

# AGENDA

REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWRA)  
Victorville City Hall – Conference Room “D”, 14343 Civic Drive, Victorville, CA  
92392  
Phone: (760) 246-8638

**MEETING DATE: Thursday, August 16, 2018**      **TIME: 8:00 AM (Closed**  
**Session)**

**8:30 AM (Regular Session)**

**CALL TO ORDER**

**PUBLIC COMMENTS – CLOSED SESSION AGENDA**

**CLOSED SESSION**

**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.

***CONFERENCE WITH LEGAL COUNSEL- (Gov. Code Sec. 54954.5-54956.9(d)):***

- 1. Flow Diversion**
- 2. Apple Valley Subregional – Vandalism**
- 3. San Bernardino County Biosolids Ordinance**

***CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION (Gov. Code Sec. 54956.9(d)):***

- 4. Threatened or Pending Litigation- Upper Narrows Project**

***CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION (Gov. Code Sec. 54956.9(1)(D)):***

- 5. Potential Litigation- Angela Valles, Government Tort Claim**

***CONFERENCE WITH LEGAL COUNSEL-REAL PROPERTY NEGOTIATOR (Govt. Code Sec. 54956.8)***

- 6. Agency Negotiators: Logan Olds, General Manager; Piero Dallarda, Best Best Krieger Negotiating Party/Parties: Lewis Center, Lisa Lamb**

**Under Negotiation: Real Property**

**REGULAR SESSION**

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

**REPORT FROM CLOSED SESSION**

**PUBLIC COMMENTS – REGULAR SESSION AGENDA**

**ANNOUNCEMENTS AND CORRESPONDENCE:**

- 7. Possible conflict of interest issues**
- 8. Southwest Gas Rate Increase Resulting from CPUC Decision Creating a Greenhouse Gas Balancing Account**

**CONSENT CALENDAR:**

- 9. Approve July 2018 Disbursement Registers**
- 10. Approve Minutes from the July 19, 2018 Regular Meeting**
- 11. Recommendation to Purchase a Spare Stage Pump for the Apple Valley Pump Station**

**ACTION & DISCUSSION ITEMS:**

- 12. Discussion Regarding Use of State Revolving Fund Loan Proceeds**
- 13. Discussion Regarding Financial Plan and Rate Study**
- 14. Design of Office Addition to Eliminate Administration Trailers**
- 15. Sanitary Sewer Management Plan**
- 16. Recommendation to Amend the 2018 Board Meeting Schedule**

**STAFF/PROFESSIONAL SERVICES REPORTS:**

- 17. Financial and Investment Report – July 2018**

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**18. Operations & Maintenance Report – July 2018**

**19. Environmental Compliance Department Reports – July 2018**

**20. Septage Receiving Facility Reports – July 2018**

**21. Safety & Communications Report – July 2018**

**NEXT VVWRA BOARD MEETING:**

**Thursday, September 20, 2018 – Regular Meeting of the Board of Commissioners**

**FUTURE AGENDA ITEMS**

**Leave Policy**

**COMMISSIONER COMMENTS**

**ADJOURNMENT**

## VVWRA Regular Meeting Agenda

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Agenda Posting: In accordance with the requirements of California 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.

Items Not Posted: 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 in compliance with Section 54954.2(b) 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.

Public Comments: Any member of the public may address the Board of Commissioners on specific agenda items or matters of general interest. As determined by the Chair, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to five minutes. 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.

Matters of Interest addressed by a member of the public and not listed on this agenda cannot have action taken by the Board of Commissioners except as authorized by Section 54954.2(b). If you wish to speak, please complete a Speaker's Form (located at the table in the lobby outside of the Board Room) and give it to the Board Secretary prior to the start of the meeting.

If any individual wishes to challenge an action of the Commission in court, he or she may be limited to raising those issues that were raised at the public hearing pertaining to the Commission's actions, or in any written correspondence delivered to the Commission on or prior to the public hearing.

Consent Calendar: 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.

The Chair will determine if any items are to be deleted from the Consent Calendar.

Items Continued: Items may be continued from this meeting without further notice to a Committee or Board meeting held within five (5) days of this meeting per Government Code Section 54954.2(b)(3).

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 in accordance with Government Code Section 54955 (posted within 24 hours).

Accommodations for the Disabled: In compliance with the Americans with Disabilities Act (ADA), the Board of Commissioners Meeting Room is wheelchair accessible. If you require any special disability related accommodations, please contact the Victor Valley Wastewater Reclamation Authority Board Secretary's office at 760-246-2892 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

**SOUTHWEST GAS CORPORATION**

August 6, 2018

VIA EMAIL

Re: Southwest Gas Corporation Southern California Rate Change

Dear Southwest Gas Customer:

Thank you for being a valued Southwest Gas Corporation customer. We have determined that your account may be significantly impacted by California Public Utilities Commission (CPUC) approved Decision (D.)15-10-032. Beginning July 1, 2018, in accordance with CPUC Decision (D.)15-10-032, all sales and transportation customers are being assessed the Greenhouse Gas Balancing Account Surcharge of \$0.04778 per therm ("GHGBA – Non-Covered Entities").

The surcharges (GHGBA) for Non-Covered entities are now set forth in the currently-effective Statement of Rates in Southwest Gas' California Gas Tariff which may be viewed at [https://www.swgas.com/7200000201447/2018\\_CA-Entire-Tariff-for-Website-07-01-18.pdf](https://www.swgas.com/7200000201447/2018_CA-Entire-Tariff-for-Website-07-01-18.pdf). Notification of this surcharge was provided in Southwest Gas' Advice Letter AL-1072 to the CPUC for which a copy is enclosed for your reference.

I am the Southwest Gas Industrial Gas Engineer that manages your account. Please feel free to contact me at [maria.stosich-rushing@swgas.com](mailto:maria.stosich-rushing@swgas.com) or (702) 365-2580 should you have any questions regarding your account.

Sincerely,

A handwritten signature in black ink that reads "Maria S. Rushing".

Maria S. Rushing  
Industrial Gas Engineer, Energy Solutions: Key Accounts

Enclosure

**SOUTHWEST GAS CORPORATION**

May 14, 2018

**ATTN:** Tariff Unit, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4005  
San Francisco, CA 94102

**Subject:** Southwest Gas Corporation (U 905 G)  
Advice Letter No. 1072

Enclosed herewith is one (1) copy of Southwest Gas Corporation's Advice Letter No. 1072, together with California Gas Tariff Sheet Nos. 2, 65-77, 79, 81, 83, 87, 88, 91 and 104.

Sincerely,

Valerie J. Ontiveroz  
Regulatory Manager/California

VJO:jjp  
Enclosures


**SOUTHWEST GAS CORPORATION**

Advice Letter No. 1072

May 14, 2018

**PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Southwest Gas Corporation (Southwest Gas or Company) (U 905 G) tenders herewith for filing the following tariff sheets:

Cal. P.U.C. Sheet No.	California Gas Tariff Title of Sheet	Canceling Cal. P.U.C. Sheet No.
7th Revised Sheet No. 2	Table of Contents	6th Revised Sheet No. 2
107th Revised Sheet No. 65	Statement of Rates - Rates Applicable to Southern California Service Area	106th Revised Sheet No. 65
108th Revised Sheet No. 66	Statement of Rates - Rates Applicable to Southern California Service Area	107th Revised Sheet No. 66
55th Revised Sheet No. 67	Statement of Rates - Rates Applicable to Southern California Service Area	53rd Revised Sheet No. 67
105th Revised Sheet No. 68	Statement of Rates - Rates Applicable to Northern California Service Area	104th Revised Sheet No. 68
107th Revised Sheet No. 69	Statement of Rates - Rates Applicable to Northern California Service Area	106th Revised Sheet No. 69
72nd Revised Sheet No. 70	Statement of Rates - Rates Applicable to Northern California Service Area	71st Revised Sheet No. 70
107th Revised Sheet No. 71	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	106th Revised Sheet No. 71
45th Revised Sheet No. 72	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	44th Revised Sheet No. 72
11th Revised Sheet No. 73	Statement of Rates - Rates Applicable to South Lake Tahoe Service Area	10th Revised Sheet No. 73
1st Revised Sheet No. 74-77	Held for Future Use	Original Sheet No. 74-77
3rd Revised Sheet No. 79	GS-10/GN-10/SLT-10 - Residential Gas Service	2nd Revised Sheet No. 79



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California Gas Tariff		
Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
3rd Revised Sheet No. 81	GS-11 – Residential Air-Conditioning Gas Service	2nd Revised Sheet No. 81
3rd Revised Sheet No. 83	GS-12/GN-12/SLT-12 – CARE Residential Gas Service	2nd Revised Sheet No. 83
2nd Revised Sheet No. 87	GS-15/GN-15/SLT-15 – Secondary Residential Gas Service	1st Revised Sheet No. 87
3rd Revised Sheet No. 88	GS-20/GN-20/SLT-20 – Multi-Family Master-Metered Gas Service	2nd Revised Sheet No. 88
3rd Revised Sheet No. 91	GS-25/GN-25/SLT-25 – Multi-Family Master-Metered Gas Service – Submetered	2nd Revised Sheet No. 91
1st Revised Sheet No. 104	GS-40/GN-40/SLT-40 – Core General Gas Service	Original Sheet No. 104

**Purpose**

The purpose of this filing is to implement the residential California Climate Credit and to include Greenhouse Gas (GHG) compliance costs into rates pursuant to the provisions outlined in Ordering Paragraphs (OP) 1 and 3 through 9 in Decision (D.) 18-03-017.

**Background**

On October 22, 2015, the Commission issued D.15-10-032 resolving Phase 2 issues in Rulemaking (R.) 14-03-003,<sup>1</sup> including,

...methodologies for natural gas utilities to use when calculating forecast and recorded GHG allowance proceeds and GHG costs associated with complying with Cap-and-Trade, and it approves an advice letter process for the utilities to use when forecasting and reconciling reasonable GHG costs and allowance proceeds. Today's decision approves the 2015 forecasts presented in the utilities' preliminary statements and requires the utilities to include GHG costs in customers' rates on an equal-cents-per-therm basis. The decision also adopts a natural gas California Climate Credit for residential customer of those utilities.<sup>2</sup>

<sup>1</sup> R.14-03-003, "Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions," adopted by the Commission March 12, 2014.  
<sup>2</sup> D.15-10-032, at pgs. 2-3.





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**Background** *(continued)*

The Commission directed the natural gas utilities to utilize the tables provided in Appendix A to D.15-10-032 to annually forecast its GHG compliance costs and allowance proceeds and also include a "...narrative summary describing activities completed in the current year, including any deviations from what was forecasted for the current year, and projecting activities in the forecast year..."<sup>3</sup> On April 7, 2016, the Commission approved D.16-04-013, which granted limited rehearing of D.15-10-032 regarding the return of GHG allowance proceeds to residential customers. D.16-04-013 vacated certain OPs, which effectively suspended the introduction of GHG costs into customer rates as well as the return of any GHG allowance proceeds.<sup>4</sup>

On March 22, 2018, the Commission approved D.18-03-017, providing the legal rationale to distribute GHG allowance proceeds solely to residential customers of the natural gas utilities. Additionally, D.18-03-017 sets forth the methodologies the natural gas utilities are to utilize to include GHG costs into rates utilizing the Appendix A Tables A through E adopted in D.15-10-032. OP 9 states:

Within 45 days of issuance of this decision, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company and Southwest Gas Corporation [sic] must file a Tier 2 Advice Letter providing information necessary to implement the residential California Climate Credit and to include greenhouse gas compliance costs in rates, including the netting of greenhouse gas costs and proceeds for the years 2015, 2016, and 2017. The advice letters must include the following information:

- a. Detailed calculations showing the amount of greenhouse gas proceeds available for residential ratepayers in 2018. Utilities must provide the 2018 Residential California Climate Credit. This information should be displayed using the format of Table C, adopted in Appendix A to Decision 15-10-032.
- b. Detailed calculations of greenhouse gas compliance costs to be included in rates beginning in July of 2018, including calculations showing the amortization of 2018 compliance costs. This information shall be displayed using the format of Table A and Table B, adopted in Appendix A to Decision 15-10-032.
- c. Detailed accounting of the netting of 2015-2017 greenhouse gas compliance costs and proceeds for residential customers as well as an amortization schedule for residual greenhouse gas compliance costs, if any. If there are residual residential greenhouse proceeds, the utilities shall include a final calculated 2018 residential Climate Credit reflecting the inclusion of the net surplus.

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<sup>3</sup> Id. at pg. 19.

<sup>4</sup> D.16-04-013, OP 4 at pg. 6.



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**Background (continued)**

- d. Detailed accounting of the greenhouse outreach and administrative expenses for 2015-2017 time period. This information shall be displayed using the format of Table D, adopted in Appendix A to Decision 15-10-032.
- e. Report of annual compliance obligations. This information shall be displayed using the format of Table E, adopted in Appendix A to Decision 15-10-032.<sup>5</sup>

Accordingly, as set forth below, Southwest Gas has utilized Tables A through E (Attachment 1) to calculate its proposed rates incorporating its netted 2015 through 2017 and 2018 GHG costs into rates and its proposed 2018 California Climate Credit.

**California Climate Credit and GHG Compliance Costs**

***Table A – Forecasted Revenue Requirement***

Table A illustrates Southwest Gas' calculation of the forecasted revenue requirement associated with its recorded GHG compliance costs as follows:

1. Pursuant to OP 4 in D.18-03-017, Southwest Gas netted its 2015 through 2017 GHG compliance costs against the Company's total available GHG proceeds. This netting amounted to excess compliance costs of \$602,115.<sup>6</sup> Southwest Gas proposes to amortize these costs over a 12-month period beginning July 1, 2018, in accordance with OP 5 in D.18-03-017.<sup>7</sup> The 2015-2017 netting and 12-month amortization is illustrated on Attachment 2 to this Advice Letter.
2. Pursuant to OP 7 in D.18-03-017, Southwest Gas proposes to amortize its forecasted 2018 GHG compliance costs over an 18-month period and begin including these costs into rates on July 1, 2018.<sup>8</sup>

Southwest Gas considers certain information contained in Table A confidential, including Gross Throughput (Line 1), Throughput to Covered Entities (Line 2), and is providing this information to the Energy Division confidentially under separate cover pursuant to D.15-10-032 and D.16-08-024.

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<sup>5</sup> D.18-03-017, at pgs. 55-56.

<sup>6</sup> Id. at pgs. 53-54.

<sup>7</sup> Id. at pg. 54.

<sup>8</sup> Id. at pgs. 54-55.



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**California Climate Credit and GHG Compliance Costs (continued)**

***Table B – Recorded GHG Costs***

Southwest Gas has included recorded costs in Table B utilizing the weighted average cost methodology. Because Table B contains confidential information, it is being provided to the Energy Division confidentially under separate cover pursuant to D.15-10-032 and D.16-08-024.

***Table C – GHG Allowance Proceeds***

Under the Cap-and-Trade Program, the California Air Resources Board (CARB) annually allocates GHG allowances to natural gas utilities for the benefit of their ratepayers, and CARB requires the utilities to consign a minimum percentage of the allowances for sale in CARB's allowance auctions, with consignment requirements beginning at 25 percent in 2015 and increasing 5 percent annually through 2020.<sup>9</sup> In D.15-10-032 and D.18-03-017, the Commission found it appropriate to return allowance proceeds received from the sale of GHG allowances to residential customers only as the on-bill California Climate Credit annually each April, with the exception of 2018, in which the California Climate Credit shall be distributed in October.<sup>10</sup> The California Climate Credit is to be calculated as the GHG allowance proceeds remaining after subtracting Southwest Gas' outreach and administrative expenses from the total allowance proceeds and dividing the result by the number of residential households.<sup>11</sup> Southwest Gas' administrative and outreach expenses are discussed below. Southwest Gas forecasts approximately \$4.1 million net GHG allowance proceeds available for return to customers in 2018. Southwest Gas' 2018 California Climate Credit is \$22.38.

***Table D – Outreach and Administrative Expenses***

Southwest Gas' Outreach and Education Plan (Plan) was approved with a total forecasted cost of \$65,500.<sup>12</sup> However, the Plan was not effectuated due to the suspension of the California Climate Credit and GHG compliance costs recovery, which also included a suspension of related outreach and education.<sup>13</sup> As such, Southwest Gas has experienced minimal costs to date related to its Plan. Additionally, due to the timing of D.18-03-017, Southwest Gas has determined to delay its Post Phone Survey until 2019, which results in the reduction of approximately \$55,000 in Plan expenses for 2018. Therefore, Southwest Gas forecasts its Plan costs to be approximately \$11,220 for 2018. Southwest Gas will include this amount in its annual balancing account update filing for 2019.

<sup>9</sup> D.15-10-032, at pg. 5.

<sup>10</sup> D.18-03-017, at pgs. 2 and 40; OP 8, at pg. 55.

<sup>11</sup> D.15-10-032, at pg. 37.

<sup>12</sup> Advice Letter No. 994, approved December 30, 2015.

<sup>13</sup> Letter from the Energy Division to Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Gas Company and Southwest Gas Corporation [sic], "Suspend April 2016 Natural Gas Climate Credit and Introduction of GHG Costs in Rates," dated March 7, 2016.



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**California Climate Credit and GHG Compliance Costs** *(continued)*

***Table E – Compliance Obligation Over Time***

Southwest Gas has included its 2015 and 2016 verified emissions in Table E.

**Compliance Instrument Procurement Limit**

The Commission adopted a GHG compliance instrument procurement limit formula for the natural gas utilities in D.14-12-040. Pursuant to D.15-10-032, procurement limits shall be provided to the Energy Division confidentially. As such, Southwest Gas will provide its annual GHG procurement limit to the Energy Division under separate cover.

**Tariff Revisions**

Southwest Gas has updated its residential rate schedules to remove outdated references pertaining to the implementation of the California Climate Credit. Additionally, the Statement of Rates tariff sheets for each of Southwest Gas' three rate jurisdictions have been updated to clearly distinguish GHG compliance cost rates for non-Covered Entities and Covered Entities under CARB Cap-and-Trade Program. The proposed tariff sheets are included as Attachment 3 to this Advice Letter.

**Effective Date**

Southwest Gas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after Energy Division approval) pursuant to GO 96-B. Southwest Gas respectfully requests the tariff rates and revisions and California Climate Credit proposed herein be approved July 1, 2018.

**Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based with specificity. The protest must be sent no later than 20 days after the date of this Advice Letter filing and shall be sent by letter via U.S. Mail, facsimile, or electronically mailed. The address for mailing or delivering a protest to the Commission is:

ATTN: Tariff Unit  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102  
Email: [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)  
Facsimile: 415-703-2200



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**Protest** (continued)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004, at the same address as above and mailed or faxed to:

Mr. Justin Lee Brown  
Senior VP/General Counsel  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Email: [justin.brown@swgas.com](mailto:justin.brown@swgas.com)  
Facsimile: 702-364-3452

**Notice**

Pursuant to Energy Industry Rule 3.1(1), Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is being filed in compliance with OP 9 in D.18-03-017.

**Service**

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter and related tariff sheets to the utilities and interested parties shown on the attached list.

Communications regarding this filing should be directed to:

Valerie J. Ontiveroz  
Regulatory Manager/California  
Southwest Gas Corporation  
P.O. Box 98510  
Las Vegas, NV 89193-8510  
Telephone: 702-876-7323  
Email: [valerie.ontiveroz@swgas.com](mailto:valerie.ontiveroz@swgas.com)

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By: 

Justin Lee Brown

Attachments

**Distribution List**

Advice Letter No. 1072

In conformance with GO 96-B, General Rule 4.3

The following individual has been served by regular, first-class mail:

Elizabeth Echols, Director  
Office of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94105

The following individuals or entities have been served by electronic mail:

Pacific Gas & Electric Company  
[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Southern California Gas Company  
[ROrtiz@SempraUtilities.com](mailto:ROrtiz@SempraUtilities.com)

San Diego Gas & Electric Company  
[SDG&ETariffs@SempraUtilities.com](mailto:SDG&ETariffs@SempraUtilities.com)

Belinda Gatti  
Energy Division  
California Public Utilities Commission  
[belinda.gatti@cpuc.ca.gov](mailto:belinda.gatti@cpuc.ca.gov)

Robert M. Pocta  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[rmp@cpuc.ca.gov](mailto:rmp@cpuc.ca.gov)

Nathaniel Skinner  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[nws@cpuc.ca.gov](mailto:nws@cpuc.ca.gov)

Pearlie Sabino  
Office of Ratepayer Advocates  
California Public Utilities Commission  
[pzs@cpuc.ca.gov](mailto:pzs@cpuc.ca.gov)

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)	
Company name/CPUC Utility No. <b>Southwest Gas Corporation (U 905 G)</b>	
Utility type: <input type="checkbox"/> ELC <input checked="" type="checkbox"/> GAS <input type="checkbox"/> PLC <input type="checkbox"/> HEAT <input type="checkbox"/> WATER	Contact Person: <b>Valerie J. Ontiveroz</b> Phone #: <b>(702) 876-7323</b> E-mail: <b>valerie.ontiveroz@swgas.com</b>
EXPLANATION OF UTILITY TYPE ELC = Electric     GAS = Gas PLC = Pipeline     HEAT = Heat     WATER = Water	(Date Filed/ Received Stamp by CPUC)
Advice Letter (AL) #: <b>1072</b>	
Subject of AL: <b>To implement the residential California Climate Credit and to include GHG compliance costs into rates pursuant to OPs 1 and 3 through 9 in D.18-03-017.</b>	
Keywords (choose from CPUC listing): <b>California Climate Credit and GHG Costs</b>	
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other	
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:	
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL <b>Not applicable</b>	
Summarize differences between the AL and the prior withdrawn or rejected AL <sup>1</sup> : <b>Not applicable</b>	
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Requested effective date: <b>July 1, 2018</b>	No. of tariff sheets: <b>18</b>
Estimated system annual revenue effect (%): <b>Increase of 4.45% SCA, 4.21% NCA, and 5.58% SLT</b>	
Estimated system average rate effect (%): <b>Increase of 4.45% SCA, 4.21% NCA, and 5.58% SLT</b>	
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).	
Tariff schedules affected: <b>Not applicable</b>	
Service affected and changes proposed <sup>14</sup> : <b>See 'Subject of AL' above</b>	
Pending advice letters that revise the same tariff sheets: <b>None</b>	
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:	
<b>CPUC, Energy Division</b> <b>Attention: Tariff Unit</b> <b>505 Van Ness Ave.</b> <b>San Francisco, CA 94102</b> <b>E-mail: edtariffunit@cpuc.ca.gov</b>	<b>Utility Info (including e-mail)</b> <b>Mr. Justin Lee Brown,</b> <b>Senior Vice President/General Counsel</b> <b>Southwest Gas Corporation</b> <b>P. O. Box 98510</b> <b>Las Vegas, NV 89193-8510</b> <b>E-mail: justin.brown@swgas.com</b> <b>Facsimile: 702-364-3452</b>

<sup>14</sup> Discuss in AL if more space is needed.

