75 MGD. The effluent recycled water will be sold to the local Member Agencies to provide an additional revenue stream and relieve capacity at the regional plant.

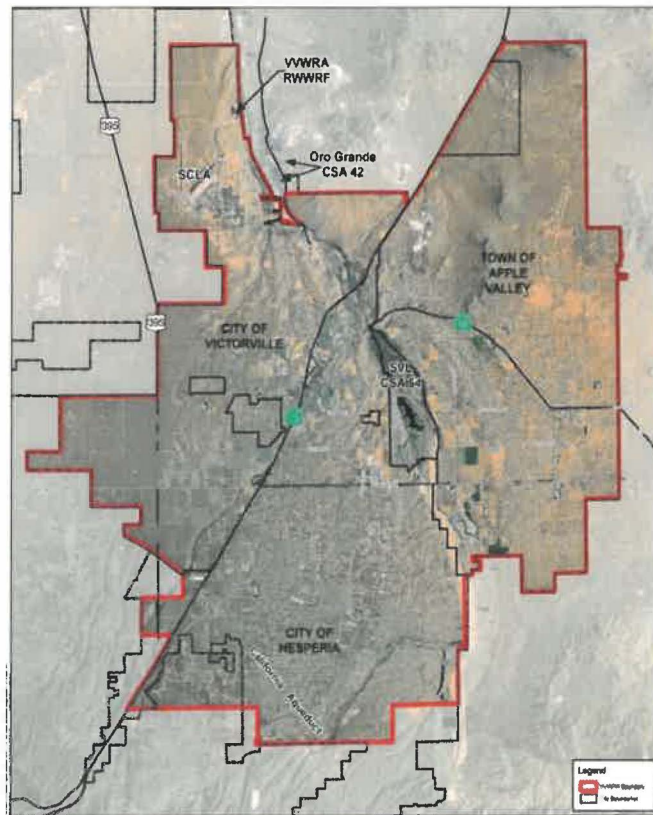


FIGURE 1
VWRA Service Area
Development Activity
© 2008

Figure 2-1 VWRA Service Area



2.2 Local Demographics

The service area has a population of 297,273 in 2020 with a slow but steady population growth in recent years.

Unemployment in the San Bernardino County is 9.4% in 2020 due to the economic downturn that was mainly affected by the global pandemic. The unemployment rate has decreased from 13.2% in 2011 to 3.8% in 2019 but increased to 9.4% in 2020.

The figures below represent data for the County of San Bernardino based on information from State of California Employment Development Department.

Figure 2-1: Population Growth

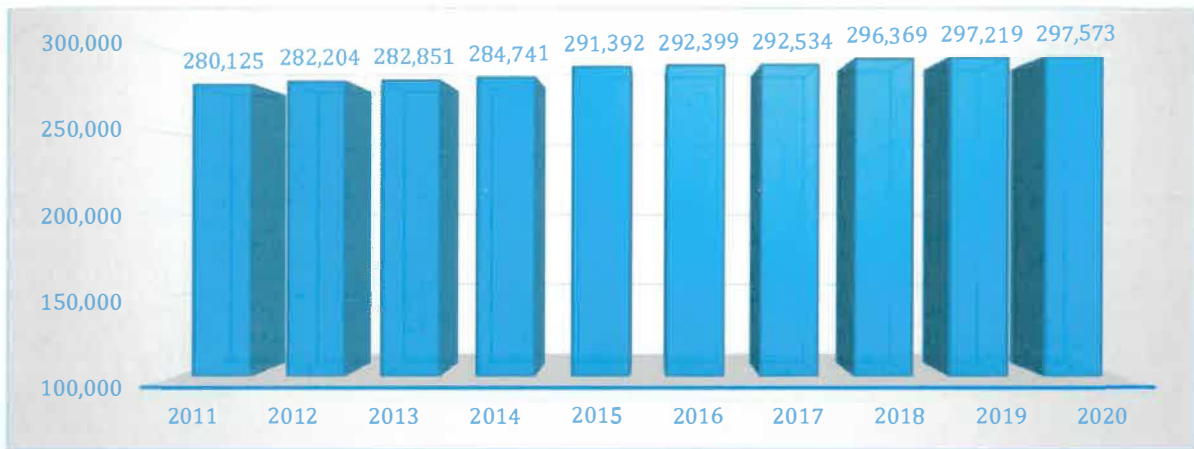


Figure 2-2: Unemployment Rate

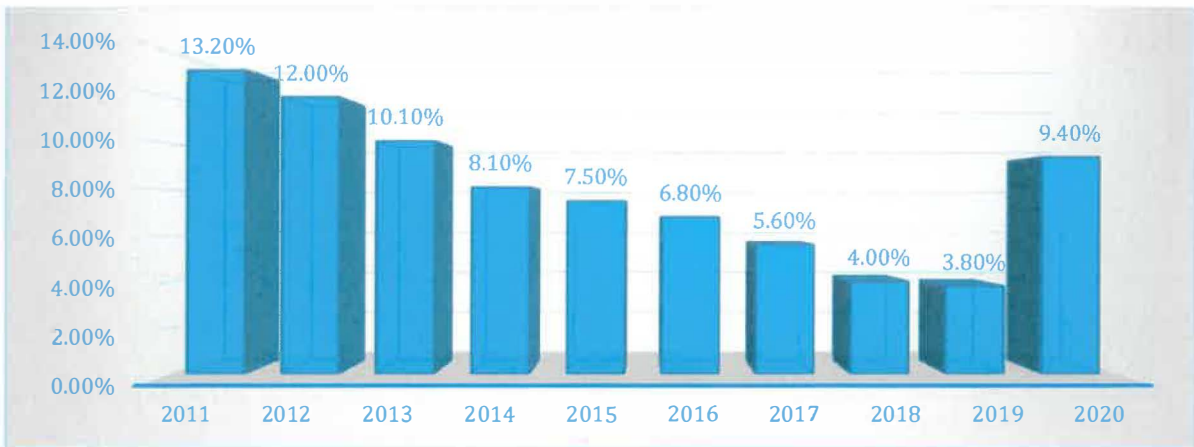
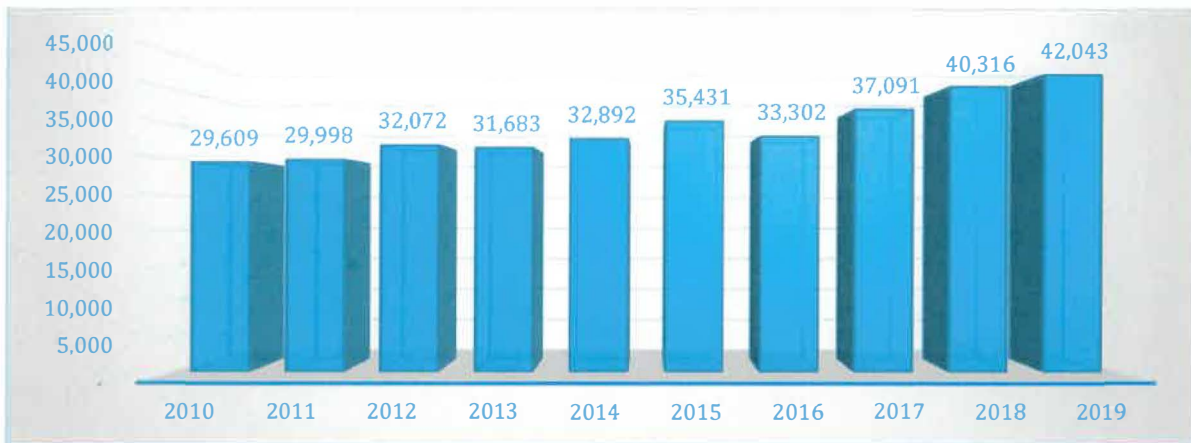




Figure 2-3: Personal Income Per Capita



2.3 Description of Governance

VVWRA is a quasi-governmental agency called a Special District of the State of California. It is not regulated by California Public Utilities Commission but governed by a Board of four Commissioners who are publicly elected for a four-year term from each Member Agency. Our affairs are bound by a joint powers agreement (JPA) between VVWRA and Member Agencies. The board of Commissioners is responsible for approving policies and ordinances in accordance with the purpose detailed in the JPA. These policies and ordinances are then enacted upon and put into practice by the General Manager who is responsible for setting the vision and goals of the organization in collaboration with the Board to achieve the desired outcomes detailed in the Mission Statement of the VWRA.

2.4 Board Member Pictures and Agency Names

VVWRA is governed by a four-member Governing Board represented by an elected official from each of the Member Agencies.

Board of Commissioners

As of June 30, 2021



Bill Holland

Vice-Chair

City of
Hesperia



Paul Cook

Secretary

County of
San Bernardino



Scott Nassif

Treasurer

Town of
Apple Valley



Debra Jones

Chair

City of
Victorville



3 Organizational Mission and Structure

3.1 Community Involvement and Member Agency Collaboration

As a joint power authority, the VVWRA's primary goal is to provide the essential service of collecting, treating, and recycling wastewater for the benefit of the Member Agencies and the communities they serve. Through the JPA, the Board of Commissioners, the VVWRA General Manager, and the VVWRA staff strive to set and achieve goals to provide sustainable and cost-effective solutions to deliver these necessary services for the benefit of the communities we all serve. The VVWRA serves an arid region which has historically depleted its groundwater resources. For this reason, the processed wastewater is valued for projects, such as replenishing groundwater, protecting riparian habitat, and generating power plant cooling water. The energy stored in the organic matter delivered in the wastewater can be used to provide heat and power to operate the wastewater treatment plant. Finally, the organic residual resulting from the treatment process can be beneficially reused to amend soil quality and to reduce greenhouse gas emissions.

There are two primary concerns that drive the Authority's long-term planning and mission. It is vitally important that the Authority work together with the Member Agencies to plan for community growth and to monitor the environmental and regulatory requirements that determine the number of resources required to address issues. Additionally, the industry as a whole is changing with more focus on regional watershed-based decision making.



Hesperia Wastewater Reclamation Plant

Through a series of capital projects, the VVWRA endeavors to achieve the goal of providing sustainable and cost-effective solutions to the surrounding communities. Capital projects such as the sub-regional plants will allow VVWRA to have sufficient wastewater flow to provide reclaimed water locally and reduce sewage in our over-capacity interceptors. These sub-regional facilities represent a positive first step in the long-term planning to achieve the overall goals of the Authority improving the overall customer service to the Member Agencies. The sub-regional

treatment plants will produce recycled water a vital and cost-effective resource in this arid region. Another benefit of locating the sub-regional plants farther up the watershed in the vicinity of residential areas will result in saving the subsequent energy costs of pumping the recycled water back to the recycled water users from the regional plant.

The VVWRA plays a vital role in the region to protect public health, producing recycled water for irrigation use and recharge of the aquifer, and sustaining a part of the local Mojave River habitat.

3.2 VVWRA Mission Statement

The existing Mission statement was developed by VVWRA staff and approved by the Board in April of 2020. The Mission Statement is meant to provide purpose and guidance to the Authority's essential services of collecting, treating, and recycling wastewater for the benefit of the Member Agencies and the communities they serve. During this last fiscal year, the VVWRA leadership team continued their efforts to make an internal cultural change focusing on improving the employee morale and committing to a renewed commitment to better service to the Member Agency's needs.

VVWRA Mission Statement

"VVWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment and recycling."

3.3 VVWRA Core Values

As a public agency, VVWRA has a responsibility to its member agencies and the communities they serve to strive to achieve the vision detailed in the mission statement. The mission statement provides purpose and guidance to the organization, but in order to achieve the desired vision it is imperative that core values be instilled to help align the organization to a common purpose and the achievement of common goals. VVWRA operates with three Core Values:



Collaboration

VVWRA focuses on building and supporting teamwork. By working together, we can support our staff and partners in the fulfillment of the respective visions. The value to the organization is to educate staff to distinguish between cooperation and collaboration. Cooperation is a group of



staff working together with a different set of goals, while collaboration is everyone working together towards a common goal.

Dedication

Dedication is a quality we look for in our staff. As an organization, we are dedicated to working with our Member Agencies to create a symbiotic relationship which benefits us all. To meet this value, we must cultivate an environment which generates passion, loyalty, and a shared vision. By being dedicated to our purpose, we can ensure the positive future for the communities and residents we serve.

Integrity

Integrity is a term that carries a lot of weight. This is a quality of having strong moral principles and ethical conduct. It carries with it a sense of accountability to our Member Agencies. Honesty, forthrightness, and doing the right thing for the right reasons all define integrity. It is of the utmost importance to hold ourselves to this standard if we are to request it of others.

In June of 2021, as a part of the service awards ceremony, the VWRA leadership team nominated and awarded staff who best represented the Core Values during the current year operations. Three employees were awarded Core Value Awards for Collaboration, Dedication, and Integrity.

3.4 VWRA Model for Efficient Wastewater Utility Management



In the application of the core values, VWRA has adopted ten operational attributes to operate and manage the Authority in an effective and efficient manner. These attributes describe desired outcomes that are applicable to the mission and goals of VWRA. They comprise a comprehensive framework related to operations, infrastructure, customer satisfaction, effective leadership, employee valuation, financial responsibility, sustainability, and natural resource stewardship. VWRA's attributes of an effective managed utility include:



1. Regulatory Compliance

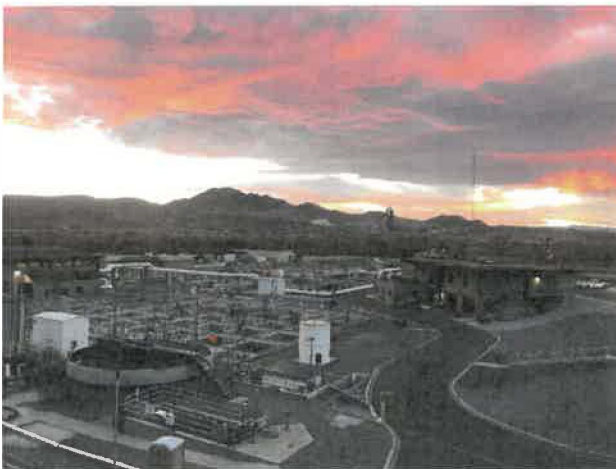
VVWRA's core mission is to protect public health and the environment for our communities by providing high-quality wastewater-treatment services in an effective, efficient, and responsive manner. We fulfill this mission by producing tertiary treated effluent and biosolids that meet or exceed regulatory requirements.

2. Member Agency Support and Satisfaction

VVWRA seeks to provide reliable, responsive, and affordable services in line with the service levels as set by our Member Agencies. VVWRA will strive to be a resource and positive partner with the Member Agencies in how we communicate and perform outreach, how we operate and sustain facilities for our Member Agencies' needs and how we collaboratively plan our capital projects with our Member Agencies to meet the growing needs of our region.



Outreach and Communications - Working in collaboration with the Member Agencies, VVWRA will utilize a mix of evolving communication technologies to convey common messaging in support of our mutual goals. The messaging and outreach from VVWRA will seek to focus on regional matters that impact VVWRA and its Member Agencies. All messaging will emphasize VVWRA's role and services to the Member Agencies and the communities we serve. VVWRA and the Member Agencies will actively promote and appreciation of the value of wastewater services and water's role in the social, economic, public, and environmental health of the community.



Operational Support – VVWRA will support operational needs by sustaining and operating vital waste disposal facilities for sewer and storm water operations performed by the operational units of the Member Agencies. Other services that Member Agencies desired VVWRA to operate include receiving local septage fats, oils, and grease (FOG) hauler materials. As demand for these services grows, VVWRA will be mindful to plan accordingly to assure the long-term sustainability and growth of the facilities necessary to process these materials that are in line with the desires of the Member

Agencies. Another significant and important service is the delivery of recycled water. VVWRA



will work diligently to assure a reliable delivery of recycled water for the benefit of the Member Agencies and to assure regulatory requirements are met. The Authority will strive to sustain a collaborative approach to the Member Agency needs and regularly seek feedback for the benefit of VVWRA and the Member Agencies.

Capital Project Planning – VVWRA will actively engage and seek input from the Member Agencies in all capital and development projects that will affect VVWRA facilities and Member Agency collection systems. Regular communication and positive working relationships will be sustained to improve working relationships where VVWRA and Member Agencies openly share and collaborate on projects for their mutual benefit and the benefit of the communities we serve.

3. Financial Responsibility and Transparency

VVWRA understands and plans for the full life-cycle cost of utility operations through an open and transparent budgeting process and the development of a comprehensive Capital Improvement Program. All staff members will value and follow necessary purchasing policies as dictated by the



VVWRA Board to assure the highest levels of operational and financial integrity. VVWRA staff will make every effort to establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. The development of rates will seek to be consistent with Member Agency expectations and acceptability, but adequate to recover operational costs, provide for reserves, and plan and invest for future capital needs. With Board support and approval, staff will always seek funding sources to keep operational and

capital costs down. A strong emphasis by VVWRA staff and consultants will be put towards acquiring grants and seeking smart public or private partnerships to help fund projects which will be presented to the Board for final approval. As a part of the VVWRA commitment to fiscal responsibility, staff will strive to sustain the necessary debt coverage requirements and annually report in the budget the Government Finance Officers Association (GFOA) required information. All efforts will be done in an open and transparent process in accordance with policies established by the Board.

4. Operational Optimization

By optimizing operations, VVWRA staff, ensures reliable, sustainable, and cost-effective performance in their service to public health and environmental protection. This is accomplished through the effective use of data acquired from automated and smart systems and performance monitoring of processes. VVWRA's highly technical staff is up to date on regulatory trends and technological developments in our industry, which





make it possible to anticipate and support timely adoption of process improvements and expansions.

5. Employee and Leadership Development

VVWRA recruits, develops, and retains a workforce that is competent, self-motivated and safety-focused. Employee development establishes an organization dedicated to continual learning, improvement, and innovation. Ensured employee institutional knowledge is retained, transferred, and improved upon over time. VVWRA understands the need for an effective, goal driven management staff and emphasizes and invests in opportunities for professional and leadership development. Employees at VVWRA are dedicated to delivering high level performance and are always looking for opportunities to expand their knowledge and/or improve their abilities to ensure this goal is met.

6. One Team One Vision

It is essential that all VVWRA staff members are dedicated to the effective and efficient operation of VVWRA facilities for the benefit of our Member Agencies, our staff, and the communities we serve. Every person plays a role in achieving this goal and, as such, all positions are equally valued and important. From the General Manager to the newest intern, it is imperative that staff know and understand their job expectations and the priority of goals for the organization. The workload to achieve the desired goals of VWRA and the Member Agencies is the responsibility of every staff member. To achieve the highest level of effectiveness and efficiency, it is imperative that all staff members are committed to the Core Values. There must be a common level of dedication to work together as a team to achieve goals, to achieve proper levels of operation, and to achieve the highest level of customer service to our Member Agencies and to our staff with the priorities and goals of the VVWRA and the Member Agencies.



7. Asset Management and Strategic Capital Planning

VVWRA is committed to a sound Asset Management and Strategic Capital Planning process. We make sure that planned maintenance can be conducted and capital assets (pumps, motors, pipes, etc.) can be repaired, replaced, or upgraded on time and on budget. The VVWRA has put in place best practices to manage infrastructure capital assets and minimize the total cost of owning and operating these assets while delivering the desired service levels.

8. Commitment to Excellence

VVWRA's commitment to excellence is shown in how we manage operations, infrastructure, and investments to support the economic, environmental, and health of its community. By reviewing the relevance of operating procedures, performing in depth, staff-driven and third-party training, and investing in our employee improvement program, VVWRA shows our dedication to employing the highest-level staff and providing the most productive and enjoyable work environment. In collaboration with partners such as public and private utilities, vendors, local governments, and regulatory bodies, we efficiently and cost-effectively complete projects or overcome challenges faced by VVWRA, its member agencies, and/or the environment. Spreading the message, the collaboration, dedication, and integrity through posts on social media, industry publications, and internal newsletters, we show VVWRA's commitment to these core values.

9. Sustainability Focus

VVWRA has established several sustainability goals that reflect our community priorities:

- Reduce energy cost: We routinely invest in more energy efficient equipment or explore



operational changes that can enhance energy optimization.

- Preserve critical ecological areas like the Mojave River: Our effluent meets the most stringent regulatory requirement, while we work with other regional agencies to reduce nutrient loadings to the regional watershed.
- Ensure a sustainable workforce: VVWRA has implemented steps to ensure a safe workplace, knowledge retention, and new knowledge through training.

10. Communication to Assure Stakeholder Understanding and Support

Communication and trust play an essential role in the success of this model for effective wastewater utility management. Positive and honest communication between VVWRA staff and the Board, between operational teams at VVWRA and the Member Agencies, and internal communication within VVWRA are necessary to assure the clarity of goals and expectations. Effective communication is an integral element of success within an organization; it promotes team building, increases innovation, increases efficiency, and loyalty. VVWRA staff will seek to utilize positive and effective communication practices to assure that ideas, thoughts, knowledge, and information are shared to assure that the purpose of the communication is fulfilled in the best possible manner. Communicated information will be confirmed by the sender to assure the receiver has properly interpreted the message to assure the best possible outcome. These positive communication principles will be practiced by VVWRA staff to assure Member Agencies and internal staff have a strong understanding of the goals and expectations of the organization. The communication will focus on building trust to gain support for the necessary actions to best serve the Member Agencies and the customers we serve.



Keys to Management Success

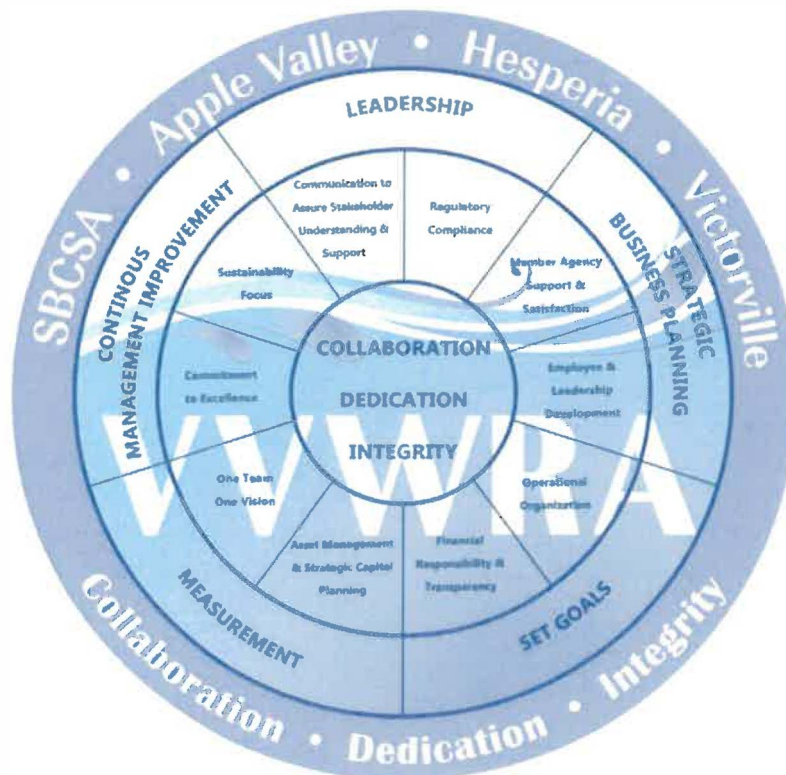
The keys to management success at VVWRA represent frequently used management approaches that help managers be positively impactful in their roles to represent and apply the core values to achieve the attributes of an effective wastewater utility. They create a supportive framework for a utility as it works towards the outcomes outlined in the attributes. Change starts at the top and it is a requirement of VVWRA leaders that they strive to improve the Authority's operations through their effective leadership. The Keys to Management Success are as follows:



Leadership

The goals of a leader must be focused on the overall health and success of the organization. We must provide motivation, inspiration, and an environment of trust. We use these skills to impart a sense of importance and understanding to our managers and staff. One inevitable fact of leadership is that we set the example. And as such, we must endeavor to practice our core values without compromise. We do this by demonstrating an unwavering resolve in our all actions and decision making. We must hold ourselves accountable and allow others to do the same. We must allow others to succeed and plan for the future while being the champions for the organization. We not only provide the vision for the organization but develop the culture in which we operate. We must plan for our future while providing for our present. By demonstrating a high level of integrity in all our actions, we set the standard for all internal and external stakeholder interactions and expectations. We have a responsibility to our staff to insure we are providing the environment and tools they need to accomplish our organizational goals. Furthermore, we have a responsibility to our Member Agencies to provide reliable service and sound fiscal responsibility through transparency and open communication.

As the leaders we must maintain a level of excellence in our day to day operations and understand that these ideals must carry over to our partners. We must show that our Member Agencies' goals are just as important as our own. We demonstrate this by building a partnership with them through collaboration and dedication to a shared vision.





Strategic Business Planning

Strategic business planning directs and helps to achieve balance and cohesion across the efficient wastewater utility management (EWUM) ten attributes of an effectively managed utility. A VVWRA strategic business planning will provide a framework for decision making by:

- Assessing current conditions and conducting a strengths, weaknesses, opportunities, and threats (SWOT) analysis;
- Characterizing a range of possible and likely future conditions that may occur based regulatory requirements, deteriorating infrastructure, and growth
- Assessing underlying causes and effects of future conditions
- Establishing goals, vision, objectives, strategies, and underlying organizational values to overcome these future operational conditions



The EWUM model will provide a platform to develop a successful strategic business planning strategy process that will be dynamic and adaptable, allowing VVWRA to capitalize on new and emerging opportunities. It will be made more robust by engaging with Board, Member Agencies, and staff. VVWRA will utilize a strong planning procedure that will identify specific implementation steps that will move operations from its current level of performance to achieving its vision.

VVWRA staff will regularly deploy strategic planning principles to take a longer-term view of organizational goals and operations and establish a clear vision and mission. Planning efforts will be driven by clearly communicated objectives, measurement efforts, financial viability, and operational priority. Carefully developed strategic plans will clearly define current conditions, goals, and specific directives to staff to stimulate change, increase engagement, and support for improvement efforts.



Goal Setting

Goal setting is an important part of establishing a successful model for efficient wastewater utility management (EWUM). SMART goals which are specific, measurable, attainable, realistic, and timely are necessary to define a clear vision of the target goal and the path to attain them. Goals encourage people to think about the meaning of their work and how it connects directly to the bigger picture. VVWRA will regularly set short- and long-term SMART goals to



help achieve the desired goals of the Board, the staff and Member Agencies. These goals will be properly developed and communicated to the staff to provide focus and direction to help individuals stay on track and accountable for delivering the necessary efforts they are responsible for to achieve the goal. VVWRA will focus on being a Get-It-Done organization by assuring goals are properly developed, measured and delivered in a timely manner.

Measurement

“If you can’t measure it, you can’t improve it.”

Peter Drucker

VVWRA has put in place a performance measurement system to track key performance indicators. VVWRA has identified areas in which to improve its operational reliability and efficiency; financial policies and procedures; and capital improvement plans. Part of our ongoing effort is to track those improvements and make sure that when change occurs that it is incorporated into our organizational structure. Benchmarking is a measurement tool used to track the Authority’s progress towards achieving its goals. The process encourages transparency, innovation, and accountability.

We rely on AWWA Utility Benchmarking tool to measure VVWRA’s performance and given our increasing role as a part of the broader water solution locally and statewide, we follow the three actions set forth by the California Water Plan Update of 2005.

- Use water efficiently
- Protect water quality



- Manage water in ways that protect and restore the environment

VVWRA is actively pursuing these three goals within its service areas and within its organizational culture. To attain these goals, the Capital Improvement Plan (CIP) includes three elements in each project to improve and meet (1) the capacity, (2) the proper performance efficiency, and (3) the regulatory needs for wastewater treatment for its Member Agencies. As any good steward of our limited resources would do, we regularly conduct benchmarking analysis to identify areas where VVWRA could improve its operation. The primary objective is to create a performance measurement system to evaluate and improve the Authority's operational efficiency. Four indicators were chosen and are tracked, which provide a broad perspective on the operational efficiency of VVWRA, these include:

- Sewer Overflow Rate: the purpose of this indicator is to provide "...a measure of collection system piping condition and the effectiveness of routine maintenance by quantifying the number of sewer overflows per 100 miles of collection piping."
- Million Gallons per Day (MGD) of Wastewater Processed per Employee: This is a measure of employee productivity and includes all staff.
- Operations and Maintenance Cost per Million Gallons Processed: This represents the total operations and maintenance costs (without depreciation) divided by the volume processed during the year.
- Debt Ratio: It quantifies the utilities level of indebtedness.

Continual Improvement Management

Continual improvement management falls into two categories at VVWRA; Capital Improvement and Employee Improvement. Managing of capital improvements include the determination of necessary improvements to critical infrastructure, assessing treatment process performance and efficiency, and evaluation of new technologies. On-site training, establishing "SMART" goals, regular evaluations, SOP audits and internal analysis and when appropriate external benchmarking, are some of the continual improvement tools used by VVWRA regarding employee improvement.

Continual improvements to VVWRA infrastructure and processes play a central role in effective utility management and are necessary to ensure proper treatment and to maintain regulatory compliance. To ensure treatment goals are always met, VVWRA defines roles and responsibilities to staff members at all levels to derive clear accountability for conducting condition and performance assessments. During evaluation of improvements we look at the feasibility of current assets meeting future process goals and objectives, consulting with experts when necessary, and the return on investment potential of new technologies. Adherence to VVWRA's procurement policy, efficient budgeting practices, the seeking of grants and other



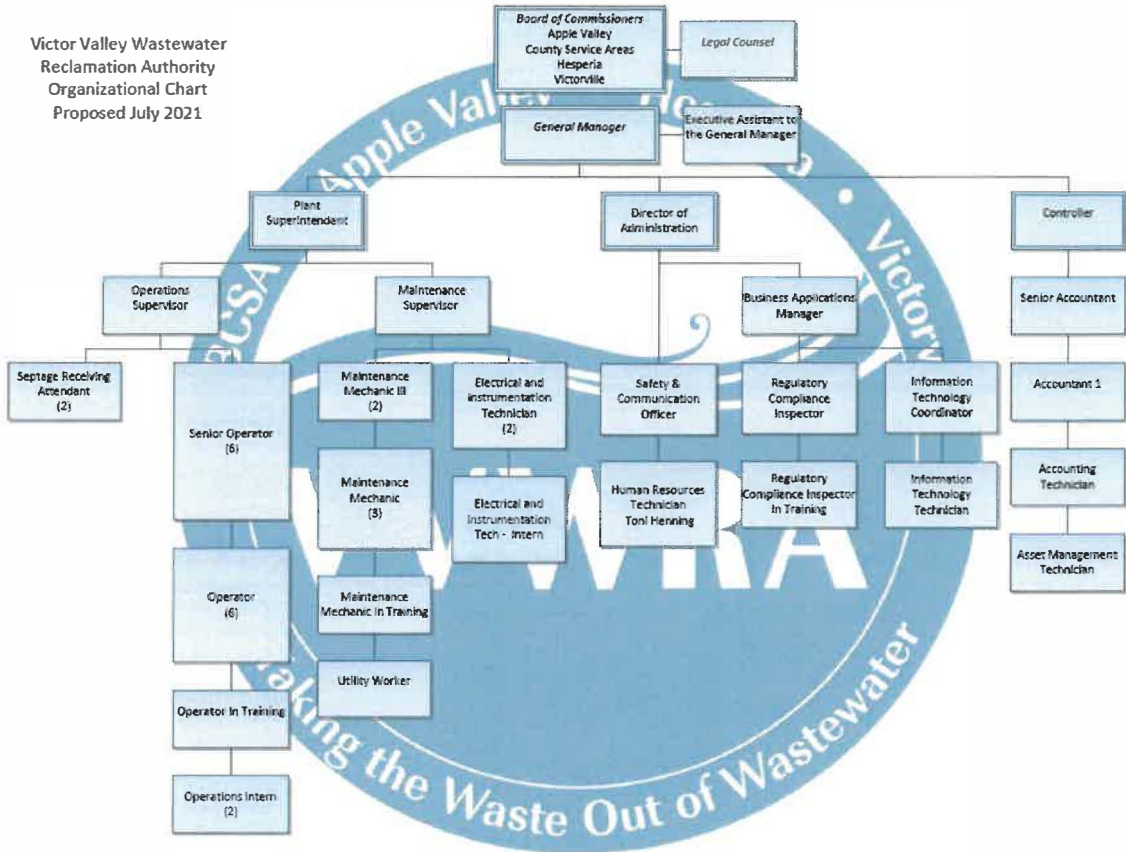
sources of funding, not only ensure timely implementation of these upgrades, but shows VVWRA's devotion to the responsible use of public funds.

