

AGENDA

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

**MEETING DATE: Thursday, October 18, 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

CONFERENCE WITH LEGAL COUNSEL-LABOR NEGOTIATION (Gov. Code Sections 54957/54957.6/ 54954.5 (f)):

2. Personnel Issues: Two (2)

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

3. Threatened or Pending Litigation- Upper Narrows Project

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

4. Potential Litigation- Angela Valles, Government Tort Claim

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

5. 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:

- 6. Possible conflict of interest issues**
- 7. Reclaimed Water Availability**
- 8. Article: Supreme Court Asked to Determine CWA's Reach Over Groundwater**
- 9. Article: Energy Storage: A Step Toward Energy Neutrality**
- 10. Article: Health Check- What Happens When You Hold in a Fart**
- 11. Letter: City of Hesperia – Request to Increase Capacity at the Hesperia Subregional**

CONSENT CALENDAR:

- 12. Approve September 2018 Disbursement Registers**
- 13. Approve Minutes from the September 20, 2018 Regular Meeting**

ACTION & DISCUSSION ITEMS:

- 14. Recommendation to Approve Resolution 2018-12 to Amend the Surplus Property**
- 15. Recommendation to Approve Resolution 2018-13 to Amend the Procurement Policy**
- 16. Recommendation to Approve Resolution 2018-14 to Amend the Investment Policy**

VVWRA Regular Meeting Agenda

Thursday, October 18, 2018

Page 3

- 17. Recommendation to Approve Resolution 2018-15 to Update Banking Information for the Local Agency Investment Fund (LAIF)**
- 18. Personnel Discussion: Hiring for Operations and Maintenance**
- 19. Recommendation to Purchase Gas Integration Equipment for Digesters 1, 2, and 3**
- 20. Recommendation to Replace Digester #2 Mixing Pump**
- 21. Recommendation to Approve Permanent Easement and Temporary Construction Easement for Desert Knolls Wash with the High Desert “Partnership in Academic Excellence” Foundation**
- 22. Recommendation to Replace Apple Valley Otoe Lift Station Pump #1**
- 23. Recommendation to Approve Resolution 2018-16 to Quitclaim Deed Interest in Real Property to the City of Hesperia**
- 24. Recommendation to Approve Fibercast Proposal**
- 25. Recommendation to Amend the 2018 Board Meeting Schedule**

STAFF/PROFESSIONAL SERVICES REPORTS:

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

NEXT VVWRA BOARD MEETING:

Thursday, November 15, 2018 – Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

VVWRA Regular Meeting Agenda

Thursday, October 18, 2018

Page 5

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.

18-Sep-18 VVWRA West Regional (Shay Road) Reclaimed Water Availability

VVWRA Discharged Flows

Year	VVWRA Average Dry Weather Flow (MGD)	Percent Increase in Base Flow	Base Flow for Fish and Game MOU (MGD)	F&G MOU 20% of Increase (MGD)	LESS that used by SCLA Golf Course (MGD)	TOTAL to Mojave River per F&G MOU (MGD)	Excess Discharged (MGD)	TOTAL to Mojave River per F&G MOU (Ac-ft/yr)	Excess Discharged (Ac-ft/yr)	Acre Foot per Year (Ac-ft/yr)	Million Gallons per Day (MGD)
2003	9.35	NA	8.05	NA	8.05	8.05	1.30	9016	1456	1000	0.89
2004	10.60	11.79%	8.05	0.25	8.30	8.30	2.30	9296	2576	2000	1.79
2005	12.03	21.28%	8.05	0.54	8.59	8.59	3.44	9616	3857	3000	2.68
2006*	12.92	24.11%	8.05	0.59	8.35	8.35	3.97	9356	4442	4000	3.57
2007	12.43	24.78%	8.05	0.62	8.40	8.40	4.03	9403	4518	5000	4.46
2008	12.30	23.98%	8.05	0.59	8.33	8.33	3.97	9329	4446		
2009**	12.07	22.54%	8.05	0.54	8.25	8.25	3.82	9244	4274		
2010**	12.58	25.68%	8.05	0.65	8.51	8.51	4.07	9527	4563		
2011**	12.26	23.74%	8.05	0.58	8.20	8.20	3.83	9444	4287		
2012**	12.20	23.36%	8.05	0.57	8.47	8.47	3.73	9486	4178		
2013	12.12	22.85%	8.05	0.55	8.52	8.52	3.60	9547	4027		
2014	12.10	22.73%	8.05	0.55	8.60	8.60	3.50	9632	3920		
2015****	10.72	12.78%	8.05	0.27	8.32	8.32	2.40	9323	2683		
2016	10.49	10.87%	8.05	0.23	8.28	8.28	2.21	9271	2477		
2017	11.05	15.38%	8.05	0.34	8.39	8.39	2.66	9397	2979		