**Advice Letter No. 1072**  
**Attachment 1**

D.15-10-032 Appendix A Tables



**SOUTHWEST GAS CORPORATION**  
**Advice Letter No. 1072**  
**D.15-10-032 - Appendix A**  
**Table A: Forecast Revenue Requirement**

Line	Description	2018 - 18 Month Amortization		
		Net Costs 2015 - 2017	Forecast	Recorded
1	Gross Throughput (MMcf)			
2	Throughput to Covered Entities (MMcf)			
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	14,022	22,146	
4	Lost and Unaccounted for Gas <sup>1</sup> (MMcf)	99	156	
5	<b>Total Supplied Gas (MMcf)</b> (Line 3 + Line 4)	<b>14,121</b>	<b>22,302</b>	
6	Emissions Conversion Factor (MTCO <sub>2</sub> e/MMcf)	54.64437	54.64437	
7	Compliance Obligation for End Users and LUAF (MTCO <sub>2</sub> e) (Line 5 * Line 6)	771,612	1,218,658	
8	Compliance Obligation for Company Facilities (MTCO <sub>2</sub> e)	0	0	
9	<b>Gross Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 7 + Line 8)	<b>771,612</b>	<b>1,218,658</b>	
10	Directly Allocated Allowances	0	(1,020,735)	
11	Percentage Consigned to Auction	35%	42%	
12	Consigned Allowances (Line 10 * Line 11)	0	425,062	
13	<b>Net Compliance Obligation (MTCO<sub>2</sub>e)</b> (Line 9 + Line 10+ Line 12)	<b>771,612</b>	<b>622,985</b>	
14	Proxy GHG Allowance Price <sup>2</sup>		\$ 15.66	
15	Compliance Instrument Cost	\$ 594,165	\$ 9,755,951	
16	Interest	\$ 7,884		
17	Franchise Fees & Uncollectibles <sup>3</sup>	\$ 9,685	\$ 159,022	
18	<b>Revenue Requirement</b> (Line 15 + Line 16 + Line 17)	<b>\$ 611,734</b>	<b>\$ 9,914,973</b>	
19	Previous Year's Cost Balancing Subaccount Balance			
20	<b>Revenue Requirement to be Included in Rates</b> (Line 18 + Line 19)	<b>\$ 611,734</b>	<b>\$ 9,914,973</b>	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00003	\$ 0.00063	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.00424	\$ 0.04354	

**Footnotes**

1 Lost and unaccounted for gas percentages were authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028

2 The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 -

3 The F&U Rate was authorized in Southwest Gas' last General Rate Case (GRC) Decision 14-06-028

**SOUTHWEST GAS CORPORATION**  
**Advice Letter No. 1072**  
**D.15-10-032 - Appendix A**  
**Table C: GHG Allowance Proceeds**

Line	Description	2018	
		Forecast	Recorded
1	Proxy GHG Allowance Price (\$/MT) <sup>1</sup>	\$ 15.08	
2	Directly Allocated Allowances	685,378	
3	Percentage Consigned to Auction	40%	
4	Consigned Allowances	274,151	
5	Allowance Proceeds	\$ (4,134,197)	
6	Previous Year's Revenue Balancing Subaccount Balance		
7	Interest		
8	<b>Subtotal Allowance Proceeds (\$)</b> (Line 5 + Line 6 + Line 7)	<b>\$ (4,134,197)</b>	
9	<b>Outreach and Admin Expenses (\$)</b> (from Table D)	<b>\$ 11,220</b>	
10	<b>Net GHG Proceeds Available for Customer Returns (\$)</b> (Line 8 +	<b>\$ (4,122,977)</b>	
11	Number of Residential Households	184,203	
12	<b>Per Household California Climate Credit (\$)</b> (Line 10 / Line 11)	<b>\$ 22.38</b>	

Footnotes

1 The forecasted proxy price is the April 23, 2018, futures settlement price for vintage year 2018 allowances for delivery in December. The future settlements price was obtained from the Intercontinental Exchange dated April 23, 2018, Futures Daily Market Report for Physical Environmental, "CAW-California Carbon Allowance Future-Vintage 2018 - California Carbon Allowance Vintage 2018 ." This methodology is consistent with Southwest Gas methodology for forecasting gas supply prices.

**SOUTHWEST GAS CORPORATION**  
**Advice Letter No. 1072**  
**D.15-10-032 - Appendix A**  
**Table D: GHG Outreach and Administrative Expenses**

Line	Description	2018	
		Forecast	Recorded
1	Outreach Expenses		
2	Detail of Outreach Activity (\$)		
3	Website Page	\$ 2,000	
4	E-Blasts	\$ 5,000	
5	Bill Insert	\$ 3,000	
6	On-Bill Message	\$ -	
7	On-Hold Phone Message	\$ 1,000	
8	Post Phone Survey	\$ -	
9	<b>Subtotal Outreach (\$)</b>	<b>\$ 11,000</b>	<b>\$ -</b>
10	Administrative Expenses		
11	Detail of Administrative Activity (\$)		
12	Programming	\$ -	
13	Testing	\$ -	
14	<b>Subtotal Administrative (\$)</b>	<b>\$ -</b>	<b>\$ -</b>
15	Subtotal Outreach and Administrative (\$)	\$ 11,000	\$ -
16	Interest (\$)	\$ 220	\$ -
17	<b>Total (\$)</b>	<b>\$ 11,220</b>	<b>\$ -</b>

**SOUTHWEST GAS CORPORATION**  
**Advice Letter No. 1072**  
**D.15-10-032 - Appendix A**  
**Table E: Compliance Obligation Over Time**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Natural Gas Fuel Supplier Compliance Obligation (MTCO<sub>2e</sub>)</b>	668,077	695,462				
<b>Company Facility Compliance Obligation (MTCO<sub>2e</sub>)</b>	0	0				

**Advice Letter No. 1072**  
**Attachment 2**

2015 through 2017 Netting of GHG Compliance Costs  
and Proceeds, including Amortization Schedule

## SOUTHWEST GAS CORPORATION

Advice Letter No. 1072

D.15-10-032 - Appendix A

## Netting of 2015-2017 GHG Compliance Costs and Allowance Proceeds

Line	Description	2015	2016	2017	Total
		Recorded	Recorded	Recorded	
1	Compliance Costs	\$ 1,813,190	\$ 2,520,540	\$ 4,684,465	\$ 9,018,195
2	Interest	\$ 3,062	\$ 33,264	\$ 121,354	\$ 157,680
3	<b>Subtotal Compliance Costs (\$) (Line 1 + Line 2)</b>	<b>\$ 1,816,252</b>	<b>\$ 2,553,804</b>	<b>\$ 4,805,819</b>	<b>\$ 9,175,875</b>
4	Allowance Proceeds	\$ (2,247,731)	\$ (2,726,511)	\$ (3,449,787)	\$ (8,424,030)
5	Interest	\$ (4,019)	\$ (32,300)	\$ (113,477)	\$ (149,796)
6	<b>Subtotal Allowance Proceeds (\$) (Line 4 + Line 5)</b>	<b>\$ (2,251,750)</b>	<b>\$ (2,758,811)</b>	<b>\$ (3,563,265)</b>	<b>\$ (8,573,826)</b>
7	Administrative Costs	\$ -	\$ 65	\$ 1	\$ 66
8	<b>Subtotal Available Proceeds for Customer Returns (\$) (Line 6 + Line 7)</b>	<b>\$ (2,251,750)</b>	<b>\$ (2,758,746)</b>	<b>\$ (3,563,264)</b>	<b>\$ (8,573,760)</b>
9	<b>Netting of 2015-2017 GHG Compliance Costs and Available Proceeds (Line 3 + Line 8)</b>	<b>\$ (435,498)</b>	<b>\$ (204,942)</b>	<b>\$ 1,242,555</b>	<b>\$ 602,115 (A)</b>

**Amortization Schedule over 12 months beginning July 1, 2018**  
**(\$602,115/12 months = \$50,176/month)**

Jul-18	\$ 50,176
Aug-18	\$ 50,176
Sep-18	\$ 50,176
Oct-18	\$ 50,176
Nov-18	\$ 50,176
Dec-18	\$ 50,176
Jan-19	\$ 50,176
Feb-19	\$ 50,176
Mar-19	\$ 50,176
Apr-19	\$ 50,176
May-19	\$ 50,176
Jun-19	\$ 50,176
	<u>\$ 602,115 (A)</u>

**SOUTHWEST GAS CORPORATION**  
**Advice Letter No. 1072**  
**D.15-10-032 - Appendix A**  
**Netting of 2015-2017 GHG Compliance Costs and Allowance Proceeds**

<b>Line</b>	<b>Description</b>	<b>2015 Recorded</b>	<b>2016 Recorded</b>	<b>2017 Recorded</b>	<b>Total</b>
1	Outreach Expenses				
2	Detail of Outreach Activity (\$)	\$ -	\$ 65	\$ -	\$ 65
3	<b>Subtotal Outreach (\$)</b>	\$ -	\$ 65	\$ -	\$ 65
4	Administrative Expenses				
5	Acquisition (\$)	\$ -	\$ -	\$ -	\$ -
6	Billing (\$)	\$ -	\$ -	\$ -	\$ -
7	<b>Subtotal Administrative (\$)</b>	\$ -	\$ -	\$ -	\$ -
8	Subtotal Outreach and Administrative (\$) (Line 3 + Line 7)	\$ -	\$ 65	\$ -	\$ 65
9	Interest (\$)	\$ -	\$ 0	\$ 1	\$ 1
10	<b>Total (\$)</b> (Line 8 + Line 9)	\$ -	\$ 65	\$ 1	\$ 66

**Advice Letter No. 1072  
Attachment 3**

Tariff Sheets



SOUTHWEST GAS CORPORATION  
 P.O. Box 98510  
 Las Vegas, Nevada 89193-8510  
 California Gas Tariff

Canceling 7th Revised Cal. P.U.C. Sheet No. 2  
6th Revised Cal. P.U.C. Sheet No. 2

TABLE OF CONTENTS

The following listed sheets contain all the effective rates and rules affecting rates and service and information relating thereto in effect on and after the date indicated thereon.

DESCRIPTION	CAL. P.U.C. SHEET NOS.	
Title Page	1	
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Held for Future Use	9	
Preliminary Statement	10 – 45.5	
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Map and Description of Franchise and Service Area	46 – 64	
Statement of Rates	65 – 73	T
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Other Service Charges	78	

Advice Letter No. 1072  
 Decision No. 18-03-017

Issued by  
 Justin Lee Brown  
 Senior Vice President

Date Filed May 14, 2018  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_ T

SOUTHWEST GAS CORPORATION  
 P.O. Box 98510  
 Las Vegas, Nevada 89193-8510  
 California Gas Tariff

Canceling 107th Revised Cal. P.U.C. Sheet No. 65  
106th Revised Cal. P.U.C. Sheet No. 65

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]**

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments		Subtotal Gas Usage Rate	Other Surcharges		Gas Cost	Effective Sales Rate
					CPUC	PPP		
<b>GS-10-Residential Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Baseline Quantities	\$ .71361	\$ .19459	\$ .90820	\$ .00166	\$ .11505	\$ .20164	\$ 1.22655	
Tier II	\$ .88488	.19459	1.07947	.00166	.11505	.20164	1.39782	
<b>GS-11-Residential Air-Conditioning Gas Service</b>								
Basic Service Charge	\$ 5.00							\$ 5.00
Cost per Therm								
Tier I	\$ .71361	\$ .19459	\$ .90820	\$ .00166	\$ .11505	\$ .20164	\$ 1.22655	
Tier II	.88488	.19459	1.07947	.00166	.11505	.20164	1.39782	
Air-Conditioning	\$ .35681	.19459	.55140	.00166	.11505	.20164	.86975	
<b>GS-12-CARE Residential Gas Service</b>								
Basic Service Charge	\$ 4.00							\$ 4.00
Cost per Therm								
Baseline Quantities	\$ .49164	\$ .19459	\$ .68623	\$ .00166	\$ .01587	\$ .20164	\$ .90540	
Tier II	.62866	.19459	.82325	.00166	.01587	.20164	\$ 1.04242	
<b>GS-15-Secondary Residential Gas Service</b>								
Basic Service Charge	\$ 6.00							\$ 6.00
Cost per Therm	\$ 1.09366	\$ .19459	\$ 1.28825	\$ .00166	\$ .11505	\$ .20164	\$ 1.60660	
<b>GS-20-Multi-Family Master-Metered Gas Service</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .71361	\$ .19459	\$ .90820	\$ .00166	\$ .11505	\$ .20164	\$ 1.22655	
Tier II	.88488	.19459	1.07947	.00166	.11505	.20164	1.39782	
<b>GS-25-Multi-Family Master-Metered Gas Service-Submetered</b>								
Basic Service Charge	\$ 25.00							\$ 25.00
Cost per Therm								
Baseline Quantities	\$ .71361	\$ .19459	\$ .90820	\$ .00166	\$ .11505	\$ .20164	\$ 1.22655	
Tier II	.88488	.19459	1.07947	.00166	.11505	.20164	1.39782	
Submetered Discount per Occupied Space	(\$7.69)							(\$7.69)
<b>GS-35-Agriculture Employee Housing &amp; Nonprofit Group Living Facility Gas Service</b>								
Basic Service Charge	\$ 8.80							\$ 8.80
Cost per Therm								
First 100	\$ .42947	\$ .19459	\$ .62406	\$ .00166	\$ .01587	\$ .20164	\$ .84323	
Next 500	.29572	.19459	.49031	.00166	.01587	.20164	.70948	
Next 2,400	.18872	.19459	.38331	.00166	.01587	.20164	.60248	
Over 3,000	.06281	.19459	.25740	.00166	.01587	.20164	.47657	
<b>GS-40-Core General Gas Service (non-Covered Entities)</b>								
Basic Service Charge	\$ 11.00							\$ 11.00
Transportation Service Charge	\$ 780.00							\$ 780.00
Cost per Therm								
First 100	\$ .63590	\$ .19459	\$ .83049	\$ .00166	\$ .11505	\$ .20164	\$ 1.14884	
Next 500	\$ .46871	.19459	.66330	.00166	.11505	.20164	.98165	
Next 2,400	\$ .33496	.19459	.52955	.00166	.11505	.20164	.84790	
Over 3,000	\$ .17757	.19459	.37216	.00166	.11505	.20164	.69051	

Advice Letter No. 1072  
 Decision No. 18-03-017

Issued by  
 Justin Lee Brown  
 Senior Vice President

Date Filed May 14, 2018  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

SOUTHWEST GAS CORPORATION  
 P.O. Box 98510  
 Las Vegas, Nevada 89193-8510  
 California Gas Tariff

Canceling 108th Revised Cal. P.U.C. Sheet No. 66  
107th Revised Cal. P.U.C. Sheet No. 66

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA SERVICE AREA [1]**

Schedule No. and Type of Charge	Margin	Charges [2] and Adjustments	Subtotal Gas Usage Rate	Other Surcharges CPUC	PPP	Gas Cost	Effective Sales Rate	
<b>GS-40-Core General Gas Service (Covered Entities)</b>								
Basic Service Charge	\$11.00						\$11.00	N
Transportation Service Charge	\$780.00						\$780.00	I
Cost per Therm								I
First 100	\$ .63590	\$ .14747	\$ .78337	\$ .00166	\$ .11505	\$ .20164	\$ 1.10172	I
Next 500	\$ .46871	.14747	.61618	.00166	.11505	.20164	.93453	I
Next 2,400	\$ .33496	.14747	.48243	.00166	.11505	.20164	.80078	I
Over 3,000	\$ .17757	.14747	.32504	.00166	.11505	.20164	.64339	I
<b>GS-50-Core Natural Gas Service for Motor Vehicles</b>								
Basic Service Charge	\$25.00						\$25.00	L
Cost per Therm	\$ .12468	\$ .19459	\$ .31927	\$ .00166	\$ .11505	\$ .20164	\$ .63762	I
<b>GS-60-Core Internal Combustion Engine Gas Service</b>								
Basic Service Charge	\$25.00						\$25.00	I
Cost per Therm	\$ .18581	\$ .19459	\$ .38040	\$ .00166	\$ .11505	\$ .20164	\$ .69875	I
<b>GS-LUZ-Solar Electric Generation Gas Service</b>								
Basic Service Charge	\$50.00						\$50.00	I
Cost per Therm	\$ .05338	\$ .04954	\$ .10292	\$ .00166			\$ .10458	I
<b>GS-66-Core Small Electric Power Generation Gas Service</b>								
Basic Service Charge	\$25.00						\$25.00	I
Cost per Therm	\$ .26781	\$ .19459	\$ .46240	\$ .00166		\$ .20164	\$ .66570	I
<b>GS-70-Noncore General Gas Transportation Service</b>								
Basic Service Charge	\$100.00						\$100.00	I
Transportation Service Charge	\$780.00						\$780.00	I
Cost per Therm	\$ .13597	\$ .09497	\$ .23094	\$ .00166	\$ .11505		\$ .34765	I
<b>GS-VIC City of Victorville Gas Service</b>								
Basic Service Charge	\$11.00						\$ 11.00	I
Transportation Service Charge	\$ 50.00						\$ 50.00	I
Cost per Therm	\$ .37960	\$ .19459	\$ .57419	\$ .00166		\$ .20164	\$ .77749	I
<b>TFF-Transportation Franchise Fee Surcharge Provision</b>								
TFF Surcharge per Therm							\$ .00221	
<b>TDS – Transportation Distribution System Shrinkage Charge</b>								
TDS Charge per Therm							\$ .00153	
<b>MHPS-Master-Metered Mobile Home Park Safety Inspection Provision</b>								
MHPS Surcharge per Space per Month							\$ .21000	

Advice Letter No. 1072  
 Decision No. 18-03-017

Issued by  
 Justin Lee Brown  
 Senior Vice President

Date Filed May 14, 2018  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_

SOUTHWEST GAS CORPORATION  
 P.O. Box 98510  
 Las Vegas, Nevada 89193-8510  
 California Gas Tariff

Canceling 55th Revised Cal. P.U.C. Sheet No. 67  
53rd Revised Cal. P.U.C. Sheet No. 67

**STATEMENT OF RATES**  
**RATES APPLICABLE TO SOUTHERN CALIFORNIA DIVISION SCHEDULES [1]**

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month and an amount for distribution shrinkage calculated by multiplying the currently effective Gas Cost rate per therm by the Lost and Unaccounted For Gas percentage of 0.76%. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for a period of 12 months. The volume charge for customer-secured natural gas transportation will also be subject to the TFF Surcharge.

[2] The Charges and Adjustments applicable to each tariff rate schedule includes the following components:

Charges and Adjustments Description	GS-10, GS-11, GS-12, GS-15, GS-20, GS-25, GS-35,	GS-40 (non- Covered Entities), GS-50, GS-60, GS-66	GS-40, (Covered Entities)	GS-70	GS-VIC	GS-LUZ
<b>Upstream Intrastate Charges</b>						
Storage	\$ .01157		\$ .01157		\$ .01157	
Variable	.03932		.03932	\$ .03932	.03932	
Upstream Interstate Reservation Charges	.05352		.05352		.05352	
IRRAM Surcharge	.00000		.00000	.00000		
<b>Balancing Account Adjustments</b>						
FCAM*	.03629		.03629	.00176	.03629	\$ .00176
ITCAM	.00611		.00611	.00611	.00611	
GHGBA**						
Non-Covered Entities [a]	.04778			.04778	.04778	.04778
Covered Entities [a]			.00066			
NERBA						
NGLAPBA						
<b>Total Rate Adjustment</b>	<b>\$ .19459</b>		<b>\$ .14747</b>	<b>\$ .09497</b>	<b>\$ .19459</b>	<b>\$ .04954</b>

\* The FCAM surcharge includes an amount of \$.00176 per therm related to the difference between Southwest Gas' authorized margin and recorded revenues intended to recover these costs.

\*\* Pursuant to D.15-10-032, Company costs incurred to comply with the California Air Resources Board (ARB) natural gas supplier Cap-and-Trade Program are to be included in transportation rates and recovered from Non-Covered Entities. Covered Entities, who are directly regulated by the ARB, are only responsible for paying for emission costs related to lost and unaccounted for gas (LUAF).

[a] Pursuant to D.18-03-017, Covered and non-Covered entities have a component to recover the 2015-2017 net compliance costs and proceeds amortized over a twelve month period. Also included are the 2018 GHG costs which are amortized over an eighteen month period.