VVWRA is committed to the personal and professional growth of all employees. VVWRA utilizes regular evaluations of employees, setting of realistic and attainable performance goals. VVWRA's management team assesses the effectiveness of management processes, techniques, and best practices, which they frequently review to develop a continually improving yet constant work environment. VVWRA invests in employee improvement. Funding of higher education, access to industry seminars, comprehensive trainings, and incentives for certification achievements are policy and work practices that VVWRA provides to staff to help develop their "best self."

Whether improvements are for upgrading infrastructure or for betterment of personnel; VVWRA's core values of collaboration, dedication, and integrity are the driving force behind the procedures and activities that allow VVWRA to produce the highest-level staff, provide the most satisfying, up to date, and productive workplace. These things allow VVWRA to fulfill our obligations to our member agencies, regulatory bodies, rate payers and the environment.

3.5 Organizational Chart

Victor Valley Wastewater Reclamation Authority
Organizational Chart
Proposed July 2021





3.6 Budgeted Positions

Administration Positions

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
General Manager	1	1	1	1	1
Director of Administration	1	1	1	1	1
Director of Finance	1	0	0	0	0
Controller	0	1	1	1	1
Accounting Supervisor	1	0	0	0	0
Project Construction Manager	1	1	1	0	0
Administrative Aide	0	0	0	0	0
Asset Management Technician	0	1	1	1	1
Business Applications Manager	0	1	1	1	1
EC/IT Supervisor	1	0	0	0	0
Accountant	1	1	1	1	1
Account Technician	1	0	0	1	1
Regulatory Compliance Inspector In Training	0	0	0	1	1
Regulatory Compliance Inspector	1	1	1	1	1
Executive Assistant to the GM	0	0	0	1	1



DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Human Resource/Payroll Coordinator	1	1	1	1	1
Information Technology Coordinator	1	1	1	1	1
Information Technology Technician	0	1	1	1	1
IT Supervisor	0	0	0	0	0
Lead Environmental Compliance Inspector	0	0	0	0	0
Safety & Communication Officer	1	1	1	1	1
Secretary - GM/Board	1	1	1	0	0
Senior Accountant	0	1	1	1	1
Total Positions - Administration	13	14	14	15	15

Operations

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Director of Operations	1	0	0	0	0
Plant Superintendent	0	0	0	1	1
Operations/Maintenance Manager	0	1	1	0	0



DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Operations Supervisor	1	0	0	1	1
Lead Operator	1	1	1	0	0
Operator-in-Training	1	0	0	0	1
Operator I/II	4	4	6	5	6
Operator III	0	0	0	0	0
Operator III/V	5	6	6	6	6
Operator Intern	0	0	0	0	2
Electrical / Instrumentation Tech I	0	0	0	2	2
Electrical / Instrumentation Tech	0	0	1	0	0
Electrical / Instrumentation Tech III	0	1	1	0	0
Electrical / Instrumentation Tech IV	1	0	0	0	0
Electrical / Instrumentation Intern	0	0	0	0	1
Septage Receiving Attendant	1	1	1	1	2
Total Positions - Operations	15	14	17	16	22



Maintenance

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Maintenance Supervisor	0	0	0	1	1
Lead Mechanic	1	1	1	0	0
Maintenance Mechanic	1	0	5	0	0
Maintenance Mechanic in Training	3	3	0	0	1
Mechanical Tech I/II	0	1	0	2	3
Mechanical Tech III	0	1	1	0	0
Maintenance Mechanic III	0	0	0	2	2
Utility Worker II	1	1	1	1	1
Total Positions – Maintenance	6	7	8	6	8



4 Department Overview and Performance Measures

4.1 Operations and Maintenance Department Overview

The Operations Department's main goal is to protect the environment, wildlife and recreational uses of the Mojave River and Downstream Mojave River Basin. By cost-effectively treating incoming wastewater to the highest level, this water can be returned to the environment directly to the Mojave River, or through groundwater rejuvenation via percolation ponds. This effluent is also sold as recycled water, to offset potable water use in the area. The Operations department provides high-quality treated effluent that complies with all local, State, and Federal requirements.

The following data shows the performance level during the last five years.

Description	Fiscal Year Ending June 30				
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 ²
Removal Efficiency¹					
Biochemical Oxygen Demand	99.00%	99.07%	98.78%	98.32%	98.47%
Total Suspended Solids	99.50%	99.45%	99.46%	99.34%	99.45%
Wastewater Processed					
Total Effluent Flow (MG)	3,983.54	4,003.17	3,965.47	4,093.50	3,573.40
Total Flow to Percolation Ponds (MG)	1,582.23	1,927.97	2,523.49	1,995.41	2,053.71
Total Flow to Mojave River (MG)	2,288.66	2,265.15	1,425.04	2,071.15	1,496.65
Average Influent (MGD)	10.54	10.65	10.59	10.80	11.01
Recycled Water					
Total Recycled Water Sold (MG)	221.51	97.31	46.24	9.69	17.71
Recycled Water Sold to Victorville (MG)	181.26	91.93	40.63	7.25	9.73
Recycled Water Sold to Hesperia (MG)	0.00	0.00	0.00	0.00	0.00
Recycled Water Sold to Apple Valley (MG)	0.00	0.00	0.00	0.00	0.00
Recycled Water Sold to A.O. (MG)	4.98	6.43	7.61	3.81	9.23
Material Received					
Total Septage Received (MG)	6.93	6.57	6.62	6.72	5.96
Total ADM/FOG Received (MG)	6.51	7.71	6.81	4.49	0.73

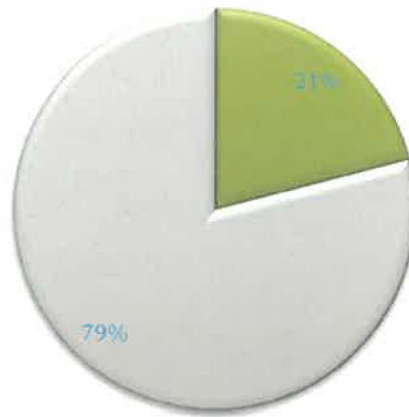


1: Removal efficiency refers to the average removal percentage of certain waste through the treatment process.

2: FY 2020 Data is accurate up to the date this document is produced.

The goal of the Maintenance department is to provide the top quality, cost-effective services that are required to operate VVWRA's treatment facilities, lift stations, and collection system. Maintenance is also responsible for maintaining a fleet of standard vehicles, heavy equipment, off road vehicles, and golf carts. VVWRA has just under 200 million dollars of capital assets. Using a preventive maintenance approach to maintaining these assets, staff greatly reduces the higher costs of reactive repairs.

Asset Management Trend FY 2021



■ Preventive Maintenance
 ■ Reactive Maintenance

Preventive maintenance: Planned maintenance, also referred to as scheduled maintenance, is a proactive strategy where maintenance and inspections of equipment and other assets are scheduled at regular intervals to ensure that equipment is operating correctly so as to minimize breakdown and downtime levels.

Reactive maintenance: Often referred to as breakdown maintenance or corrective maintenance, is very much a reactive strategy where repairs are performed at the point when equipment fails. This maintenance results in unplanned downtime and damaged equipment.



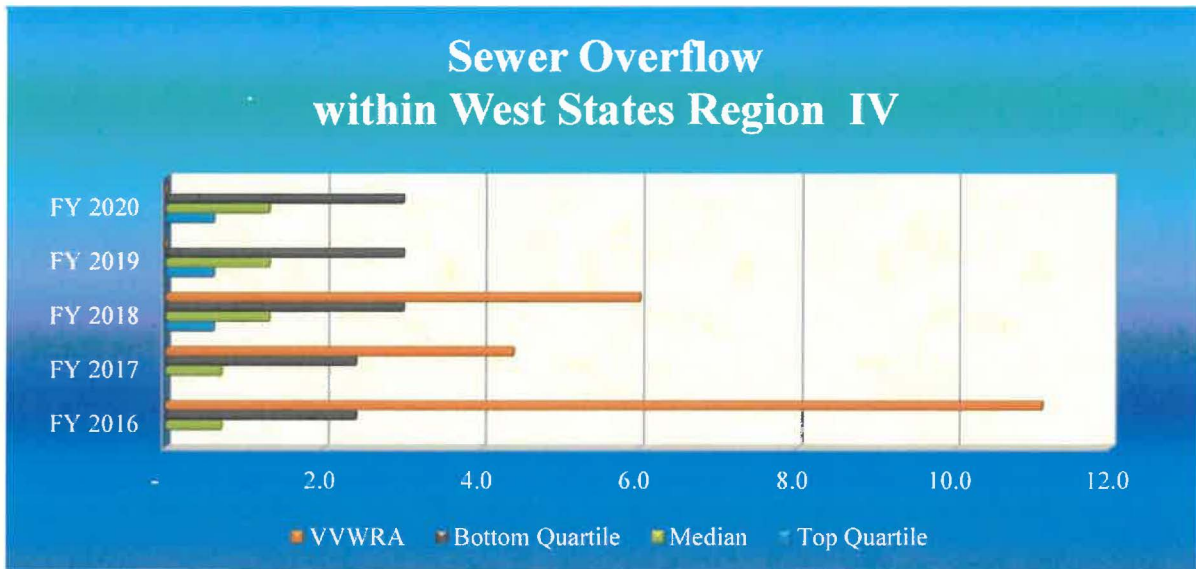
4.2 Operational Statistics Benchmarked Against Industry

The sewer overflow rate is an indicator that tracks the condition and the effectiveness of the maintenance of the wastewater collection system.

VVWRA had zero sanitary sewer overflow during year ended June 30, 2020. VVWRA places above median quartile both in the West States and nationally.

Sewer Overflow-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	0.60	1.30	3.00	0.00
FY 2019	0.60	1.30	3.00	0.00
FY 2018	0.60	1.30	3.00	6.00
FY 2017	<i>Data Not Available</i>	0.70	2.40	4.40
FY 2016	<i>Data Not Available</i>	0.70	2.40	11.10

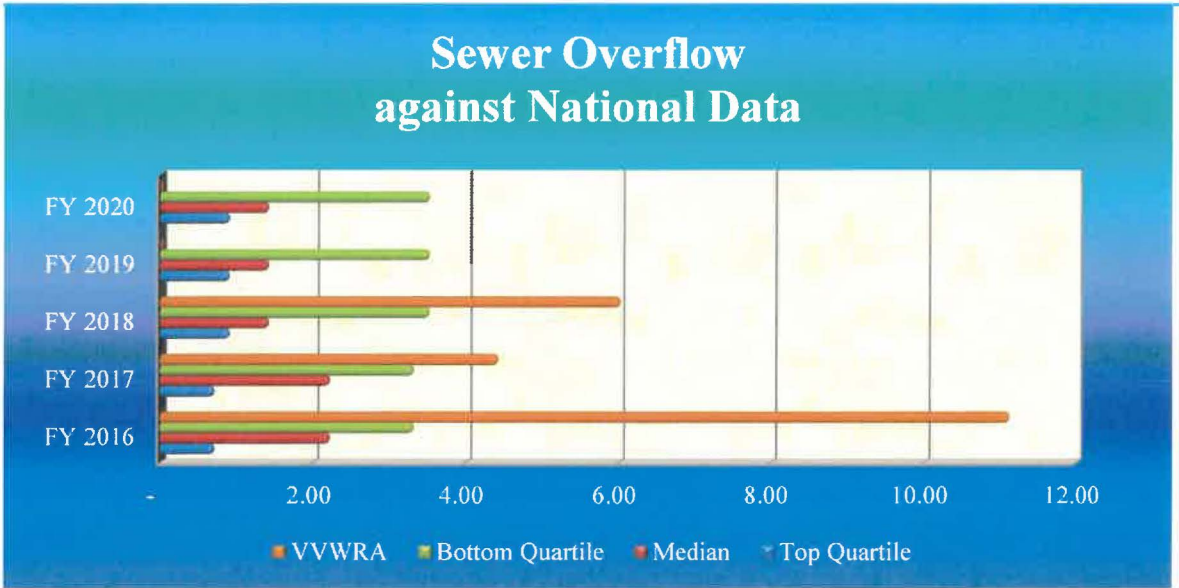


Source: 2019 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

Sewer Overflow-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	0.90	1.40	3.50	0.00
FY 2019	0.90	1.40	3.50	0.00
FY 2018	0.90	1.40	3.50	6.00
FY 2017	0.70	2.20	3.30	4.40
FY 2016	0.70	2.20	3.30	11.10



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

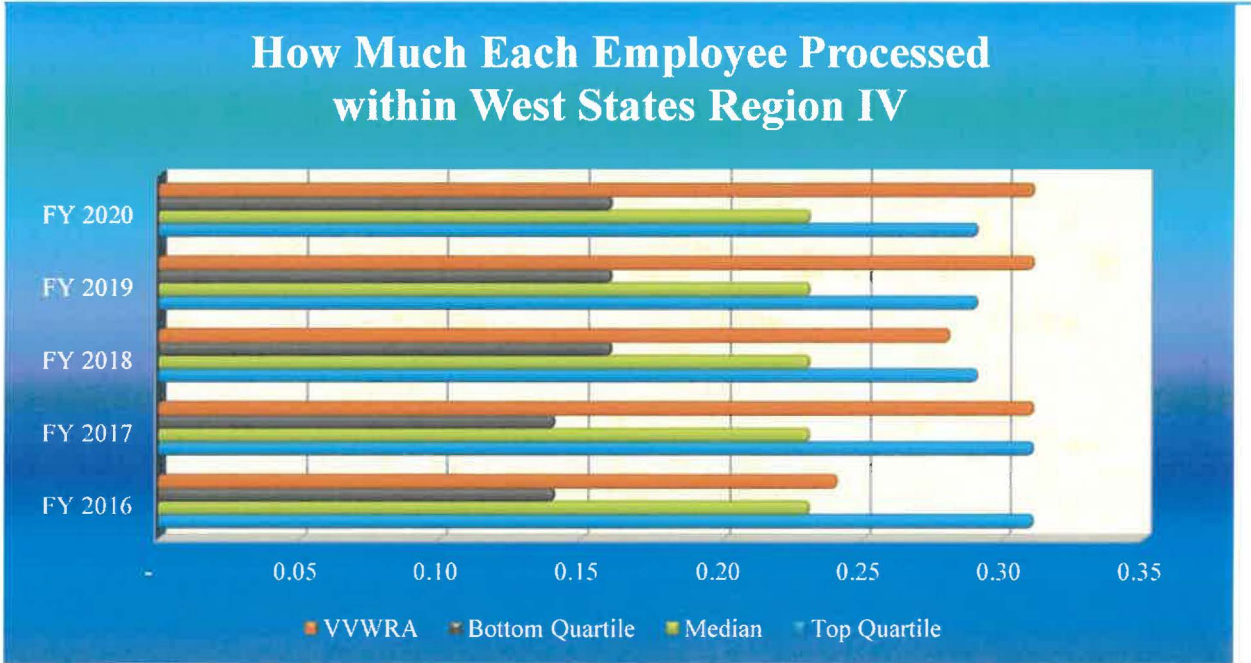
How Much Each Employee Processed

The quantity of wastewater processed by each employee has increased from 0.24 MGD in FY 2016 to 0.31 MGD in FY 2020. The total amount of wastewater that VVWRA has processed is 3,951 MG in FY 2020, which is above the top quartile. The total number of employees that VVWRA employed has decreased by 20%, from 44 in FY 2016 to 35 in FY 2020 during the comparative period per CAFR's.

Compared to West States Region IV, VVWRA has remained at the top quartile since FY 2019. Compared nationally, the quantity of wastewater processed by each employee has also remained at the top quartile since FY 2018.

How Much Each Employee Processed-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	0.29	0.23	0.16	0.31
FY 2019	0.29	0.23	0.16	0.31
FY 2018	0.29	0.23	0.16	0.28
FY 2017	0.31	0.23	0.14	0.31
FY 2016	0.31	0.23	0.14	0.24



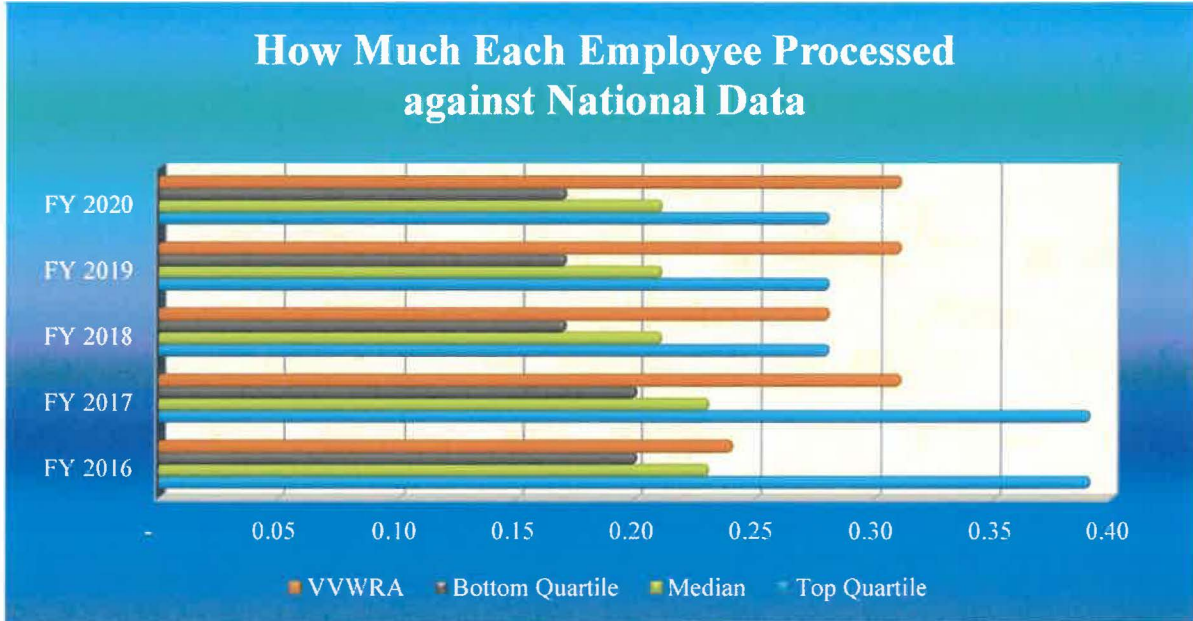
Source: 2019 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30



How Much Each Employee Processed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	0.28	0.21	0.17	0.31
FY 2019	0.28	0.21	0.17	0.31
FY 2018	0.28	0.21	0.17	0.28
FY 2017	0.39	0.23	0.20	0.31
FY 2016	0.39	0.23	0.20	0.24



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

How Much VVWRA Borrowed

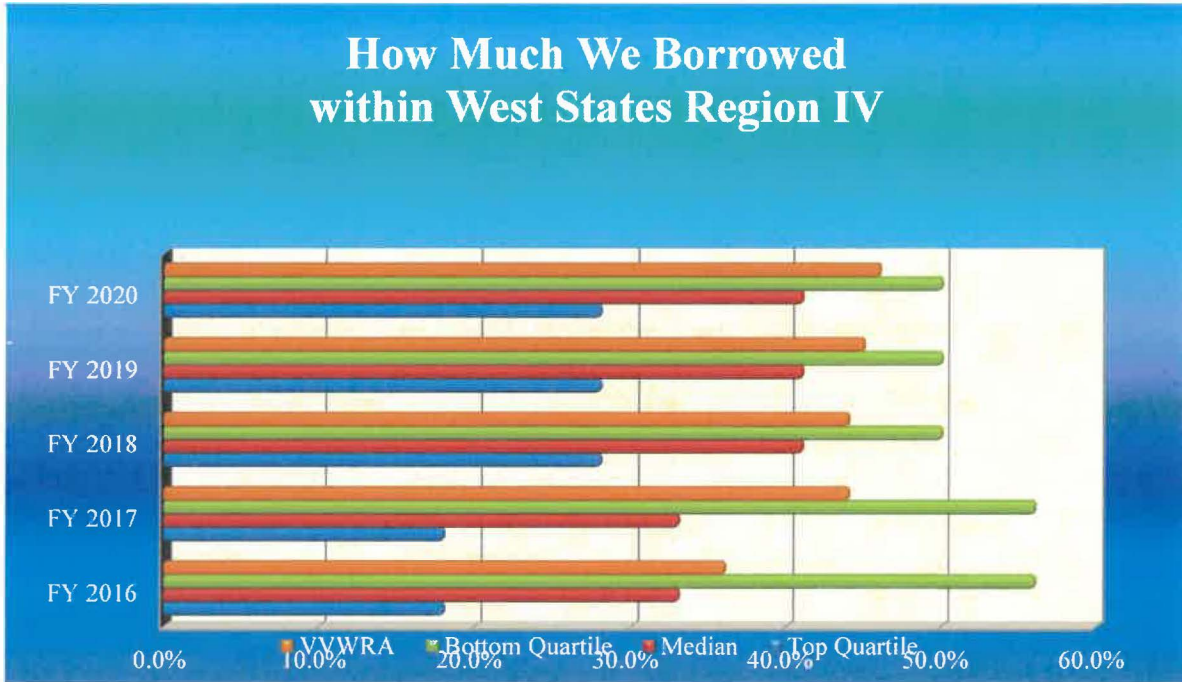
When you compare what you owe (liabilities) to what you have (assets), you will obtain a debt ratio. This ratio can be used to measure the health of a business. Lower value of the debt ratio is favorable. A higher debt ratio indicates that more of the organization's assets are claimed by its creditors, which means there is a higher risk in operation since the entity would find it difficult to obtain loans for new projects. VVWRA's debt ratio has increased from 36.00% in FY 2016 to 46.00% in FY 2020 due to the increase in the amount of State Revolving Fund loans for the construction projects.

VVWRA is ranked between the medium and bottom quartile of the West States Region IV from FY 2016 to FY 2020.



How Much We Borrowed-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	28.0%	41.0%	50.0%	46.0%
FY 2019	28.0%	41.0%	50.0%	45.0%
FY 2018	28.0%	41.0%	50.0%	44.0%
FY 2017	18.0%	33.0%	56.0%	44.0%
FY 2016	18.0%	33.0%	56.0%	36.0%



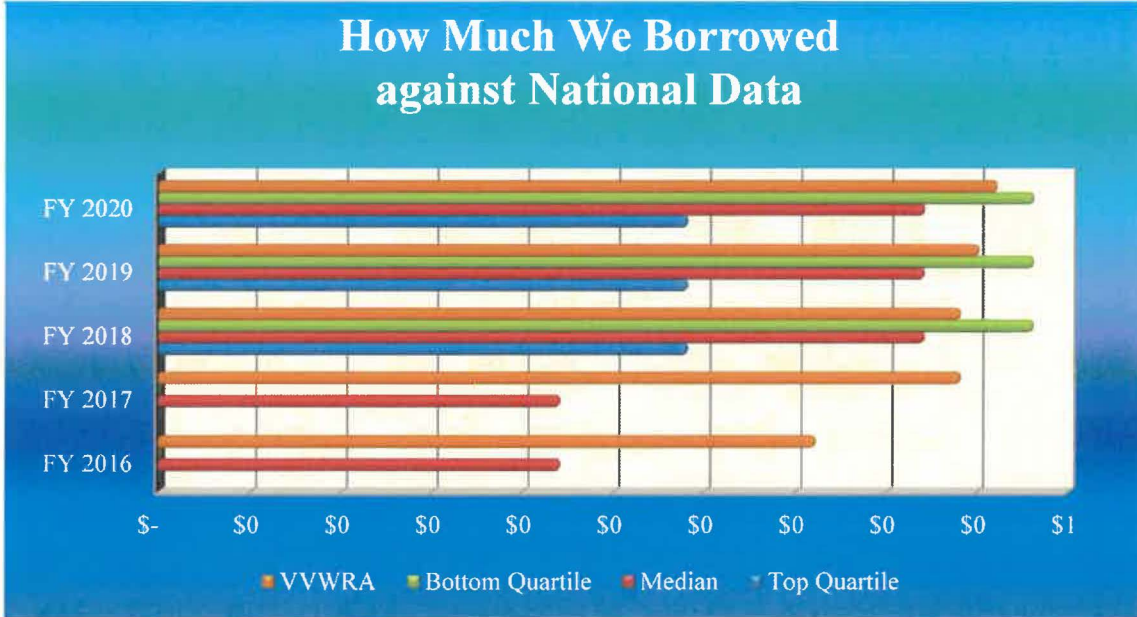
Source: 2019 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30



How Much We Borrowed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2020	29.0%	42.0%	48.0%	46.00%
FY 2019	29.0%	42.0%	48.0%	45.00%
FY 2018	29.0%	42.0%	48.0%	44.00%
FY 2017	Data Not Available	22.0%	Data Not Available	44.00%
FY 2016	Data Not Available	22.0%	Data Not Available	36.00%



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

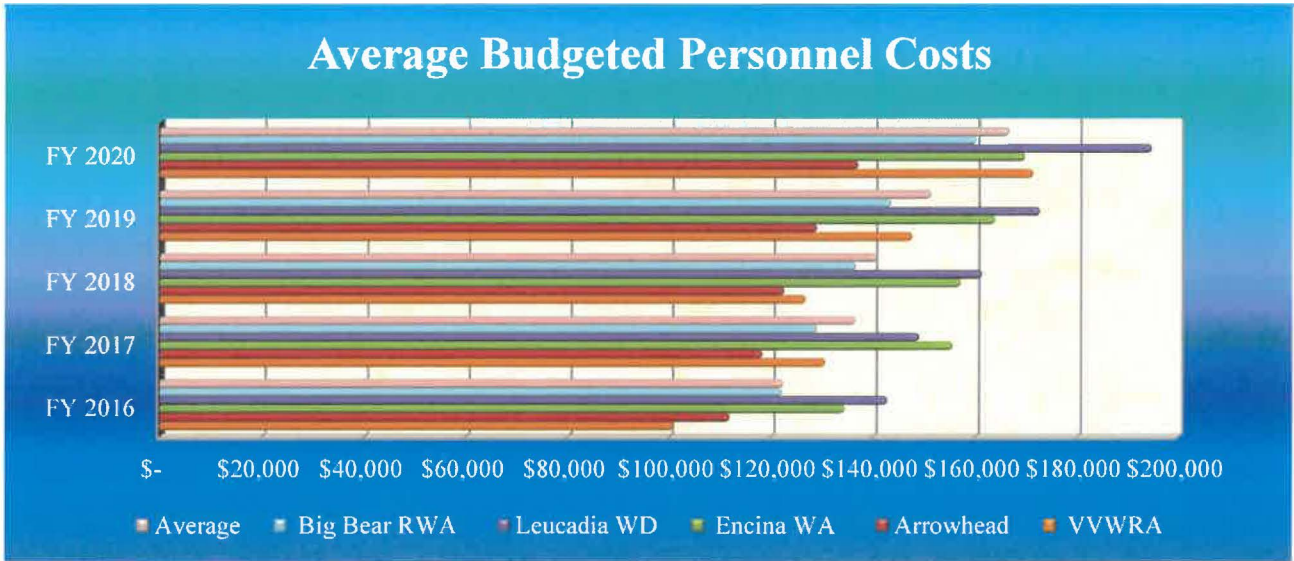
Average Budgeted Personnel Cost

Average budgeted personnel cost indicates the cost-effectiveness of an agency’s overall personnel budget. Such an indicator is calculated by dividing the total budgeted personnel costs by the total budgeted number of employees for a fiscal year. VVWRA’s average budgeted personnel costs have been lower than the median from FY 2016 to FY 2019 but slightly above the median during FY 2020 compared to other wastewater treatment agencies with similar size in the Southern California.



Average Budgeted Personnel Cost

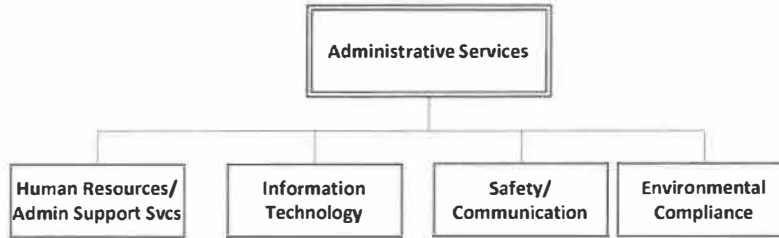
	VVWRA	Arrowhead	Encina WA	Leucadia WD	Big Bear RWA	Average
FY 2020	\$ 171,098	\$ 136,876	\$ 169,508	\$ 194,532	\$ 160,059	\$ 166,415
FY 2019	\$ 147,403	\$ 128,841	\$ 163,731	\$ 172,493	\$ 143,344	\$ 151,162
FY 2018	\$ 126,681	\$ 122,463	\$ 156,933	\$ 161,137	\$ 136,475	\$ 140,738
FY 2017	\$ 130,464	\$ 118,190	\$ 155,394	\$ 148,888	\$ 128,896	\$ 136,366
FY 2016	\$ 100,670	\$ 111,767	\$ 134,317	\$ 142,734	\$ 122,160	\$ 122,330



Source: 2019 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

4.3 Administrative Department Overview and Statistics



The Administrative department is responsible for the oversight of the Human Resources, Information Technology, Safety and Communications, and Environmental Compliance departments. The Department is directly responsible for providing support for both internal and external customers and maintaining the integrity of the organization.

The Human Resources (HR) department contributes to Authority goals through the enchantment and support of Authority operations. By providing administrative services and the development of effective HR systems, the Human Resources department contributes to the Authority's overall strategy by basing its consideration on human capital, authority capabilities, readiness, and the development of HR practices as strategic differentiators.

The Safety department is responsible for the health and wellbeing of the staff, contractors, and visitors for all the Authorities facilities. This is accomplished by diligently reviewing safety standards and monitoring changes in all safety related areas of responsibility.

Under the guidance of the Administrative Director, both department work in conjunction with each other to continuously evaluate and implement current trends and training to enhance the skills, abilities, and safety of all staff members.