Conversion Chart

Acre Foot per Year (Ac-ft/yr)	1000	Million Gallons per Day (MGD)	0.89
Acre Foot per Year (Ac-ft/yr)	2000	Million Gallons per Day (MGD)	1.79
Acre Foot per Year (Ac-ft/yr)	3000	Million Gallons per Day (MGD)	2.68
Acre Foot per Year (Ac-ft/yr)	4000	Million Gallons per Day (MGD)	3.57
Acre Foot per Year (Ac-ft/yr)	5000	Million Gallons per Day (MGD)	4.46
Ac/ft= 325,851 gallons			

Watermaster Base Flows

Calendar Year	Base Flow Lower Narrows*** (Ac-ft/yr)	TOTAL to Mojave River per F&G MOU (Ac-ft/yr)	VVWRA plus Base flow*** (Ac-ft/yr)	If Positive number can decrease following years discharge requirement by the same volume (Ac-ft)	VVWRA Effluent Flows (Ac-ft/yr)	VVWRA Discharge (Ac-ft/yr)	FINAL Reclaimed Water Availability (Ac-ft/yr)	FINAL Reclaimed Water Availability (MGD)	Minimum Obligation from Alto Subarea to Centro Subarea (Ac-ft/yr)	VVWRA total effluent flow plus base and subsurface flows (Ac-ft/yr)	Recycled Water Use (Ac-ft)	Make-up Water Use Obligation (Ac-ft/yr)	VVWRA total effluent flow plus base flow MINUS recycled Water Use (Ac-ft/yr)	Actual Make-up from Watermaster's Annual Report
2003	3648	9016	12664	-2336	NA	10472	2856	2.55	26574	16,121	0	5,700	16,121	5,950
2004	3783	9296	13079	-1921	9016	11872	4177	3.73	27347	17,657	0	3,740	17,657	4,222
2005	8016	9616	17632	2632	9296	13473	6814	6.08	27305	23,491	136	-272	23,355	0
2006	7261	9356	16617	1617	6984	13798	6182	5.52	25,811	23,061	310	3,060	22,751	3,008
2007	4942	9403	14345	-655	7739	13921	4373	3.90	25,876	20,865	198	2,201	20,667	2,859
2008	4421	9329	13750	-1250	9403	13776	4189	3.74	25,871	20,199	352	3,165	19,847	3,206
2009	4093	9244	13337	-1663	9329	13518	4845	4.33	25,982	19,613	383	3,546	19,230	3,074
2010	5849	9527	15376	376	9244	14089	4580	4.09	26,013	21,940	216	1,215	21,724	565
2011	10149	9444	19593	4593	9151	13731	4881	4.33	25,197	25,882	218	-649	25,663	0
2012	8829	9486	18315	3315	4851	13664	8813	7.87	23,684	24,495	162	24,333	24,333	0
2013	7325	9547	16872	1872	6171	13574	7403	6.61	22,850	22,901	91	22,811	22,811	0
2014	6227	9632	15859	859	7675	13552	5877	5.25	22,638	21,781	872	1,790	20,908	1,513
2015	5418	9323	14741	-259	8773	12006	3233	2.89	23,263	19,426	659	18,767	18,767	1,406
2016	4851	9271	14122	-878	9323	11749	2426	2.17	23,644	18,601	470	4,107	18,131	2,447
2017	4031	9397	16415	1415	9271	12384	3113	2.78	24,245	18,409	168	3,557	18,241	2,505