Advice Letter No. 1072  
 Decision No. 18-03-017


Issued by  
 Justin Lee Brown  
 Senior Vice President

Date Filed May 14, 2018  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_



**Victor Valley Wastewater Reclamation Authority**  
*A Joint Powers Authority and Public Agency of the State of California*

20111 Shay Rd. Victorville, CA 92394  
 Telephone: (760) 246-8638  
 Fax: (760) 948-9897

**DATE:** July 31, 2018  
**TO:** Logan Olds  
 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 JULY 2018, check numbers 121744- 121838 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>ACH's and EFT's</i>	<i>Payroll</i>	<i>Total</i>
<i>\$322,801.91</i>	<i>\$700,746.11</i>	<i>\$293,053.02</i>	<i>\$1,316,601.04</i>

Victor Valley Reclamation Authority  
Cash Disbursement Register  
From 7/1/18 through 7/31/18

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Matching Document Number	Check Amount
121744	7/2/2018	7/2/2018	01	Alliant Insurance Services	Risk Equipment Insurance	07012018	\$ 6,868.00
121745	7/2/2018	7/2/2018	01	Atmospheric Analysis And Consulting, Inc.	Analysis and Reporting	A-18510	\$ 1,903.00
121746	7/2/2018	7/2/2018	01	Larry Bird	Commissioner Stipend	BIRD062118	\$ 100.00
121747	7/2/2018	7/2/2018	01	Ced	EQ Aerator Wire Material	9085-671046	\$ 2,393.47
121747	7/2/2018	7/2/2018	01	Ced	EQ Aerator Wire Material	9085-671066	\$ 297.55
121748	7/2/2018	7/2/2018	01	City Employees Associates	Supervisor Association Dues	062718	\$ 50.00
121749	7/2/2018	7/2/2018	01	Concorde Communications	Telephone and Answering Service	180600029	\$ 113.40
121750	7/2/2018	7/2/2018	01	James Cox	Commissioner Stipend	COX062118	\$ 100.00
121751	7/2/2018	7/2/2018	01	Crump & Co., Inc	Chainwheel	13002	\$ 552.55
121752	7/2/2018	7/2/2018	01	Daily Press	Public Notice	300155423	\$ 2,224.00
121753	7/2/2018	7/2/2018	01	Fastenal	Connection End	CAVIC60332	\$ 117.56
121754	7/2/2018	7/2/2018	01	Gfoa	Certificate Review Fee	2886129	\$ 435.00
121755	7/2/2018	7/2/2018	01	High Desert Laser Graphics	Toilet Trophy	06012018	\$ 146.54
121756	7/2/2018	7/2/2018	01	Hilti Inc.	Portable Tank	4611812733	\$ 612.02
121757	7/2/2018	7/2/2018	01	Hub Construction	Sikaflex and Bit	2025-0	\$ 520.44
121758	7/2/2018	7/2/2018	01	Industrial Hearing & Pulmonary Management	Pulmonary Function Testing	14348	\$ 1,910.00
121759	7/2/2018	7/2/2018	01	Napa Victorville	Deep Cycle Batteries	122532	\$ 373.28
121760	7/2/2018	7/2/2018	01	Scott Nassif	Commissioner Stipend	NASS062118	\$ 100.00
121761	7/2/2018	7/2/2018	01	Neofunds By Neopost	Postage Lease	06152018	\$ 564.00
121762	7/2/2018	7/2/2018	01	Prudential Overall Supply	Uniform Service	22626571	\$ 454.60
121762	7/2/2018	7/2/2018	01	Prudential Overall Supply	Uniform Service	22630054	\$ 463.97
121763	7/2/2018	7/2/2018	01	Quill Corporation	Office Supplies	7628531	\$ 30.16
121763	7/2/2018	7/2/2018	01	Quill Corporation	Office Supplies	7630658	\$ 86.11
121763	7/2/2018	7/2/2018	01	Quill Corporation	Office Supplies	7639984	\$ 32.30
121763	7/2/2018	7/2/2018	01	Quill Corporation	Office Supplies	7640044	\$ 39.31
121763	7/2/2018	7/2/2018	01	Quill Corporation	Office Supplies	7671886	\$ 1,888.88
121764	7/2/2018	7/2/2018	01	Southern Counties Lubricants	Chevron Rando	368375	\$ 1,005.58
121765	7/2/2018	7/2/2018	01	Johnson Controls Fire Protection Lp	Annual Fire Alarm Service	20273422	\$ 1,321.88
121766	7/2/2018	7/2/2018	01	Sparkletts Drinking Water	Bottled Water	14877093 062418	\$ 1,116.47
121767	7/2/2018	7/2/2018	01	ThurloWS Heating & A/C Inc.	Quarterly Maintenance	16591	\$ 1,999.00
121768	7/2/2018	7/2/2018	09	T.R.L.S., Engineering, Inc.	AV Golf Course Perc Pond	2981	\$ 4,760.00
121769	7/2/2018	7/2/2018	01	United Rentals Northwest, Inc	Crane Rental	158680169-001	\$ 1,118.74
121769	7/2/2018	7/2/2018	01	United Rentals Northwest, Inc	Trailer Rental Pick Up Fee	156902836-002	\$ 140.00
121770	7/2/2018	7/2/2018	01	Verizon Wireless	Account# 472015939-0001	980904664	\$ 79.19
121770	7/2/2018	7/2/2018	01	Verizon Wireless	Account# 472015939-00013	9809046645	\$ 91.97
121771	7/2/2018	7/2/2018	01	City Of Victorville / Sanitation	Trash Service	2993138	\$ 4,317.35
121772	7/3/2018	7/3/2018	01	Uc Regents	CEC Microgrid Battery Instalation	81043-010	\$ 3,224.93
121773	7/3/2018	7/3/2018	01	Uc Regents	CEC Microgrid Battery Instalation	81043-011	\$ 3,166.49
121774	7/12/2018	7/12/2018	01	Liberty Utilities- Apple Valley Ranchos Water	AV Subregional Water Usage- 21024 Otoe	62618	\$ 98.49
121774	7/12/2018	7/12/2018	01	Liberty Utilities- Apple Valley Ranchos Water	AV Subregional Water Usage- Otoe	06272018	\$ 1,326.41
121774	7/12/2018	7/12/2018	01	Liberty Utilities- Apple Valley Ranchos Water	AV Subregional Water Usage- Otoe	6272018	\$ 57.71
121775	7/12/2018	7/12/2018	01	Town Of Apple Valley	AV Subregional Trash Service	06282018	\$ 191.11
121776	7/12/2018	7/12/2018	01	Big Bear Electric, Inc.	Aerators 1-2 Wiring	1069	\$ 1,980.00
121776	7/12/2018	7/12/2018	01	Big Bear Electric, Inc.	Aerators 3-4 Wiring	1070	\$ 1,980.00
121776	7/12/2018	7/12/2018	01	Big Bear Electric, Inc.	Aerators 5-6 Wiring	1071	\$ 1,980.00
121776	7/12/2018	7/12/2018	01	Big Bear Electric, Inc.	Aerators 7-8 Wiring	1072	\$ 1,980.00
121777	7/12/2018	7/12/2018	01	Cmta	CMTA Membership Renewal	06202018	\$ 155.00
121778	7/12/2018	7/12/2018	01	Elliot'S Concrete Cutting & Coring	Coredrilling	1528	\$ 650.00
121779	7/12/2018	7/12/2018	01	Environmental Water Solutions, Inc.	Flare #2 Spare Parts	2744	\$ 8,049.27
121780	7/12/2018	7/12/2018	01	Flyers Energy, Llc	Diesel Fuel	CFS-1635273	\$ 1,239.75
121781	7/12/2018	7/12/2018	01	G.A. Osborne Pipe & Supply	Piping Supplies	392842	\$ 242.88
121781	7/12/2018	7/12/2018	01	G.A. Osborne Pipe & Supply	Piping Supplies	393033	\$ 64.22
121782	7/12/2018	7/12/2018	01	Hesperia Unified School District	HUSD Printing	180393	\$ 337.81
121782	7/12/2018	7/12/2018	01	Hesperia Unified School District	Posters	180120	\$ 14.01
121782	7/12/2018	7/12/2018	01	Hesperia Unified School District	Print Shop	180976	\$ 34.48
121783	7/12/2018	7/12/2018	01	Hi-Desert Communications	Site Rent	37898	\$ 100.00
121784	7/12/2018	7/12/2018	01	Hi Desert Fire Protection Inc	Hi Desert Fire Protection Annual	336655	\$ 1,205.46
121785	7/12/2018	7/12/2018	01	Orkin	Pest Control	171663808	\$ 390.61
121786	7/12/2018	7/12/2018	01	Pacific Parts And Controls Inc.	30HP Drive	I422051	\$ 2,206.72
121787	7/12/2018	7/12/2018	01	Prudential Overall Supply	Uniform Service	22633662	\$ 506.77
121787	7/12/2018	7/12/2018	01	Prudential Overall Supply	Uniform Service	22637092	\$ 509.15
121788	7/12/2018	7/12/2018	01	Rockwell Engineering	Impellers	17348	\$ 2,177.95
121789	7/12/2018	7/12/2018	01	Safety-Kleen Systems Inc.	Solvent Disposal	77082617	\$ 1,361.53
121790	7/12/2018	7/12/2018	01	Southern California Edison	Rule 15 Discount Option- Hesperia Subregion	7500892924	\$ 18,258.37
121791	7/12/2018	7/12/2018	01	ThurloWS Heating & A/C Inc.	Installation of New Unit	16597	\$ 7,900.00
121792	7/12/2018	7/12/2018	01	United Rentals Northwest, Inc	Forklift Rental	157092108-002	\$ 2,902.31
121793	7/18/2018	7/18/2018	01	Donna Anthony	Retiree Health Benefit Allowance	ANTH071618	\$ 438.00
121794	7/18/2018	7/18/2018	01	Dan Sentman	Retiree Health Benefit Allowance	SENT071618	\$ 212.97
121795	7/23/2018	7/23/2018	01	A&A Alternators And Starters	Generator Rebuild	2265	\$ 1,500.00
121796	7/23/2018	7/23/2018	01	Battery Mart	Batteries	276030	\$ 3,284.44
121797	7/23/2018	7/23/2018	01	Blackline Safety Corp	Loner Device Lease	INV2010273	\$ 210.00
121798	7/23/2018	7/23/2018	01	Cole-Parmer Instrument Company	Calibration	1511620	\$ 174.34
121799	7/23/2018	7/23/2018	01	Concorde Communications	Telephone and Answering Service	180700014	\$ 94.90
121800	7/23/2018	7/23/2018	01	County Of San Bernardino	Ground Water Permit	IN0295566	\$ 1,121.00
121801	7/23/2018	7/23/2018	01	Csma	Workers Comp Insurance	6294	\$ 58,525.00
121802	7/23/2018	7/23/2018	01	Csma	Property Insurance	6344	\$ 84,278.00
121803	7/23/2018	7/23/2018	01	Flo-Systems, Inc.	Hidrostal Pump Parts	F17000-18N158	\$ 2,692.29
121803	7/23/2018	7/23/2018	01	Flo-Systems, Inc.	Hidrostal Pump Parts	F17007-18N158	\$ 8,216.86

**Victor Valley Reclamation Authority  
Cash Disbursement Register  
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<u>Check Number</u>	<u>Check Date</u>	<u>Effective Date</u>	<u>Fund Code</u>	<u>Vendor Name</u>	<u>Transaction Description</u>	<u>Matching Document Number</u>	<u>Check Amount</u>
121804	7/23/2018	7/23/2018	01	Flyers Energy, Llc	Gasoline	CFS-1642559	\$ 1,172.44
121805	7/23/2018	7/23/2018	01	G.A. Osborne Pipe & Supply	Piping Parts	393384	\$ 154.04
121805	7/23/2018	7/23/2018	01	G.A. Osborne Pipe & Supply	Piping Supplies	392707	\$ 1,904.91
121806	7/23/2018	7/23/2018	01	Grainger	Valve Key	9841958425	\$ 318.26
121807	7/23/2018	7/23/2018	01	Hesperia Centennial Lions Club	Silver Sponsor	07182018	\$ 250.00
121808	7/23/2018	7/23/2018	01	High Desert Laser Graphics	Employee Student Plaques	45175	\$ 156.24
121809	7/23/2018	7/23/2018	01	Konica Minolta Business Solutions	Printing & Lease Charges	9004771079	\$ 521.64
121810	7/23/2018	7/23/2018	01	Napa Victorville	Radiator	125455	\$ 239.52
121811	7/23/2018	7/23/2018	01	Pioneer Research Corp.	Degreaser	253249	\$ 1,198.90
121812	7/23/2018	7/23/2018	01	Ponton Industries, Inc.	Deragger	19430-22203	\$ 4,535.41
121813	7/23/2018	7/23/2018	01	Prudential Overall Supply	Uniform Service	22641539	\$ 514.87
121814	7/23/2018	7/23/2018	01	Town & Country Tire	Explorer Tires	252736	\$ 488.58
121815	7/23/2018	7/23/2018	01	United Rentals Northwest, Inc	Forklift Variable Reach	158605346-001	\$ 1,904.57
121816	7/23/2018	7/23/2018	01	Cintas Corporation	First Aid Supplies	5011085981	\$ 425.45
121817	7/26/2018	7/26/2018	01	Big Bear Electric, Inc.	Gas Scrubber Heat Trace System	1035	\$ 12,115.74
121818	7/26/2018	7/26/2018	01	Larry Bird	Commissioner Stipend	BIRD071918	\$ 100.00
121819	7/26/2018	7/26/2018	01	Cortech Engineering	Pump Safe Relay	49788056	\$ 1,172.91
121820	7/26/2018	7/26/2018	01	Crystal Chrysler	Battery Charger	Q92896	\$ 776.90
121821	7/26/2018	7/26/2018	01	Environmental Water Solutions, Inc.	Solenoid Valve	2757	\$ 1,742.74
121822	7/26/2018	7/26/2018	01	Hesperia Hose Supply	Hose	62522	\$ 1,810.20
121823	7/26/2018	7/26/2018	01	Hesperia Chamber Of Commerce	Annual Member Investment 7/1/18 to 6/30/19	19573	\$ 420.00
121824	7/26/2018	7/26/2018	01	Hesperia Unified School District	Olds Business Cards	07172018	\$ 35.72
121825	7/26/2018	7/26/2018	07	Jericho Systems, Inc.	CEQA for Desert Knolls Wash	17-VW-02.03	\$ 9,450.00
121826	7/26/2018	7/26/2018	01	James N. Kennedy	Commissioner Stipend	KENN071918	\$ 100.00
121827	7/26/2018	7/26/2018	01	Scott Nassif	Commissioner Stipend	NASS071918	\$ 100.00
121828	7/26/2018	7/26/2018	01	Orkin	Pest Control	171071069	\$ 390.61
121828	7/26/2018	7/26/2018	01	Orkin	Pest Control	171663809	\$ 390.61
121829	7/26/2018	7/26/2018	01	Prudential Overall Supply	Uniform Service	22644726	\$ 511.39
121830	7/26/2018	7/26/2018	01	Quill Corporation	Office Supplies	8547271	\$ 547.30
121831	7/26/2018	7/26/2018	01	Snap On Industrial	Tools	ARV/36736130	\$ 778.42
121832	7/26/2018	7/26/2018	01	Sparklets Drinking Water	Bottled Water	14877093 072218	\$ 1,321.77
121833	7/26/2018	7/26/2018	01	Supercos Specialty Products	Mag Light and Sop Towels	15055018	\$ 263.35
121834	7/26/2018	7/26/2018	01	Thurlow'S Heating & A/C Inc.	Service Call	22189	\$ 255.00
121835	7/26/2018	7/26/2018	01	Transcat	Fluk Kit	1377894	\$ 7,645.66
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	CREDIT UNIT000 159017083-002	159017083-002	\$ (115.00)
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	CREDIT UNIT00000 156865592-002	156865592-002	\$ (900.00)
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	Fall Protection	159017083-001	\$ 290.00
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	Forklift Rental	157092108-003	\$ 2,902.31
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	Recertification	156865592-001	\$ 900.00
121836	7/26/2018	7/26/2018	01	United Rentals Northwest, Inc	Trailer Utility	156902836-001	\$ 671.27
121837	7/26/2018	7/26/2018	01	Verizon Wireless	Acct#472015939-00001	9810899624	\$ 1,732.19
121838	7/31/2018	7/31/2018	01	Angela Sorrell	Backdrop with Stand	1660	\$ 242.44
<b>Total Checks</b>							<b>\$ 322,801.91</b>
0021994-1	7/2/2018	7/2/2018	01	A.D.S. Corp.	Flow Monitoring	12928.22-0618	\$ 8,333.28
0021994-10	7/2/2018	7/2/2018	01	Digi-Key Corp	DC Power Supply	63241417	\$ 611.48
0021994-11	7/2/2018	7/2/2018	01	Evoqua Water Technologies Llc	Gear Motor and Sprocket	903585182	\$ 5,479.76
0021994-12	7/2/2018	7/2/2018	01	Grainger	Air Needle Scaler	9811627984	\$ 289.29
0021994-12	7/2/2018	7/2/2018	01	Grainger	DC Power Supply	9822552221	\$ 254.59
0021994-12	7/2/2018	7/2/2018	01	Grainger	General Hand Tool Kit	9822503067	\$ 28.69
0021994-12	7/2/2018	7/2/2018	01	Grainger	Insulated Tool Set	9822503075	\$ 910.77
0021994-12	7/2/2018	7/2/2018	01	Grainger	Insulated Tool Set	9822912839	\$ 346.08
0021994-12	7/2/2018	7/2/2018	01	Grainger	Respirator and Wipes	9809106454	\$ 356.45
0021994-12	7/2/2018	7/2/2018	01	Grainger	Safety Supplies	9809106447	\$ 758.40
0021994-12	7/2/2018	7/2/2018	01	Grainger	Transient Surge Suppress	9822552239	\$ 446.63
0021994-12	7/2/2018	7/2/2018	01	Grainger	Truck Bed Coating	9811770719	\$ 124.05
0021994-13	7/2/2018	7/2/2018	01	Hach Company	Halgens Lamp	11004045	\$ 395.08
0021994-13	7/2/2018	7/2/2018	01	Hach Company	Lab Supplies	11001722	\$ 781.94
0021994-13	7/2/2018	7/2/2018	01	Hach Company	Probes	11005889	\$ 794.58
0021994-13	7/2/2018	7/2/2018	01	Hach Company	Septage Probes	11011999	\$ 140.08
0021994-13	7/2/2018	7/2/2018	01	Hach Company	Stabcal	11010229	\$ 174.03
0021994-14	7/2/2018	7/2/2018	01	Hug Engineering, Inc.	Filter Fan	18-0382	\$ 460.86
0021994-15	7/2/2018	7/2/2018	01	Ilink Business Management	AV Subregional Custodial Services	31665	\$ 263.88
0021994-16	7/2/2018	7/2/2018	01	Ingersoll Rand	Rotary Unit	30688426	\$ 2,403.73
0021994-17	7/2/2018	7/2/2018	01	Inland Water Works Supply	UV Mud Valve	S1012247.002	\$ 665.26
0021994-18	7/2/2018	7/2/2018	01	Lara Landscaping	AV Subregional Weed Control	448	\$ 2,950.00
0021994-19	7/2/2018	7/2/2018	01	Teledyne Isco, Inc.	Pump Assembly	S020259668	\$ 1,760.76
0021994-2	7/2/2018	7/2/2018	01	American Express	American Express Charges May 2018	05292018	\$ 11,092.00
0021994-20	7/2/2018	7/2/2018	01	Trimax Systems	Alarm Creation	109233	\$ 2,960.00
0021994-20	7/2/2018	7/2/2018	01	Trimax Systems	Otoe PS PLC and Controls Replacement	109203	\$ 49,851.58
0021994-20	7/2/2018	7/2/2018	01	Trimax Systems	Software and SCADA Development	109199	\$ 25,000.00
0021994-21	7/2/2018	7/2/2018	01	U.S. Bank	Cal Card Charges May 2018	05222018	\$ 4,448.10
0021994-22	7/2/2018	7/2/2018	01	Victor Valley Wastewater Employees Assoc	Employee Association Dues	06272018	\$ 612.50
0021994-23	7/2/2018	7/2/2018	01	Waxie Sanitary Supply	Janitor Supplies	77536043	\$ 215.88
0021994-3	7/2/2018	7/2/2018	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	96949270	\$ 641.60
0021994-3	7/2/2018	7/2/2018	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	96952083	\$ 71.71
0021994-4	7/2/2018	7/2/2018	01	Solenis Lic	Praestol	131321806	\$ 7,599.82
0021994-5	7/2/2018	7/2/2018	01	Beck Oil, Inc.	Diesel	327132	\$ 2,476.88
0021994-6	7/2/2018	7/2/2018	01	Caltrol, Inc.	Electric Actuator	CD99049635	\$ 6,321.33
0021994-7	7/2/2018	7/2/2018	01	Consumers Pipe & Supply, Co.	PVC Pipe	S1398432.001	\$ 611.16