The goal of Environmental Compliance and Management Information System (EC/MIS) is to ensure that the agency is in compliance with all environmental laws and regulations, providing VVWRA with the latest technologies and support, educating the users and promoting the new technology as an integral component of VVWRA's vision. This effort includes implementation of computerized maintenance management systems (CMMS) that keep track of the maintenance inventory more efficiently and of Supervisory control and data acquisition (SCADA) systems that provide many advantages including automation, increased reliability, reduced costs, improved worker safety and improved utilization of resources. The EC department implements and enforces VVWRA's Industrial Pretreatment Program to prevent upset, interference, and pass-through at the wastewater treatment facilities, ensure beneficial reuse of plant effluents and biosolids, protect the structure and integrity of the sewerage collection system, ensure the safety of personnel working in the system and protect the health and safety of the public and environment. The EC department is also responsible for the following environmental programs: Air permits management, Recycled water programs administration and enforcement, and drinking water system. The EC/MIS



department is staffed by skilled professionals, certified for Environmental Compliance Inspection, Collection System Maintenance, Industrial Pretreatment Plant Operation, Drinking Water Treatment and Drinking Water Distribution.

The MIS department envisions an electronic network capable of distributing voice and data technology to all VVWRA staff. In this vision, VVWRA staff becomes users of the global information network with direct access to information and resources around the world. All our effort provides the operations, maintenance, and administration personnel with electronic access to information and to enrich communication among them. To achieve our technological mission and materialize our vision, the staff is committed to employ all accessible and financially feasible technologies to support and educate all the staff.

The Administrative Services department works collaboratively with our Board of Commissioners, member agencies, and regulatory agencies to ensure our visions are aligned with the best interests of the constituents in our service areas.

Human Resources / Administrative Support FY 2020	
Positions Hired	2
Evaluations Completed	25
Overtime Cost	\$14,903
Board Meeting held	15
Board Action Items	77
Board Presentations	14
Public Hearings	2

Regulatory Compliance FY 2020	
Septage Volume Received	6.7 Million Gallons
FOG and ADM Volume Received	7.5 Million Gallons
Number of Industrial Permit inspections completed	13
Number of Industrial Permit sampling collected	13
Number of Food Services Inspections completed	126
Sewer Interceptors Cleaned (Miles)	21.5
Sanitary Sewer overflows	1
Information Technology	
Desktop systems replaced	25
Servers replaced/implemented	2

Safety/Communications FY 2019	
Number of Recorded Injuries	3
Number of days on Workers Comp	61
Near Miss	1
Safety training hours	821



Facebook Followers	1,541
Community Outreach	
Press Releases	2
Published Articles	3
Purple Pipe published	3

4.4 Finance Department Overview

The goal of Finance Department is to maintain sound financial accountability and integrity of the organization. Based on the concept, the department's responsibilities include establishing and monitoring internal control systems as an independent unit and preparing annual budgets and various financial reports including Comprehensive Annual Financial Reports. The agency utilizes enterprise accounting to administer general accounting and payroll. In order to better function, the finance department has implemented a new accounting, budget, and payroll software programs during the year ending June 30, 2020. Among various improved features, the new software has enabled us to maintain fund balances, capital projects, depreciation records, real-time payroll entries, and a budget that controls purchases and directly connects to general ledger. In addition, the Finance department has skilled professionals with certifications as a certified public accountant.

The Finance Department has achieved its goal of presenting financial projections and results in an easy-to-understand format that has led VWRA to win the Government Finance Officers Association awards. The awards won are:

1. Budgets: Distinguished Budget Presentation Award in the years beginning July 1, 2012 through July 1, 2021 and
2. Comprehensive Annual Financial Reports: Certificate of Achievement for Excellence in Financial Reporting for the years ended June 30, 2010 through June 30, 2020.

All the departmental goals and objectives are to pursue the agency's ultimate goal of serving the member agencies' needs, quantified as much as practically possible.

4.5 Finance Policies

Reserve Policy

The Reserve Policy establishes fund reserve balances to maintain adequate cash reserves to comply with a debt coverage requirement for State Revolving Fund (SRF) loans from State Water Resources Control Board and to handle the possible emergency expenditures in future. The Reserve Policy covers two types of restricted reserves: Operations and Maintenance reserve



including repairs and replacements, and SRF loan reserve. The reserve balances are to be revised annually with adoption of the budget.

The Operations and Maintenance reserve is funded by operating revenue and equals to 10% of the budgeted total operating expenses for the prior fiscal year. The SRF loan reserve is funded by both operating revenues (such as user fees) and non-operating revenues (such as connection fees) in order to maintain a sufficient reserve to meet the agreement provision of maintaining one fiscal year's debt service payments.

The Operations and Maintenance reserve is \$4.5 million as of March 31, 2021. The SRF loan reserve for the year ending June 30, 2021 is \$4.9 million.

Procurement Policy

The Procurement Policy lays the guidance for internal controls for the purchases of goods, services and capital expenditures required by VVWRA within the established limits. The policy requires two signatures on a payment based on approved purchase orders.

Managers and Department Directors are each authorized to approve expenses up to a limit of \$10,000 on any one order or contract. The General Manager is authorized to approve expenses up to a limit of \$30,000 on any one order or contract. The VVWRA Board of Commissioners approves all expenses in excess of \$30,000, except for certain recurring expenses such as utilities, process chemicals, permit fees, and other expenses as defined in the policy. The policy states that commissioners must approve all construction contracts and any change orders. Generally, the selection of purchases of materials, supplies, equipment, and contractual services having an estimated value of more than \$2,000 should be considered based on a minimum of three quotes. Purchases of goods and services having an estimated value of more than \$30,000 should be made through a competitive sealed bid process defined in the policy.

Almost all of our construction contracts fall in this category. Such contracts are awarded through public bids.

Investment Policy

The Investment Policy provides guidelines for the prudent investment of VVWRA's temporary idle cash with the primary objectives of safety, liquidity and yield under provisions of the California Government Code Section 53600.3. Authorized investments include California State Treasurer's Local Agency Investment Fund (LAIF); Investment Trust of California (*Cal TRUST*); San Bernardino County Local Agency Investment Fund; United States Treasury Bills, Notes and Bonds; insured Certificates of Deposits; and Money Market Mutual Funds.

The majority of VVWRA's investments is in Cal TRUST and some in the LAIF.



Other Policies

Debt Coverage:

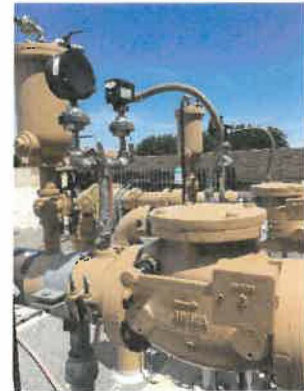
VVWRA maintains a cash reserve at least equal to the annual debt principal and interest payment amounts required by State Water Resources Control Board for the existing SRF loans specified as:

1. The financing agreements bind the net revenue for the recipient's repayments of the SRF loan amounts due. This pledged revenue source shall be subject to lien as security for the obligation.
2. The recipient shall establish a restricted reserve fund, held in the recipient's fund, equal to one year's debt service prior to the construction completion date of the project. The reserve fund shall be maintained for the full term of the finance agreement.
3. The recipient shall establish rates and charges sufficient to generate net revenues to support at least 1.2 of debt coverage ratio.

The FY 2022 budget includes the \$3.4 million principal and \$.9 million interest, which is one year's debt service outstanding on June 30, 2022.

Revenues – Rate Ordinance:

VVWRA specifies fees in Fee Ordinances to meet operational needs and most of reserve requirements. The fees, such as connection fees, user charges, high strength surcharges, and septage receiving fees are posted at http://www.vvwra.com/depts/finance/fee_schedule.htm and updated each year. The connection fees are designed to fund capital projects.



Hesperia Lift Station

These connection and user fees were determined with discussions with the member agencies to reflect ideas recommended by a five-year financial plan. Due to drastic decline in our service-area housing market demand in recent years, the revenues from connection fees are not sufficient to support the capital projects. To supplement the funding of the capital projects, VVWRA has obtained federal and state grants in addition to the SRF loans.

Overhead Allocation to Project:

VVWRA records overhead expenses such as legal counsel, engineering consulting, and audit fees as administration costs that are a part of the operation expenses. The personnel costs are also allocated between Operations and Non-Operations departments.



4.6 Budget Preparation Process

Basis of Budgeting

Victor Valley Wastewater Reclamation Authority (VWRA) employs a fiscal year beginning July 1. VWRA prepares its annual budget based on an accrual accounting method (which recognizes revenues and expenses when they incur) excluding non-cash depreciation expense but including loan proceeds and the related repayments to present the fund inflows and outflows. We have included the reconciliation of FY 2020 actual to FY 2020 Comprehensive Annual Financial Report later in the document.

Balanced Budget

A balanced budget is when VWRA's overall revenues are equal to or exceed its overall expenses. The FY 2022 overall budget shows a balanced budget with \$0 surplus.

Budget Process

VWRA managerial staff inputs budgetary estimates for the following year with their departmental goals in mind at the beginning of the budgetary process. Based on these inputs, the Finance Department prepares the draft budget. The senior management including the General Manager reviews the draft budget. The General Manager predicts capital project costs based on the member agency's needs. The Finance Department incorporates the data in to the draft budget.

The draft budget is presented to the External and Internal Financial Committees that consist of the member agencies for their close review. The revised draft budget is presented to the Financial Committees again to incorporate further recommendations in a proposed budget. After the revisions, the proposed budget is presented to the Board of Commissioners. Any additional comments are incorporated into the proposed budget. Then the Financial Committee finalizes the recommendations and the Committee presents the budget to the public hearing and Board for approval.



The Mojave River

VWRA reviews and compares its performance to the budget at a mid-year point at around January. If any amendments are necessary, the finance staff revises the budget accordingly then present the revised budget to the Board for approval in February. The approved budgets are posted at VWRA's website.



Budget Calendar

The following budget calendar shows our preparation and review process timeline.

VWRA BUDGET PLANNING – FY 2022	REQUIRED BY DATE
Budget Kickoff Meeting	02/22/21
Update actual numbers and prepare for new budget cycle	03/08/21
Present the budget draft at Managers' meeting	03/15/21
Present the first draft budget to General Manager (GM) for review	03/22/21
Hold a preliminary staff budget review meeting with Supervisors and GM	04/05/21
Provide the draft changes to Controller	04/12/21
Finalize the draft budget	04/14/21
Present the budget recommendations to Internal and External Finance Committee	04/21/21
Present the second recommendations to Internal and External Finance Committee	05/05/21
Place a public notice on local newspaper to invite public participation	05/08/21
Circulate the budget document to the Board	05/13/21
Board Meeting - Present the budget	05/20/21
Board budget hearing and adoption	06/17/21
The second Board budget hearing and adoption	06/24/21
Apply for GFOA Award for Excellence in Budget Reporting.	06/29/21



Our budget activities are summarized as:

1. Initiate the budget.
2. Prepare a draft budget based on managers' input.
3. Present the draft to Internal and External Finance Committee.
4. Publish a public hearing notice on local newspaper to invite public participation.
5. Present the budget to the Board of Commissioners.
6. Propose any budget amendments, if applicable, when the staff reviews the performance and budget at around January.



4.7 GFOA Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Victor Valley Wastewater Reclamation Authority
California**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Merrill

Executive Director



5 Financial Information Operations

5.1 Consolidated Budget Statement of All Funds

	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Operations & Maintenance Fund Revenues						
User Charges	\$ 14,447,156	\$ 14,480,700	\$ 13,629,577	\$ 16,355,492	\$ 16,065,997	\$ 17,699,907
Allocate Resource to Repairs and Replacements Fund	-	(2,666,326)	-	-	-	-
VTV/WTP Sludge	122,952	120,000	106,448	127,738	108,000	144,000
High Strength Waste Surcharges	22,839	20,000	27,072	32,486	20,004	38,400
ADM FOG Tipping Fee Revenue	181,788	250,000	29,650	35,580	200,000	605,000
Septage Receiving Facility Charges	633,420	600,000	543,095	651,714	600,000	671,767
Reclaimed Water Sales	15,564	25,000	10,836	13,027	99,552	228,552
Interest	664	-	1,160	1,392	-	-
Pretreatment Fees	49,600	50,000	43,600	52,320	50,400	115,000
Miscellaneous	13,553	1,200	113,519	136,223	1,596	14,220
Settlement Revenue	-	-	2,200,000	2,200,000	-	440,000
Grant - Title 16	-	-	-	-	-	-
Grant - FEMA CalOES Grant	536,624	-	2,745,775	2,745,775	-	-
	<u>\$ 16,024,160</u>	<u>\$ 12,880,574</u>	<u>\$ 19,450,752</u>	<u>\$ 22,351,747</u>	<u>\$ 17,145,549</u>	<u>\$ 19,936,846</u>
Other Operating Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Repairs and Replacements Fund Financing Sources						
Transferred from Operations & Maintenance Fund	\$ -	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ 2,666,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Fund Revenues						
Connection Fees	\$ 2,302,221	\$ 2,254,625	\$ 940,139	\$ 1,128,167	\$ 2,339,500	\$ 1,174,731
Interest	270,439	50,000	25,256	30,307	180,000	80,000
Grant - FEMA/Cal-OES	-	-	-	-	-	-
Grant - CEC Microgrid	(3,134)	-	-	-	-	-
	<u>\$ 2,569,526</u>	<u>\$ 2,304,625</u>	<u>\$ 965,395</u>	<u>\$ 1,158,474</u>	<u>\$ 2,519,500</u>	<u>\$ 1,254,731</u>
Other Capital Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	\$ 18,593,686	\$ 17,851,525	\$ 20,416,147	\$ 23,510,221	\$ 19,665,049	\$ 21,211,577
Operations and Maintenance Fund Expenses						
Personnel and Benefits	\$ 5,643,985	\$ 4,589,786	\$ 4,742,119	\$ 5,694,037	\$ 5,675,417	\$ 5,966,267
Maintenance	1,428,968	2,236,156	1,123,476	1,348,170	2,424,560	3,507,600
Operations	3,172,584	3,433,513	2,848,136	3,417,764	3,778,233	4,066,284
Administration	1,718,528	1,823,605	1,580,677	1,871,084	1,868,800	2,271,087
Construction	1,900,012	-	22,032	29,376	-	-
Contingency and Capital Purchases	-	-	73,772	720,000	721,670	517,529
	<u>\$ 13,864,077</u>	<u>\$ 12,083,060</u>	<u>\$ 10,390,212</u>	<u>\$ 13,080,431</u>	<u>\$ 14,468,680</u>	<u>\$ 16,328,767</u>
Repairs and Replacements Fund Expenses						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	379,538	1,896,326	-	-	-	-
Operations	3,592	-	-	-	-	-
Administration	150,611	145,000	-	-	-	-
Construction	347,821	62,500	-	-	-	-
	<u>\$ 881,562</u>	<u>\$ 2,666,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Fund Expenses						
Personnel and Benefits	\$ 344,438	\$ 384,912	\$ -	\$ -	\$ -	\$ -
Maintenance	-	-	-	-	-	-
Operations	-	170	-	-	-	-
Administration	(2,054)	50,000	-	-	-	-
Construction	9,800	550,000	-	-	-	-
Contingency and Capital Purchases	-	-	-	-	-	-
	<u>\$ 352,184</u>	<u>\$ 985,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Services						
SRF Principal	\$ 4,020,810	\$ 4,020,810	\$ 2,880,422	\$ 3,824,093	\$ 3,824,093	\$ 3,889,139
SRF Interest	1,115,747	1,127,051	703,144	1,058,717	1,058,717	993,671
	<u>\$ 5,136,557</u>	<u>\$ 5,147,861</u>	<u>\$ 3,583,566</u>	<u>\$ 4,882,810</u>	<u>\$ 4,882,810</u>	<u>\$ 4,882,810</u>
Total Expenses and Debt Services	\$ 20,234,380	\$ 20,882,329	\$ 13,973,778	\$ 17,963,241	\$ 19,351,490	\$ 21,211,577
Interfund Loan						
Interfund Loan to the Operations & Maintenance Fund	\$ -	\$ (1,963,621)	\$ -	\$ -	\$ -	\$ -
Interfund Loan from the Capital Fund	\$ -	\$ 1,963,621	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Agency Net Surplus or (Deficit)	\$ (1,640,694)	\$ (3,030,804)	\$ 6,442,369	\$ 5,546,980	\$ 313,559	\$ -

Our goals, objectives and strategies are transformed into numbers for the budgets with a projection for the rest of FY 2021. The consolidated budget on the previous page shows all functions of the entire organization. The section 5.2 demonstrates a reconciliation of FY 2020 actual to CAFR for the year ended June 30, 2020. The section 5.3 describes a budget for the Operations and Maintenance Fund, and the section 5.7 shows a budget for the Capital Fund. We show Repairs and Replacement Fund for a reference, as the agency has eliminated this fund starting FY 2021 budget that combines the repairs and replacement activities in Operations and Maintenance Fund.



VVWRA Regional Plant



5.2 Reconciliation from Actual to CAFR for FY Ending June 30, 2020

	2020 Actual	Reconciliation to CAFR	2020 Per CAFR
Operating Revenues			
User Charges	\$ 14,447,156	\$ -	\$ 14,447,156
Adelanto User Charges	122,952	-	122,952
High Strength Waste Surcharges	22,839	-	22,839
Septage Receiving Facility Charges	633,420	-	633,420
ADM FOG Tipping Fee Revenue	181,788	-	181,788
Reclaimed Water Sales	15,564	-	15,564
Pretreatment Fees	49,600	-	49,600
Grant - FEMA/Cal-OES	536,624	-	536,624
Grant - Proposition 1	-	-	-
Grant - Title 16	-	-	-
Miscellaneous	13,553	-	13,553
	<u>\$ 16,023,496</u>	<u>\$ -</u>	<u>\$ 16,023,496</u>
Capital Revenues			
Connection Fees	\$ 2,302,221	\$ -	\$ 2,302,221
Interest	271,103	-	271,103
Grant - FEMA/Cal-OES	-	-	-
Grant - CEC Microgrid	(3,134)	-	(3,134)
	<u>\$ 2,570,190</u>	<u>\$ -</u>	<u>\$ 2,570,190</u>
Other Financing Sources			
SRF Loan Funding	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	\$ 18,593,686	\$ -	\$ 18,593,686
Operating Expenses			
Personnel and Benefits	\$ 5,643,985	\$ -	\$ 5,643,985
Maintenance	1,428,968	-	1,428,968
Operations	3,172,584	-	3,172,584
Administration	1,718,528	-	1,718,528
Construction	1,900,012	-	1,900,012
	<u>\$ 13,864,077</u>	<u>\$ -</u>	<u>\$ 13,864,077</u>
Depreciation Expense			
	\$ -	\$ 11,565,945	\$ 11,565,945
Repair and Replacement Expense			
Personnel and Benefits	\$ -	\$ -	\$ -
Maintenance	379,538	-	379,538
Operations	3,592	-	3,592
Administration	150,611	-	150,611
Construction	347,821	-	347,821
	<u>\$ 881,562</u>	<u>\$ -</u>	<u>\$ 881,562</u>
Capital Expenses			
Personnel and Benefits	\$ 344,438	\$ -	\$ 344,438
Maintenance	-	-	-
Operations	-	-	-
Administration	(2,054)	-	(2,054)
Construction	9,800	-	9,800
	<u>\$ 352,184</u>	<u>\$ -</u>	<u>\$ 352,184</u>
Debt Services			
SRF Principal	\$ 4,020,810	\$ (4,020,810)	\$ -
SRF Interest	1,115,747	-	1,115,747
	<u>\$ 5,136,557</u>	<u>\$ (4,020,810)</u>	<u>\$ 1,115,747</u>
Total Expenses with Debt Services	\$ 20,234,380	\$ 7,545,135	\$ 27,779,515
Total Net Surplus or (Deficit)	\$ (1,640,694)	\$ (7,545,135)	\$ (9,185,829)



5.3 Budget Statement of Operations and Maintenance Fund

	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Revenues						
User Charges	\$ 14,447,156	\$ 14,480,700	\$ 13,629,577	\$ 16,355,492	\$ 16,065,997	\$ 17,699,907
Allocate Resource to Repairs and Replacements Fund	-	(2,666,326)	-	-	-	-
VVIWWTP Sludge	122,952	120,000	106,448	127,738	108,000	144,000
High Strength Waste Surcharges	22,839	20,000	27,072	32,486	20,004	38,400
ADM FOG Tipping Fee Revenue	181,788	250,000	29,650	35,580	200,000	605,000
Septage Receiving Facility Charges	633,420	600,000	543,095	651,714	600,000	671,767
Reclaimed Water Sales	15,564	25,000	10,856	13,027	99,552	228,552
Interest	664	-	1,160	1,392	-	-
Pretreatment Fees	49,600	50,000	43,600	52,320	50,400	115,000
Miscellaneous	13,553	1,200	113,519	136,223	1,596	14,220
Settlement Revenue	-	-	2,200,000	2,200,000	-	440,000
Grant - Title 16	-	-	-	-	-	-
Grant - FEMA CaOES Grant	536,624	-	2,745,775	2,745,775	-	-
	\$ 16,024,160	\$ 12,880,574	\$ 19,450,752	\$ 22,351,747	\$ 17,145,549	\$ 19,956,846
Other Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues and Other Financing Sources	\$ 16,024,160	\$ 12,880,574	\$ 19,450,752	\$ 22,351,747	\$ 17,145,549	\$ 19,956,846
Expenses						
Personnel and Benefits	\$ 5,643,985	\$ 4,589,786	\$ 4,742,119	\$ 5,694,037	\$ 5,675,417	\$ 5,966,267
Maintenance	1,428,968	2,236,156	1,123,476	1,348,170	2,424,560	3,507,600
Operations	3,172,584	3,433,513	2,848,136	3,417,764	3,778,233	4,066,284
Administration	1,718,528	1,823,605	1,580,677	1,871,084	1,868,800	2,271,087
Construction	1,900,012	-	22,032	29,376	-	-
Contingency and Capital Purchases	-	-	73,772	720,000	721,670	517,529
	\$ 13,864,077	\$ 12,083,060	\$ 10,390,212	\$ 13,080,431	\$ 14,468,680	\$ 16,328,767
Debt Services						
SRF Principal	\$ 2,039,479	\$ 2,039,479	\$ 1,353,282	\$ 2,061,035	\$ 2,061,035	\$ 2,094,337
SRF Interest	729,692	721,656	422,023	688,703	688,703	655,401
	\$ 2,769,171	\$ 2,761,135	\$ 1,775,305	\$ 2,749,738	\$ 2,749,738	\$ 2,749,738
Total Operations & Maintenance Expenses with Debt Services	\$ 16,633,248	\$ 14,844,195	\$ 12,165,517	\$ 15,830,169	\$ 17,218,418	\$ 19,078,505
Interfund Loan from the Capital Fund	-	1,963,621	-	-	-	-
Operations & Maintenance Net Surplus or (Deficit)	\$ (609,088)	\$ -	\$ 7,285,235	\$ 6,521,578	\$ (72,869)	\$ 878,341

Please see next page for Operations and Maintenance Fund expenses in detail.

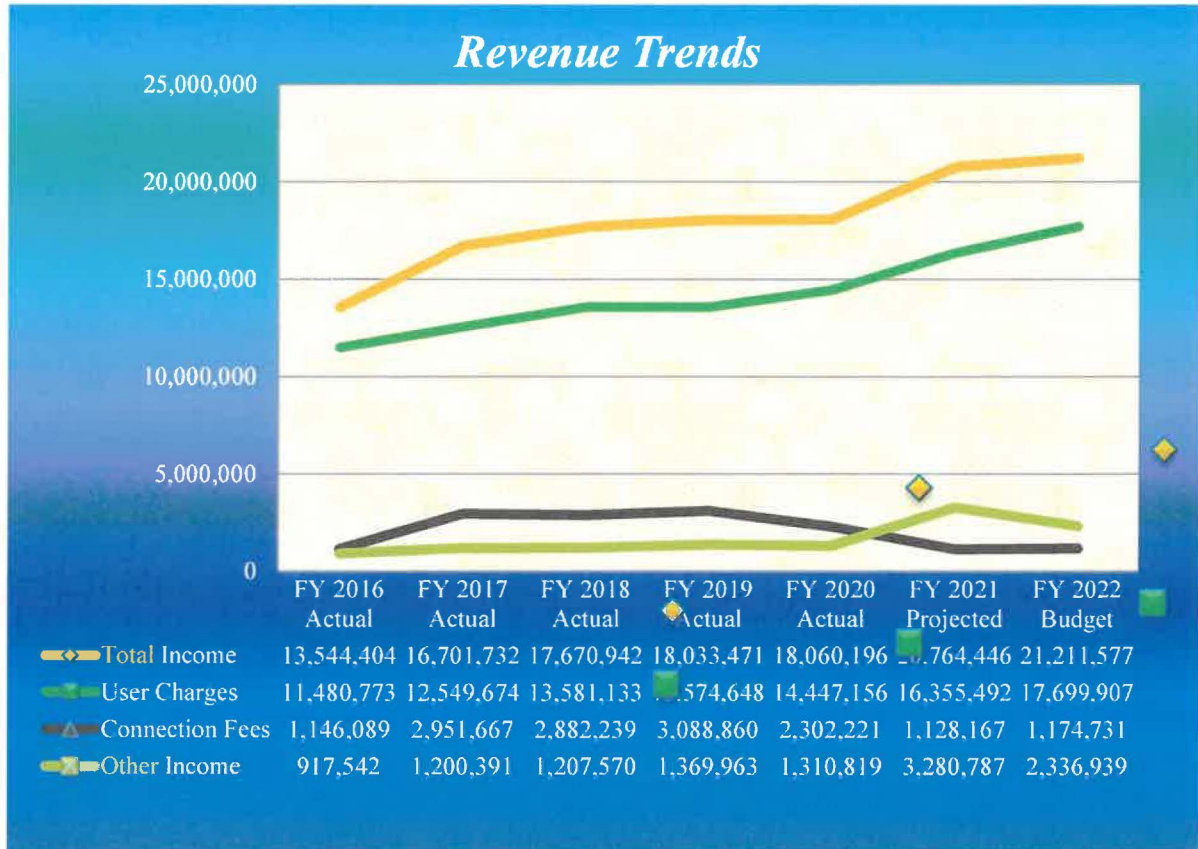


	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Personnel Expenses Allocations						
Allocation to Operations and Maintenance	3,310,840	3,347,987	2,483,803	2,984,058	3,708,720	3,529,899
Allocation to Administrations	2,333,145	1,241,799	2,258,316	2,709,979	1,966,697	2,436,368
	\$ 5,643,985	\$ 4,589,786	\$ 4,742,119	\$ 5,694,037	\$ 5,675,417	\$ 5,966,267
Maintenance Expenses						
Maintenance Equipment	\$ 631,622	\$ 1,188,036	\$ 506,807	\$ 608,168	\$ 1,220,877	\$ 1,020,000
Instrumentation	297,780	308,286	287,067	344,480	478,492	755,000
Total Grounds Maintenance & Landscaping	281,694	406,500	189,935	227,922	451,767	1,399,100
Vehicle Repairs	87,632	208,334	83,982	100,778	135,924	190,000
Interceptor Sewer Maintenance	103,623	90,000	52,329	62,795	100,000	120,000
Maintenance Safety Equipment	1,661	3,000	2,070	2,484	5,500	8,500
Misc. Maintenance Expense	24,956	32,000	1,286	1,543	32,000	15,000
	\$ 1,428,968	\$ 2,236,156	\$ 1,123,476	\$ 1,348,170	\$ 2,424,560	\$ 3,507,600
Operations Expenses						
Process Chemicals	\$ 353,655	\$ 331,780	\$ 306,785	\$ 368,142	\$ 550,500	\$ 640,000
Utilities	1,875,982	1,771,252	1,775,360	2,130,432	2,064,558	2,287,259
Trash and Sludge	69,078	210,000	127,705	153,246	95,000	-
Fuel and Lubricants	101,906	108,000	48,691	58,429	70,000	85,000
Lab Supplies and Services	63,814	112,700	28,423	34,108	102,500	25,000
Outside Lab Services	411,318	497,300	269,338	323,206	504,500	517,000
Safety Equipment	106,508	153,181	97,687	117,224	204,675	250,025
Custodial Services and Supplies	46,237	48,000	39,704	47,645	54,000	88,000
Equipment Rental	74,953	117,300	78,858	94,630	47,500	55,500
Uniforms	29,039	28,000	31,376	37,651	28,000	28,000
Security	10,698	26,000	14,180	17,016	27,000	30,500
Permits	29,396	30,000	30,029	36,035	30,000	60,000
Misc. Operating Expense	-	-	-	-	-	-
	\$ 3,172,584	\$ 3,433,513	\$ 2,848,136	\$ 3,417,764	\$ 3,778,233	\$ 4,066,284
Administrations Expenses						
Telephone and Communications	\$ 153,281	\$ 192,981	\$ 148,640	\$ 178,368	\$ 320,268	\$ 327,500
Computer Supplies	118,073	102,000	52,183	62,620	78,051	79,000
Office Supplies	53,769	106,300	29,862	35,834	80,200	66,200
Travel, Meeting, Training	58,562	107,800	18,820	22,584	119,630	157,350
Employee and Community Events	4,073	14,400	15,206	18,247	34,100	35,696
Membership, Fees, Licenses	41,717	73,630	29,979	35,975	76,160	65,650
Professional Services	399,637	385,394	336,524	403,829	416,600	475,400
Legal Services and Fees	391,511	340,000	301,883	362,260	300,000	300,000
Temporary Labor	5,530	72,143	13,225	15,870	-	23,500
Bond & Liability Insurance	208,730	130,000	228,178	273,814	240,000	265,000
Finance Fees	2,825	-	54	65	-	-
Misc. Administration Expense	9,589	-	(4,972)	(5,966)	-	-
Permit Fees	260,274	288,000	282,444	338,933	100,000	272,000
Vehicle Lease Program	-	-	-	-	-	100,000
Lease Expenses	10,957	10,957	128,651	128,651	103,791	103,791
	\$ 1,718,528	\$ 1,823,605	\$ 1,580,677	\$ 1,871,084	\$ 1,868,800	\$ 2,271,087
Construction Expenses	\$ 1,900,012	\$ -	\$ 22,032	\$ 29,376	\$ -	\$ -
Contingency and Capital Purchases	\$ -	\$ -	\$ 73,772	\$ 720,000	\$ 721,670	\$ 517,529
Total Operations and Maintenance Fund Expenses Before Emergency	\$ 13,864,077	\$ 12,083,060	\$ 10,390,212	\$ 13,080,431	\$ 14,468,680	\$ 16,328,767



5.4 User Fee Revenue Trend Analysis

The Victor Valley Wastewater Reclamation Authority (VWVRA) has been recovering from the decreased operating revenues since FY 2016. We have used connection fee revenue \$1.2 million for FY 2022 budget to reflect the connection fee rate of \$4,679/EDU at 251 EDUs. To further mitigate the impact of the reduced revenues, we are increasing the user charge rate from \$4,087/MG in FY 2021 to \$4,414/MG in FY 2022.