Make -Up Obligation

Subsurface flow from Alto to Centro is estimated at 2,000 acre-feet per year.

NOTES

The Base Flow at Lower Narrows is for the Water Year (October - September)

* Influent flow numbers

** The average dry weather flow (ADWF) in million gallons per day (MGD) is LESS temporary flows from Adelanto

*** If combined flows exceed 15,000 acre-feet then "VVWRA may decrease its discharge by an amount equal to the prior year's combined flow exceedance over 15,000 acre feet"

**** 2015 is the first year showing the impact of the flow diversion for this watershed. For 2016 the diversion was 1.69 MGD ADWF

Supreme Court Asked to Determine CWA's Reach Over Groundwater

(September 11, 2018) - NACWA Member Agency the Maui County Department of Environmental Management filed a certiorari petition August 27 with the US Supreme Court for review of a February 2018 Ninth Circuit decision in a case addressing whether and when conveyance of pollutants from a point source through groundwater to Clean Water Act (CWA) jurisdictional waters triggers the requirement for a CWA Section 402 National Pollutant Discharge Elimination System (NPDES) permit.

The Ninth Circuit adopted a new indirect discharge theory to hold Maui County liable under the CWA because it found (1) the County discharged pollutants from a point source (i.e., its underground injection wells); (2) the pollutants are fairly traceable from the point source to a navigable water, such that the discharge is the functional equivalent of a discharge into the navigable water; and (3) the pollutant levels reaching navigable water are more than *de minimis*.

In its cert petition, Maui argues that the Ninth Circuit's decision is "plainly at odds with the statute's text, structure, and history" and "exponentially subjects States, localities, Tribes, and millions of property owners to new liability and the prospect of crippling fines for activities that have long been regulated under other state and federal programs" such as the underground injection control permit program under the Safe Drinking Water Act.

NACWA will file an amicus brief in support of Maui's petition later this month.

In a related development on August 28, Kinder Morgan, an energy infrastructure company, filed a cert petition to overturn a 2-1 Fourth Circuit decision that held it liable under the CWA for an underground pipeline leak that led to contamination of surface waters. Deferring to EPA statements from 1991 and 2001, the majority found that CWA liability may be triggered based upon release of pollutants to groundwater that has a "direct hydrologic connection" to surface water.

In its cert petition, Kinder Morgan argues "[t]he CWA reflects a deliberate choice by Congress to limit direct federal regulation under the statute to point-source discharges into navigable waters, and to leave the regulation of groundwater to the States. The decision below eviscerates that deliberate and fundamental distinction, and indeed embraces the very result Congress explicitly refused to authorize."

NACWA has been closely involved in legal arguments over the applicability of the CWA to groundwater in recent months, including through Congressional testimony, and will be closely monitoring these two cases. Any members with questions can contact Amanda Waters, NACWA's General Counsel.

Energy Storage: A Step Toward Energy Neutrality

Victor Valley Wastewater Reclamation Authority aims to become energy neutral by supplying all of its energy needs through onsite renewable sources

BY LOGAN OLDS

Biogas generators help drive energy efficiency improvements and cut costs in the manufacturing and industrial sectors.