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Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Matching Document Number	Check Amount
0021994-8	7/2/2018	7/2/2018	01	Culligan Water Conditioning	Water Softener	201806041401	\$ 470.00
0021994-9	7/2/2018	7/2/2018	01	Diamond Environmental Services	Restroom Rental	0001502139	\$ 262.39
0022103-1	7/3/2018	7/3/2018	01	Biogas Engineering	CEC Microgrid Battery Installation	159-CEC	\$ 18,311.06
0022103-1	7/3/2018	7/3/2018	01	Biogas Engineering	CEC Microgrid Battery Installation Project	134-CEC	\$ 12,020.64
0022103-2	7/3/2018	7/3/2018	01	Masters Electric	CEC Microgrid Battery Installation Project	8156	\$ 20,520.00
0022544-1	7/12/2018	7/12/2018	01	2G Energy Inc.	Membran Safety Valve	415-081800339	\$ 695.63
0022544-10	7/12/2018	7/12/2018	01	Ingersoll Rand	Motor Replacement	30686720	\$ 1,684.00
0022544-11	7/12/2018	7/12/2018	01	Principal Life Ins. Co.	Dental and Vision Insurance	07012018	\$ 3,222.02
0022544-12	7/12/2018	7/12/2018	09	Property Specialists, Inc	Lewis Center/Right of Way Service	1296	\$ 3,500.00
0022544-13	7/12/2018	7/12/2018	01	Protection One	Protection One Monitoring	123433418	\$ 811.88
0022544-14	7/12/2018	7/12/2018	01	Quinn Company	Otoc Generator Annual Service	WOG00002491	\$ 1,738.96
0022544-15	7/12/2018	7/12/2018	01	Rineco Chemical Industries, Inc.	Chemical Disposal	I041203	\$ 48.00
0022544-16	7/12/2018	7/12/2018	01	T-Mobile	Hot Spots	7012018	\$ 61.82
0022544-17	7/12/2018	7/12/2018	01	Trimax Systems	Alarm Creation	109248	\$ 1,480.00
0022544-18	7/12/2018	7/12/2018	01	Underground Service Alert Of Southern Califo	Dig Alert Charges	620180787	\$ 74.35
0022544-19	7/12/2018	7/12/2018	01	Vision Internet Providers	Web Hosting	37126	\$ 255.55
0022544-2	7/12/2018	7/12/2018	01	Advanced Systems	Fleet Vehicle Wash	438	\$ 280.00
0022544-3	7/12/2018	7/12/2018	01	American Express	American Express Charges June 2018	06282018	\$ 6,066.60
0022544-4	7/12/2018	7/12/2018	01	Biogas Power Systems- Mojave, Llc	Biogas Project	VVWRA-18-07	\$ 64,119.27
0022544-5	7/12/2018	7/12/2018	01	Diamondback Fire And Rescue	AV Subregional Fire Equipment	14045	\$ 9,667.72
0022544-6	7/12/2018	7/12/2018	01	Ehs International Inc.	Low Voltage Training	3-17240	\$ 1,350.00
0022544-7	7/12/2018	7/12/2018	01	Evoqua Water Technologies Llc	Bioxide	903594105	\$ 8,842.18
0022544-8	7/12/2018	7/12/2018	01	Graham Equipment	Clean V Ditches	015264	\$ 8,650.00
0022544-8	7/12/2018	7/12/2018	01	Graham Equipment	Dog Food Deliveries	015282	\$ 3,600.00
0022544-8	7/12/2018	7/12/2018	01	Graham Equipment	Equipment Rentals	015266	\$ 1,000.00
0022544-8	7/12/2018	7/12/2018	01	Graham Equipment	Load and Spread Dirt	015265	\$ 1,600.00
0022544-9	7/12/2018	7/12/2018	01	Grainger	Cleaing Supplies	9832498654	\$ 352.04
0022744-1	7/17/2018	7/17/2018	01	Billings, Richard	Retiree Health Benefit Allowance	BILL071618	\$ 438.00
0022744-10	7/17/2018	7/17/2018	01	Randy Main	Retiree Health Benefit Allowance	MADN071618	\$ 438.00
0022744-11	7/17/2018	7/17/2018	01	Mark Mcgee	Retiree Health Benefit Allowance	MCGE071618	\$ 438.00
0022744-12	7/17/2018	7/17/2018	01	Lillie Montgomery	Retiree Health Benefit Allowance	MONTO71618	\$ 197.76
0022744-13	7/17/2018	7/17/2018	01	L. Christina Nalian	Retiree Health Benefit Allowance	NALI071618	\$ 438.00
0022744-14	7/17/2018	7/17/2018	01	Nave, Patrick	Retiree Health Benefit Allowance	NAVE071618	\$ 438.00
0022744-2	7/17/2018	7/17/2018	01	Roy Dagnino	Retiree Health Benefit Allowance	DAGNO71618	\$ 438.00
0022744-3	7/17/2018	7/17/2018	01	Tim Davis	Retiree Health Benefit Allowance	DAVIO71618	\$ 438.00
0022744-4	7/17/2018	7/17/2018	01	Terrie Gossard Flint	Retiree Health Benefit Allowance	FLIN071618	\$ 249.30
0022744-5	7/17/2018	7/17/2018	01	Gillette, Randy	Retiree Health Benefit Allowance	GILL071618	\$ 438.00
0022744-6	7/17/2018	7/17/2018	01	Andrew Gyurcsik	Retiree Health Benefit Allowance	GYURO71618	\$ 438.00
0022744-7	7/17/2018	7/17/2018	01	Thomas Hinojosa	Retiree Health Benefit Allowance	HINO071618	\$ 438.00
0022744-8	7/17/2018	7/17/2018	01	Patricia J Johnson	Retiree Health Benefit Allowance	JOHN071618	\$ 183.34
0022744-9	7/17/2018	7/17/2018	01	Olin Keniston	Retiree Health Benefit Allowance	KENT071618	\$ 249.30
0022850-1	7/23/2018	7/23/2018	01	Johnny Bustos	Grade 3 Test	071218	\$ 295.00
0022850-2	7/23/2018	7/23/2018	01	Latif Laari	CWEA Grade 4 Exam Fee	020518	\$ 210.00
0022850-2	7/23/2018	7/23/2018	01	Latif Laari	Home to LAX	071318	\$ 107.00
0022851-1	7/19/2018	7/19/2018	01	2G Energy Inc.	Red Dongle	415-081800519	\$ 639.60
0022851-1	7/19/2018	7/19/2018	07	2G Energy Inc.	Red Dongle	415-081800519	\$ 7,995.00
0022851-1	7/19/2018	7/19/2018	01	2G Energy Inc.	Red Dongle Shipping	415-081800520	\$ 392.34
0022851-10	7/19/2018	7/19/2018	01	Mcgrath Rentcorp	Admin Office Lease	1680099	\$ 3,995.37
0022851-11	7/19/2018	7/19/2018	01	Quinn Company	Coolant	PCA10005708	\$ 492.96
0022851-12	7/19/2018	7/19/2018	01	Vision Internet Providers	Web Hosting	37126	\$ 255.55
0022851-13	7/19/2018	7/19/2018	01	Xylem Dewatering Solutions	Spare Floats for Godwin	400821563	\$ 4,745.50
0022851-14	7/19/2018	7/19/2018	01	Xylem Water Solutions	UV Spare Parts	3556A20407	\$ 28,556.71
0022851-2	7/19/2018	7/19/2018	01	Beck Oil, Inc.	Diesel	329107	\$ 2,488.17
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	CEQA Matters	825041	\$ 94.50
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Contract Review	825039	\$ 2,835.00
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Ethics and Governance	825043	\$ 2,992.50
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Evaluation of Victorville Project	825040	\$ 1,071.00
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	FEMA Audit	825044	\$ 52,821.49
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	General Retainer	825036	\$ 11,465.34
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Labor Matters	825037	\$ 1,293.73
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Lahontan Regional Water Quality Control Bc	825042	\$ 283.50
0022851-3	7/19/2018	7/19/2018	01	Best, Best & Krieger, L.L.P.	Projects	825038	\$ 427.16
0022851-4	7/19/2018	7/19/2018	01	E.S. Babcock & Sons, Inc.	Lab Testing June 2018	07012018	\$ 21,278.00
0022851-5	7/19/2018	7/19/2018	01	General Electric International, Inc	MSB Maintenance	1090339	\$ 11,010.00
0022851-6	7/19/2018	7/19/2018	01	Grainger	Tools	9832713953	\$ 1,207.59
0022851-7	7/19/2018	7/19/2018	01	Hach Company	Calibration	11046818	\$ 484.88
0022851-8	7/19/2018	7/19/2018	01	Larry Walker Associates	2017 Local Limits Consultation	00054.47-4	\$ 506.25
0022851-8	7/19/2018	7/19/2018	01	Larry Walker Associates	NPDES Permit Renewal	00054.45-9	\$ 727.50
0022851-8	7/19/2018	7/19/2018	01	Larry Walker Associates	Regulatory Assistance	00054.49-7	\$ 250.00
0022851-9	7/19/2018	7/19/2018	09	W.M. Lyles	Subregional Breaker Modification	07122018	\$ 9,783.46
0023187-1	7/26/2018	7/26/2018	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	96960555	\$ 678.30
0023187-10	7/26/2018	7/26/2018	01	Waxie Sanitary Supply	Cleaning Supplies	77584420	\$ 509.29
0023187-2	7/26/2018	7/26/2018	01	Brenntag Pacific, Inc	Ferric Chloride	BPI856458	\$ 10,369.60
0023187-3	7/26/2018	7/26/2018	01	Pacific Sound Control	Acoustic Blanket	18567-1	\$ 864.00
0023187-4	7/26/2018	7/26/2018	01	Ehs International Inc.	Overhead Crane Training	3-17326	\$ 1,950.00
0023187-5	7/26/2018	7/26/2018	01	Graham Equipment	Dirt Hauling	015294	\$ 3,000.00
0023187-6	7/26/2018	7/26/2018	01	Ks Statebank	Brown Bear Lease Payment	06-01-18	\$ 103,791.20
0023187-7	7/26/2018	7/26/2018	01	Terex Services	Boom Truck Repairs	90905083	\$ 5,780.97
0023187-8	7/26/2018	7/26/2018	01	U.S. Bank	Cal Card Charges June 2018	06222018	\$ 3,992.12
0023187-9	7/26/2018	7/26/2018	01	Walters Wholesale Electric	Light Bulbs	S110988137.001	\$ 320.02
0023188-1	7/26/2018	7/26/2018	01	Antionette Henning	Bank Fee Reimbursement- PR 7-20-18 Error	072618	\$ 30.00
0023188-1	7/26/2018	7/26/2018	01	Antionette Henning	Bank Fee Reimbursement- PR 7-20-18 Error	7262018	\$ 29.00
0023188-2	7/26/2018	7/26/2018	01	Keagy, Chieko	Bank Fee Reimbursement- PR 7-20-18 Error	07262018	\$ 7.50
070218SWG	7/2/2018	7/2/2018	01	Southwest Gas Company	Natural Gas- VVWRA	06222018	\$ 478.61
071318CHAR	7/13/2018	7/13/2018	01	Charter Communications	Telephone Charges	0013529070718	\$ 4,857.64
071318UPS	7/13/2018	7/13/2018	01	Ups	Express Shipping	0000615V7V258	\$ 19.67



**Victor Valley Reclamation Authority  
Cash Disbursement Register  
From 7/1/18 through 7/31/18**

<u>Check Number</u>	<u>Check Date</u>	<u>Effective Date</u>	<u>Fund Code</u>	<u>Vendor Name</u>	<u>Transaction Description</u>	<u>Matching Document Number</u>	<u>Check Amount</u>
071318UPS	7/13/2018	7/13/2018	01	Ups	Express Shipping	0000615V7V278	\$ 38.20
18988179	7/13/2018	7/13/2018	01	Lincoln Financial Group	Life and Disability Insurance	07012018	\$ 3,493.56
18988179	7/13/2018	7/13/2018	01	Lincoln Financial Group	Life and Disability Insurance	7012018	\$ 100.66
35550513	7/13/2018	7/13/2018	01	Hesperia Water District	Hesperia Subregional Water Usage	07052018	\$ 798.77
82380696861839	7/2/2018	7/2/2018	01	Southern California Edison	Electricity	06212018	\$ 62,659.06
83977752891839	7/2/2018	7/2/2018	01	Southern California Edison	AV Subregional Electricity- Otoc	06202018	\$ 11,696.80
<b>Total ACH &amp; EFT's</b>							<b>\$ 700,746.11</b>

*C. Kopy* 080218  
APPROVED

Total Checks	\$	322,801.91
Total ACH and EFT	\$	700,746.11
Total Payroll - July 2018	\$	293,053.02
<b>Total</b>	<b>\$</b>	<b>1,316,601.04</b>

**MINUTES OF A REGULAR MEETING**  
**REGULAR MEETING OF THE BOARD OF COMMISSIONERS**  
**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWRA)**  
**July 19, 2018**

**CALL TO ORDER:** Chair Larry Bird called the meeting to order at 8:01 am; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

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

**Larry Bird, Chair**  
**Jeff Rigney, Vice-Chair**

**Scott Nassif, Secretary**  
**Jim Kennedy, Treasurer**

**VWRA Staff and Legal Counsel:**

**Logan Olds, General Manager**  
**Kristi Casteel, Secretary to GM/Board**  
**Charity Schiller, Legal Counsel (BB&K)**  
**Chieko Keagy, Contoller**  
**David Wylie, Safety & Communications Officer**  
**Xiewi Wang, Senior Accountant**  
**Robert Coromina, Director of Administration**

**Robert Townsend, EC Inspector**  
**Mauricio Marin, IT Technician**  
**Marcos Avila, Lead Mechanic**  
**Eugene Davis, O&M Manager**  
**Latif Laari, Business Application Manager**  
**Bobby Hesse, Operator**

**Others Present:**

**Nils Bentsen, City of Hesperia**  
**Greg Snyder, Town of Apple Valley**  
**Julie Gilbert, Jericho**  
**Keith Metzler, City of Victorville**  
**Doug Robertson, Town of Apple Valley**

**Jim Cox, City of Victorville**  
**Carl Coleman, MWA**  
**Robert Deloach, Deloach & Associates**  
**Armando Telles, Resident**  
**Blanca Gomez, City of Victorville**

**CLOSED SESSION**

**PUBLIC COMMENTS- CLOSED SESSION AGENDA**

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

Commissioner Nassif made a motion to enter into Closed Session. Seconded by Commissioner Rigney.

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**REGULAR SESSION**

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Chair Bird called the meeting to order at 9:32 am.

**REPORT FROM CLOSED SESSION**

None

**PUBLIC COMMENTS- REGULAR SESSION AGENDA**

None

**ANNOUNCEMENTS AND CORRESPONDENCE:**

**7. Possible conflict of interest issues**

Commissioner Nassif is abstaining from any disbursements to Napa Auto Parts.

**8. VVWRA Leadership Class**

Robert Coromina made comments on the class. There were five that completed the course and asked if following the conclusion of the Board meeting, the Board would take a picture with the staff that completed the Leadership Class.

**9. New Hire Introduction**

Manager Olds introduced Bobby Hesse

**10. Subregional Summary of Expenses and Revenues**

Manager Olds said the summary reviews all of the project costs for the Commissioners. The total cost of the project was \$84 million for both facilities. Initially the State Revolving Fund (SRF) Loan Request was for \$76.8 million. The final SRF Loan amount was \$63 million and in total 25% of the cost of the entire project was paid for with grant funds. For both projects VVWRA was able to complete them significantly under the change order contingency that was allowed per the contract specifications.

**11. Budget Update**

Staff was unsure if the funds would actually come in or not so they were not budgeted for. Receipt of the funds came in following the Board meeting adopting

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the budget. Also following the Board meeting, Manager Olds learned that VVWRA was not going to be able to use private funds to rebuild digesters 1 – 3 and repay them with the biogas regenerated by those digesters so that VVWRA had no out of pocket expense. The issue is digester domes 4 and 5 are compromised and staff is unsure of how badly they are compromised VVWRA still has to maintain a 15 day detention time to comply with EPA guidelines. There are two options: 1. Rebuild digesters 1-3 to maintain EPA compliance or 2. Degrade VVWRA's process to produce Class B biosolids. The only problem with that is Class B biosolids have very different rules for application which then creates issues with the agreement with American Organics. Now, VVWRA has the responsibility to rebuild digesters 1-3, which have not been in operation since 2008 and were barley operating then. It is estimated to rebuild them will be over \$ 1 million. This was not budgeted. Revenue has come in that was not expected and VVWRA has a significant expense that was not expected. Staff is also waiting for resolution on the Cal OES, OIG and FEMA issue. All of these issues will provide significant impacts to the budget.

Commissioner Nassif asked that if these revenues were part of a loan that was borrowed from the State Revolving Loan fund they aren't actually revenues; they are just repurposing the loan. Correct? VVWRA is still obligated to pay that back? You are suggesting using those funds for another purpose. How does the State look at that? It isn't being used for the original purpose that the money was borrowed for.

Manager Olds stated that the way that VVWRA has performed all of their State Revolving Loans is that VVWRA has paid for all of the planning, design, environmental and the right of way. In order to submit an application to the State, to answer all of their questions, is an extensive process. It puts your application in a better light and more likely to provide grant funds if you have all of your planning through your 90% design completed. VVWRA provided all of that funding from our capital funds through the initiation of the loan. What the SRF allows you to do is they allow you to take those funds that were expended, incorporate them into the loan and then they reimburse you for your costs associated with those activities. This is the same technique that Manager Olds used with his former utility and it was also used to build VVWRA's Phase 3A Project. When the State reimburses the funds they can be utilized to fulfill the one year's worth of debt requirement that you must maintain in reserve (if you have not already done so) so that you are meeting that debt obligation or it goes back into your capital fund and you are able to use those funds for additional capital projects. The wrinkle with VVWRA is the possibility of an Interfund loan. VVWRA is refunding the capital account, where there are funds. Once the audit is completed and VVWRA sees how their funds are distributed between the two areas, it may be necessary for VVWRA to do an Interfund loan. With this project, it is not a capital project this is an R&R project. The digesters are being rebuilt to meet existing needs. Manager Olds said that there are several big revenues that are not accounted for in the budget. The FEMA/OIG issue is being resolved, the JPA issues will hopefully be resolved resulting in Hesperia paying the funds that are owed. His concern is that if the budget is revised now it will just have to be revised again in three or four months. Manager Olds hope is that the issues will be resolved by the mid-year budget review and the budget can be revised at that

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time. It is up to the Commissioners if these issues are revised and addressed now or Manager Olds recommends that they are addressed once they have been resolved and utilize the cash that VVWRA has now and start making progress on the digesters.

Commissioner Kennedy asked if the \$3 million dollars of excess borrowing from SRF requires a specific approval from them to use it to reimburse ourselves for our capital investments.

Manager Olds said that the loan itself is the approval and the fact that they evaluated it at the end of the project with those pre-planning expenses and chose to fund them shows that they approved it.

Commissioner Kennedy asked if that was Manager Olds' opinion, the SRF's opinion or a legal opinion. He just did not want to see VVWRA in trouble over this.

Manager Olds said that this was his seventh SRF loan and every one of them had this issue. At the end of the project if there is the excess funding, they can choose to reimburse for the planning expenses. In this case they chose to reimburse VVWRA. Those are capital funds and automatically go back into the capital account. This is Manager Olds opinion.

Commissioner Rigney said that he had the same concern as Commissioner Kennedy.

Commissioner Kennedy asked how hard it would be to get specific approval for those funds to be used.

Manager Olds said he wasn't sure; he would have to ask that question. He said he could get a legal opinion on the issue from BBK.

Commissioner Kennedy said that he appreciated Manager Olds' assurances. He would feel better to hear it from SRF.

Manager Olds said this is why it is being brought to the Board. This is an unusual situation with a large dollar amount involved. Manager Olds said that he wanted to be completely certain that all involved were completely comfortable with the course of action, full transparency. The only issue is that staff will continue to work on the digesters. What they will do is not spend money in other areas until this issue is resolved.

Manager Olds said that he will contact SRF and speak with BBK about a legal opinion and the Board will have all the information they need to make a determination.

**CONSENT CALENDAR:****12. Approve June 2018 Disbursement Registers**

Commissioner Nassif is abstaining from any disbursements to Napa Auto Parts.

**13. Approve Minutes from the June 21, 2018 Regular Meeting**

**14. Recommendation to Approve Open Purchase Order with Graham Equipment**

Commissioner Kennedy made a motion to approve the consent calendar, seconded by Commissioner Rigney and approved by roll call vote with Commissioner Nassif abstaining from any disbursements to Napa Auto Parts.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**PUBLIC HEARING:**

**15. Desert Knolls Wash Mitigated Negative Declaration**

Chair Bird opened the Public Hearing at 8:53 AM.

The Board Secretary confirmed the posting of the public hearing.

Manager Olds stated that VVWRA received a couple of letters following the completion date of the comment period and would like it indicated in the record that the comments from those organizations were incorporated into the mitigated negative declaration. All letters received were commented on and incorporated.

Chair Bird asked if there were any comments from the public. Hearing none, he closed the Public Hearing at 8:56 AM.

**ACTION & DISCUSSION ITEMS:**

**16. Resolution 2018-09: A Resolution of the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority Making Findings and Adopting a**

**Mitigated Negative Declaration Pursuant to the California Environmental Quality Act, and Approving the South Apple Valley Interceptor Project**

Commissioner Nassif made a motion to approve the recommendation, seconded by Commissioner Kennedy and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**17. Recommendation to Approve Scope Revision for Environmental for Desert Knolls Wash – Construction Phase**

Manager Olds stated that the South Apple Valley Interceptor and Desert Knolls Wash are used interchangeably. The South Apple Valley Interceptor is throughout the Town of Apple Valley the specific section to which is being discussed is the Desert Knolls Wash portion adjacent to the Lewis Center. There are significant environmental issues located within this region this is going to result in significantly higher costs to mitigate those issues. The proposal that is before the Board from Jericho will address the issues indicated within the Mitigated Negative Declaration at an amount of \$174, 460.00. It is very important to mention that if an artifact is found and depending upon the nature of the artifact and where it is found, there may be additional costs.

Commissioner Nassif made a motion to approve the recommendation, seconded by Commissioner Rigney and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**18. Authorization to Release Bid to Construct Desert Knolls Wash**

Manager Olds stated now that formal action has been taken regarding the mitigated negative declaration and to the assurance that the terms of the mitigated negative declaration will be followed pursuant to that document, staff is recommending that

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the construction bid to build Desert Knolls Wash be released. This item will not have a fiscal impact at this time. It is just to release the bid. In two or three Board meetings this item will return before the Board for action and discussion at that time with a proposed contractor for the project.

Commissioner Rigney made a motion to approve the recommendation, seconded by Commissioner Kennedy and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**19. Resolution 2018-10: Amending Erroneous Date For Resolution 2015-7**

Commissioner Rigney made a motion to approve the recommendation, seconded by Commissioner Nassif and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**20. Recommendation to Approve Purchase and Sale Agreement with San Bernardino County Flood Control- Mojave River and Apple Valley Parcels**

Manager Olds stated that VVWRA has two parcels that have been surplused and provide no value to VVWRA. One of them is 60 acres located right in the middle of the Mojave River and cannot be built upon. Its best and suitable use is for the County Flood Control to be able to access and maintain that property. The second is located adjacent to Desert Knolls Wash and has no direct value to VVWRA. It was purchased as part of the Culbertson Ranch purchase with Clean Water Act funds so VVWRA has to repay the State. The value will be about \$87, 000, 12.5% must also go back to the State of California in addition to the 75% that goes to the Federal Government. The key is that VVWRA will no longer be responsible for those lands or any liability associated with them.

Commissioner Nassif made a motion to approve the recommendation, seconded by Commissioner Kennedy and approved by roll call.



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Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**21. Recommendation to Proceed with the Rebuilding of Digesters 1-3**

Armando Telles made comments on the funds for the digesters and expressed concern for spending those funds.

Manager Olds stated that in 2008 VVWRA built two new digesters with a million gallon capacity per digester. This increased the capacity. What has occurred over time is that the community has grown and those digesters fill up. The problem is those digesters also require maintenance and there are federal laws that govern through regulation how we operate and maintain those digesters. In order for VVWRA to do what they do, the solids need to stay in those digesters for 15 days. The situation was that the old digesters were undersized because they were over capacity in 2008 and because the utility was building new ones investments were not made in upgrading and maintaining that infrastructure. It would have cost at the time \$250,000.00 to demolish and remove those digester from the site. Manager Olds made the decision not to expend those funds because they produce methane. Right now with our existing digesters, VVWRA is generating revenue, about \$250,000.00 a year through the gas that is being produced by the two digesters. VVWRA is currently looking at an agreement that may generate an additional \$300,000.00 a year from the gas from the existing digesters. VVWRA needs the capacity from these three digesters so that they can drain one; still meet the EPA required rules to meet the treatment requirements while they rebuild the digester. Once they rebuild the digester, they can take that volume and put it back in that digester and drain the other one and repeat the same process. At the end, when all five digesters are operating, they will be able to produce in excess of another 100 million cubic feet of biogas annually. Depending upon the federal and state rules at the time, VVWRA could electrify that gas or inject it into the pipeline. This would generate more revenue and offset the cost of rebuilding.