Source: VWVRA FY = Fiscal Year ended June 30

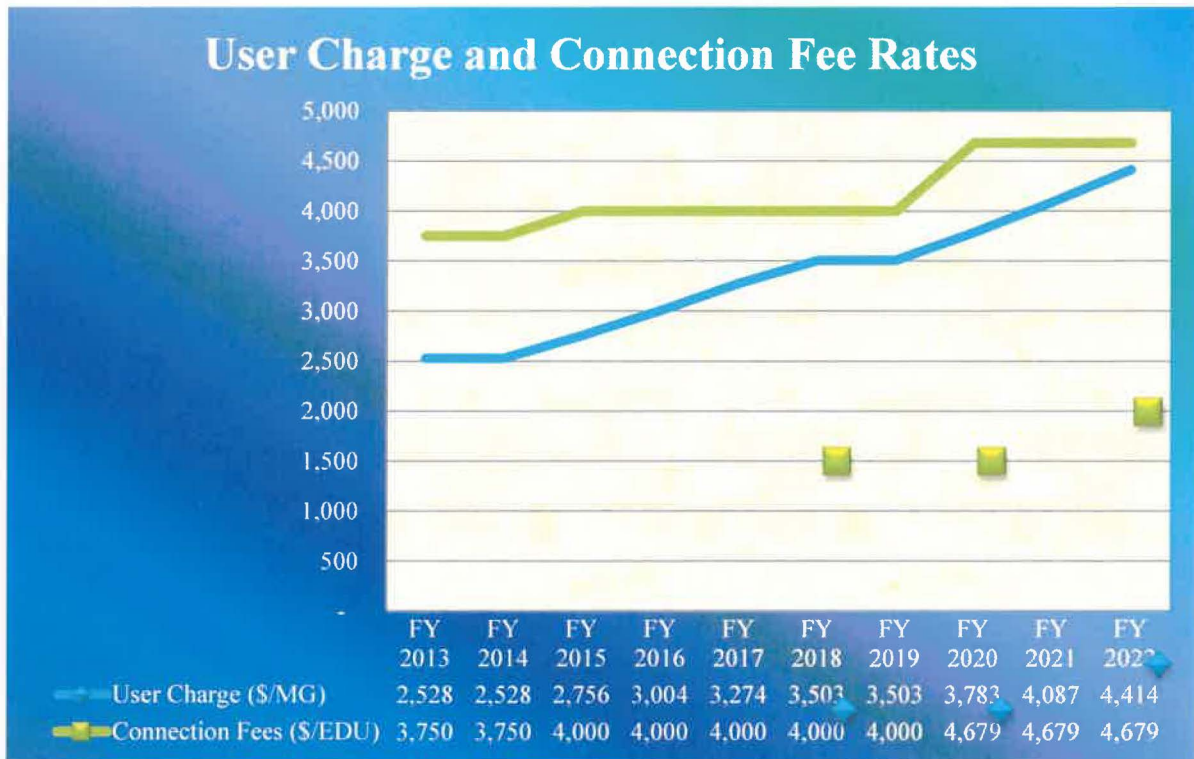
The other income also includes high strength surcharges for high contents of certain chemical, reclaimed water sales from the processed water, industrial pretreatment permits charged to businesses, and interest income. Grants are excluded in this revenue analysis for the period from FY 2016 to FY 2022.

Both user charges and connection fees are determined multiplying quantity expected to receive by unit prices; multiplying the flow quantity of million gallons (MG) by the user fee rate (\$4,414/MG) for the user fee revenue and by multiplying the Equivalent Dwelling Unit (EDU) by the connection fee rate (\$4,679/EDU). The four member agencies determined these rates be incorporated in the revenue ordinances

to absorb the operating and construction costs. The graph below shows rate changes up to FY 2022 based on the five-year financial plan.

The connection fees are calculated based on sewage quantity discharged by a single-family home for a period of twenty-four hours. This single-family home unit is referred to as one equivalent dwelling unit (EDU).

The Board of Commissioners reserves the right to change the rates of user fee and connection fee from time to time as necessary to fund its operations, maintenance, repairs, replacements, and expansion of the regional system.



Source: VWRA FY = Fiscal Year ended June 30



This page shows high strength surcharge rates for FY 2022 and the calculation worksheet.

Worksheet

User Charges from Member Agencies \$ 17,699,907
 Unit User Charge per MG \$4,414.00
 Estimated Treatment Flow (MG) 4,010

	[Ⓛ] Influent mg/l	Influent lbs/day	[Ⓛ] Effluent mg/l	Effluent lbs/day	Removal lbs/day	Removal lbs/year	Percent of Cost	Removal Cost/lb	Unit Cost \$
BOD	300.00	27,487	0.00	0	27,487	10,032,888	35.0%	\$6,194,967	\$0.6175
TSS	412.00	37,749	0.00	0	37,749	13,778,499	25.0%	\$4,424,977	\$0.3212
NH3	32.00	2,932	0.00	0	2,932	1,070,175	30.0%	\$5,309,972	\$4.9618
Annual Flow - MG per Day		10.99	MGD				10.0%	\$1,769,991	
							100.0%	\$17,699,907	

BOD \$/lb TSS \$/lb NH3 \$/lb

Surcharge Rates: **\$0.6175** **\$0.3212** **\$4.9618**
 Applied to Concentrations Above: 200 mg/l 250 mg/l 20 mg/l

FORMULAS

lbs/day = flow (mgd) x concentration (mg/l) x weight of water (8.34 lbs/gal)

BOD

Influent (flow mgd) x (influent mg/l) x 8.34 lbs/gal = lbs/day
 Effluent (flow mgd) x (effluent mg/l) x 8.34 lbs/gal = lbs/day

TSS

Influent (flow mgd) x (influent mg/l) x 8.34 lbs/gal = lbs/day
 Effluent (flow mgd) x (effluent mg/l) x 8.34 lbs/gal = lbs/day

NH3

Influent (flow mgd) x (influent mg/l) x 8.34 lbs/gal = lbs/day
 Effluent (flow mgd) x (effluent mg/l) x 8.34 lbs/gal = lbs/day

REMOVAL

Per day: Influent lb/day - Effluent lb/day = Removal lbs/day
 Per year: Removal lb/day x 365 = Removal lb/year

REMOVAL COST

Per lb: Total user cost x 35% = Removal cost/lb
 Per unit: Removal cost/lb / Removal lb/year

[Ⓛ] Fiscal year basis. From VVWRA Wastewater Data Program (OPS10 in FY 2020)



5.5 Allocations of Personnel Expenses

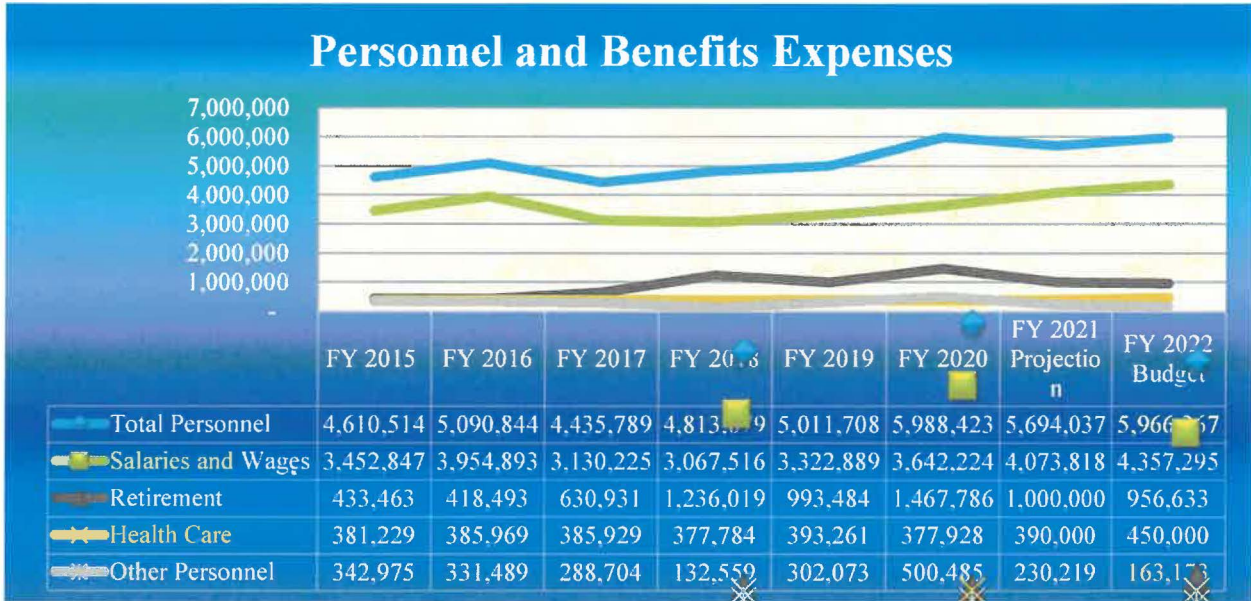
	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Operations and Maintenance Salary Expenses						
Regular Salaries	\$ 3,382,260	\$ 3,187,537	\$ 3,194,848	\$ 3,833,818	\$ 3,963,657	\$ 4,092,735
Overtime	263,229	164,000	236,107	240,000	208,000	264,560
Call-Out Pay	(3,265)	72,120	-	-	14,560	-
	<u>\$ 3,642,224</u>	<u>\$ 3,423,657</u>	<u>\$ 3,430,955</u>	<u>\$ 4,073,818</u>	<u>\$ 4,186,217</u>	<u>\$ 4,357,295</u>
Operations and Maintenance Benefit Expenses						
Longevity	\$ -	\$ 39,685	\$ -	\$ -	\$ -	\$ -
Vehicle Allowance	-	18,139	-	-	-	-
Sick Leave Buy Back	-	-	-	-	-	-
Medicare	68,633	46,564	55,284	66,341	66,556	62,995
Social Security Expense	(351)	-	-	-	-	-
PERS / Health Insurance	305,285	315,462	341,334	390,000	332,543	450,000
Dental / Vision Insurance	4,010	27,960	-	-	-	-
Workers Comp Insurance	106,096	116,915	76,010	91,212	62,000	62,000
PERS / Retirement	288,633	303,035	777,981	850,000	993,484	956,633
PERS / Retirement - GASB 68	477,790	-	-	-	-	-
PERS / Retirement-EUL	399,721	436,059	-	-	-	-
Life Insurance	15,623	16,807	28,506	34,207	15,521	39,814
Unemployment Insurance	17,628	11,431	18,580	22,296	19,096	19,530
Disability Insurance	2,926	25,583	11,919	14,303	-	15,000
Misc Personnel Expense	14,125	13,750	1,550	1,860	-	3,000
OPEB Expense	301,642	30,000	-	150,000	-	-
	<u>\$ 2,001,761</u>	<u>\$ 1,401,390</u>	<u>\$ 1,311,164</u>	<u>\$ 1,620,219</u>	<u>\$ 1,489,200</u>	<u>\$ 1,608,972</u>
Capital Salary and Benefits Expenses						
Salaries	\$ 298,865	\$ 123,510	\$ -	\$ -	\$ -	\$ -
Benefits	45,573	26,141	-	-	-	-
	<u>\$ 344,438</u>	<u>\$ 149,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Personnel Expenses	\$ 5,988,423	\$ 4,974,698	\$ 4,742,119	\$ 5,694,037	\$ 5,675,417	\$ 5,966,267
Allocations of Personnel Expenses						
<i>1. Allocations to Operations and Maintenance Fund</i>						
To Operations and Maintenance	(3,310,840)	(3,347,987)	(2,483,803)	(2,984,058)	(3,708,720)	(3,529,899)
To Administration	(2,333,145)	(1,241,799)	(2,258,316)	(2,709,979)	(1,966,697)	(2,436,368)
	<u>\$ (5,643,985)</u>	<u>\$ (4,589,786)</u>	<u>\$ (4,742,119)</u>	<u>\$ (5,694,037)</u>	<u>\$ (5,675,417)</u>	<u>\$ (5,966,267)</u>
<i>2. Allocation To Capital Fund</i>						
To Construction	\$ (344,438)	\$ (384,912)	\$ -	\$ -	\$ -	\$ -
Personnel Expenses After Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The personnel costs have remained stable with a slight increase over the years and a jump during FY 2016 when more staff was employed in anticipation of operating those two plants in Hesperia and Apple Valley. However, the personnel costs declined in FY 2017 through FY 2019 to reflect 1/3 lay-off during FY 2017 under the scenario where the agency will not operate those two plants without a sufficient operating fund. The FY 2022 total personnel budget reflects an increase in the total number of employees and Consumer Price Index adjustments.

The health care cost has been kept at about the same level throughout the period from FY 2016 to FY 2022.



Other personnel costs include OPEB costs, Medicare, workers comp insurance, life insurance, unemployment insurance, and disability insurance. We have eliminated other personnel expense of payroll processing fees by switching processing payroll internally.



Source: VWRA. FY = Fiscal Year ended June 30



5.6 Budget Statement of Repairs and Replacement Fund

	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Repairs and Replacements Financing Sources						
Transferred from Operations & Maintenance Fund	\$ -	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -
Expenses						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	379,538	1,896,326	-	-	-	-
Operations	3,592	-	-	-	-	-
Administration	150,611	145,000	-	-	-	-
Construction	347,821	625,000	-	-	-	-
	\$ 881,562	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -
Debt Services						
SRF Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SRF Interest	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Repairs and Replacements Expenses with Debt Services	\$ 881,562	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -
Repairs and Replacements Net Surplus or (Deficit)	\$ (881,562)	\$ -	\$ -	\$ -	\$ -	\$ -

This Repairs and Replacement (R&R) Fund has been a part of Operations and Maintenance (O&M) Fund in the past-year budget presentations. Following FY 2021 budget, we are combining the R&R expenses into the O&M fund expenses. As a reference, we show the past R&R fund expenses in detail in the next page.



	2020 Actual \$3,783/MG	2020 Budget \$3,783/MG	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,087/MG	2022 Budget \$4,414/MG
Personnel Expenses Allocations						
Allocation to Operations and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation to Administrations	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Expenses						
Maintenance Equipment	\$ 187,749	\$ 424,000	\$ -	\$ -	\$ -	\$ -
Instrumentation	108,322	747,326	-	-	-	-
Total Grounds Maintenance & Landscaping	83,467	725,000	-	-	-	-
Vehicle Repairs	-	-	-	-	-	-
Interceptor Sewer Maintenance	-	-	-	-	-	-
Maintenance Safety Equipment	-	-	-	-	-	-
Misc. Maintenance Expense	-	-	-	-	-	-
	\$ 379,538	\$ 1,896,326	\$ -	\$ -	\$ -	\$ -
Operations Expenses						
Process Chemicals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	-	-	-	-	-	-
Trash and Sludge	-	-	-	-	-	-
Fuel and Lubricants	-	-	-	-	-	-
Lab Supplies and Services	-	-	-	-	-	-
Outside Lab Services	-	-	-	-	-	-
Safety	-	-	-	-	-	-
Custodial Services and Supplies	-	-	-	-	-	-
Equipment Rental	3,592	-	-	-	-	-
Uniforms	-	-	-	-	-	-
Security	-	-	-	-	-	-
Permits	-	-	-	-	-	-
Misc. Operating Expense	-	-	-	-	-	-
	\$ 3,592	\$ -	\$ -	\$ -	\$ -	\$ -
Administrations Expenses						
Telephone and Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Supplies	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Travel, Meeting, Training	-	-	-	-	-	-
Professional Services / Cons	-	145,000	-	-	-	-
Membership, Fees, Licenses	-	-	-	-	-	-
Professional Services	150,611	-	-	-	-	-
Legal Services and Fees	-	-	-	-	-	-
Temporary Labor	-	-	-	-	-	-
Bond & Liability Insurance	-	-	-	-	-	-
Finance Fees	-	-	-	-	-	-
Misc. Administration Expense	-	-	-	-	-	-
Permit Fees	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Supplemental Environmental Project Payment	-	-	-	-	-	-
	\$ 150,611	\$ 145,000	\$ -	\$ -	\$ -	\$ -
Construction Expenses						
	\$ 347,821	\$ 625,000	\$ -	\$ -	\$ -	\$ -
Total Repairs and Replacements Fund Expenses						
	\$ 881,562	\$ 2,666,326	\$ -	\$ -	\$ -	\$ -



5.7 Budget Statement of Capital Fund

	2020 Actual \$4,679/EDU ①	2020 Budget \$4,679/EDU ①	2021 Actual as of 4/30/2021	2021 Projected to the Year End	2021 Budget \$4,679/EDU ①	2022 Budget \$4,679/EDU ①
Revenues						
Connection Fees	\$ 2,302,221	\$ 2,254,625	\$ 940,139	\$ 1,128,167	\$ 2,339,500	\$ 1,174,731
Interest	270,439	50,000	25,256	30,307	180,000	80,000
Grant - FEMA/CalEMA	-	-	-	-	-	-
Grant - CEC Microgrid	(3,134)	-	-	-	-	-
	<u>\$ 2,569,526</u>	<u>\$ 2,304,625</u>	<u>\$ 965,395</u>	<u>\$ 1,158,474</u>	<u>\$ 2,519,500</u>	<u>\$ 1,254,731</u>
Other Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Capital Revenues and Other Financing Sources	\$ 2,569,526	\$ 2,304,625	\$ 965,395	\$ 1,158,474	\$ 2,519,500	\$ 1,254,731
Expenses						
Personnel and Benefits	\$ 344,438	\$ 384,912	\$ -	\$ -	\$ -	\$ -
Maintenance	-	-	-	-	-	-
Operations	-	170	-	-	-	-
Administration	(2,054)	50,000	-	-	-	-
Construction	9,800	550,000	-	-	-	-
Contingency and Capital Purchases	-	-	-	-	-	-
	<u>\$ 352,184</u>	<u>\$ 985,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Services						
SRF Principal	\$ 1,981,331	\$ 1,981,331	\$ 1,527,140	\$ 1,763,058	\$ 1,763,058	\$ 1,794,802
SRF Interest	386,055	405,395	281,121	370,014	370,014	338,270
	<u>\$ 2,367,386</u>	<u>\$ 2,386,726</u>	<u>\$ 1,808,261</u>	<u>\$ 2,133,072</u>	<u>\$ 2,133,072</u>	<u>\$ 2,133,072</u>
Total Capital Expenses with Debt Services	\$ 2,719,570	\$ 3,371,808	\$ 1,808,261	\$ 2,133,072	\$ 2,133,072	\$ 2,133,072
Interfund Loan to the Operations & Maintenance Fund	-	(1,963,621)	-	-	-	-
Capital Net Surplus or (Deficit)	\$ (150,044)	\$ (3,030,804)	\$ (842,866)	\$ (974,598)	\$ 386,428	\$ (878,341)

① EDU = Equivalent Dwelling Unit (250 gallons/day or 20 fixture units)

Impact of Capital Project Funding on Operations

The agency has seven outstanding Clean Water State Revolving Fund loans from the California State Water Resources Control Board (SWRCB) with the total principal \$77.1 million outstanding as of April 30, 2021, whose annual payments become due throughout the year. The principal payment due for FY 2022 is \$3.9 million and the corresponding interest due is \$.9 million. The agency has considered the operation portion of these debt payments is \$2.1 million and the corresponding interest of \$.7 million for FY 2022. In addition to the actual payments, the loan agreements require that VVWRA set up a loan reserve to cover one-year payment of principal and interest for all the loans that would bind some of user fees and connection fees. Additional constraint in the operation revenues is that SWRCB sets a legal binding on user and collection fees in case of a default. Further, the loan agreements require the agency maintain debt coverage ratio of 1.2 throughout the year. In order to comply, the member agencies have agreed to rate increases over the period of five years that are a basis for the five-year financial plan.



5.8 Department Supplemental Capital Purchases

Supplemental Capital	
21-22 Budget Amount	Description
\$35,000	ESRI Project - GIS Enhancements
\$40,529	Firewall Replacement Project
\$357,000.00	Total Supplemental Capital

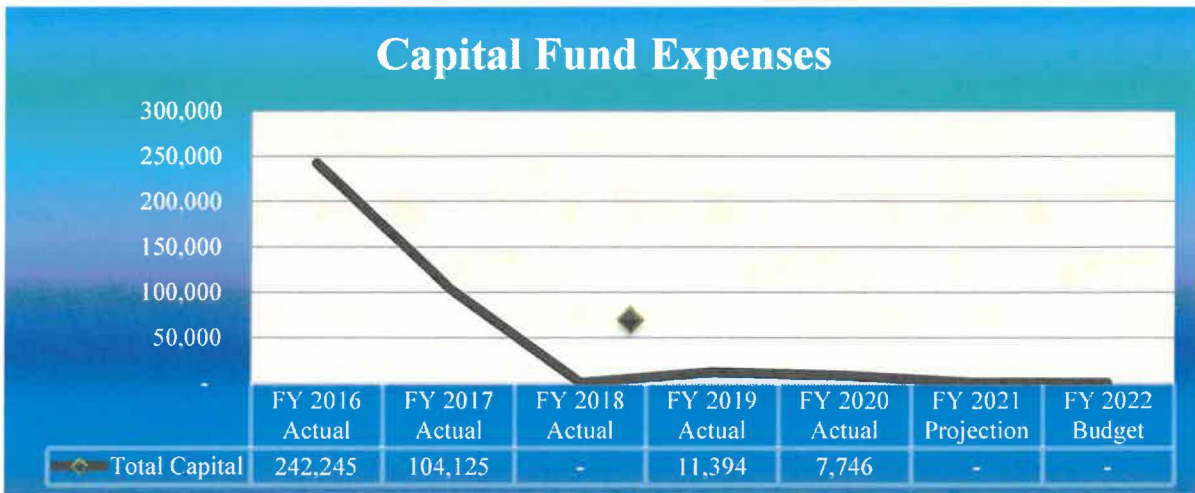
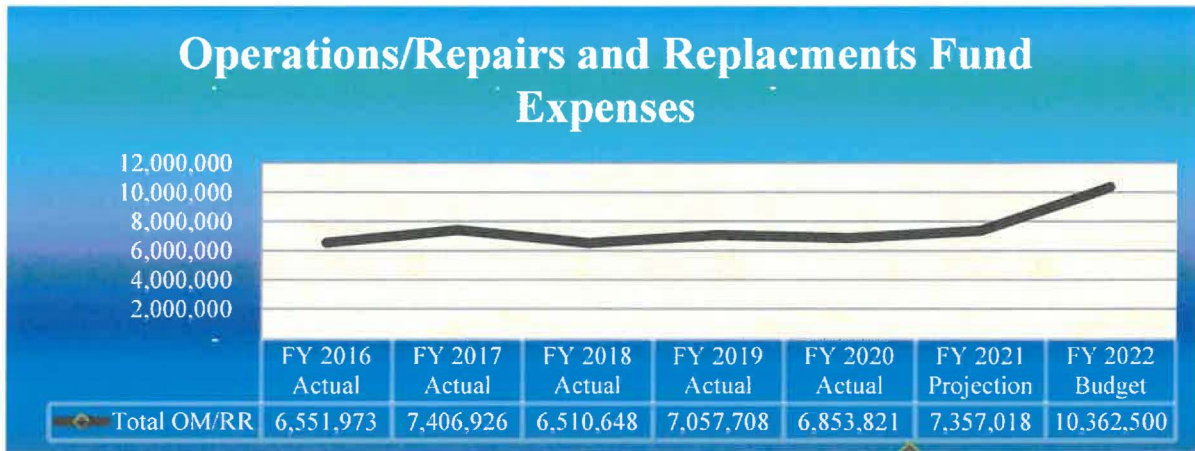
For FY 2021 and FY 2022, the Authority eliminated the Repairs and Replacements Fund and rolled the reoccurring regular operational expenses into the Operations and Maintenance Fund. Significant capital assets that need replacement on an as-needed basis are now within the Operations and Maintenance Fund as supplemental capital purchases. These assets are not normally critical to operations and can be budgeted only when funds are available. The list of supplemental purchases requested for FY 2022 are presented in the list above and further details below:

- ESRI Project – the GIS Enhancements will include Smart Mapping Transparency, better workflows and design, more adaptable map viewer, an improved 3D scene viewer, enhanced analysis, and wastewater plants GIS solution.
- Firewall Replacement Project will improve the following: monitoring of network traffic to all VWRA locations, virus attacks elimination, prevention of hacking, elimination of spyware, the promotion of privacy, and replacement of obsolete existing technology.



5.9 Operational Overview of Expenses

The operations and repairs/replacements expenses were at about the same level from FY 2016 to FY 2020. Up to FY 2021, such costs were kept low forced by a low cash flow level. FY 2022’s expenses increase significantly when necessary repairs and replacements can no longer wait without causing alarming level of loss in pipeline and equipment integrity. In addition, these expenses continue to show the high electricity costs for the UV system throughout the period. During FY 2020, VVWRA has continued its micro-grid project to cope with such high electricity costs and unpredictable loss of steady energy level. The capital fund expenses excluding construction in progress increased significantly from FY 2015 to FY 2016 due to minor projects that contribute to the regional plant’s capacity growth. Between FY 2018 and FY 2021, the capital fund expenses remain low. One major difference for the capital expenses for FY 2022 is that the capital expenses for operations are excluded in the capital costs but rather included in operations costs.



Source: VVWRA - The graphs excludes personnel costs. FY = Fiscal Year ended June 30



5.10 Historical Comparison of Operational Revenues to Expenses

The following graphs show actual revenues and expenses during the last ten years.

June 30	Total Revenues		
	Total Operating Revenues	Total Non-Operating Revenues	Total Revenues
2020	\$ 15,457,755	\$ 3,109,947	\$ 18,567,702
2019	14,649,380	3,665,387	18,314,767
2018	14,696,537	5,317,638	20,014,175
2017	13,655,631	9,797,819	23,453,450
2016	12,305,439	14,416,430	26,721,869
2015	11,850,841	27,703,303	39,554,144
2014	11,134,994	8,091,504	19,226,498
2013	11,716,313	2,864,532	14,580,845
2012	10,667,026	3,858,401	14,525,427
2011	10,873,678	4,784,712	15,658,390

June 30	Operating Expenses						Total Operating Expenses	Total Non-Operating Expenses	Combined Expenses
	Personnel	Maintenance	Operations	Administration	Depreciation	Total Operating Expenses			
2020	\$ 5,988,422	\$ 1,808,505	\$ 3,176,174	\$ 2,478,592	\$ 11,565,945	\$ 25,017,638	\$ 2,735,887	\$ 27,753,525	
2019	5,011,708	1,880,448	2,928,704	2,162,267	11,519,264	23,502,391	1,255,633	24,758,024	
2018	4,813,879	1,654,791	2,877,169	1,783,254	9,429,914	20,559,007	1,937,435	22,496,442	
2017	4,435,790	1,936,625	2,444,093	2,087,840	7,900,370	18,804,718	1,555,468	20,360,186	
2016	5,090,845	1,892,127	2,359,892	1,831,796	6,645,579	17,820,239	1,214,952 *	19,035,191	
2015	4,610,511	1,902,719	1,865,289	1,734,702	6,788,528	16,901,749	1,335,646 *	18,237,395	
2014	4,475,438	1,647,896	2,183,544	1,784,021	6,612,402	16,703,301	1,535,497	18,238,798	
2013	4,386,713	1,377,024	2,169,317	2,044,400	5,760,766	15,738,220	1,356,772	17,094,992	
2012	4,398,077	3,041,988	2,828,368	1,788,697	5,620,847	17,677,977	2,389,888	20,067,865	
2011	4,356,129	883,688	2,521,414	1,498,077	5,674,684	14,302,713	572,285	14,874,998	

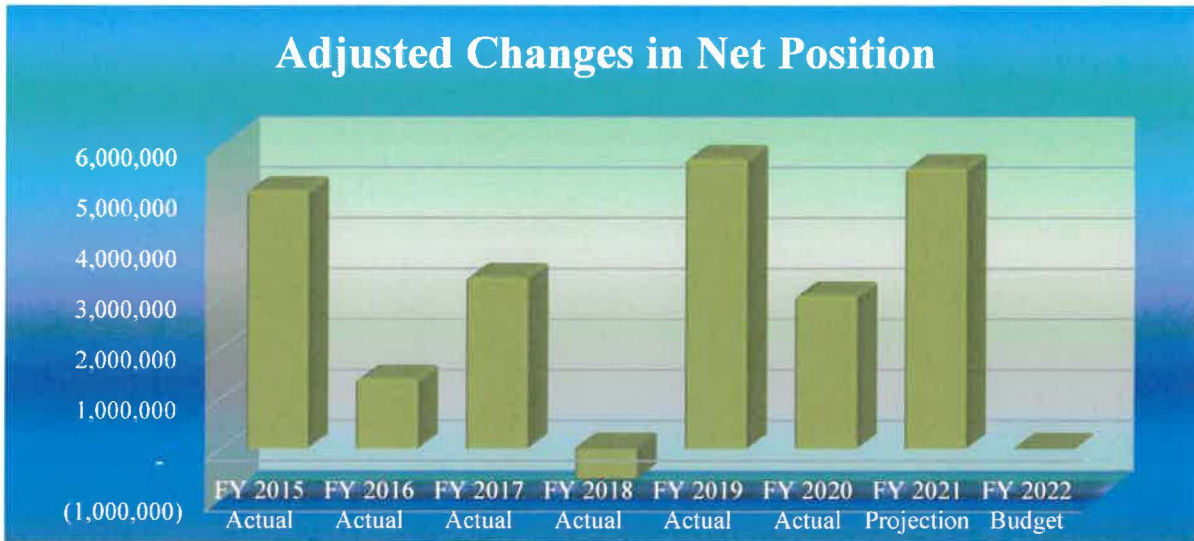


5.11 Changes in Net Position and Reserves

The table below shows *adjusted changes in net position* whose amounts are shown in a bold type in the table. The graph below shows the fluctuation of adjusted changes in net position during FY 2016 through FY 2022, or the total revenues over total expenses. The decrease is mostly due to the sharp decline of connection fee revenues from member agencies. Although the connection fee revenues show an increase of 170% from \$1,146,089 in FY 2015 to \$3,088,860 in FY 2019, \$1.2 million out of the \$3.1 million connection fees accrued during FY 2019 was from the uncollected revenues. Connection fee revenues has decreased from \$3,088,860 in FY 2019 to \$2,302,221 in FY 2020. On the other hand, the operating expenses have increased by 20%, from \$11,174,660 in FY 2016 to \$13,451,693 in FY 2020. Grant revenues are recorded in CAFR but most of related construction costs are recorded in a construction in progress, excluded from expenses. For fair comparison purpose, the above actual net positions from FY 2016 to 2020 are adjusted by adding back the grant related capitalized expenses and adding non-cash depreciation and amortized interest expenses. Please see detailed discussions on capital improvement projects anticipated during FY 2022 at sections 6.1, 6.2, and 6.3.

FY = Fiscal Year	Beginning Net Position	Changes in Net Position per CAFR *= Per Budget	Ending Net Position	Grants CIP/Interest Amortization and Depreciations Expense	Adjusted Changes in Net Position	Adjusted Ending Net Position*
FY 2016 Actual	119,824,954	7,686,678	127,511,632	(6,308,679)	1,377,999	121,202,953
FY 2017 Actual	127,511,632	2,255,301	129,766,933	1,132,183	3,388,114	130,899,746
FY 2018 Actual	129,766,933	(3,500,967)	126,265,966	2,849,811	(651,156)	129,115,777
FY 2019 Actual	126,265,966	(6,443,257)	119,822,709	12,173,196	5,729,939	131,995,905
FY 2020 Actual	119,822,709	(9,185,823)	110,636,886	12,219,064	3,033,241	122,855,950
FY 2021 Projection	110,636,886	5,546,980*	116,183,866	-	5,546,980	116,183,866
FY 2022 Budget	116,183,866	-*	116,183,866	-	-	116,183,866

*Note: Adjusted Ending Net Position = Beginning Net Position + Adjusted Changes in Net Position



Source: VVWRA FY = Fiscal Year ended June 30

The summary below illustrates the FY 2022 projected reserve balances for the Operations and Maintenance Fund and Capital Fund.