The Victor Valley Wastewater Reclamation Authority (VWVRA) is a partner of the U.S. Department of Energy's (DOE's) Better Plants Program, a voluntary initiative that helps drive energy efficiency improvements and cut costs in the manufacturing and industrial sectors. To date, VWVRA is one of more than 200 industrial organizations that have joined the program and its leadership is helping push boundaries in the energy efficiency space. As a part of VWVRA's ambitious strategy to become energy neutral by supplying all of its energy needs through onsite renewable sources, it has embarked on a plan to establish an energy storage system at its Victorville, Calif., regional wastewater treatment plant.

IMPLEMENTING NEW TECHNOLOGY

To reach its goal, VWVRA's innovative energy project will demonstrate an advanced, pre-commercial flow battery energy storage and control system. When complete, the project will deploy a Primus Power flow battery system with the ability to provide up to five hours of support by supplying up to 200 kW at any point in time and up to 1,000 kWh per day when fully charged.

While on its path to reaching energy neutrality, VWVRA has already implemented a series of programs that convert biogas to energy, including a retrofitted, ultra-efficient anaerobic digester that supplies nearly all of the plant's electricity needs. Once installed, the new battery system will allow the plant to better leverage these renewable energy assets.

To achieve this, the battery system and its interaction with VWVRA's onsite energy usage will be managed by an advanced

microgrid control system designed by the University of California, Riverside (UCR). The controller is optimized specifically for the management, storage and deployment of renewable power generated through the utility non-export/minimum import agreement established between VWVRA and its electric utility, Southern California Edison (SCE). The battery system will be able to store or release energy during variable load periods so the facility can consistently operate at or near the 80 kW level required in the minimum import agreement, while maximizing use of all onsite biogas power generation capacity.

Ultimately, the Primus ENERGYPOD®2 storage system will enable VWVRA to harvest and redeploy excess renewable energy generated onsite, as opposed to turning down generator engines or installing dead-load banks. Stored power will be used to meet peak demand onsite with renewable energy rather than relying on grid-supplied electricity. VWVRA expects to reduce grid-supplied energy power consumption by more than 4.2 million kWh per year and reduce greenhouse gas emissions by 1,395 MTCO₂e (million tons of carbon dioxide equivalents) per year. As a result of reduced energy consumption, VWVRA will realize \$473,000 in annual energy cost savings.

BENEFITS WATER SAVINGS

INCREASED RELIABILITY AND LOW MAINTENANCE

Beyond reduced emissions and costs, this project offers VWVRA further benefits, including the potential for significant water savings and increased power reliability. For example, under existing conditions at VWVRA's regional wastewater



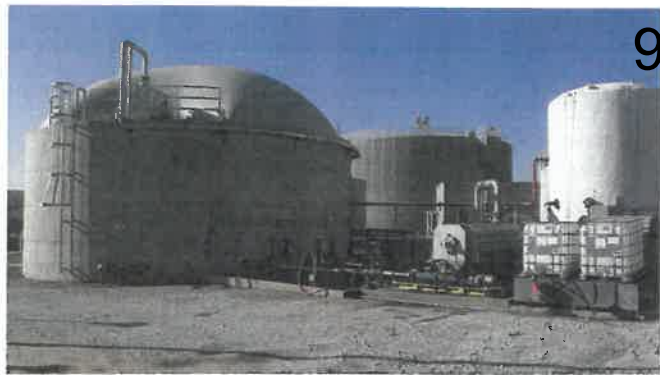
The Victor Valley Wastewater Reclamation Authority looks to become energy neutral by supplying its own energy needs onsite.

treatment plant, rapid fluctuations in the power supply can trip off a portion of the facility's equipment, causing the effluent to exceed California's strict Title 22 recycled water requirements. Currently, VVWRA must dispose of this water without any beneficial use. By implementing UCR's control system and the Primus batteries, the risk of equipment shut down due to power fluctuations would be significantly curtailed, enabling water reuse and water savings in excess of 2.5 million gallons per year.