Commissioner Kennedy made a motion to approve the recommendation, seconded by Commissioner Rigney and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**22. Recommendation to Approve Engineering Services to Merge the Biogas Systems for All Five Digesters**

Manager Olds stated that item 22 relates to a professional service from Biogas Engineering. The primary system that is not married between the two that must be to transfer is the biogas system. When VVWRA switched to digesters 4 and 5 they never invested in digesters 1-3 to ensure that 1-3 could actually work with 4 and 5. This is the most specialized area of the integration process. Fortunately, Arnold Ramirez was involved in the biogas project to install the two generators. He is very familiar with VVWRA's gas conditioning system that cleans the biogas and the biogas blowers and pressure systems that feed all of that equipment. There is no one better that knows VVWRA's facility that is able to address that question. He can basically start looking at that system immediately. If VVWRA were to hire an engineering firm, they would have to go through and evaluate everything. It would cost this much money for them just to figure out how it works.

Commissioner Nassif made a motion to approve the recommendation, seconded by Commissioner Kennedy and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**23. Request Authorization to Issue an RFP to Perform a Condition Assessment on the Headworks**

Manager Olds stated that staff had to rebuild one of the bar screens and it turned into a 14 hour long project that should have taken an average work day. The reason being that the concrete corrosion in the headworks has gotten to the point in which it has expanded and the rails that the equipment rides in bent the metal in so Staff was unable to put stuff in and take stuff out. The headworks have not experienced a makeover since 1998 or possibly 2002. This is where the hydrogen sulfite gas is exposed to the concrete the most and where all of the raw sewage comes into contact. Staff is concerned. They are already aware of piping issues and trying to deal with them. The Engineering Committee has been informed of the situation and Manager Olds expressed his concerns to them. Manager Olds is asking permission to issue an RFP to request engineering firms that have design experience with this type of structure to come in and take a look at the area and let Staff know how bad the situation is and what needs to be done. Staff needs to know what kind of project they are looking at. There is no cost associated with this. The proposals would be reviewed by the Engineering Committee and then would be brought back before the Board.

Commissioner Rigney made a motion to approve the recommendation, seconded by Commissioner Nassif and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**24. Organizational Performance Proposal**

Tabled- It was the consensus of the Board to have the Administrative Committee review this item.

**25. Resolution 2018-08: Amend and Approve 2018 CEQA Guidelines**

Commissioner Nassif made a motion to approve the recommendation, seconded by Commissioner Kennedy and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**26. Discussion: Move the October 25<sup>th</sup> Meeting to October 18<sup>th</sup>**

Commissioner Kennedy made a motion to approve the recommendation, seconded by Commissioner Nassif and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**27. Election of Officers**

Commissioner Rigney asked since Commissioner Kennedy has the experience in finance if he would like to switch committees with him. Commissioner Kennedy

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would be on the Finance Committee and Commissioner Rigney would be on the Administrative Committee.

Commissioner Kennedy made a motion to approve the recommendation as revised, seconded by Commissioner Nassif and approved by roll call.

Chair Bird: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**STAFF/PROFESSIONAL SERVICES REPORTS:**

- 28. Financial and Investment Report – June 2018**
- 29. Operations & Maintenance Report – June 2018**
- 30. Environmental Compliance Department Reports – June 2018**
- 31. Septage Receiving Facility Reports – June 2018**
- 32. Safety & Communications Report – June 2018**

**NEXT VVWRA BOARD MEETING:**

**Thursday, August 16, 2018 – Regular Meeting of the Board of Commissioners**

**FUTURE AGENDA ITEMS**

**Leave Policy**

**Rate Study (August 16, 2018)**

**COMMISSIONER COMMENTS**

Commissioner Rigney requested to possibly have a meeting at the Plant with O&M giving a presentation on the facility to help the Commissioners better understand the day to day operations of the plant.

**ADJOURNMENT**

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**APPROVAL:**

**DATE:** August 16, 2018 **BY:** \_\_\_\_\_  
Approved by VVWRA Board Scott Nassif,  
Secretary VVWRA Board of Commissioners



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY  
Report/Recommendation to the Board of Commissioners**

August 16, 2018

**FROM:** Marcos Avila Maintenance Mechanic Lead

**TO:** Logan Olds, General Manager

**SUBJECT:** AVWRP reclaim Pump Station Peerless Spare Pump Purchase.

**RECOMMENDATION**

It is recommended that the Board of Commissioners approve the purchase of a spare replacement Peerless model M12LD 2 stage pump from the lowest quote Evans HYDRO, Inc. in the amount not to exceed \$33,597.92

**REVIEW BY OTHERS**

This recommendation was reviewed by Eugene Davis, Operations & Maintenance Manager, Latif Laari, Business Applications Manager Robert Coromina, Director of Administration and Chieko Keagy, Controller.

**BACKGROUND INFORMATION**

The Reclaim pump station has a total of two Peerless vertical turbine pumps used for tertiary flow. The recycled water is delivered to Apple Valley golf course ponds and the golf course irrigation pond when needed. Vertical turbine pump historically have lead times for repair of eight to twelve weeks. When a pump fails it requires the use of a large diesel powered Godwin pump to be setup in the failed pumps location. Staging of the Godwin pump removes it from our inventory of emergency response pumps. Also the portable pump needs to be serviced after each use to ensure reliability in an emergency response situation.

A spare Peerless pump will allow the operation of this pump station in a normal fashion, with minimum downtime when a failure occurs. It also keeps our portable pumps available for emergency use.

**FINANCIAL IMPACT**

Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-55-525- 6011-9999

Fund 09	
Accounting Code (String) example: 09-xx-xxx-xxxx (mandatory project code)	

Transfer Needed due to Insufficient Budget	Y [ X ]    N [ ]	Transfer Needed due to Insufficient Budget	Y [ ]    N [ X ]
If Transfer, from Which Account String or Reserve	07-02-152-6011-9999	If Transfer, from Which Account String or Reserve	NA
Budgeted Amount Where Money Comes from	\$35,000	Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	\$1,412.08	Budget Remaining after the Recommendation	0
Outside Funding Source if applicable	NA	Outside Funding Source	NA
Original Contract Amount	\$33,587.92	Original Contract Amount	
Change Order	Y [ ]    N [ X ]	Change Order	Y [ ]    N [ X ]
Contract after Change	NA	Contract after Change	NA

**RELATED IMPACTS**

- Having an immediate redundant replacement pump will help the plant operations, due to long repair lead-times.
- No service cost to portable pump.
- Keeps emergency response equipment in active inventory.



## VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

### MEMORANDUM

**DATE:** 16 August 2018

**TO:** Board of Commissioners

**FROM:** Logan Olds, General Manager *LO*

**SUBJECT:** Use of State Revolving Fund Loan Proceeds

At the 19 July 2018 Board meeting Commissioners and staff discussed the potential use of State Revolving Fund (SRF) loan proceeds to reimburse VVWRA for monies previously expended from VVWRA's capacity (connection fee) funds. VVWRA pre-funds project planning activities from capacity revenues such as the; design, right of way, environmental and regulatory components. The State Water Resource Control Board (SWRCB) assigns a higher priority SRF loan number and grant status to projects which complete these tasks prior to submitting their SRF loan application.

Due to the length of time planning the subregional project, the SWRCB chose not to reimburse VVWRA for all of the initial planning expenses once the SRF loan was funded. VVWRA tracked the expenses associated with the subregionals since beginning the pre-design activities in 2008. In addition construction management expenses exceeded the initial allowance provided for in the SRF loan application documents. The SWRCB used to allow transfers between project categories within the SRF loan during the construction phase. They no longer allow transfers between categories thus the initial allowance assigned in the SRF loan application is not modified during the projects construction.

VVWRA was informed by the SWRCB that because the two subregional projects were built for less than the value of the SRF loan amount that they were reviewing the unreimbursed planning and construction management costs. This value amounted to over three million dollars. Although staff asked the SWRCB for updates the response was that the issue was under review. Therefore, staff chose not to include these funds in the fiscal year 18/19 budget. Staff had already included over three million dollars for projected revenue once the FEMA/CalOES/OIG issue is resolved in the FY 18/19 budget. Thus, there is the possibility that the monies received from the SWRCB could be used to offset those anticipated from FEMA if further delays occur on the resolution of this issue. Clearly there are several significant unknowns in VVWRA's FY 18/19 budget which may resolve themselves prior to the mid-year budget review. This is the reason why staff is strongly recommending a formal (adopted by Resolution) FY 18/19 budget review and revision in January/February of 2019. VVWRA staff will work closely with the Finance Committee as these issues resolve themselves.

The Board and staff sought to confirm that the SRF loan funds could be used for other capacity related projects. Projects unrelated to the SRF loan since VVWRA was being reimbursed for prior expenditures. Staff contacted the SWRCB (Attached) and asked this question. Ms. Kelly Valine, Supervisor, SWRCB, Division of Financial Assistance, Loans and Grant Branch: Loan & Grant Administration, Credit Analysis | Disbursement Section responded on 6 August 2018 stating, "If the recipient has already paid the



contractors with their own funds and we are reimbursing they are eligible to use our funds as they wish". Therefore, it would appear that VVWRA may use the funds for other capacity related projects.

Given the dollar amount involved staff also sought the advice of legal counsel on this matter. Mr. Warren Diven of BB&K has assisted VVWRA in the past with the legalities of bonds and loans. Mr. Diven is preparing a memo for the Board on this topic which is unavailable at the time of drafting this memorandum. If the memo is completed by the date of the Board meeting it will be distributed at the Board meeting.

**Logan Olds**

---

**From:** Valine, Kelly@Waterboards <Kelly.Valine@waterboards.ca.gov>  
**Sent:** Monday, August 6, 2018 11:33 AM  
**To:** Berzamina, Gabriel@Waterboards  
**Cc:** Fua, Wennilyn@Waterboards  
**Subject:** RE: subregional loans

Gabriel

If the recipient has already paid the contractors with their own funds and we are reimbursing they are eligible to use our funds as they wish.

Kelly

**From:** Berzamina, Gabriel@Waterboards  
**Sent:** Monday, August 6, 2018 11:03 AM  
**To:** Valine, Kelly@Waterboards <Kelly.Valine@waterboards.ca.gov>  
**Cc:** Fua, Wennilyn@Waterboards <Wennilyn.Fua@waterboards.ca.gov>  
**Subject:** RE: subregional loans

Hi Kelly,

I just wanted to follow up on this inquiry and get your response, since the issue has created a bottle neck in the recipient's agency, Victor Valley Wastewater Reclamation Authority.

Thank you!

**Gabriel Berzamina**  
 Water Resource Control Engineer  
 Division of Financial Assistance  
 State Water Resources Control Board  
 Phone: (916) 319-9325  
 Email: [Gabriel.Berzamina@waterboards.ca.gov](mailto:Gabriel.Berzamina@waterboards.ca.gov)

**From:** Fua, Wennilyn@Waterboards  
**Sent:** Thursday, July 19, 2018 12:52 PM  
**To:** Valine, Kelly@Waterboards <[Kelly.Valine@waterboards.ca.gov](mailto:Kelly.Valine@waterboards.ca.gov)>  
**Cc:** Berzamina, Gabriel@Waterboards <[Gabriel.Berzamina@waterboards.ca.gov](mailto:Gabriel.Berzamina@waterboards.ca.gov)>  
**Subject:** RE: subregional loans

Hi Kelly,

Need help answering Logan's question. Based on the email, it appears that the recipient used their own funds to pay the contractors. Shouldn't the money they received from the disbursement be used to repay the recipient and therefore the recipient is free to do whatever they want with that money?

Wennilyn



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY**  
**Report/Recommendation to the Board of Commissioners**  
 16 August 2018

**FROM:** Logan Olds, General Manager *Lo*  
**TO:** Board of Commissioners  
**SUBJECT:** Initiating the Financial Planning and Rate Study Process

---

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the General Manager to begin the financial plan and rate study process with Raftelis Financial Consultants.

**REVIEW BY OTHERS**

This recommendation was reviewed by Piero Dallarda, Legal Counsel, and Chieko Keagy, Controller.

**BACKGROUND INFORMATION**

As a result of discussions related to the flow diversion and the lower than anticipated growth numbers VVWRA staff presented a professional services proposal from Raftelis Financial Consultants to the Board in September of 2017. The proposal was approved by the Board with one caveat. That staff would not begin working on the financial plan and rate study until the mediation proceeded to a point that would allow for knowledge-based decisions. At the July 2018 Board meeting the Commissioners indicated their desire to begin to understand the financial impact(s) resulting from the mediation process. This staff recommendation is intended to allow the Commissioners to provide direction to staff and begin the financial planning process and evaluating rates.

**FINANCIAL IMPACT**

This is a previously Board approved budgeted expenditure in the amount of \$29,634.00 to account 01-02-510-9130. The budgeted amount for FY 18/19 is \$50,000.00.

**RELATED IMPACTS**

Progress towards addressing VVWRA's financial instability.



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY**  
**Report/Recommendation to the Board of Commissioners**

21 September 2017

**FROM:** Logan Olds, General Manager *LO*  
**TO:** Board of Commissioners  
**SUBJECT:** Professional Service Agreement with Raftelis Financial Consultants for the Purpose of Preparing a Rate Study and Capacity Fee Study

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the General Manager to retain the professional services of Raftelis Financial Consultants (Raftelis) for the purpose of preparing a rate and capacity fee study in the amount of \$29,634.00, twenty nine thousand, six hundred and thirty four dollars.

**REVIEW BY OTHERS**

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

**BACKGROUND INFORMATION**

As the Board is aware VVWRA is under significant financial stress due to flow diversions by the City of Victorville. In addition the projected growth numbers used in the 2014 Financial Plan did not occur as predicted. Therefore VVWRA is faced with two issues which result in revenues that are significantly less than required to meet debt service or to operate the subregional water reclamation plants in Apple Valley and Hesperia. Staff requested authority to begin a new rate study in January of 2016 but was told to delay while the Member Entities attempted to resolve issues associated with the flow diversions. The issue at hand being a fair and even distribution of the operating and capital costs when the lost revenues associated with the flow diversions were in dispute. There can be no further delay.

The Member Entities and VVWRA are scheduled to begin mediation in October of 2017. Staff recommends a professional service contract with Raftelis to assist the Member Entities with the preparation of the rate and capacity fee study so that the Board Members may have draft numbers to consider during mediation. Staff believes that there will be additional consulting costs as the Member Entities determine how to allocate costs and will ultimately request the preparation of a financial plan which will conform with Proposition 218 requirements. The proposal before you now is intended to provide sufficient information to complete the mediation process and provide the foundation for the preparation of a new Financial Plan.

**FINANCIAL IMPACT**

The FY 17/18 budget includes \$50,000.00 for the preparation of a rate study and financial plan.

Finance Approval:

<b>Fund 01 or 07</b>	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-02-510-9130
Transfer Needed due to Insufficient Budget	Y[ ] N[ X ]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	\$50,000.00
Budget Remaining after the Recommendation	\$20,366
Outside Funding Source if applicable	\$
Original Contract Amount	\$
Change Order	Y[ ] N[ ]
Contract after Change	\$

<b>Fund 09</b>	
Accounting Code (String) example: 09-xx-xxx-xxxx (mandatory project code)	
Transfer Needed due to Insufficient Budget	Y[ ] N[ ]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source	\$
Original Contract Amount	\$
Change Order	Y[ ] N[ ]
Contract after Change	\$

**RELATED IMPACTS**

The ability to meet debt service and operational commitments for the subregional water reclamation plants.



# VVWRA Rate and Capacity Fee Study

Scope of Work  
August 30, 2017





445 S Figueroa Street  
Suite 2270  
Los Angeles, CA 90071

Phone 213 262 9300  
Fax 213 262 9303

[www.raftelis.com](http://www.raftelis.com)

August 30, 2017

Logan Olds  
General Manager  
Victor Valley Wastewater Reclamation Authority  
2011 Shay Road  
Victorville, CA 92394

Subject: Wastewater Rate and Capacity Fee Study

Dear Mr. Olds,

Raftelis Financial Consultants, Inc. (RFC) is pleased to submit this Scope of Work for a wastewater rate and capacity fee study. We have worked with several agencies in your area including the Mojave Water Agency, Hi-Desert Water District, City of Redlands, East Valley Water District, and Antelope Valley- East Kern Water Agency. Enclosed is our proposed scope of work and fee.

We are available to discuss this proposal should you have any questions. Please contact either myself at (951) 595-9354 ([Hisaac@raftelis.com](mailto:Hisaac@raftelis.com)) or the Project manager, Steve Gagnon at (714) 351- 2013 ([sgagnon@raftelis.com](mailto:sgagnon@raftelis.com)).

Very truly yours,  
**RAFTELIS FINANCIAL CONSULTANTS, INC.**

A handwritten signature in blue ink that reads 'Habib Isaac'.

Habib Isaac  
Sr. Manager

A handwritten signature in blue ink that reads 'Steve Gagnon'.

Steve Gagnon, PE  
Manager

# **Victor Valley Wastewater Reclamation Authority**

## **Wastewater Rate and Capacity Fee Study**

### **Scope of Work**

#### ***TASK 1 – PROJECT MANAGEMENT, INITIATION, DATA COLLECTION AND QA/QC***

Task 1 includes general administrative duties including client communication, billing, overall administration of the project and data collection. It also includes a kick-off meeting. RFC will submit a detailed data request before the kick-off conference call. If possible we will review preliminary data before the kick-off meeting so that we can address any data gaps.

This task also includes QA/QC. All of our models undergo review by someone who has not been intimate with the project and more specifically with the model, providing a fresh perspective and checking model functionality and calculations.

Meetings: One kick-off conference call

Deliverables: Data Request List and Kick-off meeting summary memorandum

#### ***TASK 2 - FINANCIAL PLAN DEVELOPMENT***

This important task ascertains the additional revenue needed to ensure the financial integrity of the Authority. It will do so by projecting the Authority's existing rate revenue, other operating and non-operating revenues, debt service payments if applicable, and operating and capital expenses over a ten-year planning period.

To assess revenues, RFC will analyse and project, with input from Staff, wastewater flows from each member agency along with high strength surcharge revenue, septage revenue and FOG revenue, if applicable. The RFC model will also assess the effect of reduced flows on revenue.

The ten-year financial plan will also model the sources and uses of funds for each of the Authority's reserves. For a typical capital reserve, the sources of funds include cash reserves, debt proceeds, and grant funding. Modelling the yearly ending balance in the capital reserve allows stakeholders to determine the rate impacts of various capital improvement plan (CIP) scenarios and capital funding strategies to assess the proper use of any debt instruments and reserves to fund capital projects.

The financial plan will be presented in an easy-to-understand format on an interactive dashboard. The dashboard allows users to vary certain assumptions such as revenue adjustments, CIP funding, and wastewater use so that the model user can appreciate the effects of these assumptions on the financial health forecast. Several features of the model's dashboard include the ability to show or indicate:

1. Revenue adjustments for the next five to ten years to maintain financial health,
2. Reserve balances and reserve targets as well as debt service coverage ratios (days cash on hand, reserve funding levels)



3. Projected operating costs and revenue streams
4. Operating cost break down
5. Cost Allocations to each Member Agency
6. Different CIP scenarios

The dashboard, which displays key variables and results on-screen in real-time, will show the results of each scenario and facilitate discussion for quick consensus building. This has proven to be particularly useful when making presentations to stakeholders, allowing them to fully appreciate the impacts of their decisions instantly.

RFC plans to conduct up to two web meetings with Authority staff to identify key issues and review financial plan scenarios. During the meeting, RFC will discuss policy objectives, degree of CIP funding, develop financial plan scenarios, and the benefits and challenges associated with each financial plan scenario.

Meeting(s): Up two (2) web meetings with Authority staff

Deliverable(s): Financial Plan Model in Microsoft Excel

### ***TASK 3 - COST OF SERVICE ANALYSIS***

RFC will use methodologies set forth by the Water Environment Federation in their Manual of Practice No.27, Financing and Charges for Wastewater Systems (which was co-authored by our Executive Vice President, Sudhir Pardiwala).

For this study, we will maintain the same cost allocation basis of total flow to the Authority's member agencies. RFC will also review the establishment of a fixed charge to its member agencies and various funding levels of the fixed charge recovery.

We will consider the Authorities operations and circumstances as we perform the cost of service. The end goal of this task is to distribute the Authorities revenue requirement (costs) to the cost components and then distribute the cost components to each member agency based on the cost responsibility of each in compliance with the cost of service principles of Proposition 218. The result is the total cost to serve each customer class and is used as the basis to develop rates.

Meeting(s): Up to two (2) web meetings with Authority staff

Deliverable(s): Sewer Cost of Service Analysis in Microsoft Excel

### ***TASK 4 - WASTEWATER RATE DESIGN***

The Authority's current wastewater rates consist of a uniform rate (\$/MG) based on flow. Industrial customers are charged a strength surcharge based on their strength as measured by BOD, TSS and Ammonia. The Authority also charges a septage rate and FOG rate. RFC will calculate rates based on the current rate structure and discuss if other rate structures are warranted.

Meeting(s): Up to two (2) web meetings with Authority staff and one (1) in-person meeting to discuss results

Deliverable(s): Wastewater Rate Model in Microsoft Excel

#### ***TASK 5 – REPORT PREPARATION***

The draft report will describe the rate setting methodology and allow the reader to follow the rate derivation. It will also document the major findings and decisions reached during previous meetings with Authority staff. The main body of the report will include a brief system physical description, service area description, an overview of operation and maintenance expenses, the Capital Improvement Plan, the financial plan, and the proposed rates. Raftelis will incorporate Authority comments into the Final Report.

Meeting(s): Up to two (2) web meetings with Authority staff

Deliverable(s): An electronic copy in Microsoft Word

#### ***TASK 6 – CAPACITY (CONNECTION) FEES***

There are several methodologies to calculate capacity charges. The various approaches have largely evolved on the basis of changing public policy, legal requirements, and the unique and special circumstances of each agency. However, there are two general approaches that are widely accepted.

The “buy-in” method rests on the premise that new customers are entitled to service at the same “price” as existing customers. Existing customers have already developed and financed the facilities that will service new customers. Under this approach, new customers pay only the amount equal to the net investment already made by existing users which is based on replacement cost less depreciation divided by the current system demand (number of customer equivalents).

The incremental cost method is normally best for agencies which need new facilities to accommodate growth. It assumes that when new users connect to a system, they use either surplus capacity from the existing system, or they require new capacity that must be added to the system to accommodate their needs. Under this approach, new customers pay for additional capacity requirements, irrespective of past investments made by existing customers.

Often times a hybrid approach of these two methods is utilized. RFC will evaluate the utilities’ current methodology, charge format, and implementation policies and provide recommended adjustments, if necessary. Based on the chosen methodology, RFC will calculate the capacity charges.