	O&M Fund	Capital Fund	Total
FY 2022 Reserve Beginning Balance	\$ 7,537,675	\$ 6,437,564	\$ 13,975,239
One Time Revenue (FEMA)	-	-	-
Total Revenues	19,956,846	1,254,731	21,211,577
Total SRF Loan Payments	(2,858,857)	(2,133,072)	(4,991,929)
Total Operating Expense	(16,219,648)	-	(16,219,648)
FY 2022 Budget Surplus	878,341	(878,341)	(0)
Total Reserve	8,416,016	5,559,224	13,975,239
Total Restricted Reserve	(5,196,606)	(1,553,202)	(6,749,808)
Total Unrestricted Reserve	3,219,410	4,006,022	7,225,431
Total Capital Projects ^①	(3,219,410)	(1,629,500)	(4,848,910)
Unused Project Portion	-	-	-
Available Unrestricted Reserve	\$ (0)	\$ 2,376,522	\$ 2,376,521
Total Restricted Reserve	\$ 5,196,606	\$ 1,553,202	\$ 6,749,808

^① Please refer to Section 6.2 for more details on Capital Projects.



6 Financial Information Capital Projects

6.1 Capital Project Pay-As-You-Go Strategy

In FY 2022 VVWRA staff continues to build upon the pay as you go Capital Improvement Program (CIP) started in FY 2020. Careful consideration and analysis were put into the development of the proposed capital project list being presented in the FY 2022 budget. Required and unrestricted reserve balances were presented as part of the operating and capital budgets this

FY in order to more accurately show where and how excess reserves and funding proposed capital projects. Utilizing these funds the VVWRA team has specifically allocated dollars to fully fund and partially fund the proposed capital projects. The projects are diverse in scope and cost. Smaller maintenance projects as well as specific capacity improvement projects are proposed to be fully funded. Larger maintenance and capacity related projects have been partially funded to potentially allow for preliminary studies or design work to be completed. The total



Regional Plant Digesters

proposed funding for the capital projects in FY 2022 includes \$3.2 million maintenance projects and \$1.6 million capacity related capital projects. These projects will be funded by the FY 2022 revenues and unrestricted operation and capital cash reserves.

The new rates put in place in 2020 were designed with a pay-as-you-go strategy for capital projects. In the proposed FY 2022 budget all available funds above debt service, operational expense, and mandatory reserves are now being allocated or left in unrestricted reserves to fund future capital projects. The new Capital Improvement Program (CIP) will now annually use this practice to fully fund or partially fund projects until such time that annual budget allocations or funds in reserve reach the level of the proposed project cost.



6.2 Capital Improvement Program FY 2022

The Capital Improvement Program (CIP) lists the new capital projects funded, partially funded and unfunded in the fiscal year 2022 budget. The projects proposed in this budget were evaluated and prioritized by VVWRA staff to address immediate maintenance and capacity needs within the Operations and Administrative Departments. All available funds above operating expenses, debt service, and required reserves were allocated to projects or left in unrestricted reserves for future allocation. Revenues for the purpose of funding capital projects come from regular user fees, to maintain and replace existing assets, and connection fees, which are allocated to projects to improve operational capacity.

The following table is detailed list of projects and their proposed funding schedule:

Priority	Funding	Project Title	Connection Fee %	User Fee %	Projected Cost	Connection fees	User Fees
1	Fully Fund	RNG Project Lyles Extras and Digester 3 Upgrades	80%	20%	1,378,560	\$1,040,000	\$338,560
1	Fully Fund	Subregional Bioassays	39%	61%	200,000	\$78,000	\$122,000
1	Fully Fund	Infiltration and Inflow (I&I) Study	25%	75%	250,000	\$62,500	\$187,500
1	Fully Fund	PLC Replacement Project Phase 3	50%	50%	536,000	\$268,000	\$268,000
1	Fully Fund	2G Catalyst Replacement		100%	100,000	\$0	\$100,000
1	Fully Fund	Rehabilitation of South Apple Valley Manholes Hwy 18 Phase I		100%	360,000	\$0	\$360,000
1	Fully Fund	Network Stabilization-Upgrade Project		100%	150,000	\$0	\$150,000
1	Fully Fund	Old Blower Building Electric Blower Conversion		100%	425,000	\$0	\$425,000
1	Fully Fund	New Blower Building Electric Blower Conversion		100%	425,000	\$0	\$425,000
1	Fully Fund	MSB Retrofit		100%	250,000	\$0	\$250,000
1	Fully Fund	Old Admin Building Remediation		100%	150,000	\$0	\$150,000
1	Fully Fund	MCC A Replacement		100%	143,000	\$0	\$143,000
1	Fully Fund	MCC EB Replacement		100%	143,000	\$0	\$143,000
1	Fully Fund	Septage Grit Trap	10%	90%	60,000	\$6,000	\$54,000
1	Fully Fund	Firewall Replacement / Network Communicatoins		100%	103,350	\$0	\$103,350
1	Partially Fund	Oro Grande Interceptor Relocation Project	100%		2,600,000	\$175,000	\$0
2	Unfunded	Coating for UV (Both Channels)			155,000		
2	Unfunded	Coating for Septage EQ basin			135,000		
2	Unfunded	Coating for DAF's			135,000		
2	Unfunded	Regional Plant Boiler Planning			20,000		
2	Unfunded	Regional Plant Storm Water Containment System			200,000		
2	Unfunded	Rehabilitate Old Administrative Building and Construct New Work Space			2,500,000		
3	Unfunded	Ossum Wash Interceptor Project			1,000,000		
3	Unfunded	UV Generator Tie-in to South Perc Pond Pump Station			375,000		
3	Unfunded	Digester 4 and 5 Supernatant Line			\$200,000		
3	Unfunded	Main Switch Board Upgrade Replacement & Generator			2,000,000		
4	Unfunded	Design and build dewatering systems pre and post digestion			22,000,000		
4	Unfunded	Headworks Replacement			10,000,000		
4	Unfunded	Lower Narrows and Lift Station			\$44,200,000		
4	Unfunded	Upper Narrows Parallel			\$44,100,000		
4	Unfunded	Hesperia Parallel Upper and Lower			\$32,200,000		
4	Unfunded	Mojave Narrow Regional Facility			\$80,000,000		
					\$246,493,910	\$1,629,500	\$3,219,410



6.3 Capital Project Details from the FY 2022 CIP

The table below provides greater project details for all of the Capital Projects identified in the FY 2022 Budget:

Fully Funded Projects FY 2022		
Project No.	Project Title	Project Descriptions
1	RNG Project Lyles Extras and Digester 3 Upgrades	This is the final phase of the Renewable Natural Gas (RNG) project to complete the reconstruction of Digester 3 and to complete the installation of all the supporting assets that will supply and ultimately produce the RNG.
2	Subregional Bioassays	To receive the Department of Drinking Water approval to operate the two Sub-Regional facilities, and deliver Title 22 quality water, a Bioassay test must be completed at each facility. This test is done to measure the effectiveness of the UV systems to assure they can disinfect the water to an appropriate level. A positive test result must be achieved before the Sub-Regional facilities can be put on-line.
3	Infiltration and Inflow (I&I) Study	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-21 it was determined that a regional I&I study followed by mitigation measures could gain significant capacity in the interceptor system. This study will be a collaboration of VVWRA with all Member Agencies to evaluate where improvements can be made in the Member Agency's Collection systems to lessen I&I impacts on the VVWRA interceptor system and to gain greater capacity during significant rain events.
4	PLC Replacement Project Phase 3	The Regional Plant used PLCs to control the treatment equipment. These vary in age, capacity, and manufacturers. Many of them are old enough that no replacement parts are available. This replacement project updates these PLCs to newer readily repairable systems
5	2G Catalyst Replacement	The SCR (Selective Catalytic Reduction) catalyst is nearing the end of its life cycle. The SCR system must be maintained and kept in good operating



		condition at all times as part of our MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT permit. The preventative maintenance recommendation is from manufacturer Hug Engineering which is the service provider for the SCR system.
6	Rehabilitation of South Apple Valley Manholes Hwy 18 Phase I	In 2019, VWRA performed a CCTV condition assessment of 61 manholes along Highway 18 in Apple Valley, the results show severe corrosion of a large number of manholes due to high Sewer Gas H ₂ S, this project will repair or replace any damaged manholes in order to continue maintaining this important interceptor.
7	Network Stabilization-Upgrade Project	This project will improve the reliability and resiliency of the backbone of the VWRA network by implementing a new network design and installing several redundant systems based on modern IT standards.
8	Old Blower Building Electric Blower Conversion	The existing electric blower in the Old Blower Building has reached the end of its useful life. Costs to rebuild the blowers are almost as much to replace them with newer more energy efficient and reliable equipment. For those reasons, this project will look to replace the existing blower with a new more effective and efficient model blower.
9	New Blower Building Electric Blower Conversion	The existing electric blower in the New Blower Building has reached the end of its useful life. Costs to rebuild the blowers are almost as much to replace them with newer more energy efficient and reliable equipment. For those reasons, this project will look to replace the existing blower with a new more effective and efficient model blower.
10	MSB Retrofit	The MSB retrofit will consist of PLC upgrades, removing old panel boards and obsolete wiring, new power quality metering, new generator and utility protective relays, new HMI, and modern SCADA integration. The project will provide better interactive SCADA control, preparation for future emergency generator replacement, updating



		antiquated functions, removing obsolete load schemes, and provide local manual. The contractor will provide accurate as built schematics and a non-proprietary open architecture PLC program.
11	Old Admin Building Remediation	The original Administrative building has not been used as an office space for VVWRA staff since 2007. This move was made due to the poor condition of the original building and asbestos material identified in the flowing materials. This project will look to fund the necessary clean-up and demolition of the internal walls of the facility. Other funds will be used to develop a feasibility study for future repurposing the building for a new Administrative facility.
12	MCC A Replacement	The Motor Control Center (MCC) A was installed as part of the original plant design. It operates critical functions in the Old Blower Building. Due to its age and lack of replacement parts it is now time to replace the MCC. Within the project scope a contractor will replace multiple components which are outdated and no longer supported and electrical buckets which no longer meet NEC standards. By replacing the MCC operations will gain bucket space and increase ampacity to meet today's demands as well future expansion if necessary.
13	MCC EB Replacement	The Motor Control Center (MCC) EB was installed as part of the original plant design. It operates other critical functions in the Old Blower Building. Due to its age and lack of replacement parts it is now time to replace the MCC. Within the project scope a contractor will replace multiple components which are outdated and no longer supported and electrical buckets which no longer meet NEC standards. By replacing the MCC operations will gain bucket space and increase ampacity to meet today's demands as well future expansion if necessary.
14	Septage Grit Trap	While performing scheduled maintenance to clean Digesters 4 and 5 staff discovered a great deal of grit material that needed to be removed during the cleaning process. This material we determined to be



		coming from septage receiving. To mitigate future issues with the build-up of grit within the digesters this project will look to enhance the operations at the septage receiving area by expanding the holding tanks and building a clarifier weir and sump system to collect grit before it is sent to the digesters.
15	Firewall Replacement / Network Communications	This project will replace existing end-of-life firewalls, which will yield better visibility of the network and improve the security of the network.
Partially Funded Projects FY 2022		
16	Oro Grande Interceptor Relocation Project	The line will replace the existing Oro Grande interceptor. The existing line runs across the Mojave River with several manholes out in the channel. The replacement would put a pump station on the Oro Grande side of the river and a force main installed in a micro-tunneled pipe below the river. There would be no manholes and the pipe would be below the scour depth of the river to minimize the risk of failure and spill.
Unfunded Projects FY 2022		
17	Coating for UV (Both Channels)	The concrete surfaces in these structures need to be coated to extend their working life. This project was identified three years ago and has been repeatedly delayed due to more critical issues. The concrete surfaces are being broken down at the air/water surface interface and need to be addressed.
18	Coating for Septage EQ basin	The concrete surfaces in these structures need to be coated to extend their working life. This project was identified three years ago and has been repeatedly delayed due to more critical issues. The concrete surfaces are being broken down at the air/water surface interface and need to be addressed.
19	Coating for DAF's	The concrete surfaces in these structures need to be coated to extend their working life. This project was identified three years ago and has been repeatedly delayed due to more critical issues. The concrete surfaces are being broken down at the air/water surface interface and need to be addressed. A baker



		tank will need to be rented to store ADM/FOG during the coating of DAF's 2 and 3.
20	Regional Plant Boiler Planning	This project will study the feasibility of moving away from engine cooling systems to generate hot water to a boiler system to provide the necessary hot water for the operations of the wastewater treatment systems.
21	Regional Plant Storm Water Containment System	Several instances have occurred which allowed partially treated wastewater to inadvertently enter the storm drain system. Not all of it was able to be returned to the headworks thus reportable spills occurred. This project will create a valve and a pipeline to redirect flows from the storm water system to the backwash basin.
22	Rehabilitate old Administrative building and Construct New Work Space	The original Administrative building has not been used as an office space for VVWRA staff since 2007. This move was made due to the poor condition of the original building. From 2007 to 2013 the VVWRA administrative operations were moved to a leased office in Hesperia. Since that time, over eight years, the VVWRA staff have been operating out of a temporary office structure that is leased at a cost of \$100,000 per year. These temporary offices sit on jacks that are placed directly on native soil which over time are now sinking causing structure concerns. In addition to the lease costs and structural concerns the thin-walled building is very expensive to heat and cool. It would be a better use of public money to refurbish the original Administrative building to meet the Authority's needs rather than trying to sustain the temporary facilities that are costly and whose life span may be reaching a usable end.
23	Ossum Wash Interceptor Project	This project will install a liner in the double barrel interceptor that crosses Ossum Wash. During significant storm events this pipeline location could be compromised in an environmentally sensitive area where a pipe rupture could flow directly to the



		Mojave River. A new liner will provide greater protection from this occurring.
24	UV Generator Tie-in to South Perc Pond Pump Station	This project will allow backup power from the UV generator to keep the Aqua Diamond Filters and the South Percolation Pond Pump Station energized during power interruptions at the plant. These areas have been identified as most overflow prone areas of the plant when there is no power. This will allow operations to keep the filters clean during an outage, so they will not backup and overflow. It also gives staff the ability to send tertiary water to the south perc ponds to avoid overflow during extended power outages.
25	Digester 4 and 5 Supernatant Line	this project will require installing gravity line from the Digesters 4 and 5 supernate boxes out to the sludge lagoons to allow digestate to flow to the lagoons without being pumped. There is a significant energy saving associated with this as well as lower maintenance costs by reducing struvite formation caused by the high velocity of the centrifugal pump currently used to pump this material from a wet well out to the sludge lagoons.
26	Main Switch Board Upgrade Replacement & Generator	The Main Switch Board (MSB) upgrade will include an Automatic Transfer Switch (ATS) which would increase power transfer reliability, uptime and improved performance during normal operational tests and outages. The upgrade of the generator up to 1.2 Mega-watt will allow a true emergency generator redundancy, allow a greater capacity, increase reliability and uptime.
27	Design and build dewatering systems pre and post digestion	The liquid side of the Regional Plant has been addressed in several projects in the past 10 years. Water conservancy in the collection system has benefitted the liquid side of the plant. Conversely the solids side has fallen behind. While liquid flows have reduced the solids have increased. Even the Sub-regional plants have helped reduce the liquid flow, but all the solids are still conveyed to the Regional Plant. Septage and ADM flows have also increased the volume of solids we treat. One of the



		<p>main benefits our site is that we have a large amount of land. Our main dewatering is using solar drying beds, completely at the mercy of the weather. We are currently at a point that the drying beds cannot keep up. VVWRA has a Gravity Belt Thickener (GBT) that helps by mechanically removing water. While this helps it cannot fully solve the problem with expansion of the mechanical dewatering. Also, this generates a side stream that is very high in ammonia and needs to be evaporated or treated before running back into the normal flow. This Study would identify options that VVWRA can use in preparing projects to fully address this need.</p>
28	Headworks Replacement	<p>The existing headworks is the original installation from 1980. The concrete has deteriorated to an extent that stop plates used to isolate for service cannot be full installed and makeshift sandbag walls have to be used to limit leakage. It is intended to analyze the extent of required repairs. Evaluate options to improve the situation and present budgetary concepts to evaluate in-place repair versus new location installation.</p>
29	Lower Narrows and Lift Station	<p>During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction to deal with capacity issues in the VVWRA interceptor system. The first, and most environmentally critical project, is the relocation and upsizing of the existing interceptor currently located within the lower narrows. To mitigate the environmental concerns a new pump station will need to be built to convey the wastewater around the lower narrows area and reconnect back to the VVWRA interceptor system at the beginning of the double barrel pipeline on Turner Road.</p>
30	Upper Narrows Parallel	<p>During the development of the Risk Assessment Analysis on the VVWRA interecceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction</p>



		to deal with capacity issues in the VVWRA interceptor system. The second most critical project is the construction of a parallel line beginning at the ending point of the Upper Narrows project and running a second parallel pipeline connecting the lower narrows project.
31	Hesperia Parallel Upper and Lower	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction to deal with capacity issues in the VVWRA interceptor system. The third project identified was a parallel pipe installation up-stream of the Upper Narrows by-pass. A new parallel pipe would need to be installed starting above the interconnection point with CSA 64 and run to the beginning of the Upper Narrows project.
32	Mojave Narrow Regional Facility	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, a evaluation of the treatment capacity was also performed based on the projected growth analysis. It was determined that by 2050 the two subregional facilities would need to be expanded and a new Sub-Regional facility would need to be considered around the Mojave Narrows regional park to capture all flows down-stream of VSD 2. This facility would capture all City of Hesperia Flows, one flow from the City of Victorville and the CSA 64, Spring Valley Lake, flow. This facility would also look to connect to a regional recycled water system.



7 Conclusion

7.1 Budget Conclusion

The Victor Valley Wastewater Reclamation Authority is committed to satisfying the Mission Statement utilizing our approved and proven Core Values and our Model for Efficient Wastewater Utility Management as the road map to achieving those goals in the coming FY. The Authority strives to maintain transparency, responsiveness and stewardship toward our Board of Commissioners, our Member Agencies, our stakeholders, and our employees. I would like to take this opportunity to thank the external Finance Committee made up of financial staff from the Member Agencies and the internal Finance Committee of Commissioners Nassif and Cook for input on the proposed budget. Special thanks to the Finance staff including Controller, Chieko Keagy, Senior Accountant, Xiwei Wang, and Accountant, Kyle Parker.

The budget presented to the Board this June 17, 2021 provides for a surplus in revenues that will be used to fund a new strategy of pay-as-you-go Capital projects. This new budget is moving us closer to our desired debt ratio coverage of 1.2. Last year's budget was a deficit budget with a debt ratio of .86. The budget we are asking you to approve has a 1.16 debt ratio and a surplus budget over \$300,000. Overall operating expense increases were offset by greater projected revenues, and we have fully budgeted 15 capital projects.

In conclusion the VVWRA staff is proud to submit this proposed budget document for consideration by the Board of Commissioners. The team has worked diligently to develop a new budget format and to deliver a plan that is accurate and well thought out. With the Board's approval of this budget the VVWRA staff is excited to move forward with the designed plan to achieve the fiscal and operational goals as set by the Board, the Member Agencies and the VVWRA team of employees.



8 Glossary of Terms

8.1 Glossary of Terms

Term	Definition
Ammonia Nitrogen	The soluble ionized and unionized ammonia nitrogen component in wastewater that can be measured using the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Biochemical oxygen demand (BOD)	The measure of decomposable organic material in wastewater as represented by the oxygen utilized as determined by the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Cal-OES	The California Governor’s Office of Emergency Services (Cal-OES) serves the public through effective collaboration in preparing for, protecting against, responding to, recovering from, and mitigating the impacts of all hazards and threats.
Cash Basis	Revenues and expenses are recognized when cash is received or paid out.
Connection Fee	A fee paid by a new discharger for the costs of capacity in the regional wastewater system.
Effluent	The liquid outflow discharged from the Publicly Owned Treatment Works (POTW) facility or the nondomestic wastewater discharged by industrial users to the POTW.
Enterprise accounting	Uses an accrual basis of accounting method to account for the activities of a government agency that provides goods or services to the public on a fee basis.
Enterprise Accounting System	An accrual accounting system that is similar to a regular business accounting method, where revenues and expenses are recorded when they incur. VVWRA employs two funds, (1) Operations and Maintenance Fund and (2) Capital Fund. Both of the funds employ the Enterprise Accounting System.
FEMA	The Federal Emergency Management Agency (FEMA) coordinates the federal government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
Interceptor	A pipeline that conveys wastewater from the sewer collection facilities of a Member Agency to the VVWRA’s wastewater treatment facilities.
Member Agencies	The four government agencies who participate in the joint power agreement with VVWRA. They are the City of Victorville; Town of Apple Valley;



	Hesperia Water District; and County of San Bernardino Service Areas, #42 Oro Grande and #64 Spring Valley Lake.
MG	Million Gallons.
MGD	Million Gallons per Day.
POTW	The Publicly Owned Treatment Works is sewage treatment plants that are owned and usually operated by local government agencies.
Industrial Pretreatment	The reduction and elimination of pollutants or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into the POTW.
Reclaimed Water	Water that, as a result of waste treatment, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
Septage	Any wastewater or sludge removed from cesspools, septic tanks, holding tanks, or chemical toilets that is trucked or hauled to the point of discharge.
SRF	State Revolving Fund.
High Strength Surcharge	An assessment, in addition to the service charge, which may be levied on those users whose waste are greater in strength than threshold concentration values established.
User	Any person who contributes, causes, or permits the contribution of wastewater into the POTW, including households, private residences, nonresidential users, and Member Agencies.
VWRA	The Victor Valley Wastewater Reclamation Authority.
Wastewater	The domestic or nondomestic liquid wastes discharged from dwellings, or commercial buildings, industrial facilities, and institutions, together with any ground water, surface water, and storm water that may be present, whether treated or untreated, which is contributed into or permitted to enter the POTW.

EXHIBIT B

Resolution 2021-03

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

**CPI Effective 7/1/2021
3.50%**

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
1	35,483.69	36,348.61	37,280.05	38,167.15	39,165.12	40,163.10	41,138.90	42,159.06	43,223.57
	2,956.97	3,029.05	3,106.67	3,180.60	3,263.76	3,346.93	3,428.24	3,513.26	3,601.96
	17.06	17.48	17.92	18.35	18.83	19.31	19.78	20.27	20.78
2	35,971.59	36,836.50	37,701.42	38,743.76	39,697.37	40,651.00	41,671.16	42,713.50	43,778.00
	2,997.63	3,069.71	3,141.79	3,228.65	3,308.11	3,387.58	3,472.60	3,559.46	3,648.17
	17.29	17.71	18.13	18.63	19.09	19.54	20.03	20.54	21.05
3	36,370.78	37,280.05	38,167.15	39,165.12	40,163.10	41,138.90	42,159.06	43,223.57	44,332.43
	3,030.90	3,106.67	3,180.60	3,263.76	3,346.93	3,428.24	3,513.26	3,601.96	3,694.37
	17.49	17.92	18.35	18.83	19.31	19.78	20.27	20.78	21.31
4	36,836.50	37,767.96	38,743.76	39,697.37	40,651.00	41,671.16	42,713.50	43,800.18	44,864.69
	3,069.71	3,147.33	3,228.65	3,308.11	3,387.58	3,472.60	3,559.46	3,650.02	3,738.72
	17.71	18.16	18.63	19.09	19.54	20.03	20.54	21.06	21.57
5	37,280.05	38,167.15	39,187.30	40,185.28	41,161.08	42,181.24	43,267.93	44,332.43	45,441.29
	3,106.67	3,180.60	3,265.61	3,348.77	3,430.09	3,515.10	3,605.66	3,694.37	3,786.77
	17.92	18.35	18.84	19.32	19.79	20.28	20.80	21.31	21.85
6	37,767.96	38,765.94	39,697.37	40,673.18	41,671.16	42,735.67	43,800.18	44,864.69	46,040.09
	3,147.33	3,230.50	3,308.11	3,389.43	3,472.60	3,561.31	3,650.02	3,738.72	3,836.67
	18.16	18.64	19.09	19.55	20.03	20.55	21.06	21.57	22.13
7	38,189.32	39,187.30	40,185.28	41,161.08	42,181.24	43,267.93	44,354.61	45,463.48	46,572.34
	3,182.44	3,265.61	3,348.77	3,430.09	3,515.10	3,605.66	3,696.22	3,788.62	3,881.03
	18.36	18.84	19.32	19.79	20.28	20.80	21.32	21.86	22.39
8	38,765.94	39,697.37	40,673.18	41,671.16	42,735.67	43,800.18	44,886.86	46,040.09	47,148.96
	3,230.50	3,308.11	3,389.43	3,472.60	3,561.31	3,650.02	3,740.57	3,836.67	3,929.08
	18.64	19.09	19.55	20.03	20.55	21.06	21.58	22.13	22.67
9	39,187.30	40,185.28	41,161.08	42,181.24	43,267.93	44,354.61	45,463.48	46,572.34	47,747.75
	3,265.61	3,348.77	3,430.09	3,515.10	3,605.66	3,696.22	3,788.62	3,881.03	3,978.98
	18.84	19.32	19.79	20.28	20.80	21.32	21.86	22.39	22.96
10	39,719.55	40,673.18	41,693.34	42,735.67	43,800.18	44,886.86	46,040.09	47,148.96	48,346.53
	3,309.96	3,389.43	3,474.45	3,561.31	3,650.02	3,740.57	3,836.67	3,929.08	4,028.88
	19.10	19.55	20.04	20.55	21.06	21.58	22.13	22.67	23.24
11	40,185.28	41,161.08	42,181.24	43,267.93	44,354.61	45,463.48	46,572.34	47,747.75	48,989.67
	3,348.77	3,430.09	3,515.10	3,605.66	3,696.22	3,788.62	3,881.03	3,978.98	4,082.47
	19.32	19.79	20.28	20.80	21.32	21.86	22.39	22.96	23.55
12	40,673.18	41,693.34	42,735.67	43,822.37	44,886.86	46,062.26	47,148.96	48,346.53	49,588.45
	3,389.43	3,474.45	3,561.31	3,651.86	3,740.57	3,838.52	3,929.08	4,028.88	4,132.37
	19.55	20.04	20.55	21.07	21.58	22.15	22.67	23.24	23.84
13	41,183.26	42,203.42	43,290.10	44,354.61	45,463.48	46,572.34	47,747.75	49,011.85	50,165.07
	3,431.94	3,516.95	3,607.51	3,696.22	3,788.62	3,881.03	3,978.98	4,084.32	4,180.42
	19.80	20.29	20.81	21.32	21.86	22.39	22.96	23.56	24.12
14	41,693.34	42,780.02	43,822.37	44,886.86	46,062.26	47,148.96	48,346.53	49,588.45	50,852.56
	3,474.45	3,565.00	3,651.86	3,740.57	3,838.52	3,929.08	4,028.88	4,132.37	4,237.71
	20.04	20.57	21.07	21.58	22.15	22.67	23.24	23.84	24.45
15	42,203.42	43,290.10	44,376.79	45,485.66	46,594.52	47,769.92	49,011.85	50,165.07	51,451.35
	3,516.95	3,607.51	3,698.07	3,790.47	3,882.88	3,980.83	4,084.32	4,180.42	4,287.61
	20.29	20.81	21.33	21.87	22.40	22.97	23.56	24.12	24.74
16	42,780.02	43,822.37	44,931.22	46,062.26	47,215.48	48,346.53	49,588.45	50,852.56	52,094.49
	3,565.00	3,651.86	3,744.27	3,838.52	3,934.62	4,028.88	4,132.37	4,237.71	4,341.21
	20.57	21.07	21.60	22.15	22.70	23.24	23.84	24.45	25.05
17	43,290.10	44,376.79	45,485.66	46,594.52	47,769.92	49,011.85	50,187.24	51,451.35	52,737.64
	3,607.51	3,698.07	3,790.47	3,882.88	3,980.83	4,084.32	4,182.27	4,287.61	4,394.80
	20.81	21.33	21.87	22.40	22.97	23.56	24.13	24.74	25.35

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
18	43,822.37	44,931.22	46,062.26	47,215.48	48,368.70	49,588.45	50,852.56	52,094.49	53,425.13
	3,651.86	3,744.27	3,838.52	3,934.62	4,030.73	4,132.37	4,237.71	4,341.21	4,452.09
	21.07	21.60	22.15	22.70	23.25	23.84	24.45	25.05	25.69
19	44,376.79	45,485.66	46,594.52	47,769.92	49,034.03	50,187.24	51,451.35	52,737.64	54,068.27
	3,698.07	3,790.47	3,882.88	3,980.83	4,086.17	4,182.27	4,287.61	4,394.80	4,505.69
	21.33	21.87	22.40	22.97	23.57	24.13	24.74	25.35	25.99
20	44,931.22	46,084.44	47,215.48	48,368.70	49,610.63	50,874.74	52,116.67	53,425.13	54,800.12
	3,744.27	3,840.37	3,934.62	4,030.73	4,134.22	4,239.56	4,343.06	4,452.09	4,566.68
	21.60	22.16	22.70	23.25	23.85	24.46	25.06	25.69	26.35
21	45,485.66	46,594.52	47,792.10	49,034.03	50,187.24	51,473.53	52,737.64	54,068.27	55,398.91
	3,790.47	3,882.88	3,982.68	4,086.17	4,182.27	4,289.46	4,394.80	4,505.69	4,616.58
	21.87	22.40	22.98	23.57	24.13	24.75	25.35	25.99	26.63
22	46,084.44	47,237.66	48,368.70	49,610.63	50,874.74	52,116.67	53,425.13	54,800.12	56,152.94
	3,840.37	3,936.47	4,030.73	4,134.22	4,239.56	4,343.06	4,452.09	4,566.68	4,679.41
	22.16	22.71	23.25	23.85	24.46	25.06	25.69	26.35	27.00
23	46,616.70	47,792.10	49,034.03	50,187.24	51,473.53	52,759.81	54,112.63	55,421.08	56,796.08
	3,884.73	3,982.68	4,086.17	4,182.27	4,289.46	4,396.65	4,509.39	4,618.42	4,733.01
	22.41	22.98	23.57	24.13	24.75	25.37	26.02	26.64	27.31
24	47,237.66	48,368.70	49,610.63	50,874.74	52,116.67	53,447.31	54,800.12	56,152.94	57,527.94
	3,936.47	4,030.73	4,134.22	4,239.56	4,343.06	4,453.94	4,566.68	4,679.41	4,794.00
	22.71	23.25	23.85	24.46	25.06	25.70	26.35	27.00	27.66
25	47,792.10	49,034.03	50,209.42	51,473.53	52,759.81	54,112.63	55,421.08	56,840.43	58,215.43
	3,982.68	4,086.17	4,184.12	4,289.46	4,396.65	4,509.39	4,618.42	4,736.70	4,851.29
	22.98	23.57	24.14	24.75	25.37	26.02	26.64	27.33	27.99
26	48,390.89	49,632.80	50,874.74	52,138.85	53,447.31	54,800.12	56,152.94	57,527.94	58,991.64
	4,032.57	4,136.07	4,239.56	4,344.90	4,453.94	4,566.68	4,679.41	4,794.00	4,915.97
	23.26	23.86	24.46	25.07	25.70	26.35	27.00	27.66	28.36
27	49,056.21	50,209.42	51,495.70	52,759.81	54,112.63	55,421.08	56,840.43	58,259.78	59,745.66
	4,088.02	4,184.12	4,291.31	4,396.65	4,509.39	4,618.42	4,736.70	4,854.98	4,978.81
	23.58	24.14	24.76	25.37	26.02	26.64	27.33	28.01	28.72
28	49,632.80	50,896.91	52,138.85	53,447.31	54,822.29	56,175.11	57,550.11	58,991.64	60,433.16
	4,136.07	4,241.41	4,344.90	4,453.94	4,568.52	4,681.26	4,795.84	4,915.97	5,036.10
	23.86	24.47	25.07	25.70	26.36	27.01	27.67	28.36	29.05
29	50,209.42	51,495.70	52,781.99	54,134.81	55,465.44	56,840.43	58,259.78	59,745.66	61,253.72
	4,184.12	4,291.31	4,398.50	4,511.23	4,622.12	4,736.70	4,854.98	4,978.81	5,104.48
	24.14	24.76	25.38	26.03	26.67	27.33	28.01	28.72	29.45
30	50,896.91	52,138.85	53,469.49	54,822.29	56,175.11	57,550.11	59,013.81	60,433.16	61,985.57
	4,241.41	4,344.90	4,455.79	4,568.52	4,681.26	4,795.84	4,917.82	5,036.10	5,165.46
	24.47	25.07	25.71	26.36	27.01	27.67	28.37	29.05	29.80
31	51,495.70	52,781.99	54,134.81	55,465.44	56,840.43	58,259.78	59,745.66	61,253.72	62,739.60
	4,291.31	4,398.50	4,511.23	4,622.12	4,736.70	4,854.98	4,978.81	5,104.48	5,228.30
	24.76	25.38	26.03	26.67	27.33	28.01	28.72	29.45	30.16
32	52,161.02	53,469.49	54,822.29	56,175.11	57,550.11	59,013.81	60,477.51	61,985.57	63,560.16
	4,346.75	4,455.79	4,568.52	4,681.26	4,795.84	4,917.82	5,039.79	5,165.46	5,296.68
	25.08	25.71	26.36	27.01	27.67	28.37	29.08	29.80	30.56
33	52,781.99	54,134.81	55,465.44	56,862.61	58,304.14	59,767.83	61,253.72	62,739.60	64,358.54
	4,398.50	4,511.23	4,622.12	4,738.55	4,858.68	4,980.65	5,104.48	5,228.30	5,363.21
	25.38	26.03	26.67	27.34	28.03	28.73	29.45	30.16	30.94
34	53,469.49	54,844.47	56,197.29	57,572.29	59,013.81	60,477.51	61,985.57	63,560.16	65,156.92
	4,455.79	4,570.37	4,683.11	4,797.69	4,917.82	5,039.79	5,165.46	5,296.68	5,429.74
	25.71	26.37	27.02	27.68	28.37	29.08	29.80	30.56	31.33
35	54,134.81	55,487.62	56,862.61	58,304.14	59,767.83	61,275.89	62,761.78	64,358.54	65,977.48