Due to its design, the battery system also provides additional advantages in the form of reduced capital, operating and maintenance costs as well as greater reliability. At VVWRA's Victorville plant, the project will implement eight 25-kW, modular flow batteries, two 100-kW inverter units, and an innovative controller as well as some enhancements to the existing supervisory control and data acquisition (SCADA) system. Primus Power's flow batteries feature a single flow loop architecture consisting of an electrolyte storage tank, pumps, electrode stacks, system controls and a single 100 kW inverter for every four ENERGYPOD 2 units.



Ultimately, the Primus ENERGYPOD 2 storage system will enable VVWRA to harvest and redeploy excess renewable energy generated onsite, as opposed to turning down generator engines or installing dead-load banks.



VVWRA has already implemented a series of programs that convert biogas to energy, including a retrofitted, ultra-efficient anaerobic digester that supplies nearly all of the plant's electricity needs.

Unlike other flow batteries, the Primus system selected by VVWRA utilizes robust titanium electrodes and no membranes.

The flow battery technology's simplified system offers a more cost-effective electrode design and the overall architecture ensures fewer points of failure. As a result, battery hardware is expected to maintain full functionality for 20 years. Maintenance will be limited to monitoring the electrolyte, inverter replacement approximately every 10 years, and periodic maintenance of other moving parts. Primus Power will also utilize remote monitoring capabilities from its operations center to maximize VVWRA's system uptime through preventative maintenance measures.

Another benefit of the system is that it does not require VVWRA to purchase new control hardware. The proposed flow battery will be operated by the UCR controller composed of innovative algorithms that leverage the facility's existing onsite SCADA system. The SCADA system will collect data from the flow battery system, the existing onsite renewable power generators and the plant's main electrical meter to monitor system status. The implemented algorithms will optimize plant energy sources among grid power, onsite biogas power generators and the flow battery in order to maintain power import levels at or near 80 kW.

REPLICATING SUCCESS

The battery system, combined with the UCR advanced microgrid controller, will create a reliable multi-decade renewable energy platform to save millions of dollars and produce millions of gallons of recycled water for VVWRA's customers. However, these savings and advantages could have an even wider impact if this kind of system were replicated to serve other customers and industries. For example, the Primus energy storage system can be used across a wide variety of applications. Beyond water and wastewater treatment plants, it can bring significant benefits to many other industrial facilities that generate power. **WW**

About the Author: Logan Olds is VVWRA's general manager and is responsible for its overall management, operations, maintenance and capital improvements program. He has 26 years of experience and holds multiple state certifications in the wastewater field. VVWRA serves 300,000 people in the California high desert region.



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THE CONVERSATION

Academic rigor, journalistic flair

Health Check: what happens when you hold in a fart?

September 9, 2018 10.03pm EDT

Better out than in. [Sally Krawcheck](#) [Sally Krawcheck](#)

Health Check: what happens when you hold in a fart?

September 9, 2018 10.03pm EDT

Ever been in a situation where passing wind is going to be hugely embarrassing and you've had to hold in a fart? Let's face it – we all have.

Trying to hold it in leads to a build up of pressure and major discomfort. A build up of intestinal gas can trigger abdominal distension, with some gas reabsorbed into the circulation and exhaled in your breath. Holding on too long means the build up of intestinal gas will eventually escape via an uncontrollable fart.

The research is not clear on whether the rise in pressure in your rectum increases your chance of developing a condition called diverticulitis, where small pouches develop in the gut lining and become inflamed – or whether it doesn't matter at all.

Read more: Health Check: the ins and outs of burping and farting

What is flatus?

Flatus, farts and breaking wind refer to intestinal gases that enter the rectum due to the body's usual gastrointestinal processes of digestion and metabolism and then leave via the anus.

As your body digests food in the small intestine, components that can't be broken down move further along the gastrointestinal track and eventually into the large intestine called the colon.