Meeting(s): Up to two web meetings with Authority staff

Deliverable(s): Draft capacity charge model in Microsoft Excel 2013 or later

## **Fee**

The fee below show the estimated hours and hourly for staff members. We propose a total fee of \$29,634 which includes expenses.

Task	Task Descriptions	No of In-Person Meetings	Hours Requirements					Total Fees & Expenses
			PD	PM	SC	Admin	Total	
<b>HOURLY RATES</b>			<b>\$255</b>	<b>\$230</b>	<b>\$175</b>	<b>\$75</b>		
1	Project Management, QA/QC and Kick-off Meeting	1	4	12	8		24	\$5,686
2	Financial Plan Development			8	20		28	\$5,620
3	Cost of Service Analysis			6	14		20	\$4,030
4	Wastewater Rate Design	1	1	4	12		17	\$3,538
5	Report Preparation		1	6	26		33	\$6,515
6	Capacity (Connection) Fees		1	4	16		21	\$4,185
TOTAL ESTIMATED MEETINGS / HOURS		2	7	40	96	0	143	
PROFESSIONAL FEES			\$1,785	\$9,200	\$16,800	\$0	\$27,785	
							Total Fees	\$27,785
							Total Expenses	\$1,849
							<b>TOTAL FEES &amp; EXPENSES</b>	<b>\$29,634</b>

PD - Project Director, Habib Isaac  
 PM - Project Manager, Steve Gagnon  
 SC - Staff Consultant

**MINUTES OF A REGULAR MEETING  
REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWVRA)  
September 21, 2017**

**CALL TO ORDER:** Chair Russ Blewett called the meeting to order at 8:05 am; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

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

**Russell Blewett, Chair  
ABSENT  
  
Scott Nassif, Secretary  
Jim Kennedy, Treasurer**

**VWVRA Staff and Legal Counsel:**

**Logan Olds, General Manager  
Piero Dallarda, Legal Counsel (BB&K)  
Angela Valles, Director of Finance  
David Wylie, Communications & Safety Officer  
Robert Coromina, Director of Administration  
Eugene Davis, Acting Director of Operations**

**Kristi Casteel, Secretary to GM/Board  
Alton Anderson, Construction Manager  
Chieko Keagy, Accounting Supervisor  
Xiewi Wang, Accountant  
Ryan Love, Lead Operator  
Robert Townsend, EC Inspector**

**Others Present:**

**Nils Bentsen, City of Hesperia  
Lori Lamson, Town of Apple Valley  
Carl Coleman, MWA  
Walter Linn, Rep for Congressman Cook  
Brian Gengler, City of Victorville  
Shea Johnson, Daily Press**

**Doug Robertson, City of Victorville  
Art Bishop, Town Of Apple Valley  
Keith Metzler, City of Victorville  
Greg Snyder, Town of Apple Valley  
George Harris, City of Victorville  
Blanca Gomez, City of Victorville**

**CLOSED SESSION**

**PUBLIC COMMENTS- CLOSED SESSION AGENDA**

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

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**22. Recommendation to Approve Change Order No. 3 For the Nanticoke Pump Station Bypass Sewer Project – Christenson Brothers**

Commissioner Kennedy made a motion to approve the Recommendation, seconded by Commissioner Nassif

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**23. Recommendation to Engage Raftelis Consulting to Prepare A Rate Study and Financial Plan**

Manager Olds stated that VVWRA is under extreme financial stress. Based on the last discussion at the Finance Committee and individual Board Members, staff contacted Raftelis Consulting. This proposal was distributed to the Finance Committee. Staff did not receive any comments on it. The amount in the proposal \$29,634.00 is an initial amount. The study adopted by the Board in 2014 was close to \$50,000.00. This proposal consists of the basics so that the Board can make informed decisions.

Commissioner Nassif believes that results of the mediation will drive the rate study. He doesn't believe that the rate study will help the mediation. The rate study needs to be done but he believes the study needs to be done after mediation.

Manager Olds agreed with Commissioner Nassif. Manager Olds stated that it would take at least 30 days to go through the contractual process to even get them on the books. Within that time hopefully mediation will have been completed and that information can be brought in and be included into the study.

Commissioner Kennedy made a motion to approve the Recommendation subject to nothing beginning until after mediation, seconded by Commissioner Nassif

Chair Blewett: Yes


Commissioner Nassif: Yes

Commissioner Kennedy: Yes

**24. Recommendation to Issue a Request for Proposal for Recommending Finance Software**



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY**  
**Report/Recommendation to the Board of Commissioners**  
 16 August 2018

**FROM:** Logan Olds, General Manager 

**TO:** Board of Commissioners

**SUBJECT:** Design of Office Addition to Eliminate Administration Trailers

---

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the General Manager to retain the professional services of Merrel Johnson Companies in an amount not to exceed \$18,401.00, eighteen thousand four hundred and one dollars to prepare conceptual building plans for the design of an office space addition to eliminate the administration trailers.

**REVIEW BY OTHERS**

This recommendation was reviewed by Piero Dallarda, Legal Counsel, Alton Anderson Construction Manager and Chieko Keagy, Controller.

**BACKGROUND INFORMATION**

In 2008 administration staff exceeded the capacity of the administration building constructed in 1979. The buildings heating, ventilation and air conditioning (HVAC) system failed and the estimate to replace it was in excess of \$500,000.00. The building also had other plumbing, electrical, roofing and asbestos issues. Estimates to rebuild the structure exceeded \$3,000,000.00 and did not provide additional space for staff.

Staff then relocated to Hesperia and rented office space from the City of Hesperia. The plan at that time was to construct a new administration building. However due to fiscal constraints the project was unable to receive funding. VVWRA chose to use its limited funding to focus on capital projects to address the capacity issues of its interceptors and meet regulatory requirements for its wastewater treatment plant resulting from rapid growth in the service area prior to 2006.

In March of 2014 administration staff rented trailers and returned to the wastewater treatment plant. This significantly improved communication and was intended as a temporary solution while an administrative and laboratory building were built adjacent to the existing operations and maintenance building. That building was estimated to cost \$2,500,000.00. Unfortunately, due to continued fiscal stresses that building was not constructed. Then in 2016 VVWRA was forced to lay off its laboratory staff and outsource the lab. The Authority's financial condition has continued to only allow cash investments in infrastructure associated with the operation and maintenance of its facilities.

During the preparation of the FY 18-19 budget the Finance Committee gave specific direction to staff to once again build permanent facilities at the wastewater treatment plant for administrative

staff. Fifty thousand dollars was budgeted in FY 18-19 to begin the design process. At this time the administration trailers use more electricity than the ultraviolet disinfection system and currently cost \$47,944.44 annually to rent.

Staff intends to initiate the design by seeking the input of the Engineering Committee. There are two options, one would be to add on to the existing Operations and Maintenance building. However, this option creates issues with complying with new state-imposed regulations that are costly. The second option would be to reuse the plans for the former administration and laboratory building but simplify the design and eliminate the bulk of the cost by removing the laboratory. The open space could then be used for future expansion, parts storage, or training facilities.

The professional service proposal from Merrel Johnson would allow for the discussion with the Engineering Committee and to prepare the minimum plans necessary (30%) to then proceed with full design and a construction cost estimate. The Procurement Policy provides for a 3% credit to local service providers (Section VI, 6) and it has been the practice of VVWRA to seek professional services from local vendors where appropriate. Furthermore, the rates charged by Merrel Johnson are less than those charged to VVWRA by the larger engineering firms that specialize in wastewater treatment. For this project the Authority needs design services to construct a metal building or a metal building addition for administrative staff. This scope of service is within the purview of the local firm, Merrel Johnson.

Although the cost of this professional service is within the General Managers authority it is the standard practice of staff to bring all professional service contracts before the Board for authorization. This is done to ensure transparency.

**FINANCIAL IMPACT**

This is a budgeted expenditure in the amount of \$18,401 to account 01-03-300-9025 which has an available balance assigned to this project of \$50,000.00.

Finance Approval:

<b>Fund 01 or 07</b>	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-03-300-9025
Transfer Needed due to Insufficient Budget	Y[ ] N[ X ]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source if applicable	\$
Original Contract Amount	\$
Change Order	Y[ ] N[ ]
Contract after Change	\$

<b>Fund 09</b>	
Accounting Code (String) example: 09-xx-xxx-xxxx (mandatory project code)	
Transfer Needed due to Insufficient Budget	Y[ ] N[ ]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source	\$
Original Contract Amount	\$
Change Order	Y[ ] N[ ]
Contract after Change	\$

**RELATED IMPACTS**

If an administrative building is finally constructed the related impacts are too numerous to list.





Exhibit A

Aug 6, 2018

Victor Valley Waste Water Reclamation Authority (VWRA)

ATTN: Mr. Logan Olds

20111 Shay Road

Victorville, CA 92394

**RE: Conceptual Building plans for New office building located at VWRA Site  
20111 Shay Road  
Victorville, CA 92394**

Dear Mr. Olds:

We are pleased to submit our Fee Proposal/Estimate for the above referenced project. This proposal is based on the information provided to our office and our current understanding of the project. Our work will consist of engineering, architectural, and surveying services for the above referenced project.

***Proposal Summary***

<b><i>Topographic Survey</i></b>	<b>\$ 2,748</b>
<b><i>Conceptual Site Layout</i></b>	<b>\$ 2,720</b>
<b><i>30% Architectural Plans</i></b>	<b>\$ 11,680</b>
<b><i>Meetings with VWRA</i></b>	<b>\$ 1,156</b>
<b><i>Reproduction</i></b>	<b>\$ 97</b>

<b><i>Total</i></b>	<b>\$ 18,401</b>
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This proposal is based on using as sub-consultants PA Design Associates for the Architectural plans.

The scope of work shall include:

- Pre-design meeting with VWRA to confirm design intent and desired features in the office addition.
- Topographic survey around the building site for use with site plan.

ENGINEERING | SURVEYING | TESTING | INSPECTION

22221 US Highway 18 Apple Valley, CA 92307 t) 760-240-8000 f) 760-240-1400 w) www.merrelljohnson.com

- Preliminary floor plan to be used to confirm design intent.
- 30% Architectural plans to include Cover/Data Sheet, floor plan, exterior elevations, sections.
- Construction material and methods overview, building construction type & occupancy analysis,
- Conceptual Site plan.

We have **not** included in our scope of work those items not listed on the enclosed Fee Proposal/Estimate, specifically but not limited to: (These items May be needed to complete your project, but are not part of our scope of work under this service agreement)

Final Architectural plans  
 Mechanical, Electrical, Plumbing Plans  
 Structural Design and plans  
 Grading plan  
 Utility plans  
 Underground fire water piping plans  
 Construction Survey Staking  
 Preliminary Cost Estimates  
 Demolition Plan  
 Final Parcel Map  
 Street, Sewer & Water Improvement Plans (Fire & Domestic)  
 Storm Drain Plans & Hydraulic Calculations  
 Storm Water Pollution and Prevention Plan, (SWPPP), Notice of Intent, (NOI)  
 Utility Coordination  
 Utility Conflict Plan  
 Retaining Wall Elevations  
 Structural Calculations for Retaining Walls  
 Engineers Estimate for Bonding  
 Street Lighting Plan  
 Water Quality Management Plan (WQMP)  
 Signage and Striping Plan  
 As-Built Improvement Plans  
 Legal for Easements  
 Soils/Materials Construction Testing/Inspection

Merrell-Johnson Engineering, Inc. does not provide environmental or traffic engineering services. We also do not provide building and landscape architectural services. If requested we can coordinate these services through separate companies as additional consultants. These services not included in our scope, specifically but not limited to:

Title Report/Guarantees  
 Phase I Environmental

Traffic Study/Traffic Impact Analysis  
Environmental Assessment  
Biological Survey  
Cultural Survey  
Historical Survey  
Endangered Plant Survey  
Landscape and Irrigation Plans  
Landscape and Maintenance Assessment District Formation

It is our understanding that these conceptual plans will be used by VVWRA to request funding approval. If the project is to move forward, we can use the conceptual plans developed per this proposal to provide a proposal for complete construction design and plans.

Based on our work load at the time of your notice to proceed, your project can start within 3 to 4 weeks of this notice. We estimate that our initial submittal which may include options discussed in the planning meetings, to be submitted to VVWRA for review and comment within 8 weeks from notice to proceed.

Sincerely,

**Merrell-Johnson Engineering, Inc.**

A handwritten signature in black ink, appearing to read "E. Cary Packer". The signature is written in a cursive style with a large, sweeping initial "E".

E. Cary Packer, P.E.

Associate Engineer

## FEE PROPOSAL/ESTIMATE

**Merrell Johnson Companies**

22221 U.S. Highway 18  
Apple Valley, CA 92307

August 6, 2018

**Victor Valley Waste Water Reclamation Authority (VWVRA)  
Conceptual Design for 200'x60' Office Building**

**Engineering Cost Estimate****1. Topographic Survey**

Perform field topographic survey for use with preparation of Grading plan and to provide base for site plan.

Scope/Description	Hours	Rate	Total
Principal	2	\$ 165.00	\$ 330.00
Senior Designer	8	\$ 100.00	\$ 800.00
Two-Man Survey Crew	8	\$ 200.00	\$ 1,600.00
Vehicle mileage	30	\$ 0.60	\$ 18.00
		Sub-total	\$ 2,748.00

**2. Conceptual Site Layout**

Prepare a conceptual site plan

Scope/Description	Hours	Rate	Total
Associate Engineer	8	\$ 140.00	\$ 1,120.00
Senior Designer	16	\$ 100.00	\$ 1,600.00
		Sub-total	\$ 2,720.00

**3. 30% Architectural Plans**

Prepare 30% Architectural plans for review and approval by VWVRA.

Scope/Description	Hours	Rate	Total
Associate Engineer	8	\$ 140.00	\$ 1,120.00
Architectural	1	\$ 10,560.00	\$ 10,560.00
		Sub-total	\$ 11,680.00

**4. Meetings with VWVRA**

Attend meetings with the Client to coordinate and define the project requirements. Review preliminary floor plans during the 30% plan development. To be billed on a time and material basis. Below is the anticipated hours for this effort.

Scope/Description	Hours	Rate	Total
Associate Engineer	8	\$ 140.00	\$ 1,120.00
Vehicle mileage	60	\$ 0.60	\$ 36.00
		Sub-total	\$ 1,156.00

**FEE PROPOSAL/ESTIMATE**

**5. Reproduction**

The cost for plotting and running prints is based on the number of prints each agency requires for submittal and the client is requesting. This is invoiced on a time and materials basis. Plotting will also be invoiced on a time and materials basis per our schedule of fees. Time and Fees are estimated based on our understanding of the project scope at the time of this proposal.

Scope/Description	Hours	Rate	Total
Project Manager		\$ 125.00	\$ -
Senior Designer		\$ 100.00	\$ -
Designer		\$ 85.00	\$ -
Project Coordinator		\$ 80.00	\$ -
Administrative	1	\$ 65.00	\$ 65.00
Bond (24 x 36)	8	\$ 4.00	\$ 32.00
Bond (30 x 42)		\$ 5.00	\$ -
Mylar (24 x 36)		\$ 6.00	\$ -
Mylar (30 x 42)		\$ 7.00	\$ -
Photographic Paper (24 x 36)		\$ 21.00	\$ -
Photographic Paper (30 x 42)		\$ 27.00	\$ -
CD		\$ 5.00	\$ -
8 1/2 x 11		\$ 0.25	\$ -
8 1/2 x 14		\$ 0.50	\$ -
11 x 17		\$ 0.75	\$ -
		Sub-total	\$ 97.00
<b>Total Merrell-Johnson Engineering</b>			<b>\$ 18,401.00</b>



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY**  
**Report/Recommendation to the Board of Commissioners**

August 16, 2018

**FROM:** Latif Laari, Business Applications Manager  
**TO:** Logan Olds, General Manager  
**SUBJECT:** Sanitary Sewer Management Plan Audit

**RECOMMENDATION**

It is recommended that the Board of Commissioners approve the VVWRA Sanitary Sewer Management plan five (5) year audit by Larry Walker and Associates in the amount of \$9000.00 under a professional service agreement.

**REVIEW BY OTHERS**

This recommendation has been prepared by Latif Laari, Business Applications Manager and reviewed by Robert Coromina, Director of Administration, Alton Anderson, Construction Manager, Robert Townsend, Environmental Compliance Inspector and Chieko Keagy, Controller

**BACKGROUND INFORMATION**

The California State Water Resources Control Board (“SWRCB”) promulgated a waste discharge requirement (“WDR”) permit on May 2, 2006 to regulate sanitary sewer systems. This permit is known as SWRCB Order No. 2006-0003, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. On July 30, 2013, Attachment A to the Order was promulgated and became effective on September 9, 2013 and is known as Attachment A, SWRCB Order No. WQO 2013-0058-EXEC, amending the Monitoring and Reporting Program for Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (together these documents constitute the “SSS WDR”).

The SSS WDR requires local public sewer collection system agencies, referred to as “Enrollees,” to electronically report all Sanitary Sewer Overflows (SSO’s) and develop a Sewer System Management Plan (“SSMP”). SSMPs must be self-audited at least every two (2) years and updated every five (5) years from the original adoption date by the Enrollee’s governing board. The five-year SSMP update must also be approved and certified as do all significant updates to the SSMP.

In April 2012, VVWRA performed a five-year audit (2008-2012) and subsequently updated and adopted the SSMP. Since 2010 VVWRA sanitary sewer collection system has undergone the following substantial changes:

1. Construction of the Hesperia Santa Fe interceptor
2. Construction of the Upper Narrows emergency interceptor
3. Construction of two (2) Sub regional water reclamation plants (WRP) along with two (2) new waste activated sludge (WAS) pipelines in both Hesperia and Apple Valley
4. Construction of the new Hesperia lift station and its force main to the Hesperia WRP
5. The transfer to VVWRA of ownership of Town of Apple Valley's Otoe Pump Station and its sewer force main
6. The construction of the Nanticoke Gravity sewer interceptor and the abandonment of the Nanticoke Pump Station and a portion of its force main.
7. Installation of a flow monitoring system in the interceptors which provide data on its condition 24/7/365

The SSMP contains eleven (11) required Elements:

1. Goals
2. Organization
3. Legal Authority
4. Operations and Maintenance Program
5. Design and Performance Provisions
6. Overflow Emergency Response Plan ("OERP")
7. Fats, Oils, and Grease (FOG) Control Program
8. System Evaluation and Capacity Assurance Plan ("SECAP")
9. Monitoring, Measurement and Program Modifications
10. SSMP Program Audits
11. Communications Program

The "SECAP" or Element 8 of the SSMP requires an update of the evaluation and capacity assurance plan which must include the identification of the means and methods used to assure that the collection system has adequate hydraulic capacity to convey dry and peak wet weather flows through the system to the ultimate disposal points without upset or discharge to the environment or private property.

Considering the substantial changes to the VVWRA sewer collection system, Staff recommends the following:

1. Perform the audit of the SSMP in this fiscal year 18-19
2. Delay the final update of the SSMP until an update to the Sewer Master Plan (Master Plan) is performed in fiscal year 19-20. This update will include a new hydraulic model which will reflect the changes to the collection system and will allow for future capital investments to be made based on accurate data.
  - a. The Sewer Master Plan was last updated by RBF in 2008 and is based on assessments of the hydraulics, physical condition and maintenance of the collection system. The Master Plan outlines recommendations and improvements to provide adequate hydraulic capacity and improve the reliability of the collection system.
3. Perform the final update of the SSMP in fiscal year 20-21, review the draft document with the Engineering Committee and submit the final reviewed SSMP document to the board for adoption.

Staff obtained proposals from three different engineering firms, Larry Walker and Associates' proposal was the most competitive. The proposal covers only the audit portion, staff wants to ensure that all areas that require updating are understood before issuing an RFP to perform the SSMP update which will include a new hydraulic model. Staff believes that the cost to redo the SSMP and the associated hydraulic model will be several hundred thousand dollars. The audit will enable staff to more accurately budget the cost of the SSMP update for the FY 19-20 budget.

**FINANCIAL IMPACT**

Finance Approval:

<b>Fund 01 or 07</b>		
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-02-505-8150-9999	
Transfer from Reserve	Y [ ]	N [X ]
If Transfer, from Which Reserve		
Outside Funding Source if applicable		
Change Order	Y [ ]	N [x ]
Original Budget Amount	\$19,000.00	
Revised Original Contract Amount	\$	
Budget Remaining after the Recommendation	\$10,000	
Contract after Change	\$	

<b>Fund 09</b>		
Accounting Code (String) example: 09-xx-xxx-xxxx ( <u>mandatory</u> project code)		
Transfer from Reserve	Y [ ]	N [ ]
If Transfer, from Which Reserve		
Outside Funding Source		
Change Order	Y [ ]	N [ ]
Original Budget Amount	\$	
Original Contract Amount	\$	
Budget Remaining after the Recommendation	\$	
Contract after Change	\$	

**RELATED IMPACTS**

- Properly manage, operate and maintain all portions of the VVWRA's wastewater collection system
- Provide adequate capacity to convey peak wastewater flows
- Minimize frequency of SSOs
- Mitigate impacts of SSOs that may occur
- Meet all notification and reporting requirements



July 19, 2018

Latif Laari  
 Business Applications Manager  
 Victor Valley Wastewater Reclamation Authority  
 llaari@vwwra.com



Dear Mr. Laari:

Larry Walker Associates (LWA) is pleased to provide this scope of work to the Victor Valley Wastewater Reclamation Authority (VWVRA) to perform an internal audit of its existing Sewer System Management Plan (SSMP). LWA has the insight that comes from assisting many agencies around the State in developing and auditing their SSMP programs and complying with other requirements in the Sanitary Sewer System Waste Discharge Requirements (SSS WDR). The SSS WDR was issued by the State Water Resources Control Board (State Water Board) in 2006 as Order No. 2006-0003-DWQ. It has since been amended, most recently in 2013 by an update to the monitoring and reporting provisions (MRP) through Order WQ 2013-0058-EXEC.

For this project, LWA will conduct a review of the SSMP and prepare an internal audit report. The Scope of Work, Budget, and Schedule presented below describe the anticipated work effort.

## **SCOPE OF WORK**

### **Task 1. SSMP Audit**

Under this task, LWA will assist VWVRA in preparing an SSMP internal audit report. The VWVRA SSMP was last updated in 2012. Provision D.13(x) of the SSS WDR requires all collection system agencies perform an internal audit of their SSMP every two years, at a minimum.