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
	4,511.23	4,623.97	4,738.55	4,858.68	4,980.65	5,106.32	5,230.15	5,363.21	5,498.12
	26.03	26.68	27.34	28.03	28.73	29.46	30.17	30.94	31.72
36	54,844.47	56,197.29	57,572.29	59,036.00	60,477.51	62,007.75	63,560.16	65,156.92	66,775.87
	4,570.37	4,683.11	4,797.69	4,919.67	5,039.79	5,167.31	5,296.68	5,429.74	5,564.66
	26.37	27.02	27.68	28.38	29.08	29.81	30.56	31.33	32.10
37	55,487.62	56,862.61	58,304.14	59,767.83	61,275.89	62,761.78	64,358.54	65,977.48	67,618.60
	4,623.97	4,738.55	4,858.68	4,980.65	5,106.32	5,230.15	5,363.21	5,498.12	5,634.88
	26.68	27.34	28.03	28.73	29.46	30.17	30.94	31.72	32.51
38	56,197.29	57,572.29	59,036.00	60,499.69	62,007.75	63,582.34	65,179.10	66,775.87	68,439.17
	4,683.11	4,797.69	4,919.67	5,041.64	5,167.31	5,298.53	5,431.59	5,564.66	5,703.26
	27.02	27.68	28.38	29.09	29.81	30.57	31.34	32.10	32.90
39	56,884.79	58,348.49	59,812.19	61,275.89	62,761.78	64,380.73	65,999.66	67,618.60	69,304.08
	4,740.40	4,862.37	4,984.35	5,106.32	5,230.15	5,365.06	5,499.97	5,634.88	5,775.34
	27.35	28.05	28.76	29.46	30.17	30.95	31.73	32.51	33.32
40	57,594.46	59,036.00	60,499.69	62,007.75	63,582.34	65,179.10	66,798.05	68,439.17	70,191.16
	4,799.54	4,919.67	5,041.64	5,167.31	5,298.53	5,431.59	5,566.50	5,703.26	5,849.26
	27.69	28.38	29.09	29.81	30.57	31.34	32.11	32.90	33.75
41	58,348.49	59,812.19	61,298.07	62,806.13	64,380.73	65,999.66	67,618.60	69,304.08	71,033.91
	4,862.37	4,984.35	5,108.17	5,233.84	5,365.06	5,499.97	5,634.88	5,775.34	5,919.49
	28.05	28.76	29.47	30.20	30.95	31.73	32.51	33.32	34.15
42	59,058.17	60,499.69	62,029.92	63,582.34	65,201.27	66,798.05	68,439.17	70,191.16	71,943.18
	4,921.51	5,041.64	5,169.16	5,298.53	5,433.44	5,566.50	5,703.26	5,849.26	5,995.27
	28.39	29.09	29.82	30.57	31.35	32.11	32.90	33.75	34.59
43	59,812.19	61,298.07	62,806.13	64,380.73	65,999.66	67,640.78	69,326.27	71,033.91	72,852.45
	4,984.35	5,108.17	5,233.84	5,365.06	5,499.97	5,636.73	5,777.19	5,919.49	6,071.04
	28.76	29.47	30.20	30.95	31.73	32.52	33.33	34.15	35.03
44	60,521.86	62,029.92	63,604.52	65,201.27	66,864.57	68,461.35	70,213.35	71,943.18	73,761.73
	5,043.49	5,169.16	5,300.38	5,433.44	5,572.05	5,705.11	5,851.11	5,995.27	6,146.81
	29.10	29.82	30.58	31.35	32.15	32.91	33.76	34.59	35.46
45	61,298.07	62,806.13	64,402.90	66,044.02	67,640.78	69,326.27	71,056.08	72,852.45	74,693.17
	5,108.17	5,233.84	5,366.91	5,503.67	5,636.73	5,777.19	5,921.34	6,071.04	6,224.43
	29.47	30.20	30.96	31.75	32.52	33.33	34.16	35.03	35.91
46	62,029.92	63,604.52	65,201.27	66,864.57	68,461.35	70,213.35	71,943.18	73,761.73	75,580.25
	5,169.16	5,300.38	5,433.44	5,572.05	5,705.11	5,851.11	5,995.27	6,146.81	6,298.35
	29.82	30.58	31.35	32.15	32.91	33.76	34.59	35.46	36.34
47	62,828.30	64,402.90	66,044.02	67,662.97	69,348.44	71,056.08	72,852.45	74,693.17	76,556.06
	5,235.69	5,366.91	5,503.67	5,638.58	5,779.04	5,921.34	6,071.04	6,224.43	6,379.67
	30.21	30.96	31.75	32.53	33.34	34.16	35.03	35.91	36.81
48	63,604.52	65,223.45	66,864.57	68,505.70	70,213.35	71,965.35	73,783.90	75,602.43	77,509.68
	5,300.38	5,435.29	5,572.05	5,708.81	5,851.11	5,997.11	6,148.66	6,300.20	6,459.14
	30.58	31.36	32.15	32.94	33.76	34.60	35.47	36.35	37.26
49	64,425.08	66,044.02	67,662.97	69,348.44	71,100.44	72,874.63	74,715.35	76,556.06	78,463.31
	5,368.76	5,503.67	5,638.58	5,779.04	5,925.04	6,072.89	6,226.28	6,379.67	6,538.61
	30.97	31.75	32.53	33.34	34.18	35.04	35.92	36.81	37.72
50	65,223.45	66,886.75	68,505.70	70,235.53	71,965.35	73,783.90	75,602.43	77,554.04	79,461.29
	5,435.29	5,573.90	5,708.81	5,852.96	5,997.11	6,148.66	6,300.20	6,462.84	6,621.77
	31.36	32.16	32.94	33.77	34.60	35.47	36.35	37.29	38.20
51	66,066.19	67,662.97	69,348.44	71,100.44	72,874.63	74,715.35	76,578.24	78,463.31	80,481.44
	5,505.52	5,638.58	5,779.04	5,925.04	6,072.89	6,226.28	6,381.52	6,538.61	6,706.79
	31.76	32.53	33.34	34.18	35.04	35.92	36.82	37.72	38.69
52	66,886.75	68,505.70	70,235.53	71,987.54	73,806.08	75,624.61	77,554.04	79,483.47	81,457.24
	5,573.90	5,708.81	5,852.96	5,998.96	6,150.51	6,302.05	6,462.84	6,623.62	6,788.10

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
	32.16	32.94	33.77	34.61	35.48	36.36	37.29	38.21	39.16
53	67,685.14	69,370.62	71,100.44	72,896.81	74,737.52	76,578.24	78,485.49	80,481.44	82,521.76
	5,640.43	5,780.89	5,925.04	6,074.73	6,228.13	6,381.52	6,540.46	6,706.79	6,876.81
	32.54	33.35	34.18	35.05	35.93	36.82	37.73	38.69	39.67
54	68,527.87	70,257.70	71,987.54	73,806.08	75,624.61	77,576.22	79,483.47	81,457.24	83,519.74
	5,710.66	5,854.81	5,998.96	6,150.51	6,302.05	6,464.69	6,623.62	6,788.10	6,959.98
	32.95	33.78	34.61	35.48	36.36	37.30	38.21	39.16	40.15
55	69,370.62	71,122.62	72,896.81	74,737.52	76,600.41	78,485.49	80,503.62	82,543.93	84,562.07
	5,780.89	5,926.89	6,074.73	6,228.13	6,383.37	6,540.46	6,708.64	6,878.66	7,046.84
	33.35	34.19	35.05	35.93	36.83	37.73	38.70	39.68	40.65
56	70,257.70	71,987.54	73,828.25	75,624.61	77,576.22	79,483.47	81,479.41	83,541.92	85,626.57
	5,854.81	5,998.96	6,152.35	6,302.05	6,464.69	6,623.62	6,789.95	6,961.83	7,135.55
	33.78	34.61	35.49	36.36	37.30	38.21	39.17	40.16	41.17
57	71,122.62	72,918.98	74,759.71	76,600.41	78,507.66	80,503.62	82,543.93	84,562.07	86,668.90
	5,926.89	6,076.58	6,229.98	6,383.37	6,542.31	6,708.64	6,878.66	7,046.84	7,222.41
	34.19	35.06	35.94	36.83	37.74	38.70	39.68	40.65	41.67
58	72,009.71	73,828.25	75,646.79	77,576.22	79,505.65	81,479.41	83,541.92	85,626.57	87,777.77
	6,000.81	6,152.35	6,303.90	6,464.69	6,625.47	6,789.95	6,961.83	7,135.55	7,314.81
	34.62	35.49	36.37	37.30	38.22	39.17	40.16	41.17	42.20
59	72,918.98	74,759.71	76,622.59	78,507.66	80,503.62	82,566.11	84,584.25	86,713.27	88,864.47
	6,076.58	6,229.98	6,385.22	6,542.31	6,708.64	6,880.51	7,048.69	7,226.11	7,405.37
	35.06	35.94	36.84	37.74	38.70	39.70	40.67	41.69	42.72
60	73,828.25	75,646.79	77,598.39	79,505.65	81,523.78	83,564.09	85,648.75	87,799.95	90,017.69
	6,152.35	6,303.90	6,466.53	6,625.47	6,793.65	6,963.67	7,137.40	7,316.66	7,501.47
	35.49	36.37	37.31	38.22	39.19	40.18	41.18	42.21	43.28
61	74,759.71	76,622.59	78,529.84	80,525.79	82,566.11	84,584.25	86,713.27	88,864.47	91,104.36
	6,229.98	6,385.22	6,544.15	6,710.48	6,880.51	7,048.69	7,226.11	7,405.37	7,592.03
	35.94	36.84	37.75	38.71	39.70	40.67	41.69	42.72	43.80
62	75,668.97	77,598.39	79,527.82	81,523.78	83,564.09	85,648.75	87,799.95	90,017.69	92,213.23
	6,305.75	6,466.53	6,627.32	6,793.65	6,963.67	7,137.40	7,316.66	7,501.47	7,684.44
	36.38	37.31	38.23	39.19	40.18	41.18	42.21	43.28	44.33
63	76,666.95	78,529.84	80,525.79	82,588.28	84,628.60	86,735.44	88,886.64	91,126.55	93,366.46
	6,388.91	6,544.15	6,710.48	6,882.36	7,052.38	7,227.95	7,407.22	7,593.88	7,780.54
	36.86	37.75	38.71	39.71	40.69	41.70	42.73	43.81	44.89
64	77,620.57	79,527.82	81,568.13	83,586.27	85,670.93	87,844.31	90,039.87	92,257.60	94,541.86
	6,468.38	6,627.32	6,797.34	6,965.52	7,139.24	7,320.36	7,503.32	7,688.13	7,878.49
	37.32	38.23	39.22	40.19	41.19	42.23	43.29	44.35	45.45
65	78,552.02	80,547.97	82,588.28	84,628.60	86,735.44	88,886.64	91,126.55	93,410.82	95,739.44
	6,546.00	6,712.33	6,882.36	7,052.38	7,227.95	7,407.22	7,593.88	7,784.24	7,978.29
	37.77	38.72	39.71	40.69	41.70	42.73	43.81	44.91	46.03
66	79,572.17	81,568.13	83,586.27	85,670.93	87,844.31	90,039.87	92,324.12	94,564.04	96,937.00
	6,631.01	6,797.34	6,965.52	7,139.24	7,320.36	7,503.32	7,693.68	7,880.34	8,078.08
	38.26	39.22	40.19	41.19	42.23	43.29	44.39	45.46	46.60
67	80,547.97	82,610.46	84,650.79	86,757.62	88,908.82	91,148.73	93,410.82	95,761.61	98,134.58
	6,712.33	6,884.21	7,054.23	7,229.80	7,409.07	7,595.73	7,784.24	7,980.13	8,177.88
	38.72	39.72	40.70	41.71	42.74	43.82	44.91	46.04	47.18
68	81,568.13	83,608.44	85,693.11	87,866.49	90,084.22	92,324.12	94,564.04	96,959.18	99,354.33
	6,797.34	6,967.37	7,141.09	7,322.21	7,507.02	7,693.68	7,880.34	8,079.93	8,279.53
	39.22	40.20	41.20	42.24	43.31	44.39	45.46	46.61	47.77
69	82,610.46	84,650.79	86,757.62	88,908.82	91,148.73	93,432.99	95,761.61	98,156.76	100,640.62
	6,884.21	7,054.23	7,229.80	7,409.07	7,595.73	7,786.08	7,980.13	8,179.73	8,386.72
	39.72	40.70	41.71	42.74	43.82	44.92	46.04	47.19	48.38

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
70	83,608.44	85,693.11	87,866.49	90,084.22	92,346.30	94,608.39	96,959.18	99,354.33	101,860.36
	6,967.37	7,141.09	7,322.21	7,507.02	7,695.53	7,884.03	8,079.93	8,279.53	8,488.36
	40.20	41.20	42.24	43.31	44.40	45.48	46.61	47.77	48.97
71	84,672.96	86,779.79	88,931.00	91,170.90	93,432.99	95,783.79	98,156.76	100,640.62	103,146.65
	7,056.08	7,231.65	7,410.92	7,597.58	7,786.08	7,981.98	8,179.73	8,386.72	8,595.55
	40.71	41.72	42.76	43.83	44.92	46.05	47.19	48.38	49.59
72	85,715.28	87,888.66	90,106.40	92,346.30	94,608.39	96,981.36	99,376.51	101,882.54	104,432.94
	7,142.94	7,324.06	7,508.87	7,695.53	7,884.03	8,081.78	8,281.38	8,490.21	8,702.75
	41.21	42.25	43.32	44.40	45.48	46.63	47.78	48.98	50.21
73	86,779.79	88,931.00	91,193.08	93,455.17	95,783.79	98,178.93	100,662.80	103,168.83	105,785.75
	7,231.65	7,410.92	7,599.42	7,787.93	7,981.98	8,181.58	8,388.57	8,597.40	8,815.48
	41.72	42.76	43.84	44.93	46.05	47.20	48.40	49.60	50.86
74	87,888.66	90,106.40	92,368.47	94,630.57	97,003.53	99,376.51	101,882.54	104,455.12	107,072.03
	7,324.06	7,508.87	7,697.37	7,885.88	8,083.63	8,281.38	8,490.21	8,704.59	8,922.67
	42.25	43.32	44.41	45.50	46.64	47.78	48.98	50.22	51.48
75	88,953.17	91,193.08	93,455.17	95,805.95	98,178.93	100,662.80	103,213.18	105,785.75	108,358.31
	7,412.76	7,599.42	7,787.93	7,983.83	8,181.58	8,388.57	8,601.10	8,815.48	9,029.86
	42.77	43.84	44.93	46.06	47.20	48.40	49.62	50.86	52.10
76	90,128.58	92,368.47	94,674.93	97,003.53	99,398.69	101,904.72	104,455.12	107,072.03	109,755.48
	7,510.72	7,697.37	7,889.58	8,083.63	8,283.22	8,492.06	8,704.59	8,922.67	9,146.29
	43.33	44.41	45.52	46.64	47.79	48.99	50.22	51.48	52.77
77	91,215.25	93,477.34	95,805.95	98,201.11	100,684.97	103,213.18	105,807.93	108,402.67	111,130.48
	7,601.27	7,789.78	7,983.83	8,183.43	8,390.41	8,601.10	8,817.33	9,033.56	9,260.87
	43.85	44.94	46.06	47.21	48.41	49.62	50.87	52.12	53.43
78	92,390.66	94,674.93	97,025.71	99,398.69	101,926.90	104,477.29	107,094.20	109,777.67	112,527.64
	7,699.22	7,889.58	8,085.48	8,283.22	8,493.91	8,706.44	8,924.52	9,148.14	9,377.30
	44.42	45.52	46.65	47.79	49.00	50.23	51.49	52.78	54.10
79	93,477.34	95,828.15	98,245.47	100,684.97	103,235.36	105,807.93	108,402.67	111,152.67	113,924.82
	7,789.78	7,985.68	8,187.12	8,390.41	8,602.95	8,817.33	9,033.56	9,262.72	9,493.74
	44.94	46.07	47.23	48.41	49.63	50.87	52.12	53.44	54.77
80	94,697.10	97,025.71	99,420.86	101,926.90	104,499.47	107,094.20	109,799.85	112,549.83	115,388.53
	7,891.43	8,085.48	8,285.07	8,493.91	8,708.29	8,924.52	9,149.99	9,379.15	9,615.71
	45.53	46.65	47.80	49.00	50.24	51.49	52.79	54.11	55.48
81	95,828.15	98,245.47	100,707.15	103,235.36	105,830.11	108,447.02	111,174.84	113,947.00	116,785.69
	7,985.68	8,187.12	8,392.26	8,602.95	8,819.18	9,037.25	9,264.57	9,495.58	9,732.14
	46.07	47.23	48.42	49.63	50.88	52.14	53.45	54.78	56.15
82	97,070.06	99,465.22	101,949.07	104,499.47	107,116.39	109,799.85	112,549.83	115,410.70	118,271.57
	8,089.17	8,288.77	8,495.76	8,708.29	8,926.37	9,149.99	9,379.15	9,617.56	9,855.96
	46.67	47.82	49.01	50.24	51.50	52.79	54.11	55.49	56.86
83	98,267.64	100,729.33	103,257.53	105,852.29	108,469.20	111,174.84	113,947.00	116,785.69	119,735.27
	8,188.97	8,394.11	8,604.79	8,821.02	9,039.10	9,264.57	9,495.58	9,732.14	9,977.94
	47.24	48.43	49.64	50.89	52.15	53.45	54.78	56.15	57.57
84	99,465.22	101,949.07	104,521.64	107,138.56	109,822.02	112,572.01	115,410.70	118,293.75	121,221.16
	8,288.77	8,495.76	8,710.14	8,928.21	9,151.84	9,381.00	9,617.56	9,857.81	10,101.76
	47.82	49.01	50.25	51.51	52.80	54.12	55.49	56.87	58.28
85	100,729.33	103,279.71	105,852.29	108,469.20	111,197.02	113,969.18	116,807.87	119,779.64	122,773.56
	8,394.11	8,606.64	8,821.02	9,039.10	9,266.42	9,497.43	9,733.99	9,981.64	10,231.13
	48.43	49.65	50.89	52.15	53.46	54.79	56.16	57.59	59.03
86	101,971.25	104,521.64	107,138.56	109,844.20	112,616.36	115,432.88	118,293.75	121,243.34	124,281.62
	8,497.60	8,710.14	8,928.21	9,153.68	9,384.70	9,619.41	9,857.81	10,103.61	10,356.80
	49.02	50.25	51.51	52.81	54.14	55.50	56.87	58.29	59.75
87	103,279.71	105,874.46	108,491.39	111,219.19	113,991.35	116,852.22	119,779.64	122,795.74	125,856.21

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
	8,606.64	8,822.87	9,040.95	9,268.27	9,499.28	9,737.69	9,981.64	10,232.98	10,488.02
	49.65	50.90	52.16	53.47	54.80	56.18	57.59	59.04	60.51
88	104,543.82	107,160.74	109,844.20	112,616.36	115,455.05	118,315.93	121,265.51	124,303.80	127,408.62
	8,711.99	8,930.06	9,153.68	9,384.70	9,621.25	9,859.66	10,105.46	10,358.65	10,617.39
	50.26	51.52	52.81	54.14	55.51	56.88	58.30	59.76	61.25
89	105,874.46	108,513.56	111,219.19	113,991.35	116,852.22	119,801.81	122,795.74	125,856.21	129,005.39
	8,822.87	9,042.80	9,268.27	9,499.28	9,737.69	9,983.48	10,232.98	10,488.02	10,750.45
	50.90	52.17	53.47	54.80	56.18	57.60	59.04	60.51	62.02
90	107,160.74	109,866.37	112,660.71	115,455.05	118,338.10	121,287.69	124,303.80	127,430.80	130,579.98
	8,930.06	9,155.53	9,388.39	9,621.25	9,861.51	10,107.31	10,358.65	10,619.23	10,881.67
	51.52	52.82	54.16	55.51	56.89	58.31	59.76	61.26	62.78
91	108,513.56	111,241.37	114,013.53	116,896.58	119,823.99	122,817.91	125,878.40	129,027.56	132,221.11
	9,042.80	9,270.11	9,501.13	9,741.38	9,985.33	10,234.83	10,489.87	10,752.30	11,018.43
	52.17	53.48	54.81	56.20	57.61	59.05	60.52	62.03	63.57
92	109,888.56	112,682.89	115,477.24	118,338.10	121,287.69	124,325.97	127,452.97	130,602.16	133,906.57
	9,157.38	9,390.24	9,623.10	9,861.51	10,107.31	10,360.50	10,621.08	10,883.51	11,158.88
	52.83	54.17	55.52	56.89	58.31	59.77	61.28	62.79	64.38
93	111,263.55	114,035.71	116,918.75	119,823.99	122,840.10	125,900.57	129,049.75	132,265.45	135,525.52
	9,271.96	9,502.98	9,743.23	9,985.33	10,236.68	10,491.71	10,754.15	11,022.12	11,293.79
	53.49	54.82	56.21	57.61	59.06	60.53	62.04	63.59	65.16
94	112,682.89	115,499.41	118,360.28	121,309.87	124,348.16	127,452.97	130,624.33	133,928.75	137,277.51
	9,390.24	9,624.95	9,863.36	10,109.16	10,362.35	10,621.08	10,885.36	11,160.73	11,439.79
	54.17	55.53	56.90	58.32	59.78	61.28	62.80	64.39	66.00
95	114,035.71	116,918.75	119,846.16	122,840.10	125,944.92	129,094.10	132,309.80	135,547.70	138,985.18
	9,502.98	9,743.23	9,987.18	10,236.68	10,495.41	10,757.84	11,025.82	11,295.64	11,582.10
	54.82	56.21	57.62	59.06	60.55	62.06	63.61	65.17	66.82
96	115,499.41	118,382.46	121,354.22	124,348.16	127,475.15	130,646.51	133,928.75	137,299.71	140,715.01
	9,624.95	9,865.21	10,112.85	10,362.35	10,622.93	10,887.21	11,160.73	11,441.64	11,726.25
	55.53	56.91	58.34	59.78	61.29	62.81	64.39	66.01	67.65
97	116,940.93	119,868.34	122,862.27	125,944.92	129,094.10	132,332.00	135,569.87	139,007.35	142,489.20
	9,745.08	9,989.03	10,238.52	10,495.41	10,757.84	11,027.67	11,297.49	11,583.95	11,874.10
	56.22	57.63	59.07	60.55	62.06	63.62	65.18	66.83	68.50
98	118,382.46	121,354.22	124,370.33	127,497.32	130,646.51	133,950.92	137,321.89	140,737.19	144,285.55
	9,865.21	10,112.85	10,364.19	10,624.78	10,887.21	11,162.58	11,443.49	11,728.10	12,023.80
	56.91	58.34	59.79	61.30	62.81	64.40	66.02	67.66	69.37
99	119,868.34	122,884.45	125,967.10	129,116.27	132,332.00	135,569.87	139,029.53	142,511.38	146,037.57
	9,989.03	10,240.37	10,497.26	10,759.69	11,027.67	11,297.49	11,585.79	11,875.95	12,169.80
	57.63	59.08	60.56	62.08	63.62	65.18	66.84	68.52	70.21
100	121,398.57	124,392.51	127,519.51	130,713.05	133,973.10	137,344.05	140,759.36	144,307.73	147,922.62
	10,116.55	10,366.04	10,626.63	10,892.75	11,164.43	11,445.34	11,729.95	12,025.64	12,326.89
	58.36	59.80	61.31	62.84	64.41	66.03	67.67	69.38	71.12
101	122,884.45	126,011.46	129,138.45	132,354.16	135,614.22	139,073.89	142,533.54	146,104.09	149,741.17
	10,240.37	10,500.96	10,761.54	11,029.51	11,301.19	11,589.49	11,877.80	12,175.34	12,478.43
	59.08	60.58	62.09	63.63	65.20	66.86	68.53	70.24	71.99
102	124,436.86	127,519.51	130,757.40	133,995.29	137,344.05	140,759.36	144,329.90	147,944.81	151,626.25
	10,369.74	10,626.63	10,896.45	11,166.27	11,445.34	11,729.95	12,027.49	12,328.73	12,635.52
	59.83	61.31	62.86	64.42	66.03	67.67	69.39	71.13	72.90
103	126,011.46	129,160.62	132,376.34	135,636.41	139,073.89	142,555.72	146,126.27	149,763.35	153,489.13
	10,500.96	10,763.39	11,031.36	11,303.03	11,589.49	11,879.64	12,177.19	12,480.28	12,790.76
	60.58	62.10	63.64	65.21	66.86	68.54	70.25	72.00	73.79
104	127,541.69	130,779.57	133,995.29	137,366.24	140,781.54	144,329.90	147,966.98	151,648.42	155,440.74
	10,628.47	10,898.30	11,166.27	11,447.19	11,731.80	12,027.49	12,330.58	12,637.37	12,953.40

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with CPI 3.50%
FY 2021-2022

CPI Effective 7/1/2021
3.50%

	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E
	61.32	62.87	64.42	66.04	67.68	69.39	71.14	72.91	74.73
105	129,160.62	132,398.51	135,680.76	139,096.06	142,577.89	146,148.44	149,785.52	153,511.31	157,392.34
	10,763.39	11,033.21	11,306.73	11,591.34	11,881.49	12,179.04	12,482.13	12,792.61	13,116.03
	62.10	63.65	65.23	66.87	68.55	70.26	72.01	73.80	75.67
106	130,779.57	134,039.64	137,388.40	140,803.71	144,352.08	147,989.16	151,692.77	155,462.92	159,343.95
	10,898.30	11,169.97	11,449.03	11,733.64	12,029.34	12,332.43	12,641.06	12,955.24	13,278.66
	62.87	64.44	66.05	67.69	69.40	71.15	72.93	74.74	76.61
107	132,398.51	135,702.94	139,118.24	142,600.07	146,148.44	149,829.87	153,511.31	157,414.52	161,317.72
	11,033.21	11,308.58	11,593.19	11,883.34	12,179.04	12,485.82	12,792.61	13,117.88	13,443.14
	63.65	65.24	66.88	68.56	70.26	72.03	73.80	75.68	77.56
108	134,061.81	137,432.76	140,825.89	144,374.26	148,011.33	151,714.95	155,485.09	159,366.12	163,335.85
	11,171.82	11,452.73	11,735.49	12,031.19	12,334.28	12,642.91	12,957.09	13,280.51	13,611.32
	64.45	66.07	67.70	69.41	71.16	72.94	74.75	76.62	78.53
109	135,702.94	139,140.41	142,600.07	146,170.63	149,852.06	153,555.66	157,436.69	161,339.90	165,353.99
	11,308.58	11,595.03	11,883.34	12,180.89	12,487.67	12,796.31	13,119.72	13,444.99	13,779.50
	65.24	66.89	68.56	70.27	72.04	73.82	75.69	77.57	79.50
110	137,477.11	140,848.08	144,396.44	148,011.33	151,714.95	155,507.27	159,388.30	163,380.21	167,483.02
	11,456.43	11,737.34	12,033.04	12,334.28	12,642.91	12,958.94	13,282.36	13,615.02	13,956.92
	66.09	67.72	69.42	71.16	72.94	74.76	76.63	78.55	80.52
111	139,162.59	142,622.25	146,192.81	149,852.06	153,600.02	157,458.88	161,339.90	165,376.17	169,545.50
	11,596.88	11,885.19	12,182.73	12,487.67	12,800.00	13,121.57	13,444.99	13,781.35	14,128.79
	66.91	68.57	70.29	72.04	73.85	75.70	77.57	79.51	81.51
112	140,848.08	144,418.62	148,033.51	151,759.31	155,529.44	159,410.47	163,402.39	167,505.20	171,630.17
	11,737.34	12,034.89	12,336.13	12,646.61	12,960.79	13,284.21	13,616.87	13,958.77	14,302.51
	67.72	69.43	71.17	72.96	74.77	76.64	78.56	80.53	82.51
113	142,644.43	146,214.98	149,874.23	153,622.19	157,458.88	161,362.08	165,398.34	169,589.85	173,825.72
	11,887.04	12,184.58	12,489.52	12,801.85	13,121.57	13,446.84	13,783.20	14,132.49	14,485.48
	68.58	70.30	72.05	73.86	75.70	77.58	79.52	81.53	83.57
114	144,440.79	148,055.70	151,781.49	155,551.63	159,432.65	163,424.57	167,527.37	171,652.35	175,976.93
	12,036.73	12,337.98	12,648.46	12,962.64	13,286.05	13,618.71	13,960.61	14,304.36	14,664.74
	69.44	71.18	72.97	74.78	76.65	78.57	80.54	82.53	84.60
115	146,281.52	149,896.41	153,644.38	157,481.06	161,406.44	165,442.71	169,634.21	173,847.90	178,194.66
	12,190.13	12,491.37	12,803.70	13,123.42	13,450.54	13,786.89	14,136.18	14,487.33	14,849.56
	70.33	72.07	73.87	75.71	77.60	79.54	81.55	83.58	85.67
116	148,077.87	151,803.66	155,573.80	159,454.82	163,446.74	167,549.55	171,696.71	175,999.10	180,412.39
	12,339.82	12,650.31	12,964.48	13,287.90	13,620.56	13,962.46	14,308.06	14,666.59	15,034.37
	71.19	72.98	74.80	76.66	78.58	80.55	82.55	84.61	86.74
117	149,918.59	153,666.55	157,503.23	161,428.61	165,487.06	169,656.39	173,870.07	178,216.83	182,696.65
	12,493.22	12,805.55	13,125.27	13,452.38	13,790.59	14,138.03	14,489.17	14,851.40	15,224.72
	72.08	73.88	75.72	77.61	79.56	81.57	83.59	85.68	87.83
118	151,825.84	155,595.98	159,477.01	163,468.92	167,571.72	171,718.88	176,021.28	180,434.56	184,914.37
	12,652.15	12,966.33	13,289.75	13,622.41	13,964.31	14,309.91	14,668.44	15,036.21	15,409.53
	72.99	74.81	76.67	78.59	80.56	82.56	84.63	86.75	88.90
119	153,688.73	157,525.41	161,472.96	165,509.23	169,678.57	173,892.25	178,261.19	182,718.83	187,265.18
	12,807.39	13,127.12	13,456.08	13,792.44	14,139.88	14,491.02	14,855.10	15,226.57	15,605.43
	73.89	75.73	77.63	79.57	81.58	83.60	85.70	87.85	90.03
120	155,595.98	159,499.19	163,491.09	167,593.91	171,785.42	176,043.45	180,456.74	184,958.72	189,593.78
	12,966.33	13,291.60	13,624.26	13,966.16	14,315.45	14,670.29	15,038.06	15,413.23	15,799.48
	74.81	76.68	78.60	80.57	82.59	84.64	86.76	88.92	91.15



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DPP*
SUBMITTED BY: Kristi Casteel, Executive Assistant to the General Manager and Board of Commissioners *[Signature]*
DATE: June 17, 2021
SUBJECT: **RECOMMENDATION TO APPROVE RESOLUTION NO. 2021-04:
FY 2021-2022 HOLIDAY CALENDAR**

-
- | | |
|---|---|
| <input checked="" type="checkbox"/> For Action | <input type="checkbox"/> Fiscal Impact |
| <input type="checkbox"/> Information Only | <input type="checkbox"/> Account Code: |
| | <input type="checkbox"/> Funds Budgeted/ Approved: |
-

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-04 to establish the paid holidays for VVWRA employees during fiscal year 2021-2022 which is consistent with the MOU with the Employees Association adopted on December 8, 2016.