Author



Clare Collins

Professor in Nutrition and Dietetics,
University of Newcastle

Intestinal bacteria break down some of the contents by fermentation. This process produces gases and by products called fatty acids that are reabsorbed and used in metabolic pathways related to immunity and preventing disease development.

Gases can either be reabsorbed through the gut wall into the circulation and eventually exhaled through the lungs or excreted via the rectum, as a fart.

How much flatus is normal?

It can be challenging for researchers to get people to sign up for experiments that measure farts. But thankfully, ten healthy adults volunteered to have the amount of gas they passed over a day quantified.

In a 24-hour period all the flatus they expelled was collected via a rectal catheter (ouch). They ate normally but to ensure a boost in gas production they also had to eat 200 grams (half a large can) of baked beans.

The participants produced a median total volume of 705ml of gas in 24 hours, but it ranged from 476ml to 1,490ml per person. Hydrogen gas was produced in the greatest volume (361ml over 24 hours), followed by carbon dioxide (68ml/24 hr). Only three adults produced methane, which ranged from 3ml/24 to 120ml/24 hr. The remaining gases, thought to mostly be nitrogen, contributed about 213ml/24 hr.

Read more: From the Sumerians to Shakespeare to Twain: why fart jokes never get old

Men and women produced about the same amount of gas and averaged eight flatus episodes (individual or a series of farts) over 24 hours. The volume varied between 33 and 125 ml per fart, with bigger amounts of intestinal gas released in the hour after meals.

Gas was also produced while they were asleep, but at half the rate compared to during the day (median 16ml/hr vs 34ml/hr).

Fibre and flatus

In a study on dietary fibre and flatus, researchers investigated what happens to intestinal gas production when you put people on a high-fibre diet.

The researchers got ten healthy adult volunteers to eat their usual diet for seven days while consuming 30 grams of psyllium a day as a source of soluble fibre, or not. In the psyllium week, they were asked to add 10 grams – about one heaped tablespoon – to each meal.



Not the best choice if you've been holding on. BY GUY FORT

At the end of each week, the participants were brought into the lab and, in a carefully controlled experiment, had an intra-rectal catheter inserted to quantify how gas (in terms of gas volume, pressure and number) moved through the intestine over a couple of hours.

They found the high psyllium-fibre diet led to longer initial retention of gas, but the volume stayed the same, meaning fewer but bigger farts.

Where do the gases come from?

Gas in the intestines comes from different sources. It can be from swallowing air. Or from carbon dioxide produced when stomach acid mixes with bicarbonate in the small intestine. Or gasses can be produced by bacteria that are located in the large intestine.

While these gases are thought to perform specific tasks that impact on health, producing excessive intestinal gas can cause bloating, pain, borborygmus (which means rumbling sounds), belching and lots of farts.

The smelliest farts are due to sulphur containing gases. This was confirmed in a study of 16 healthy adults who were fed pinto beans and lactulose, a non-absorbable carbohydrate that gets fermented in the colon. The odour intensity of flatus samples was evaluated by two judges (pity them).

The good news was that in a follow-up experiment, the researchers identified that a charcoal-lined cushion was able to help quash the smell of the sulphur gases.

Read more: Health Check: are you eating the right sorts of fibre?

Finally, some bad news for jet-setters: pressurised cabins on aeroplanes mean you're more likely to pass flatus due to the gas volume expanding at the lower cabin pressure, compared to being on the ground. With modern noise-reduction features, your fellow passengers are more likely than they used to be to hear you fart.

What should you do?

The next time you feel a large volume of intestinal gas getting ready to do what it does, try to move to a more convenient location. Whether you make it there or not, the best thing for your digestive health is to just let it go.

For some creative ideas (and a chuckle) on how to hold in a fart, check this Wiki How to do anything.