For this task, LWA will review the current SSMP as well as information available on CIWQS Public Reports to understand the VWVRA program and its effectiveness at managing the collection system. LWA will work with VWVRA staff to assemble any information which may not be publicly available in CIWQS. Per Provision D.13(x) of the SSS WDR, the internal audit needs to evaluate the SSMP effectiveness (e.g., metrics such as miles of televised pipe, number of spills/volumes from year to year, etc.) and the agency's compliance status with each of the required SSMP elements. LWA will analyze, tabulate, and graph historical information on the program metrics and also evaluate the SSMP for compliance with all the required elements and WDR amendments.

LWA will prepare a draft audit report of the audit findings for VWVRA's staff review. The report will note deficiencies and opportunities for improving each element of the SSMP. The audit report will be finalized following VWVRA's review. The final report is to be kept on file at the VWVRA offices; there is no need to submit it to regulatory agencies.

## Task 2. Project Management

Project status, budget, and invoicing will be covered under this task. In addition, general communication between LWA and VVWRA staff regarding the overall project is included in this task.

Under this task, the LWA Project Manager and Contract Administrator will ensure contract requirements are implemented, manage budgets and schedules, and prepare monthly invoices that summarize activities undertaken during the billing period. The Project Manager will review all technical reports and deliverables and communicate regularly with VVWRA staff to keep them apprised of progress and solicit input on project direction.

## BUDGET AND SCHEDULE

The above tasks will be conducted by LWA on a time and materials basis for a cost not to exceed \$9,000. All tasks are budgeted based on our standard billing rates (attached). A cost breakdown by task is shown below.

### Cost Breakdown by Task

Task	Estimated Cost
1. SSMP Audit	\$ 7,500
2. Project Management	\$ 1,500
<b>Total</b>	<b>\$ 9,000</b>

The SSMP Audit will be completed within six weeks of receiving notice to proceed. The task schedule may be adjusted depending on availability of information needed for the project and based on consultation with VVWRA staff.

We look forward to continuing our work with VVWRA. Feel free to contact me at (408) 261-3996 or kristinec@lwa.com if you have any questions regarding this scope of work.

Sincerely,



Kristine Corneillie  
Senior Engineer

Attachment: LWA Rate Schedule

## LARRY WALKER ASSOCIATES

### Rate Schedule Effective July 1, 2018 – June 30, 2019

PERSONNEL	Rate \$/Hour	REIMBURSABLE COSTS	
<i>Administrative</i>	\$ 88	<b>Travel:</b>	
<i>Contract Administrator</i>	\$155	Local mileage	Current IRS rate
<i>Project Staff I-C</i>	\$113	Transportation	Actual expense
<i>Project Staff I-B</i>	\$144	Auto rental	Actual commercial rate
<i>Project Staff I-A</i>	\$170	Fares	Actual expense
<i>Project Staff II-B</i>	\$180	Room	Actual expense
<i>Project Staff II-A</i>	\$200	Subsistence <sup>(1)</sup>	\$48 per day
<i>Senior Staff</i>	\$232	The rate for each meal as follows: <sup>(1)</sup>	
<i>Associate</i>	\$258	Breakfast	\$ 9
<i>Vice President</i>	\$283 - \$294	Lunch	\$13
<i>Senior Executive</i>	\$309	Dinner	\$21
<i>President</i>	\$309	Incidentals	\$ 5
		<b>Report Reproduction and Copying:</b>	
		Actual expense	
		Black and white copy, in-house	\$0.08
		Color copy, in-house	\$0.89
		Binding, in-house	\$1.95
		<b>Special Postage and Express Mail:</b>	
		Actual expense	
		<b>Other Direct Costs:</b>	
		Actual expense	
		<b>Daily Equipment Rental Rates:</b>	
		Single parameter meters & equipment	\$ 30
		Digital Flow Meter	\$ 60
		Multi-parameter field meters & sondes	\$100
		Dye/tracer mapping or residence time	\$200
		Multi-parameter continuous remote sensing	\$ 40
			\$ 45
		<b>Subcontractors:</b>	
		Actual expense plus 10% fee	

Note: <sup>(1)</sup> Charged when overnight lodging is required.

Revised 05/21/2018



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY**  
**Report/Recommendation to the Board of Commissioners**  
 16 August 2018

**FROM:** Logan Olds, General Manager *Lo*  
**TO:** Board of Commissioners  
**SUBJECT:** 19 September 2018 Board Workshop

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**RECOMMENDATION**

It is recommended that the Board of Commissioners amend the VVWRA regular meeting calendar to include a Board workshop to be held at the VVWRA wastewater treatment plant located at 20111 Shay Road, Victorville CA 92394 on 19 September 2018 at 930 am.

**REVIEW BY OTHERS**

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

**BACKGROUND INFORMATION**

At the 19 July 2018 Board meeting the Commissioners requested that a workshop be held at the wastewater treatment plant in Victorville to familiarize the Board with existing operations. Staff reviewed the calendar and determined that Wednesday September 19<sup>th</sup> was the most suitable day.

**FINANCIAL IMPACT**

None

**RELATED IMPACTS**

An opportunity for the Commissioners to interact with VVWRA staff.



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY  
 BOARD OF COMMISSIONERS  
 2018  
 AMENDED BOARD MEETING SCHEDULE \*  
 (Changes are highlighted in red)

Time: Closed Session: 8:00 AM. Regular Session: 8:30 AM.

Thursday January 18

Thursday February 15

Thursday March 15

Thursday April 19

Thursday May 17

Thursday June 21

Thursday, June 28 (Budget Adoption)

Thursday July 19

Thursday August 16

Wednesday September 19 (Workshop)\*\*

Thursday September 20

Thursday October 18

Thursday November 15

Thursday December 20

\* VVWRA Regular Board Meetings are typically held on the **third Thursday** of the month unless otherwise noticed and posted. Additional Regular or Special Meetings may be scheduled during the year as necessary.

\*\* VVWRA Board Workshop will be held at VVWRA Facility and will start at 9:30 AM

Approved by consent on: 11/16/2017 Amended on: July 19, 2018 and August 16, 2018



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY  
BOARD OF COMMISSIONERS  
2018  
AMENDED BOARD MEETING SCHEDULE \***

Time: Closed Session: 8:00 AM. Regular Session: 8:30 AM.

**Thursday January 18**

**Thursday February 15**

**Thursday March 15**

**Thursday April 19**

**Thursday May 17**

**Thursday June 21**

**Thursday, June 28 (Budget Adoption)**

**Thursday July 19**

**Thursday August 16**

**Thursday September 20**

**Thursday October 18**

**Thursday November 15**

**Thursday December 20**

- \* VWRA Regular Board Meetings are typically held on the **third Thursday** of the month unless otherwise noticed and posted. Additional Regular or Special Meetings may be scheduled during the year as necessary.

Approved by consent on: 11/16/2017 Amended on: July 19, 2018

# ***Victor Valley Wastewater Reclamation Authority***



## ***Financial and Cash Report***

***July 2018***

Victor Valley Wastewater Reclamation Authority  
**CASH AND RESERVE SUMMARY**  
 July 18, 2018

G/L Account	Description	Balance
1000	DCB Checking Account	\$ 1,113,000
1030	DCB Sweep Account	1,476,235
1075	Cal TRUST	6,115,069
1070	LAIF	1,548,060
	<b>Total Cash</b>	<b>\$ 10,252,364</b>

\$65 mil Max

Reserves:	Current Balance	Restricted	Assigned	Not Assigned
Targeted Capital Reserve	\$ -	\$ -	\$ -	\$ -
O&M Reserve: 10% of Prior Year Budgeted Operating Expenses	1,081,523		1,081,523	
R&R Reserve: 1% of Land Improvements/Plants/Interceptors PY CAFR	1,670,006		1,670,006	
Reserve for SRF Payments (P& I) - Operating	2,843,784	2,843,784		
Reserve for SRF Payments (P& I) - Capital Available for O&M	2,439,893	2,439,893		
	2,217,158			
<b>Total Cash</b>	<b>\$ 10,252,364</b>	<b>\$ 5,283,677</b>	<b>\$ 2,751,529</b>	<b>\$ -</b>

**Note 1: ACCUMULATION FOR SRF LOAN PAYMENTS:**

	9.5 MGD, 11.0 MGD, NAWI, Phase III-A	Upper Narrows Replacement	Nanticoke Bypass	Sub-Regional Apple Valley	Sub-Regional Hesperia	Total
Reserve for SRF Payments (P& I) - Operating	\$ 782,104	257,745	202,665	640,818	960,452	\$ 2,843,784
Reserve for SRF Payments (P& I) - Capital	1,348,576	-	67,555	409,703	614,059	2,439,893
	\$ 2,130,680	257,745	270,220	1,050,521	1,574,511	\$ 5,283,677

**Note 2: PROJECTS AND FUNDING:**

a. Construction and Change Orders for Sub-Regional Plants	Bureau of Reclamation - Title 16 Grant	Dept. of Water Resources - Proposition 84 Grant	SWRCB SRF Loan - Hesperia	SWRCB SRF Loan - Apple Valley	SWRCB - Proposition One Grant - A.V.	SWRCB - Water Recycling Prop 13 Grant - A.V.	Total
Completion (or Termination) Dates	05/31/16	12/31/17	06/30/17	06/30/17	06/30/17	03/31/17	
Agreement Amounts	\$ 3,259,517	\$ 3,000,000	\$ 35,442,795	\$ 22,537,632	\$ 8,135,648	\$ 4,000,000	\$ 76,375,592
Claimed	(3,259,517)	(3,000,000)	(32,144,691)	(21,470,921)	(7,915,494)	(3,992,567)	(71,783,190)
<b>Grant and Loan Balance Remaining</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,298,104</b>	<b>\$ 1,066,711</b>	<b>\$ 220,154</b>	<b>\$ 7,433</b>	<b>\$ 4,592,402</b>

b. Planning and Design for Sub-Regional Plants	Bureau of Reclamation - Title 16 Grant	Dept. of Water Resources - Proposition 84 Grant	SWRCB SRF Loan - Hesperia	SWRCB SRF Loan - Apple Valley	SWRCB - Proposition One Grant - A.V.	SWRCB - Water Recycling Prop 13 Grant - A.V.	Total
Completion (or Termination) Dates	05/31/16	not applicable	06/30/17	06/30/17	06/30/17	not applicable	
Agreement Amounts	\$ 1,607,477	\$ -	\$ 5,107,160	\$ 4,535,127	\$ 1,046,193	\$ -	\$ 12,295,957
Claimed	(1,607,477)	-	(5,107,160)	(4,535,127)	(1,046,193)	-	(12,295,957)
<b>Grant and Loan Balance Remaining</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**c. Upper Narrows Emergency**

*FEMA/Cal OES PW 1136 Revised Grant Limit - Completion 12/27/15	\$	7,954,740
Eligible Cost Incurred 12/26/10 - 11/06/16		(7,750,326)
<b>Grant Balance Remaining</b>	<b>\$</b>	<b>204,414</b>
Funding Received or To Be Received:		
FEMA (Claims x .90 x .7500)	\$ 5,231,470	
Cal OES (Claims x .90 x .1875)	1,307,868	6,539,338
VVWRA Share:		
VVWRA (Claims x .0625)	484,395	484,395
10% Retention to Be Received upon Completion: (Claim - VVWRA portion) x .10	726,593	726,593
	\$	7,750,326

**d. Upper Narrows Replacement**

*FEMA/Cal OES PW 828 Grant Limit - Completion 12/27/15	\$	33,124,002		
Eligible Costs Incurred 04/01/11 - 08/31/16		(33,124,002)		
<b>Grant Balance Remaining</b>	<b>\$</b>	<b>-</b>		
Funding Received or Expected to Receive:				
FEMA (Claims x .90 x .7500)	\$ 22,358,701			
Cal OES (Claims x .90 x .1875)	5,589,675	27,948,377		
VVWRA Share:				
VVWRA (Claims x .0625)	2,070,250	2,070,250		
10% Retention to Be Received upon Completion: (Claim - VVWRA portion) x .10	3,105,375	3,105,375		
	\$	33,124,002		
	Incurred	Claimed	Remaining	
* SRF Loan	Construction	1,655,130	(1,655,130)	-
	Change Orders	1,825,000	(1,825,000)	-
	Soft Costs	806,250	(806,250)	-
		4,286,380	(4,286,380)	-



**Victor Valley Wastewater Reclamation Authority**  
**Flow Study**  
**For the Month Ended June 30, 2018**

Measured by ADS	Percentage of Total %	June Monthly MG
VSD 1 (less North Apple Valley)	5.9944%	20.8050
VSD 2	13.9515%	48.4220
VSD 3	26.0239%	90.3220
VSD 4	7.3728%	25.5890
VSD 5	0.5656%	1.9630
VSD 6	6.1849%	21.4660
<b>VSD Total</b>	<b>60.0931%</b>	<b>208.5670</b>
Apple Valley 01	10.1397%	35.1920
Apple Valley 02	5.7285%	19.8820
Apple Valley North	0.0945%	0.3280
<b>Apple Total</b>	<b>15.9627%</b>	<b>55.4020</b>
<b>Hesperia</b>	<b>18.7537%</b>	<b>65.0890</b>
CSA 64 SVL	4.5953%	15.9490
CSA 42 Oro Grande	0.5953%	2.0660
<b>CSA Total</b>	<b>5.1906%</b>	<b>18.0150</b>
<b>Total Apportioned Flow</b>	<b>100.0001%</b>	<b>347.0730</b>
Mojave Narrows Regional Park		0.1000
<b>Total Study Flow</b>		<b>347.1730</b>

**Victor Valley Wastewater Reclamation Authority**  
**Statement of Net Position**  
**July 31, 2018**

<i>Assets and Deferred Outflows of Resources</i>	<b>2018</b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 10,469,513
Interest receivable	6,932
Accounts receivable	3,718,025
Receivable from FEMA Grants	3,581,929
Accounts receivable - Other	7,397
Allowance for Doubtful Accounts	(64,828)
Materials and supplies inventory	86,516
Prepaid expenses and other deposits	234,621
Total current assets	18,040,105
<b>Fixed assets:</b>	
Capital assets not being depreciated	85,162,412
Capital assets being depreciated	112,502,288
Total capital assets	197,664,700
Total assets	215,704,805
<b>Deferred outflows of resources</b>	
Deferred outflows of resources - pension	1,743,035
<b>Total</b>	<b>\$ 217,447,840</b>
<b><i>Liabilities, Deferred Inflows of Resources, and Net Position</i></b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 169,262
Accrued interest on long-term debt	75,383
<b>Long-term liabilities - due within one year:</b>	
Compensated absences	48,647
Loans payables	1,849,149
Other payables	47,503
Total current liabilities	2,189,944
<b>Non-current liabilities:</b>	
<b>Long-term liabilities - due in more than one year:</b>	
Compensated absences	219,396
Other post employment benefits payable	1,419,041
Loans payable	84,510,948
Net Pension Liability	5,011,624
Other payables	443,963
Total non-current liabilities:	91,604,972
Total liabilities	93,794,916
<b>Deferred inflows of resources</b>	
Deferred inflows of resources - pension	165,023
<b>Net position:</b>	
Net position as of 6/30/17	118,905,834
Restricted for SRF loan covenant	5,283,677
Decrease in net position FY 18	(464,747)
Total net position	123,487,901
<b>Total</b>	<b>\$ 217,447,840</b>

**Victor Valley Wastewater Reclamation Authority**  
**Revenues and Expenses**  
**Operations and Maintenance**  
For the Month Ended July 31, 2018

	Actual July 2018	YTD Actual FY 18-19	Approved Budget FY 18-19
<b>REVENUES</b>			
User Charges	\$ 1,079,652	\$ 1,079,652	\$ 13,661,700
Sludge Flow Charge	-	-	120,000
High Strength Waste Surcharges	-	-	20,000
ADM FOG Tipping Fee Revenue	-	-	200,000
Septage Receiving Facility Charges	10,693	10,693	550,000
Reclaimed Water Sales	-	-	25,000
Potable Well Water Sales	-	-	-
Leased Property Income	-	-	-
Interest	120	120	-
Pretreatment Fees	3,000	3,000	50,000
Finance Charge	-	-	-
Grant - FEMA/Cal-EMA	-	-	-
Grant - Proposition 1	-	-	-
Grant- Water Recycling	-	-	-
Grant- CEC Microgrid	-	-	-
Sale of Assets, Scrap, & Misc Income	122	122	1,200
<b>Total REVENUES</b>	<b>\$ 1,093,587</b>	<b>\$ 1,093,587</b>	<b>\$ 14,627,900</b>
<b>EXPENSES</b>			
Personnel	\$ 659,486	\$ 659,486	\$ 4,080,784
Maintenance	41,442	41,442	2,194,767
Operations	122,457	122,457	3,151,072
Administrative	50,335	50,335	2,183,749
Construction	-	-	-
<b>Total EXPENSES</b>	<b>\$ 873,720</b>	<b>\$ 873,720</b>	<b>\$ 11,610,372</b>
<b>Revenues over Expenses before Depreciation, Debt Service and Transfers</b>	<b>\$ 219,867</b>	<b>\$ 219,867</b>	<b>\$ 3,017,528</b>
Depreciation Expense	(673,545)	(673,545)	-
FEMA CalOES Retention	-	-	747,034
<b>DEBT SERVICE</b>			
SRF Principal	-	-	2,094,805
SRF Interest	-	-	762,842
	-	-	2,857,647
<b>FUND TRANSFERS IN</b>			
Salary/Benefits Charge from Capital	\$ 8,930	\$ 8,930	-
Admin Charge from Capital	3,393	3,393	-
<b>Total FUND TRANSFERS IN</b>	<b>\$ 12,323</b>	<b>\$ 12,323</b>	<b>\$ -</b>
<b>FUND TRANSFERS OUT</b>			
Transfer to Repairs and Replacements Fund	-	-	2,749,326
Inter-fund loan payment to Capital	-	-	-
<b>Total FUND TRANSFERS OUT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,749,326</b>
<b>Excess Revenues Over Expenses</b>	<b>\$ (441,355)</b>	<b>\$ (441,355)</b>	<b>\$ (1,842,411)</b>

**Victor Valley Wastewater Reclamation Authority**  
**Revenues and Expenditures**  
**Repairs and Replacement**  
For the Month Ended July 31, 2018

	Actual 2018	July	YTD Actual FY 18-19	Approved Budget FY 18-19
	<u>          </u>		<u>          </u>	<u>          </u>
<b>REVENUES</b>				
R&R Revenues	\$ -	\$ -	-	-
<b>Total REVENUES</b>	<u>\$ -</u>		<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
SRF Loan Funding	\$ -			-
<b>CAPITAL EXPENSES</b>				
Personnel	\$ -	\$ -	-	-
Maintenance		-	-	1,204,326
Operations		-	-	25,000
Administrative		-	-	150,000
Construction		9,450	9,450	1,370,000
<b>Total CAPITAL EXPENSES</b>	<u>\$ 9,450</u>		<u>\$ 9,450</u>	<u>\$ 2,749,326</u>
<b>Revenues over Expenses before Debt Service and Transfers</b>	<u>\$ (9,450)</u>		<u>\$ (9,450)</u>	<u>\$ (2,749,326)</u>
<b>FUND TRANSFERS IN</b>				
Transfer from Operations and Maintenance Fund	\$ -	\$ -		2,749,326
Interfund Loan Payment from O&M	-		-	-
<b>Total FUND TRANSFERS IN</b>	<u>\$ -</u>		<u>-</u>	<u>\$ 2,749,326</u>
<b>FUND TRANSFERS OUT</b>				
Salary/Benefits Charge to O & M	\$ -	\$ -	-	-
Admin Charge to O & M	-		-	-
<b>Total FUND TRANSFERS OUT</b>	<u>\$ -</u>		<u>-</u>	<u>\$ -</u>
<b>Excess Revenues Over Expenses</b>	<u>\$ (9,450)</u>		<u>\$ (9,450)</u>	<u>\$ -</u>

*Accrual Basis*

Victor Valley Wastewater Reclamation Authority  
Revenues and Expenditures  
**CAPITAL**  
For the Month Ended July 31, 2018

	Actual July 2018	YTD Actual FY 18-19	Approved Budget FY 18-19
<b>REVENUES</b>			
Connection Fees	\$ -	-	\$ 2,000,000
Title 16 Grant - Subregional	-	-	-
Grant- Water Recycling	-	-	-
Sale of Assets, Scrap, & Misc Income	-	-	-
Interest	9,610	9,610	35,000
Proposition 1 Grant	-	-	-
Proposition 84 Grant	-	-	-
FMV Adjustment	-	-	-
CEC Microgrid Grant	-	-	-
Grant - FEMA/Cal-EMA	-	-	3,105,375
<b>Total REVENUES</b>	<b>\$ 9,610</b>	<b>\$ 9,610</b>	<b>\$ 5,140,375</b>
<b>CAPITAL EXPENSES</b>			
Personnel	\$ -	-	\$ 378,554
Maintenance	-	-	-
Operations	-	-	170
Administrative	(2,054)	(2,054)	-
Construction	13,283	13,283	430,000
<b>Total CAPITAL EXPENSES</b>	<b>\$ 11,229</b>	<b>\$ 11,229</b>	<b>\$ 808,724</b>
<b>Revenues over Expenses before Debt Service and Transfers</b>	<b>\$ (1,619)</b>	<b>\$ (1,619)</b>	<b>\$ 4,331,651</b>
<b>DEBT SERVICE</b>			
SRF Principal	\$ -	-	\$ 2,002,675
SRF Interest	-	-	437,219
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,439,894</b>
<b>FUND TRANSFERS IN</b>			
Capital Recovery - Septage from O&M	\$ -	-	\$ -
Interfund Loan Payment from O&M	-	-	-
<b>Total FUND TRANSFERS IN</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND TRANSFERS OUT</b>			
Salary/Benefits Charge to O & M	\$ 8,930	8,930	\$ -
Admin Charge to O & M	3,393	3,393	-
<b>Total FUND TRANSFERS OUT</b>	<b>\$ 12,323</b>	<b>\$ 12,323</b>	<b>\$ -</b>
<b>Excess Revenues Over Expenses</b>	<b>\$ (13,942)</b>	<b>\$ (13,942)</b>	<b>\$ 1,891,757</b>

*Accrual Basis*

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY  
SRF LOAN SUMMARY  
July 31, 2018

Existing 9.5 MGD Capital Improvements	Existing 11 MGD Expansion	Existing North Apple Valley Interceptor	Existing Phase IIIA Regulatory Upgrades	Existing UN Replacement Project	Existing Nanticoke Pump Station Bypass	Existing Apple Valley Sub-Regional	Existing Hesperia Sub-Regional	Total Agreed SRF Loans
\$ 4,069,859.00	\$ 11,430,726.00	\$ 4,084,688.00	\$ 18,581,561.00	\$ 4,286,380.00	\$ 4,495,212.79	\$ 27,129,023.47	\$ 40,658,809.92	\$ 114,736,260.18
2.60%	* 0.00%	2.50%	2.70%	1.90%	1.90%	1.00%	1.00%	Varies
n/a	1,905,159.00	n/a	3,000,000.00	n/a	n/a	n/a	n/a	1,905,159.00
4,069,859.00	9,525,567.00	4,084,688.00	15,717,667.66	4,286,380.00	4,495,212.79	27,129,023.47	40,658,809.92	3,000,000.00
265,049.56	579,869.96	258,151.05	1,027,609.73	257,745.38	271,632.70	1,050,520.94	1,574,511.25	109,967,207.84
September 15	April 3	February 13	June 30	December 31	June 30	February 28	February 28	Varies
20	20	20	20	20	20	30	30	Varies
2	4	6	14	15	19	30	30	Varies
<b>DEBT SERVICE</b>								
<b>Loan Outstanding Balance</b>								
3,559,739.73	2,218,127.17	1,421,928.33	11,848,942.94	3,187,940.73	4,298,323.84	27,129,023.47	40,658,809.92	91,273,215.67
1,154,214.00	7,307,439.83	2,662,759.67	3,868,724.72	1,098,439.27	196,888.95	-	-	18,693,992.17
Sept. 15, 2000	1,803,806.32	934,964.01	2,239,158.53	110,860.41	74,743.75	-	-	6,317,747.02
Sept. 15, 2019	April 3, 2003	Feb. 13, 2005	June 30, 2013	Dec. 31, 2016	Jun 30, 2018	February 28 2019	February 28 2019	Varies
2.544%	April 3, 2022	Feb. 13, 2024	June 30, 2032	Dec. 31, 2032	Jun. 30, 2037	February 28, 2048	February 28, 2048	Varies
	1.850%	2.499%	2.700%	1.900%	1.900%	1.00%	1.00%	Varies

**SRF LOANS**

Original Amount Financed  
SRF Interest Rate (fixed)  
Local Match Amount  
Principal Forgiveness  
SRF Amount Borrowed  
Annual Payment Amount  
Annual Payment Due Date  
Loan Term (years)  
Years remaining

**DEBT SERVICE**

Loan Outstanding Balance  
Principal Paid to Date  
Interest Paid to Date  
First Payment Date  
Final Payment Date  
Effective interest rate

\* An imputed interest rate is 1.707% per annum.