PREVIOUS ACTION(S)

It is routine for the Board of Commissioners to adopt the holiday schedule on an annual basis.

BACKGROUND INFORMATION

Each year, the Board of Commissioners approves and adopts a schedule of paid holidays for VVWRA employees. There have been no changes to the holiday calendar since it was last adopted under Resolution No. 2013-12 on May 16, 2013. The holiday calendar was not revised as part of the MOU negotiations with the Employees Association. It is recommended that the Holiday Calendar for FY 2021-2022 be approved and adopted as shown under Resolution 2021-04.

Attachment(s):

Exhibit 1- Resolution 2021-04 FY 2021-2022 Holiday Schedule

EXHIBIT 1

RESOLUTION 2021-04

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE AND ADOPT A SCHEDULE OF PAID HOLIDAYS FOR FISCAL YEAR 2021-2022

FY 2021-2022 HOLIDAY CALENDAR

Holiday:	Non-Operations Staff:	Operations Staff:
Independence Day	July 5, 2021 (Monday)	July 4, 2021 (Sunday)
Labor Day	September 6, 2021 (Monday)	September 6, 2021 (Monday)
Veterans Day	November 11, 2021 (Thursday)	November 11, 2021 (Thursday)
Thanksgiving Day	November 25, 2021 (Thursday)	November 25, 2021 (Thursday)
Day after Thanksgiving	November 26, 2021 (Friday)	November 26, 2021 (Friday)
Christmas Eve	December 24, 2021 (Friday)	December 24, 2021 (Friday)
Christmas Day	December 27, 2021 (Monday)	December 25, 2021 (Saturday)
New Year's Eve	December 31, 2021 (Friday)	December 31, 2021 (Friday)
New Year's Day	January 3, 2022 (Monday)	January 1, 2022 (Saturday)
Martin Luther King Day	January 17, 2022 (Monday)	January 17, 2022 (Monday)
President's Day	February 21, 2022 (Monday)	February 21, 2022 (Monday)
Memorial Day	May 30, 2022 (Monday)	May 30, 2022 (Monday)
Floating Holiday (1)		

ADOPTED and APPROVED by the Board of Commissioners on this 17th day of June, 2021.

Debra Jones, Chair
VWVRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Paul Cook, Secretary
VWVRA Board of Commissioners

Piero C. Dallarda, a Partner of
Best Best & Krieger LLP
Counsel, VWVRA



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager
SUBMITTED BY: Darron Poulsen, General Manager
DATE: June 17, 2021
SUBJECT: STAFF RECOMMENDATION TO APPROVE RESOLUTION NO. 2021-05 TO ESTABLISH A NEW RECYCLED WATER RATE FOR ALL RECYCLED WATER CUSTOMERS

Form with checkboxes for 'For Action', 'Information Only', 'Fiscal Impact', 'Account Code', and 'Funds Budgeted/ Approved'.

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-05 to establish a new recycled water rate for all recycled water customers.

PREVIOUS ACTION(S)

October 29, 1998, the Board of Commissioners approved and Memorandum of Understanding (MOU) between VVWRA and the City of Victorville to deliver recycled water to Westwinds Golf Course and other irrigation users at the Southern California Logistics Airport (SCLA)

April 27, 2004, the Board of Commissioners adopted Resolution 2004-1 establishing a policy governing the sale of recycled water.

May 18, 2004, the Board of Commissioners approved an amended MOU between VVWRA and the City of Victorville to deliver recycled water to Westwinds Golf Course and other irrigation users at the Southern Californian Logistics Airport (SCLA)

BACKGROUND INFORMATION

In 1998 VVWRA began delivery of recycled water to the City of Victorville for the purpose of providing recycled water to the Westwinds Golf Course and other users on the SCLA property. The agreement detailed the specific operating details of the delivery of the water and the coordination that needed to take place to assure proper operations of the system. In addition to operating details a process was outlined on how the recycled water would be billed. All of the assets that were required to move the Recycled Water to the City's infrastructure would be taken into account. Operating expenses to oversee and maintain the recycled water pumps as well as

the energy costs were all calculated into the rate structure, as well as a \$35 per Acre/Foot cost fixed cost for general overhead. Since this amendment, no changes in the recycled water rate have taken place.

The larger scale recycled water program utilizing the Town of Apple Valley and the City of Hesperia Sub-Regional facilities as delivery points for recycled water were moving to fruition in late 2019 and early 2020. The Member Agency recycled water systems were being finalized and her Sub-Regional facilities were coming back on-line to deliver the recycled water to the Member Agencies. A number of hurdles needed to be overcome to bring the Sub-Regional Facilities back on-line. Because the facilities set idle for so many years the filter membranes were severely clogged and in poor condition and needed replaced. These repairs were further complicated by the COVID 19 pandemic which created significant delays in the repairs.

By February 11, 2021, the repairs had been made and the Sub-Regional Facilities were on-line producing the desired water quality level. In order to bring the facilities on-line the Engineering Committee met to go over the start-up and delivery practices. During this meeting it was shared with the participants that at present time there was only one contract detailing the operation practices and rates for recycled water. During this meeting, the committee agreed that they would prefer to see an updated rate study that was applicable to all Member Agencies.

On March 1, 2021, VVWRA entered into an agreement with Raftelis Financial Consultants Inc. (Consultant) to perform a thorough and complete recycled water rate study that was inclusive of all four of the proposed recycled water customers, the City of Victorville, American Organics, the City of Hesperia, and the Town of Apple Valley.

Working with the Consultant, Staff conducted an extensive study evaluating the administrative time it takes to develop the bills and receive payments as well as the time it takes to administer permits and to oversee the environmental aspects of the recycled water program. An annual cost for these activities was generated and used in the calculation of the proposed rate. In addition to the administrative costs staff also evaluated the operations and maintenance aspects of the recycled water system. The cost to operate and oversee the recycled water system, as well as the energy costs consumed during operations of the system were also calculated into the rates. Costs to maintain and repair the equipment as well as the depreciation expenses were also added to the analysis. A comparison of the current and proposed rates is provided below, further details of the analysis are provided in Exhibit 1.

	A	B	C
Line	Rate Schedule	Current Rates	Proposed Rates
1	Monthly Fixed Charge	\$ 388.00	\$ 2,909.59
2	Volume Rate (MG)	493.60	369.45
3	<i>Volume Rate (AF)</i>	<i>160.84</i>	<i>120.39</i>
4	<i>Volume Rate (hcf)</i>	<i>0.37</i>	<i>0.28</i>

These rates were shared with the Engineering committee on May 11, 2021, where all Member Agency staff agreed with the methodology to develop the rates. They all agreed that the fixed monthly cost of \$2909.59 was justified and that they would prefer the variable rate to be \$369.45 per million gallons delivered. The Engineering Committee asked that we share the report with the Finance Committee. On May 13, 2021, a meeting with all of the Finance staff from the Member Agencies was convened and all in attendance agreed to the methodology and rates as approved by the Engineering Committee.

For these reasons it is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-05, attached as Exhibit 2, to establish a new recycled water rate composed of a monthly fixed charge of \$2909.59 and a variable rate based on flow delivered at \$369.45 per million gallons.

Attachment(s):

Exhibit | 1| – Recycled Water Rate Study

Exhibit | 2| – RESOLUTION 2021-05

EXHIBIT 1

Victor Valley

Wastewater Reclamation
Authority

Recycled Water Rate Study

Draft Report / May 2021

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Introduction

Background of the Study

In 2021, Victor Valley Wastewater Reclamation Authority (VWVRA) engaged Raftelis to conduct a Recycled Water Rate Study (Study) to develop an equitable rate for providing recycled water service to its customers. VWVRA currently has two recycled water customers, with plans to add two more in the near future. The purpose of this study is to provide a single rate structure that can be applied to each customer.

Current Rates

VWVRA currently provides recycled water service to the City of Victorville and American Organics. These rates are contractually determined. The structure includes a fixed monthly charge of \$388 to recover pump maintenance costs and variable charges of \$125.84 per acre foot for electricity used at pump stations and \$35 per acre foot for additional overhead costs.

METHODOLOGY AND APPROACH

Raftelis worked closely with staff to develop an understanding of VWVRA's recycled water operations and determine the most accurate methodology for recovering costs.

The study consists of two primary steps: identification of costs and rate calculation. Costs can be divided into three distinct categories:

1. Direct "task" costs. These represent the labor and overhead costs VWVRA incurs to provide recycled water service. These include finance and billing tasks, regular pump operations, local site inspections, annual reporting requirements, and more.
2. Testing costs. VWVRA is required to sample and test the recycled water being provided at each pump on a regular basis.
3. Pumping costs. This includes depreciation of pumping facilities and the electricity required to operate them.

It is important to note that the costs identified in the Study generally represent the marginal costs to VWVRA to provide recycled water service. For example, there are no allocations of wastewater treatment costs; only those direct, additional costs of recycled water are included.

Once the costs are identified, Raftelis developed a framework to fairly recover them from customers. Many costs incurred by VWVRA are regular fixed costs that occur regardless of the volume of recycled water sold. Given this, Raftelis believes that an equitable rate structure should include a fixed monthly charge as well as a volume rate.

The following sections provide detail on the costs included and the calculation of the proposed rates.

Recycled Water Costs

Task Costs

The calculation of task costs involved two main steps: identifying the tasks performed and the applying the average hourly labor rate of the staff member who performs them.

VVWRA analysis identified six staff positions responsible for work associated with providing recycled water. **Table 1** shows the calculation of the average hourly labor rate for each of these positions. Column B presents each position's annual salary. **Table 2** shows the calculation used to estimate benefits for each employee. The FY 2021 budgeted salaries and benefits are used to calculate a factor to be applied to the salaries in **Table 1**; the estimated benefits are derived by multiplying this factor by the salary for each position, as shown in **Table 1**, Column C. **Table 1**, Column D shows the total annual cost of each position that results from adding Column B and Column C. This total is divided by 2,080 hours per year in Column E to estimate an average hourly labor cost for each position. These values are used in the following tables to determine the cost of performing relevant recycled water tasks.

Table 1: Staff Hourly Labor Cost Calculation

	A	B	C	D	E
Line	Staff Position	Annual Salary	Estimated Annual Benefits	Annual Salary and Benefits Cost	Hourly Salary and Benefit Cost
1	Controller	\$ 135,866	\$ 70,577	\$ 206,443	\$ 99.25
2	Senior Accountant	95,909	49,821	145,730	70.06
3	Accounting Technician	51,667	26,839	78,506	37.74
4	Business Applications Manager	86,861	45,121	131,982	63.45
5	Environmental Compliance Inspector	132,475	68,816	201,291	96.77
6	Operations / Maintenance Staff	89,086	46,277	135,364	65.08

Table 2: Benefits Factor

	A	B
Line	Benefits Factor Calculation	Value
1	Total Salaries	\$ 3,941,089
2	Total Benefits	2,047,255
3	Benefits Factor	0.52

The following tables provide detail on the tasks included in the study and their costs. The task is identified in the first column. The headers of the next columns identify the staff position responsible for completing the task, and the values shown on each task line are an estimate of the time in hours required in each period. The next two columns provide an annual total of hours spent on each task and the cost calculation by applying the labor rates from **Table 1**. The final column of each table assigns each task to a rate component, which determines the function the task is assigned to in the rate calculation; this will be discussed in detail in the Rate Calculation section of this report.

For example, in **Table 3**, Review and Approval of Billing is a task that the Controller spends half an hour on each month. Column E converts this monthly time to an annualized time by multiplying by 12. The Controller's labor rate of \$99.25 from **Table 1**, Line 1, Column E is applied to 6 annual hours to estimate a cost of \$596 in Column F.

The same process (with appropriate conversion to annual hours for monthly, bimonthly, quarterly, annual, two-year, three-year, and four-year tasks) is followed for each task in **Table 3**, **Table 4**, and **Table 5**.

Table 3: Finance Tasks

	A	B	C	D	E	F	G
Line	Finance Tasks	Controller	Senior Accountant	Accounting Technician	Total Annualized	Annual Cost	Function
Monthly Tasks							
1	Review and Approval of Billing	0.5			6.0	\$ 596	Customer Billing
2	Preparation and Distribution of Billing		1.0	0.5	18.0	1,067	Customer Billing
Annual Tasks							
3	Budget Calculation	1.0	1.0		2.0	169	Annual Budgeting
4	Total: Finance Costs				26.0	\$ 1,832	

Table 4: Environmental Compliance Tasks

	A	B	C	D	E	F
Line	Environmental Compliance Tasks	Business Applications Manager	Environmental Compliance Inspector	Total Annualized Hours	Annual Cost	Function
Monthly Tasks - Inspections						
1	Recycled Assets	4.0		48.0	\$ 3,046	Site Inspections
2	West Winds Golf Course	2.0		24.0	1,523	Site Inspections
3	Hesperia Golf Course	2.0		24.0	1,523	Site Inspections
4	Hesperia Subregional WRP	2.0		24.0	1,523	Site Inspections
5	Hesperia Civic Center	2.0		24.0	1,523	Site Inspections
6	Hesperia Park Irrigation	2.0		24.0	1,523	Site Inspections
7	Hesperia Landscape Irrigation	2.0		24.0	1,523	Site Inspections
8	Hesperia Recreation	2.0		24.0	1,523	Site Inspections
9	Apple Valley Golf Course	2.0		24.0	1,523	Site Inspections
10	Apple Valley Civic Center	2.0		24.0	1,523	Site Inspections
11	Center Park Irrigation	2.0		24.0	1,523	Site Inspections
12	Brewster Park Irrigation	2.0		24.0	1,523	Site Inspections
13	Thunderbird Park Irrigation	2.0		24.0	1,523	Site Inspections
14	High Desert Power Project	2.0		24.0	1,523	Site Inspections
15	American Organics	2.0		24.0	1,523	Site Inspections
16	Victorville Storage Tank	2.0		24.0	1,523	Site Inspections
Quarterly Tasks						
17	Process Self-Monitoring Reports	10.0	4.0	56.0	4,087	Reporting
Annual Tasks - Inspections						
18	Recycled Assets	4.0		4.0	254	Site Inspections
19	West Winds Golf Course	4.0		4.0	254	Site Inspections
20	Hesperia Golf Course	4.0		4.0	254	Site Inspections
21	Hesperia Subregional WRP	4.0		4.0	254	Site Inspections
22	Hesperia Civic Center	4.0		4.0	254	Site Inspections
23	Hesperia Park Irrigation	4.0		4.0	254	Site Inspections
24	Hesperia Landscape Irrigation	4.0		4.0	254	Site Inspections
25	Hesperia Recreation	4.0		4.0	254	Site Inspections
26	Apple Valley Golf Course	4.0		4.0	254	Site Inspections
27	Apple Valley Civic Center	4.0		4.0	254	Site Inspections
28	Center Park Irrigation	4.0		4.0	254	Site Inspections
29	Brewster Park Irrigation	4.0		4.0	254	Site Inspections
30	Thunderbird Park Irrigation	4.0		4.0	254	Site Inspections
31	High Desert Power Project	4.0		4.0	254	Site Inspections
32	American Organics	4.0		4.0	254	Site Inspections
33	Victorville Storage Tank	4.0		4.0	254	Site Inspections
Annual Tasks - Other						
34	Truck Program - Site Inspections	12.0	4.0	16.0	1,149	Site Inspections
35	Cross Connection Control Activities	20.0	10.0	30.0	2,237	Cross Connection
36	Reponse to Non-Compliance Events	24.0	24.0	48.0	3,845	Non-Compliance Response
37	Employee Training	12.0		12.0	761	Training
Two Year Tasks						
38	Admin and Member Agency Training	24.0	16.0	20.0	1,536	Training
Three Year Tasks						
38	Issuance of RW Permits	12.0	12.0	8.0	641	Permitting
Four Year Tasks						
40	Cross Connection Control Activities	40.0	20.0	15.0	1,118	Cross Connection
41	RW Permit Renewals	10.0	10.0	5.0	401	Permitting
42	RW Annual Report	4.0	10.0	3.5	305	Reporting
43	Total: Compliance Costs			685.5	\$ 46,029	

Table 5: Operations Tasks

	A	B	C	D	F
Line	Operations Tasks	Operations / Maintenance Staff	Total Annualized Hours	Annual Cost	Function
Monthly Tasks					
1	Sampling for Coliform AVWRP	12.5	150.0	\$ 9,762	Sampling
2	UV Vessel Cleaning AVWRP	4.0	48.0	3,124	Pump Maintenance
3	Sampling for Coliform HWRP	12.5	150.0	9,762	Sampling
4	UV Vessel Cleaning HWRP	4.0	48.0	3,124	Pump Maintenance
5	Pump PM's	1.0	12.0	781	Pump Maintenance
6	Lamp Changes, General UV Maint. HWRP	2.0	24.0	1,562	Pump Maintenance
7	Lamp Changes, General UV Maint. AVWRP	2.0	24.0	1,562	Pump Maintenance
8	UV Intensity Probe Verification AVWRP	2.0	24.0	1,562	Pump Maintenance
9	UV Intensity Probe Verification HWRP	2.0	24.0	1,562	Pump Maintenance
Annual Tasks					
10	UV Service AVWRP	32.0	32.0	2,083	Pump Maintenance
11	UV Service HWRP	32.0	32.0	2,083	Pump Maintenance
12	Total: Operations Costs		568.0	\$ 36,965	

Table 6 provides a summary of the total task costs for each department from Table 3, Table 4, and Table 5.

Table 6: Task Cost Summary

	A	B
Line	Department	Cost
1	Finance	\$ 1,832
2	Environmental Compliance	46,029
3	Operations	36,965
4	Total	\$ 84,826

SUPPORT COSTS

Task costs should also include a support rate to recognize that when staff performs recycled water operations, they use general VVWRA resources and services such as computers, telephones, printers, etc. Raftelis has allocated a selection of additional budgeted items to the recycled water operation. Table 7 presents this calculation.

The total recycled water labor costs (from Table 6, Line 4) in Line 2 is divided by the FY 2021 total personnel costs in Line 1 to calculate the proportion of recycled water labor costs in Line 3. Lines 4 to 10 show the FY 2021 budget items determined to be partially allocable to recycled water. The value calculated in Line 3 is applied to the total support costs in Line 11 to estimate the allocation of support costs to recycled water operations in Line 12.

Table 7: Support Cost Calculation.

	A	B
Line	Personnel Support Cost Calculation	Value
1	Total Personnel Costs	\$ 5,988,344
2	RW Personnel Costs	84,826
3	RW / Total	1.42%
Support Costs		
4	Uniforms	\$ 28,000
5	Telephone and Communications	320,268
6	Computer Supplies	78,051
7	Office Supplies	80,200
8	Travel, Meeting, Training	119,630
9	Membership, Fees, Licenses	76,160
10	Professional Services	416,600
11	Subtotal: Support Costs	\$ 1,118,909
12	Total: RW Support Costs	\$ 15,850

Testing Costs

Each day that recycled water is being provided, VVWRA must sample and test the water twice at a cost of \$60 per test. Staff estimated that sampling is conducted an average of 292 days per year. This requirement is a significant portion of the cost of providing recycled water. **Table 8** summarizes the calculation of this cost. The annual cost in Column E is the result of multiplying the values in Column B, Column C, and Column D.

Table 8: Water Testing Costs

	A	B	C	D	E
Line	Bacteriological Test Costs	Samples per Day	Est. Sampling Days	Cost per Test	Annual Cost
1	Apple Valley Pump	2	292	60	\$ 35,040
2	Hesperia Pump	2	292	60	35,040
3	Victorville Pump	2	292	60	35,040
4	Total: Testing Costs				\$ 105,120

Direct Pump Costs

DEPRECIATION

The cost of the eventual replacement of the assets used to provide recycled water service should also be recovered. **Table 9** shows the calculation of depreciation for each pump. VVWRA staff contacted an equipment supplier to obtain an estimate of the current cost to replace each asset, shown in Column B. Raftelis used a common estimate of cost inflation¹ to escalate the current replacement cost in Column B to the estimated replacement cost in Column E in the expected replacement year shown in Column C. Annual depreciation in Column F is the replacement cost in Column E divided by the estimated useful life, provided by staff, in Column D.

¹ Construction Cost Index published by the Engineering News-Record. Expected future cost increases are equal to the average growth rate from 2010-2020.

Table 9: Pump Depreciation

	A	B	C	D	E	F
Line	Pump Replacement Cost	2021 Replacement Cost	Estimated Replacement Year	Estimated Life	Estimated Replacement Cost	Annual Depreciation
1	Victorville Regional	\$ 200,000	2026	10	\$ 227,829	\$ 22,783
2	Apple Valley Subregional	40,000	2031	10	51,906	5,191
3	Hesperia Subregional	26,000	2026	5	29,618	5,924
4	Total: Annual Depreciation					\$ 33,897

ELECTRICITY USE

One of the largest direct recycled water costs is the electricity used to operate the pumps. Analysis by VVWRA staff estimated that the pumps require approximately 576,000 kWh to supply the forecasted amount of recycled water to be pumped. An additional analysis estimated that the average cost per kWh for all electricity used by VVWRA across each facility is approximately 14.6 cents. These factors are used to calculate the annual recycled water pumping cost in **Table 10**.

Table 10: Pump Electricity

	A	B
Line	Pumping Electricity Cost	Value
1	Projected Electricity Use (kWh)	576,000
2	Average Price / kWh	0.146
3	Total Electricity Cost	\$ 83,824

Rate Calculation

The final step of the Study is to calculate a set of rates. Raftelis assigned the costs determined in the preceding tables to relevant functions, listed in Lines 1 to 15 of **Table 11**. The costs in Column D, Lines 1 to 11 are based on task costs detailed in **Table 3**, **Table 4**, and **Table 5**, assigned using the Function description in the final columns of those tables. For example, the customer billing function is the result of adding all the task costs labeled customer billing (Lines 1 and 2 of **Table 3**). Functions on Lines 12 to 15 are the total costs from the corresponding totals in **Table 7**, **Table 8**, **Table 9**, and **Table 10**.

Each function is allocated to be collected in either a fixed monthly charge or a volumetric charge. Some items, such as customer billing, cost the same for each customer regardless of their size or the amount of water purchased and are recovered on a fixed basis. Others, such as site inspections or electricity, are directly related to the size of the customer; these costs are recovered in the volumetric charge. The allocations are shown in Columns B and C of Lines 1 to 15; the total allocated to each charge is shown in Line 16. The total customer related costs are divided by the number of customers, and the volume related costs are divided by the forecasted amount of recycled water to be sold in million gallons, summarized by customer in Column C, Lines 17 to 20. The resulting unit costs on Line 22 are the annual fixed charges per customer and volume rate per million gallons.

Table 11: Rate Calculation

Line	A Recycled Water Rate Calculation	B Customer	C Volume (MG)	D Cost
Function				
1	Customer Billing	100%		\$ 1,663
2	Annual Budgeting	100%		169
3	Site Inspections		100%	31,098
4	Reporting	100%		4,392
5	Permitting		100%	1,041
6	Training		100%	2,297
7	Cross Connection	100%		3,355
9	Non-Compliance Response		100%	3,845
10	Pump Maintenance		100%	17,441
11	Sampling	100%		19,524
12	Testing	100%		105,120
13	Personnel Support	34%	66%	15,850
14	Pump Depreciation		100%	33,897
15	Pump Electricity		100%	83,824
16	Total: RW Costs	\$ 139,661	\$ 183,856	\$ 323,517
Units of Service				
17	Victorville	1	76.65	
18	Apple Valley	1	109.50	
19	Hesperia	1	292.00	
20	American Organics	1	19.50	
21	Total: Units	4	497.65	
22	Unit Cost	\$ 34,915	\$ 369.45	

The proposed recycled water rate schedule in **Table 12** presents the rates calculated in **Table 11** after converting the annual fixed charge to a monthly basis. The volume rate per million gallons is also expressed as rates per acre foot and hcf.

Table 12: Proposed Recycled Water Rate Schedule

Line	A Rate Schedule	B Current Rates	C Proposed Rates
1	Monthly Fixed Charge	\$ 388.00	\$ 2,909.59
2	Volume Rate (MG)	493.60	369.45
3	<i>Volume Rate (AF)</i>	<i>160.84</i>	<i>120.39</i>
4	<i>Volume Rate (hcf)</i>	<i>0.37</i>	<i>0.28</i>

Annual Customer Impacts

Table 13 shows a summary of the forecasted annual costs for each customer under the proposed rates. The annual flow in Column B for each customer is multiplied by the volume rate shown in **Table 12**, Column C, Line 2 to estimate the annual volume charges in Column D. The total annual charges in Column E are the sum of the volume charges and the annual fixed charges in Column C; this value is divided by 12 in Column F to estimate an average monthly bill.

Table 13: Annual Customer Costs

	A	B	C	D	E	F
Line	Typical Bills	Annual Flow (MG)	Annual Fixed Charges	Annual Volume Charges	Total Annual Charges	Average Monthly Charge
1	Victorville	76.65	\$ 34,915	\$ 28,318	\$ 63,233	\$ 5,269
2	Apple Valley	109.50	34,915	40,455	75,370	6,281
3	Hesperia	292.00	34,915	107,879	142,795	11,900
4	American Organics	19.50	34,915	7,204	42,119	3,510

EXHIBIT 2

RESOLUTION 2021-05**RESOLUTION OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO ADOPT A POLICY AND PROCEDURE FOR THE WHOLESALE RATE OF RECYCLED WATER GENERATED BY THE REGIONAL AND SUBREGIONAL RECLAMATION FACILITIES TO MEMBER ENTITIES AND AMERICAN ORGANICS ALL OF WHOM HAVE THE CAPACITY TO RECEIVE AND USE RECYCLED WATER**

WHEREAS the Victor Valley Wastewater Reclamation Authority (Authority) is a joint powers agency formed under Section 6500 *et seq.* of the California Government Code comprised of four member entities: the Town of Apple Valley, the City of Hesperia, the City of Victorville, and the County of San Bernardino Community Services Area 42 and 69 collectively (“Member Entities”); and,

WHEREAS, the Authority owns and operates a regional wastewater treatment facility located in Victorville, California (Regional Facility) and Subregional facilities in the Town of Apple Valley and the City of Hesperia (Subregional Facilities) which have the capacity to produce recycled water for landscape irrigation, industrial process water, groundwater recharge and other permissible uses under Title 22 of the California Code of Regulations; and,

WHEREAS the Authority desires to establish one common rate for (1) the sale of its recycled water to its Member Entities for their reuse and retail sale; and (2) for the supply and sale of recycled water to American Organics as provided by the Authority’s lease with American Organics; and,

WHEREAS the Authority prepares, and its Commission approves an annual budget for the operation, maintenance, and administration of the Authority’s facilities, and,

WHEREAS any revenues received from the wholesale of recycled water are used to cover the costs of the recycled water program; and,

WHEREAS the Authority has entered into an agreement with the City of Victorville for the sale and delivery of recycled water produced by the Authority at the Regional Facility, a true and accurate copy of which is here to attached as Exhibit “A”.

WHEREAS the City of Victorville has expressed a desire that the rates under the Recycled Restated Recycled Water Agreement attached here to as Exhibit “: A’ be modified as set forth in this resolution;

WHEREAS, the Authority has commissioned Raftelis Finance Consulting Inc. to develop a rate study for recycled water (the “Raftelis Recycled Water Rate Study”); a true and accurate copy of which is attached hereto as Exhibit “B”

WHEREAS, the Raftelis Recycled Water Rates Study has been distributed for analysis, evaluation and comment to the Authority's Engineering and Finance Committees (the "Committees") composed of staff from the Member Entities;

WHEREAS, the Committees have expressed concordance with the rates proposed by Raftelis Recycled Water Rates Study;

WHEREAS, the rates proposed by the Raftelis Recycled Water Rates Study approved by the Committees provide for a fixed cost per recycled water customer of \$2909.59 and a variable cost of \$369.45 per million gallons delivered, as set forth in more detail in the Raftelis Recycled Water Rates Study and the Staff Report attached hereto as Exhibit "C";

NOW THEREFORE, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority hereby ordain as follows,

Section 1. Findings and Adoption. The Board of Commissioners asserts and adopts the findings set forth in this resolution as well as in the studies and reports that support the new rate being adopted, including without limitation the staff report and exhibits attached to this Resolution.

Section 2. Establish Recycled Water Rate. The current Rates identified in the Raftelis Recycled Water Rates Study and Staff Report, attached hereto as Exhibits "A" and "B", respectively, are hereby established, as follows:

- For the Member Entities and American Organics, i.e.: those entities receiving recycled water from the Authority, a Monthly Fixed Rate of \$2909.59 is hereby established;

In addition to the Monthly Fixed Rate, a Monthly Variable Rate of \$369.45 per million gallons of recycled water delivered to the member Entities and American Organics.

Section 3. The rates established by this Resolution shall apply to the sale and delivery of recycled water to the City of Victorville pursuant to the Amended and Restated Recycled Water Agreement and, if necessary, the Amended and Restated Recycled Water Agreement shall be amended to so provide;

Section 4. Effective Date. This Resolution shall become effective upon its approval or adoption. The established rates shall be effective on July 1st, 2021, following the adoption of this Resolution.

ADOPTED this 17th day of June 2021.

Debra Jones Chair
VWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Paul Cook, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 17, 2021.

Kristi Casteel – Clerk of the Board



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DP*
SUBMITTED BY: Darron Poulsen, General Manager
DATE: June 17, 2021
SUBJECT: **STAFF RECOMMENDATION TO APPROVE RESOLUTION NO. 2021-06 TO ESTABLISH A NEW ADM/FOG TIPPING FEE OF \$.05 PER GALLON**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Account Code:	<i>ck</i>
	<input type="checkbox"/> Funds Budgeted/ Approved:	

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-06 to establish a new ADM/FOG tipping fee of \$.05 per gallon.

PREVIOUS ACTION(S)

July 21, 2016, the Commission approved Resolution 2016-3 to approve a tipping fee of \$.04 per gallon effective July 1, 2016, for ADM/FOG program.

BACKGROUND INFORMATION

In 2016 the VVWRA began a program of receiving ADM and FOG to assist local haulers dispose of this difficult waste. The receiving of this waste is environmentally beneficial as it produces a good amount of methane gas that when captured during the digestion process can be used to operate the 2G generators instead of being released into the atmosphere. The previous tipping fee was established by evaluating the additional costs of receiving these materials divided by the estimated volume of material at the established rate. This rate was established to cover the costs of the ADM/FOG program so as not to be fiscally impactful to other operations at the regional facility.

In August of 2020 VVWRA entered into an agreement with SoCal Biomethane to further enhance the ADM/FOG program. This agreement established a Public-Private partnership whereby the private partner, SoCal Biomethane, would enhance the digester operations and ADM/FOG receiving area to allow for the receiving and digestion of greater volumes of ADM/FOG materials, up to 55,000 gallons per day. The greater volume of gas produced as a result of the partnership would then be cleaned to a level that would allow it to be delivered to

Southwest Gas for utility use in their distribution system. The funds realized from this arrangement will be shared by both SoCal Biomethane and VVWRA.

The greater volume of ADM/FOG material will also cause an impact to operations which needs to be covered by the tipping fee incurred by haulers who deliver the material. Staff conducted an extensive study evaluating the administrative time it takes to develop the bills and receive payments as well as the time it takes to administer permits and to oversee the environmental aspects of the program. An annual cost for these activities was generated and used in the calculation of the proposed tipping fee. In addition to the administrative costs staff also evaluated the operations and maintenance aspects of the program. The cost of a full time attendant, the cost to operate the new on-line digester and the costs to maintain the equipment were also added to the overall costs. Calculations were also made on the impact of the large number of assets which will be used in the program and depreciation costs were also added to the analysis. An overall breakdown of costs is described below, and further details of the analysis are provided in Exhibit 1.

VVWRA FOG / ADM Tipping Fee Analysis			
No.	Function	Cost	
1	Customer Billing / Budgeting (Salaries)	\$1,387	
2	Attendant Oversight (Salaries)	\$75,765	
3	Reporting / Permitting (Salaries)	\$29,768	
4	Pump Maintenance (Mechanics Salaries)	\$53,196	
6	Digester Operations and Sampling (Operators Salaries)	\$63,835	
5	Pump Maintenance & Instrument Calibrations (Materials & Chemicals)	\$124,800	
7	Sampling Costs	\$5,000	
8	Personnel Support	\$41,845	
9	Pump Depreciation	\$117,290	
10	Pump Electricity	\$145,326	
TOTAL ANNUAL COSTS ACTUAL		\$658,212	
Gallons Received Per Day		# Of Days of Receiving	Annual Gallons Received
55000		237	13035000
Annual Gallons Received		Annual Costs	Cost Per Gallon
13035000		\$658,212	\$0.050

Working with our private partner we performed a regional analysis of these proposed fees comparing it to other agencies who process ADM/FOG waste. We have found that this rate is reasonable when compared to larger agencies in Los Angeles and Orange County and due to our lower operating costs and fees we will draw customers to use our facility.

For these reasons it is recommended that the Board of Commissioners approve and adopt Resolution No. 2021-06, attached as Exhibit 2, to establish a new ADM/FOG tipping fee of \$.05 per gallon.

Attachment(s):

Exhibit | 1| – ADM/FOG Tipping Fee Analysis Report

Exhibit | 2| – RESOLUTION 2021-06

EXHIBIT 1

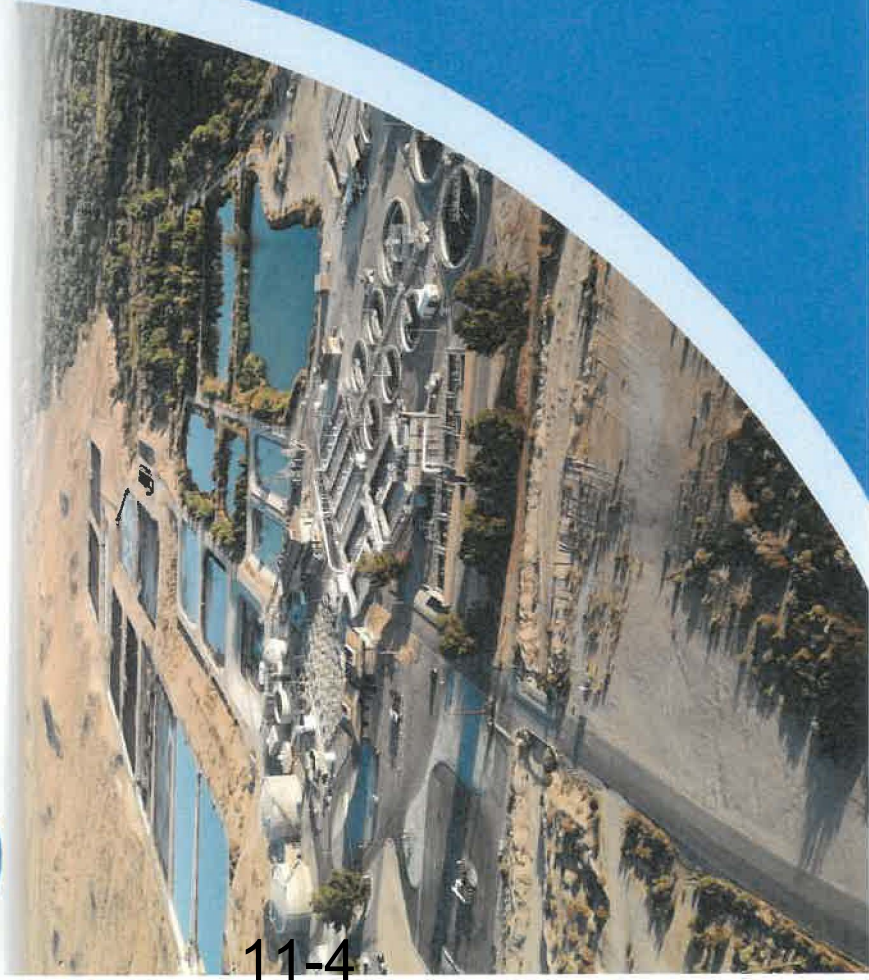
Collaboration – Dedication - Integrity

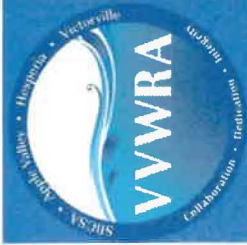


Victor Valley Wastewater Reclamation Authority

FOG-ADM Tipping Fees Analysis

By: Darron Poulsen
VWRA Board of Commissioners June 17, 2021





Introduction

Background-

In 2016 the VWVRA began a program of receiving ADM and FOG to assist local haulers dispose of this difficult waste.

Current Rates-

The tipping fee was established by evaluating the additional costs of receiving these materials divided by the estimated volume of material at the established rate. This rate was established to cover the costs of the ADM/FOG program so as not to be fiscally impactful to other operations at the regional facility. Currently the tipping fee is \$.03 per gallon

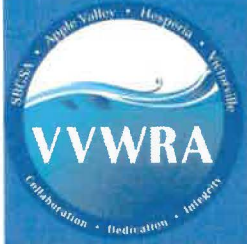


Tipping Fee Costs

Task Costs-

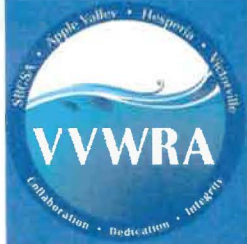
The calculation of task costs involved two main steps: identifying the tasks performed and the applying the average hourly labor rate of the staff member who performs them.

Staff conducted an extensive study evaluating the Administrative time it takes to develop the bills and receive payments as well as the time it takes to administer permits and to oversee the environmental aspects of the program. An annual cost for these activities was generated and used in the calculation of the proposed tipping fee. In addition to the Administrative costs staff also evaluated the operations and maintenance aspects of the program. The cost of a full time attendant, the cost to operate the new on-line digester and the costs to maintain the equipment were also added to the overall costs. Calculations were also made on the impact of the large number of assets which will be used in the program and depreciation costs were also added to the analysis



Finance Admin Costs

VWRA FOG / ADM Tipping Fee Analysis					
Administrative Costs to Bill and Process Payment per Time Period (Finance Department)					
NOTES: Consider the amount of time per month and annually to complete all financial tasks in order to bill and process the payment of recycled water and to develop the annual budget:					
Staff Person	Hourly Rate	Monthly Hours	Description of Work Completed	Monthly Cost	Annual Cost
Chieko Keagy	65.32	0.50	Review and approval of billing	\$32.66	\$ 391.92
Xiwei Wang	46.11	1.00	Preparation and distribution of billing	\$46.11	\$ 553.32
Kyle Parker			-	\$ -	\$ -
Anne Mazzarell	24.84	0.50	Preparation and distribution of billing	\$12.42	\$ 149.04
		2.00	MONTHLY TOTAL	\$91.19	\$ 1,094.28
		Annual Hours(Budget)			
Chieko Keagy	65.32	1.00	Budget calculation	\$ 65.32	\$ 65.32
Xiwei Wang	46.11	1.00	Assist budget preparation	\$ 46.11	\$ 46.11
			ANNUAL TOTAL		\$ 111.43
			TOTAL ALL TIME PERIODS		\$ 1,205.71
			General Overhead 15%		\$ 180.86
			TOTAL ANNUAL FINANCE ADMIN COSTS		\$ 1,386.57



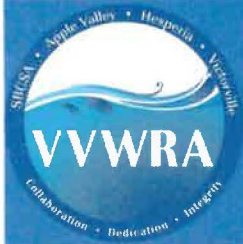
EC Admin Costs

VWVRA FOG / ADM Tipping Fee Analysis

Administrative Costs to Oversee and Process Permits per Time Period (Environmental Compliance Department)

NOTES: Consider the amount of time per month and annually to complete all Environmental tasks to draft and manage permits for FOG and ADM contractors, managing AQMD permits and oversight, environmental reporting needs and data management.

Staff Person	Hourly Rate	Fringe Rate	Total Rate	Annual Hours	Cost	Tasks
	LL	52%	LL			
Business Applications Manager	62.77	52%	\$ 95.41	72	\$ 6,869.55	Processing Permits and Guidelines for ADM and FOG Deliveries
Business Applications Manager & LWA	62.77	52%	\$ 95.41	72	\$ 6,869.55	Annual Environmental Reporting Needs
Business Applications Manager	62.77	52%	\$ 95.41	72	\$ 6,869.55	Managing AQMD Permits
Business Applications Manager	62.77	52%	\$ 95.41	72	\$ 6,869.55	Enforcement investigations & actions
Business Applications Manager	62.77	52%	\$ 95.41	24	\$ 2,289.85	Operator 10 Database IT needs (create dataviews, reports ...)
TOTAL ANNUAL COSTS FOR ENVIRONMENTAL DEPARTMENT OVERSIGHT					\$29,768.04	



O&M Costs

VWVRA FOG / ADM Tipping Fee Analysis

Operations and Maintenance to Operate the FOG/ADM Receiving Stations and the Supporting Digester and Pumping Assets (O&M Department)

NOTES: Consider the amount of time per the time periods detailed below to inspect RW facilities, repair RW facilities, maintain RW facilities, sample the water and make operational adjustments. Each Time period represents different types of duties only.

Staff Person	Hourly Rate	Fringe	Total Hourly Rate	Monthly Hours	Description of Work Completed	Monthly Cost	Annual Cost
FOG-ADM Attendant	24.15	52%	\$36.71		172 Coordinant FOG and ADM Deliveries	\$6,313.78	\$75,765
Operations Staff	44.33	52%	\$67.38		120 FOG / ADM Digester Operations	\$5,320	\$63,835
Maintenance Staff & E&I	44.33	52%	\$67.38		40 Pump PM's	\$1,773	\$21,278
Maintenance Staff & E&I	44.33	52%	\$67.38		60 Pump Maintenance and Repairs and Calibrations	\$2,660	\$31,918
MONTHLY TOTAL						\$16,066	\$192,797

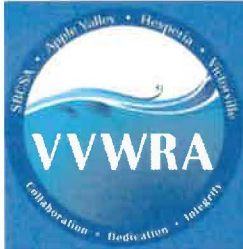
Preventive Maintenance / Repair Parts (Rotors, Stators, Packing, Lube, Lobes, Shredders, Calibration Standards / Supplies, misc. Valves and Fittings)

Department	Description of Work Completed	Monthly Cost	Annual Cost
Maintenance	PM / Breakdown Repair of 12 pumps, 8 mixers, 6 blowers and 2 grinders	\$8,000.00	\$96,000.00
E&I	PM / Calibration of 24 instruments	\$2,400.00	\$28,800.00
ANNUAL TOTAL			est. \$124,800.00

Miscellaneous O&M Annual Costs for Bacteriological Samples (April through October- Minus 10% for Rain and Maintenance)

Location	Avg Samples/Mo	Est. Annual Samples	Description	Cost	Total
Biosolids Testing			Biosolids Testing Annual Facilities Report		\$5,000
ANNUAL TOTAL					\$5,000

TOTAL VWVRA O&M ANNUAL COSTS TO RECEIVE AND PROCESS ADM / FOG MATERIALS \$322,597

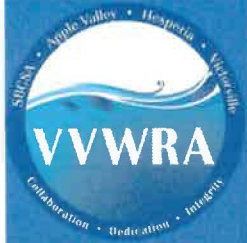


Pump Costs

VWRA FOG / ADM Tipping Fee Analysis

Pump Costs Per Facility

Cost		Victorville VWRA Regional Plant - Digester 1,2, & 3 Pumps, Mixers, & Drying Beds Operations											
Price per Kwh	\$0.09	Digester Pumps						Mixers					
Total Kw	271.0	Unit	HP	Operation	Replacement Cost	Life Expectancy	Unit	HP	Operation	Replacement Cost	Life Expectancy		
Total Electricity Cost Per Year	\$145,326.00	HEX hot water 1	2.0	18hr/day	\$8,000.00	5yr	Digester 1 # 1	16.8	24hr/day	\$24,000.00	5yr		
Total Annual Depreciation	\$117,290.00	HEX hot water 2	2.0	18hr/day	\$8,000.00	5yr	Digester 1 # 2	16.8	24hr/day	\$24,000.00	5yr		
		HEX hot water 3	2.0	18hr/day	\$8,000.00	5yr	Digester 2 # 1	16.8	24hr/day	\$24,000.00	5yr		
		HEX Sludge 1	10.0	24hr/day	\$25,000.00	5yr	Digester 2 # 2	16.8	24hr/day	\$24,000.00	5yr		
		HEX Sludge 2	10.0	24hr/day	\$25,000.00	5yr	Digester 3 # 1	16.8	24hr/day	\$24,000.00	5yr		
		HEX Sludge 3	10.0	24hr/day	\$25,000.00	5yr	Digester 3 # 2	16.8	24hr/day	\$24,000.00	5yr		
		Sludge Transfer 1	32.0	1hr/day	\$45,000.00	10yr							
		Sludge Transfer 2	32.0	1hr/day	\$45,000.00	10yr							
		Total Pump HP	100.0	Annual Depreciation	\$28,800.00		Total Mixer HP	151.2	Annual Depreciation	\$28,800.00			
		Total Pump Kw	74.6	Electricity Cost Per Year	\$21,970.00		Total Mixer Kw	112.8	Electricity Cost Per Year	\$88,932.00			
		ADM Pumps						Blowers					
		Unit	HP	Operation	Replacement Cost	Life Expectancy	Unit	HP	Operation	Replacement Cost	Life Expectancy		
		Skid 1 Grinder	7.5	6hr/day	\$12,000.00	2yr	Digester 1 Dome Blower 1	1.5	12hr/day	\$4,000.00	2yr		
		Skid 1 Pump	30.0	6hr/day	\$40,000.00	3yr	Digester 1 Dome Blower 2	1.5	12hr/day	\$4,000.00	2yr		
		Skid 2 Grinder	7.5	6hr/day	\$12,000.00	2yr	Digester 2 Dome Blower 1	1.5	12hr/day	\$4,000.00	2yr		
		Skid 2 Pump	30.0	6hr/day	\$40,000.00	3yr	Digester 2 Dome Blower 2	1.5	12hr/day	\$4,000.00	2yr		
		Tank 1 Mixer	5.0	24hr/day	\$10,000.00	5yr	Gas Blower 1	3.0	24hr/day	\$100,000.00	10yr		
		Tank 2 Mixer	5.0	24hr/day	\$10,000.00	5yr	Gas Blower 2	3.0	24hr/day	\$100,000.00	10yr		
		Transfer Pump 1	5.0	24hr/day	\$20,000.00	5yr	Air Handler	5.0	24hr/day	\$25,000.00	5yr		
		Transfer Pump 2	5.0	24hr/day	\$20,000.00	5yr							
		Total Pump HP	95.0	Annual Depreciation	\$26,690.00		Total Blower HP	17.0	Annual Depreciation	\$33,000.00			
		Total Pump Kw	70.9	Electricity Cost Per Year	\$27,790.00		Total Blower Kw	12.7	Electricity Cost Per Year	\$6,634.00			



Support Costs

Total Personnel Costs	\$5,988,344
ADM/Fog Personnel Costs	\$ 223,951.12
ADM/FOG - Total	3.74%
Support Costs	
Uniforms	\$28,000
Telephone and Communications	\$320,268
Computer Supplies	\$78,051
Office Supplies	\$80,200
Travel, Meeting, Training	\$119,630
Membership, Fees, Licenses	\$76,160
Professional Services	\$416,600
	\$1,118,909
Total: ADM/FOG Support Costs	\$41,844.78



Tipping Fee Costs

VWVRA FOG / ADM Tipping Fee Analysis			
No.	Function	Cost	
1	Customer Billing / Budgeting (Salaries)	\$1,387	
2	Attendant Oversight (Salaries)	\$75,765	
3	Reporting / Permitting (Salaries)	\$29,768	
4	Pump Maintenance (Mechanics Salaries)	\$53,196	
6	Digester Operations and Sampling (Operators Salaries)	\$63,835	
	Pump Maintenance & Instrument Calibrations (Materials & Chemicals)		
5		\$124,800	
7	Sampling Costs	\$5,000	
8	Personnel Support	\$41,845	
9	Pump Depreciation	\$117,290	
10	Pump Electricity	\$145,326	
TOTAL ANNUAL COSTS ACTUAL		\$658,212	
Gallons Received Per Day		# of Days of Receiving	Annual Gallons Received
55000		237	13035000
Annual Gallons Received		Annual Costs	Cost Per Gallon
13035000		\$658,212	\$0.050

EXHIBIT 2

RESOLUTION 2021-06

RESOLUTION OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE TIPPING FEE OF \$0.05 PER GALLON EFFECTIVE JULY 1, 2021, FOR THE ADM/FOG PROGRAM

WHEREAS Ordinance 001 of the Victor Valley Wastewater Reclamation Authority (“VWVRA” or the “Authority”) provides that its fees for the receipt and processing of ADM and Food, Oils and Grease (“FOG”) may be established and set by Resolution; and,

WHEREAS, pursuant to its contractual relationship with SoCal Biomethane, VWVRA is to receive and treat in excess of 50,000 gallons per day of ADM/FOG; and,

WHEREAS VWVRA Staff recommends that VWVRA recuperate the cost of all expenses associated with ADM/FOG facilities and operations; and,

WHEREAS, in order to recuperate the costs of said expenses, VWVRA Staff recommends a \$0.05 per gallon user fee schedule as set forth in the Staff Report, a copy of which is attached hereto as Exhibit “A”

WHEREAS, as provided in the Staff Report based on the current volume of materials received, a potential total amount of revenue of \$658,212 would cover both the costs of treating the materials as well as the long impacts on the system;

NOW THEREFORE, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority hereby ordains as follows,

Section 1. Findings. The Board of Commissioners asserts and adopts the findings set forth above as well as the studies, reports that support the fee being adopted, including the staff report and exhibits attached to this Resolution;

Section 2. Establish ADM/FOG Fee. The current Fee Schedule, for ADM/FOG attached hereto as Exhibit “B”, is hereby established, as follows:

- the Board adopts a fee of \$0.05 per gallon of ADM/FOG;

Section 3. The fee for ADM/FOG set by this resolution shall supersede any previous ADM/FOG fees established by VWVRA contractually or otherwise.

Section 4. Effective Date. This Resolution shall become effective upon its approval or adoption. The established rate of \$0.05 per gallon for the ADM/FOG Program shall be effective on July 1st, 2021, following the adoption of this Resolution.

ADOPTED this 17th day of June 2021.

Debra Jones Chair
VWVRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Paul Cook, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 17, 2021.

Kristi Casteel – Clerk of the Board



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DRP*
SUBMITTED BY: Brad Adams, Plant Superintendent *BA*
DATE: June 17, 2021
SUBJECT: Recommended that the Board of Commissioners approve the General Manager to purchase replacement components for the WEDECO UV disinfection systems located at Apple Valley and Hesperia sub-regional facilities in the amount of \$105,827.80

<input checked="" type="checkbox"/>	For Action	<input checked="" type="checkbox"/>	Fiscal Impact	\$ 105,827.80
<input type="checkbox"/>	Information Only	<input type="checkbox"/>	Account Codes:	01-02-535-9000-R145
		<input type="checkbox"/>	Funds Budgeted/Approved	<i>ak</i>

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve the General Manager to purchase replacement components for the WEDECO UV disinfection systems located at Apple Valley and Hesperia sub-regional facilities in the amount of \$105,827.80.

PREVIOUS ACTION(S)

On May 20, 2021, the Board of Directors approved \$64,730.00 to perform spot check Bioassay tests at the Apple Valley and Hesperia Sub-regional facilities.

BACKGROUND INFORMATION

The U.V. disinfection systems at the subregional facilities are utilized to meet the California Code of Regulations Title 22 standards for recycled water. During commissioning of the subregional facilities VVWRA, through WEDECO and Carollo Engineering, should have performed a Bioassay test to validate the Ultraviolet Disinfection Systems. This test proves that this particular installation of the WEDECO LBX 850e UV system is able to provide effectively disinfected recycled water. These tests are normally performed with brand new equipment, during the commissioning process, to ensure the best results.

VVWRA management at that time chose not to have these tests completed. VVWRA cannot deliver recycled water from either of the sub-regional facilities until the Department of Drinking Water receives a copy of the results of this test validating the UV systems.

To perform this test as it was intended, the quartz sleeves, wipers, and intensity probe brushes need to be replaced. Like other equipment, these parts were never designed to be shut down after being placed in service. In doing so a fouling has developed on the surface that cannot be removed.

To ensure a successful Bioassay test, the systems being validated by the DDW, and VVWRA ultimately being able to deliver recycled water. Staff is seeking approval from the Board to approve \$105,827.80 to WEDECO for the purchase of UV system replacement components, attached is the quote from WEDECO (Exhibit 1). As the UV systems only use WEDECO parts, this is a sole source purchase. Attached is the Sole Source Documentation (Exhibit 2).

Due to the expense of the test and the replacement parts required, and with this not being budgeted this fiscal year (20-21), we have created a capital project in next year's budget (21-22) to acquire these parts and perform the testing. Previously approved funds along with the funds from this recommendation will be carried over to fund the project. Due to long leave times, and the critical nature of this test. With approval of this recommendation and the FY 21-22 budget, a purchase order be issued to WEDECO on July 01, 2021.

ATTACHMENTS

Exhibit 1 - XYLEM WEDECO Quote # 2021-WED-0713

Exhibit 2 - Sole Source Documentation

EXHIBIT 1



**Xylem Water Solutions USA, Inc.
Wedeco Products**

June 4, 2021

4828 Parkway Plaza Blvd.
Suite 200
Charlotte, NC 28217
Tel 704/409-9700
Fax 704/409-9839

VICTOR VLY WSTWTR RECLAMATION
20111 SHAY RD
VICTORVILLE CA 92394-8539

Quote # 2021-WED-0713
Account# 168852

Re: VICTOR VALLEY - 168852 - HESPERIA & APPLE VALLEY - WIPER & QUARTZ SLEEVES

Xylem Water Solutions USA, Inc. - WEDECO is pleased to provide a quote for the following equipment and/or services for your approval.

UV SPARES

Qty	Description	Disc.%	Unit Price	Extended Price
200	76-04 10 53 QUARTZ SLEEVE 48X2X2030	12.00	\$ 470.00	\$ 94,000.00
400	76-611 42 12 WIPER ASSEMBLY,BX/LBX/DURON INCLS.END STOP, PTFE,VITON	12.00	\$ 41.00	\$ 16,400.00
UV SPARES Price USD				\$ 110,400.00
Total Discount %				12.00
UV SPARES Price				\$ 97,152.00
Total Project Price				\$ 97,152.00
Freight Charge				\$ 175.00
Total Project Price				\$ 97,327.00

Incoterm: 3 DAP - Delivered At Place **Named Placed:** 08 - Jobsite
Incoterms 2010 clarify responsibility for costs, risks, & tasks associated with the shipment of goods to the named place.
Terms of delivery: Freight PP/Add Actual
Warranty: Standard warranty terms apply to the items in this quotation.
Validity: This Quote is valid for thirty (30) days.
Taxes: The prices quoted above do not include any state, federal, or local sales tax or use taxes. Any such taxes as applicable must be added to the quoted prices.

Schedule: Wipers delivery lead times are 5-10 working days after order acceptance. Quartz sleeves approx 2-3 weeks.
Terms of payment: Net 30 Standard
Xylem's payment shall not be dependent upon Purchaser being paid by any third party unless Owner denies payment due to reasons solely attributable to items related to the equipment being provided by Xylem Inc.

WEDECO
a xylem brand

Terms and Conditions: This order is subject to the Standard Terms and Conditions of Sale - Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xyleminc.com/en-us/Pages/terms-conditions-of-sale.aspx> and are incorporated herein by reference and made a part of the agreement between the parties

Shortages: Seller will not be responsible for any apparent shipment shortages or damages incurred in shipment that are not reported within two weeks from delivery to the jobsite. Damages should be noted on the receiving slip and the truck driver advised of the damages. Please contact our office as soon as possible to report damages or shortages so that replacement items can be shipped and the appropriate claims made.

Back Charges: Purchaser shall not make purchases nor shall Purchaser incur any labor that would result in a back charge to Seller without prior written consent of an authorized employee of Seller.

Delivery lead-times may be impacted by the current COVID-19 virus pandemic relative to transportation logistics.

Customer Acceptance: A signed facsimile of this quote is acceptance as a binding contract.

Signature: _____

Name (please print) _____

Date: _____ PO# _____

Sincerely,



JULIE ROPIC

Phone: 704-409-9793

julie.ropic@xylem.com

EXHIBIT 2



14125 South Bridge Circle
Charlotte, NC
28273

City of Victor Valley WWTF
20111 Shay Road
Victorville, CA
92394

March 6, 2017

Attn: Mauricio Marin:

This letter certifies that Xylem Water Solutions - WEDECO, is the sole source supplier for the UV Lamps, Quartz Sleeves, Ballasts, Sensors and related spare parts and services for the Victor Valley WWTF UV Disinfection System.

Please contact me if you have any questions.

Regards,

A handwritten signature in black ink, appearing to read "Julie Ropic", with a long horizontal line extending to the right.

Julie Ropic
Senior UV Aftermarket Sales Rep
Tel: 704-409-9793
Fax: 704-295-9080
Julie.ropic@xylem.com

xylem water



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners

FROM: Darron Poulsen, General Manager *DPP*

SUBMITTED BY: Kristi Casteel, Executive Assistant to the General Manager and Board of Commissioners *KC*

DATE: June 17, 2021

SUBJECT: CANCELLATION OF JUNE 24, 2021 BOARD MEETING

-
- For Action** **Fiscal Impact**
- Information Only** **Account Code:**
- Funds Budgeted/ Approved:**
-

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners cancel the regularly scheduled June 24, 2021 Board Meeting if the Board adopts the FY 2021-22 Budget at the regular meeting held on June 17, 2021.

BACKGROUND INFORMATION

VVWRA schedules two Board meetings in June to allow for any last minute changes to the Budget for the next fiscal year. If the Board adopts the fiscal year 2021-22 budget on June 17, 2021 staff recommends cancelling the June 24, 2021 Board Meeting.



**Victor Valley Wastewater Reclamation Authority (VWRA)
Board of Commissioners
Fiscal Year 2020-2021**

VWRA Commissioners:

Name: Bill Holland, Councilman – City of Hesperia
Title: Board Chair
Term: 2020 to present

Alternate: **Larry Bird**

Name: Paul Cook, Supervisor – County of San Bernardino
Title: Vice Chair
Term: 2020 to present

Alternate: **Dakota Higgins**

Name: Scott Nassif, Councilman – Town of Apple Valley
Title: Secretary
Term: 2010 to present

Alternate: **Art Bishop**

Name: Debra Jones, Councilman – City of Victorville
Title: Treasurer
Term: 2020 to present

Alternate: **Liz Becerra**

Note: Board positions rotate on an annual basis effective July 1st.

Victor Valley Wastewater Reclamation Authority FY 2021-2022 Board of Commissioners and External Ad Hoc Committees (TACs)

Member Entities	Board of Commissioners	Engineering & Operations Advisory Committee	Financial Advisory Committee
City of Hesperia	Bill Holland , Primary (Chair) Larry Bird, Alternate	David Burkett	Casey Brooksher
Town of Apple Valley	Scott Nassif , Primary (Secretary) Art Bishop, Alternate	Brad Miller	Sydney Harris
City of Victorville	Debra Jones , Primary (Treasurer) Liz Becerra, Alternate	Brian Gengler	Janele Davidson
San Bernardino County Office of Special Districts (CSA* #42, #64)	Paul Cook , Primary (Vice-Chair) Dakota Higgins, Alternate	Greg Bacon	Carolina Mendoza

Notes:

- CSA* = County Service Area
- Regular Board Meetings are held on the third Thursday of the month. Special Board Meetings are scheduled as needed.
- External Committees focus on issues that involve the communities of the Victor Valley
- Internal Committees focus on issues that are internal to VVWRA
- All Committees meet on an as needed basis.