## *Victor Valley Wastewater Reclamation Authority*



### *Operations and Maintenance Report*

*July 2018*

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VWRA O&M Monthly Report – July 2018

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**Victor Valley Wastewater Reclamation Authority  
Operations and Maintenance Report  
July 2018**

**TO:** Logan Olds, General Manager  
**FROM:** Operations & Maintenance Staff  
**SUBJECT:** OPERATIONS/MAINTENANCE REPORT  
**DATE:** August 6, 2018

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The following information details the operation of the Victor Valley Wastewater Reclamation Authority Facility. Included in this report is pertinent information regarding flows, process control information, process sampling, permit requirements, operations activities, and facility maintenance activities. This report is based on O&M activities for July 2018.

	Total	Average
Effluent to Mojave	117.338	3.7851
Effluent to Ponds	212.029	6.8396
		Limit
Biochemical Oxygen Demand (BOD)		10 mg/l
Effluent to Mojave	<3.75	
Percent Removal	>98.851	
		Limit
Total Suspended Solids (TSS)		10 mg/l
Effluent to Mojave	<2.1	
Percent Removal	>99.416	
		Limit
Turbidity		2.0 ntu
30 Day Average	0.4	



## Major Operations Activities

### Headworks

The Headworks area operated as intended throughout the months with normal equipment maintenance performed on a weekly basis.

### Primary Treatment

Overall removal efficiency of the primary clarifiers was 49.36 % removal of influent BOD and 72.97 % removal of TSS. Typical operating parameters are 25 to 35 percent removal of BOD and 50 to 60 percent removal of TSS. The primary sludge concentration averaged 2.43% total solids at 70,287.4 gallons per day.

Primary clarifiers: #2 ,#3, #4, #5, #6 #7, #8 are currently online and continue to treat all incoming flow. Primaries #1 remained offline for the month. With one clarifiers off line, the remaining 7 primary clarifiers are capable of treating peak flows up to 27 MGD.

The digester gas conditioning system remains online. The system will prevent premature wear and tear on engines #2 & #3 by removing siloxanes by the addition of ferric chloride. The system increases fuel pressure to the blower gas system, allowing for more output from the blower engine. Digester #4 and 5 gas is mixed and sent to the gas conditioning system. This all but eliminates the use of Natural gas to run engines #2 and #3.

Staff continues to add ADM/ Grease to Daft #3 from Primaries and truck deliveries where it is the then feed it to Digesters #4 and #5. This operation is assisting in additional grease removal from the primary clarifiers and increased gas production in the anaerobic digesters.

### Secondary Process

Secondary Clarifiers #1 thru #6 are currently offline, not needed at this time.

Aeration basins #1 thru 12 have been retrofitted with the new Aquarius diffusers and are currently performing very well reducing the RPM's on the Piller blower. Currently basins #1-6 and 7-12 are online.

Waukesha Blower #2 is supplying air to basins #1-6, mixed liquor channel and aerated grit chamber. Piller #6 is supplying air to AB's #7-12.

Staff continues to monitor the solids under aeration and SVI to compare against the SRT Master Control Program. The SRT Master program is performing well. The secondary process has been performing well as a result of the SRT Master Control Program. Weekly Nitrogen studies performed by VVWRA staff produced results below regulatory requirements.

Thioguard was not used during the month.

Secondary turbidity averaged 1.25 (NTU) during the month of July 2018  
The 30 minute settleometer test averaged 124.5 mL/L.  
The average "pop time" of the MLSS was >90 min.

### **Percolation Ponds**

South percolation ponds #8, #11, #12 and #13 were used and rotated during the month. Percolation Ponds #7 and #10 are offline in preparation for maintenance. All Percolation Pond freeboard level requirements have been met during the month. All ponds are being rotated on a daily basis. Percolation Pond #6 remains off line and drained to minimal levels. No flow seepage has been observed. The north percolation ponds were used sparingly during the month.

### **Tertiary Filters**

Aqua Diamond Filters #1 and #2 were utilized for the month of July. Filter Effluent average Turbidity of 0.42 NTU.

### **Solids**

Digester #1 was drained on 8/19/16 and is offline. Digester #2 and #3 remain off line, drained and clean.

Staff has been operating Digester #4 and #5 at predetermined sludge levels which is controlled by the SCADA system.

VVWRA received 635,962 gallons of ADM (Anaerobically Digestible Material) and FOG (Fats Oil and Grease). Total is comprised of 552,462 gallons of ADM and 83,500 gallons of FOG.

A Total 24,249,024 cf/day of gas was created by digesters #4 and 5 for the month of July 2017.

That is an average gas production of 782,227cf/day.

Digester #4 averaged 385,094cf/day

Digester #5 averaged 397,132cf/day

Digester Volatile Acid/Alkalinity averaged 0.015 for the month.

#### **Ultra Violet Disinfection (UV)**

The UV system is currently operating via two channel mode since 12/22/2017.

Monthly UV intensity probe and flow meter calibration checks were performed.

#### **Permit Continuous Monitoring Requirements and Permit Violations**

All permit required, continuous monitoring equipment was on-line, in calibration and working properly during the month.

**Date of last reportable incident: March 10, 2015**

**Days since last reportable incident: 1,239 days**

#### **Discharge Sampling**

All required samples during the month of July 2018 were collected and processed as scheduled.

#### **Miscellaneous**

Apple Valley Pump Station wet well was cleaned out once in July 2018. Grease removed was transferred to facility scum wet well. AVPS grease was pumped to the anaerobic

Digesters #4 and #5. As of July 19, 2017 AVPS is offline and there is no longer the need to clean this wet well.

**Maintenance Activities****CMMS Work Order Activity****VVWRA KPI Report**8/3/2018  
12:13 PM

7/1/2018 - 7/31/2018

KPI	Count	Percent
Planned Work Total	375	
Planned Work Completed	343	91.47%
Planned Work Completed On-Time	275	73.33%
Planned Work Incomplete	32	8.53%
Planned Work Completed Late	71	18.93%
Total Work Completed	713	
Reactive Work Completed	133	18.65%
PM Work Completed	508	71.25%

**Safety**

1. Monthly Vehicle Safety Inspections completed.
2. Monthly gas tech monitor inspections completed.
3. Eyewash safety showers inspected.
4. Front loader refresher
5. Electrical safety training.
6. Overhead crane training.
7. Monthly SCBA inspections.
8. Hazardous storage area inspection.
9. Spill kit inspections.

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 VVWRA O&M Monthly Report – July 2018

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**Preliminary Process**

1. Aqua Guard pre-treatment screen inspected and serviced.
2. Headwork's Conveyor Belt Lube & Inspect.
3. Bar screen 1 bearing replacement.
4. EQ 1&2 basin aerator repairs and lube.
5. Scum pump 2 pump replacement.

**Primary Process**

1. All PH and conductivity probes cleaned and calibrated.
2. Influent PH and conductivity probe calibrations complete.
3. Primary sludge pumps 1-8 repacks

**Secondary Process**

1. Piller blowers 1 & 6 weekly inspections complete.
2. Service Air compressors inspection and service completed.
3. Waukesha engines inspections.
4. Piller #1 and #6 Filters Replacement.
5. Waukesha engine #3 repair throttle linkage.

**Tertiary**

1. Monthly gear box and platform drive wheel service complete
2. Filter #1 & #2 monthly platform gear box PM's comp
3. Filter #1 & #2 monthly backwash wasting pumps oil checks complete
4. All PH and conductivity probes cleaned and calibrated.

**Ultra Violet Disinfection (UV)**

1. PH and conductivity probes cleaned and calibrated
2. UVT probe calibrated
3. UV drain valve repaired.

**Treatment Disposal**

1. DAFT #1 and #2 Air Compressors 1&2 PM services complete.
2. DAFT #2 pump repack.
3. DAFT #2 recycle water pump oil change.
4. Drying bed 4 ongoing repairs.
5. Digester 4&5 mixing pump lube.

**Miscellaneous Plant**

1. Serviced Air Handling units for Blower Buildings completed.
2. Reclaim water station MCC AC repair.
3. Blower building 1 cooling media replacement.

**Plant Equipment****G/CHP 1&2**

1. Monthly UREA refill completed CHP #1 & #2
2. CHP1&2 differential pressure readings taken within normal range, Gas DP pressure collected within normal range
3. Monthly gas samples collected.

**Gas Conditioning Skid**

1. Blowers #1 & #2 inspections complete.
2. Monthly gas sampling collected.

**OGPS**

1. Monthly Generator Test completed.
2. Annual Generator service.

**OTOE PS**

1. Wetwell cleaning.
2. Pump 2 impeller and liner replacement.

**OFFROAD EQUIPMENT**

1. Brown Bear weekly PM's completed.
2. JCB front loader weekly PM's complete.

**FLEET**

1. Monthly fleet inspections completed pumps, vehicles, hose reel trailer, light towers.



# ***Victor Valley Wastewater Reclamation Authority***



## **Environmental Compliance Department Report**

**July 2018**

VWRA Environmental Compliance Department  
Industrial Pretreatment Program

## **I. Interceptors Operation and Maintenance:**

---

### **1. Interceptors cleaning & CCTV:**

- ✓ Adelanto interceptor was flushed from MH#15 to MH#1

### **2. Interceptors Inspections:**

The following interceptors were visually inspected for signs of damage, vandalism and evidence of sanitary sewer overflows:

- ✓ South Apple Valley & North Apple Valley.
- ✓ Schedule 1, 2, 3 & 4
- ✓ UNE Bypass HDPE pipe
- ✓ Hesperia, I Ave and Santa Fe.
- ✓ CSA 64
- ✓ Adelanto
- ✓ SCLA1

### **3. Damage and repair summary:**

- ✓ No Damage reported

### **4. Sanitary sewer overflows (SSO) summary:**

- ✓ Date of last reportable SSO: July 30th, 2018

### **5. Interceptors maintenance budget remaining:**

- ✓ The fiscal year 2016-2018 Interceptor sewer maintenance amount remaining for sewer cleaning and inspection services is \$49021.11

### **6. Dig Alert Underground tickets processed:**

- ✓ A total of Eighty-five (85) USA Tickets were received and processed in July 2018.

### **7. Flow monitoring Studies:**

- ✓ A flow monitoring study by ADS Environmental is continuing.

## II. Industrial pretreatment Activities:

---

- 1. New Business Questionnaires and permits applications evaluated:**
  - ✓ Six (6) New Business Questionnaires were processed in the month of July 2018.
  - ✓ One (1) New Business Inspection was conducted in the month of July 2018.
- 2. New permits issued:**
  - ✓ One (1) New permits were issued in the month of July 2018.
- 3. Permit renewals issued:**
  - ✓ Twelve (12) Class III permit renewals were issued in the month of July 2018.
- 4. Work Orders:**
  - ✓ 54 Work Orders were completed in July 2018
- 5. Monthly revenues collected, and invoices issued:**
  - ✓ Revenues: \$3,000.00
  - ✓ Invoiced: \$5,500.00

### III. Industrial Pretreatment Activities (continued)

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**1. Current enforcement actions:**

- ✓ Zero (0) Notice of Violation was issued in July 2018.

**2. Current active industrial pretreatment permits:**

- ✓ The current number of VVWRA's industrial wastewater discharge permits is 433, they are comprised as follows:

1	Class I	Categorical Industrial User
11	Class II	Non-Categorical Significant Industrial User
401	Class III	Non-Significant Industrial User
2	Class IV	Zero Discharge Industrial User
10	Class V	Sanitary Waste Haulers

- ✓ The permitted establishments include:

17	Automotive Service Facility
13	Bakery
1	Brewery/Winery
20	Car Wash/Truck Wash/Bus Wash
3	Coffee Shop
9	Dry Cleaner
3293	FSE
22	Grocery Store
3	Hospital
1	Medical
3	Misc. Food
3	Misc. Industrial
3	Other
1	Photographic
1	Print Shop
1	Prison
3	School
4	Water Retail
10	Waste Haulers

- ✓ Permitted businesses are distributed among member entities as follows: 171 in Victorville, 124 in Apple Valley, 123 in Hesperia and 1 in Oro Grande.

## ***Victor Valley Wastewater Reclamation Authority***



**Environmental Compliance Department**

***Septage/FOG/ADM Monthly Report***

**July 2018**

## 1. Septage/FOG/ADM receiving invoices and payments monthly report:

Payments and Invoices period: July 1<sup>st</sup> thru July 31<sup>st</sup> – Septage rate per Gallon: \$ 0.0936  
FOG/ADM rate per Gallon: \$ 0.04

### Receiving invoices

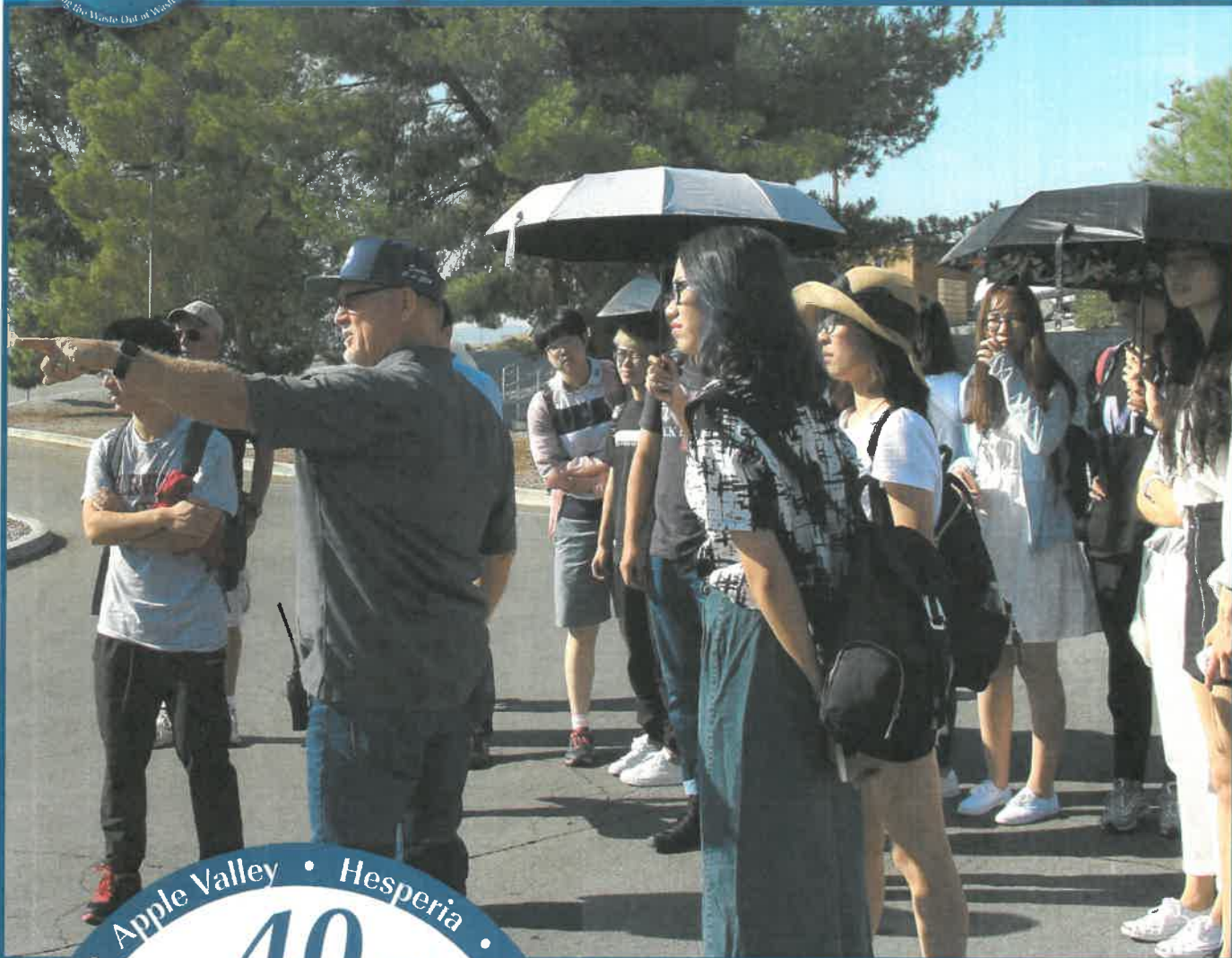
<b>ID No</b>	<b>Septage Hauler</b>	<b>Invoice Date</b>	<b>Total Gallons</b>	<b>Invoice Amount</b>
ABS000	Absolute Pumping	7/30/2018	18,762	\$1,756.12
ALP000	Alpha Omega Septic Service	7/30/2018	140,235	\$13,126.00
BUR000	Burns Septic	7/30/2018	116,000	\$10,857.60
HIT000	Hitt Plumbing	7/30/2018	140,295	\$13,131.61
HON001	Honest Johns Septic Service, Inc	7/30/2018	105,195	\$9,846.25
ROT001	T.R. Stewart Corp. dba Roto Rooter	7/30/2018	81,924	\$7,668.09
USA000	USA Septic	7/30/2018	49,500	\$4,633.20
ALP000	Alpha Omega Septic Service (Nutro)	7/30/2018	113,562	\$4,422.48
COW000	Co-West Commodities	7/30/2018	185,000	\$7,400.00
LIQ000	Liquid Environmental Solutions of CA	7/30/2018	0	\$0
SMC000	SMC Grease Specialist, Inc.	7/30/2018	340,400	\$13,616.00
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	7/30/2018	0	\$0
HIT000	Hitt Plumbing	7/30/2018	0	\$0
<b>Grand Totals</b>			<b>1,290,873</b>	<b>\$86,457.35</b>

**Septage/FOG/ADM receiving payments:**

<b>ID No</b>	<b>Business Name</b>	<b>Payments Received</b>
ABS000	Absolute Pumping	\$0
ALP000	Alpha Omega Septic Service	\$0
BUR000	Burns Septic	\$0
HON001	Honest Johns Septic Service, Inc	\$0
ROT001	T.R. Stewart Corp. dba Roto Rooter	\$6,387.45
USA000	USA Septic	\$4,305.60
ALP000	Alpha Omega Septic Service (Nutro)	\$0
COW000	Co-West Commodities	\$0
LIQ000	Liquid Environmental Solutions of CA	\$0
SMC000	SMC Grease Specialist, Inc.	\$0
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	\$0
HIT000	Hitt Plumbing	\$0
<b>Grand Total</b>		<b>\$10,693.05</b>



# Safety & Communications Report



*Chinese exchange students tour VVWRA*



## June 2018





# Safety

## STAFF SAFETY TAILGATE/ORIENTATION

- July 5- At risk behavior
- July 9--Office safety
- July 12-- Workplace violence
- July 23--Golf cart safety
- July 26--Emergency evac

Can YOU identify  
**at-risk**  
behavior?





# Safety

## SAFETY EVENTS/ TRAINING

- Safety tailgates
- Fall protection training
- Front end loader training
- Overhead crane training

## UNSAFE CONDITIONS REPORTED/RESOLVED

- Noise complaint at Hesperia subregional-resolved
- new spill kit at FOG station

DATE OF LAST REPORTABLE ACCIDENT/INJURY:  
MARCH 25, 2018

DAYS SINCE LAST REPORTABLE ACCIDENT/INJURY:  
128 DAYS



# Safety

## NEXT MONTH'S SCHEDULE OF STAFF TRAINING/SAFETY EVENTS :

- Safety Tailgates will be conducted at the Thursday weekly staff briefings.
- Safety Tailgates will be conducted at the monthly Administrative staff meetings.
- Staff classes schedule for confined space and sexual harassment prevention.,

4

## Communications

- Prepped for marking VWRA's 40th anniversary including adjustments to website, social media etc.
- Designed new backdrop for conventions and events.
- Preparing next issue of the Purple Pipe (released Aug. 2)





# Communications

## ACTIVITIES

- Maintained new website and social media sites including Facebook & Twitter.
- Gave six tours of the main plant including five to Chinese exchange students.