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How to Hold in a Fart



Three Parts: [Strategies for Holding in Your Fart](#) [Strategies for Farting Quietly](#) [Minimizing Flatulence](#)
[Community Q&A](#)

You're on a date, sitting in math class, or just in a room full of people in a really quiet place and you feel the urge to pass gas. In an ideal world, you would be able to just run off and let the fart out of your system, but you may not always have the option. Sometimes, the only thing you can do is to hold in your fart to avoid embarrassment. So how do you do it? See Step 1 to get



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

MEMORANDUM

DATE: 18 October 2018

TO: Board of Commissioners

FROM: Logan Olds, General Manager *Lo*

SUBJECT: Hesperia Water Reclamation Plant Capacity

The City of Hesperia (City) has submitted a letter to VVWRA requesting additional capacity at the Hesperia Water Reclamation Plant (WRP). The City is planning to relocate existing flows from the City wastewater collection system on Amargosa Road to the WRP. Currently this flow crosses interstate 15 further North at Verde Street (see attachment) and a new more southerly interceptor will convey the wastewater to the City interceptor on Fresno Street which will then flow to the WRP. The City is currently beginning construction phasing on the new sewer interceptor.

The current Waste Discharge Requirement (WDR) permit limits the WRP to produce no more than one million gallons per day (mgd) of recycled water. Further the Water Code requires that when a facility is within 20% of its permitted discharge that the utility must begin plans to increase the capacity of the facility. Therefore, VVWRA will need to submit a new Report of Waste Discharge (ROWD) to Lahontan Regional Water Quality Control Board (Lahontan) to begin the process of revising the existing WDR permit for the WRP.

Typically, VVWRA accommodates growth flows and provides capacity to the Member Entities gradually. In this instance the City has the ability to relocate approximately 200,000 gallons per day (gpd) at one time. This would mean that the WRP could receive as much as 1.6 million gallons per day (mgd), average dry weather flow (ADWF). The facility must return solids to the interceptor system and sufficient carrier wastewater to ensure that solids do not accumulate and cause odor and corrosion issues. VVWRA staff is currently experimenting with the Apple Valley WRP to learn this volume. Prior studies indicate that between 10-20% carrier wastewater should be sufficient. Currently the City of Hesperia sends approximately 1.92 mgd to the regional plant.

Fibracast, the membrane supplier for the WRP's, is interested in conducting performance testing of a new membrane at one of the VVWRA WRP's. If successful, this membrane may increase capacity by 20-50%. This would result in a substantial cost savings for VVWRA. The proposal by Fibracast is covered under a separate item on the 18 October 2018 agenda.



City of Hesperia

Gateway to the High Desert

September 26, 2018

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

Attn: Logan Olds, General Manager
20111 Shay Road
Victorville, CA 92394

RE: Request to Increase Capacity at the Hesperia Subregional Water Recycling Facility

Dear Mr. Olds:

Currently the Hesperia Subregional Water Recycling Facility (HSWRF) is permitted to produce a maximum of 1.0 MGD of recycled water. The City of Hesperia is working on a plan to divert existing wastewater flows on the west side of Interstate 15 to the east side of Interstate 15 and to direct these flows to the HSWRF. This proposed additional flow to the HSWRF would cause the facility to exceed the current permitted capacity of the HSWRF.

Therefore, the City is requesting that the Victor Valley Wastewater Reclamation Authority (VWRA) submit a proposal to the Lahontan Regional Water Quality Control Board requesting an increase to the permitted capacity of the HSWRF. The City is requesting an increase from the current maximum of 1.0 MGD to a new maximum of 1.7 MGD.

As you may be aware, the City is nearing completion on the new recycled water distribution system and is continuing to look at ways to increase the beneficial use of this valuable resource while simultaneously preserving the limited supply of potable water. The increase in capacity at the HSWRF would be another step in meeting this objective.

Thank you very much. We look forward to working with the VWRA to move this process along. Please call Michael Blay, Assistant City Manager at (760) 947-1901 if you need anything from the City in regard to this matter or if you have any questions.

Sincerely,

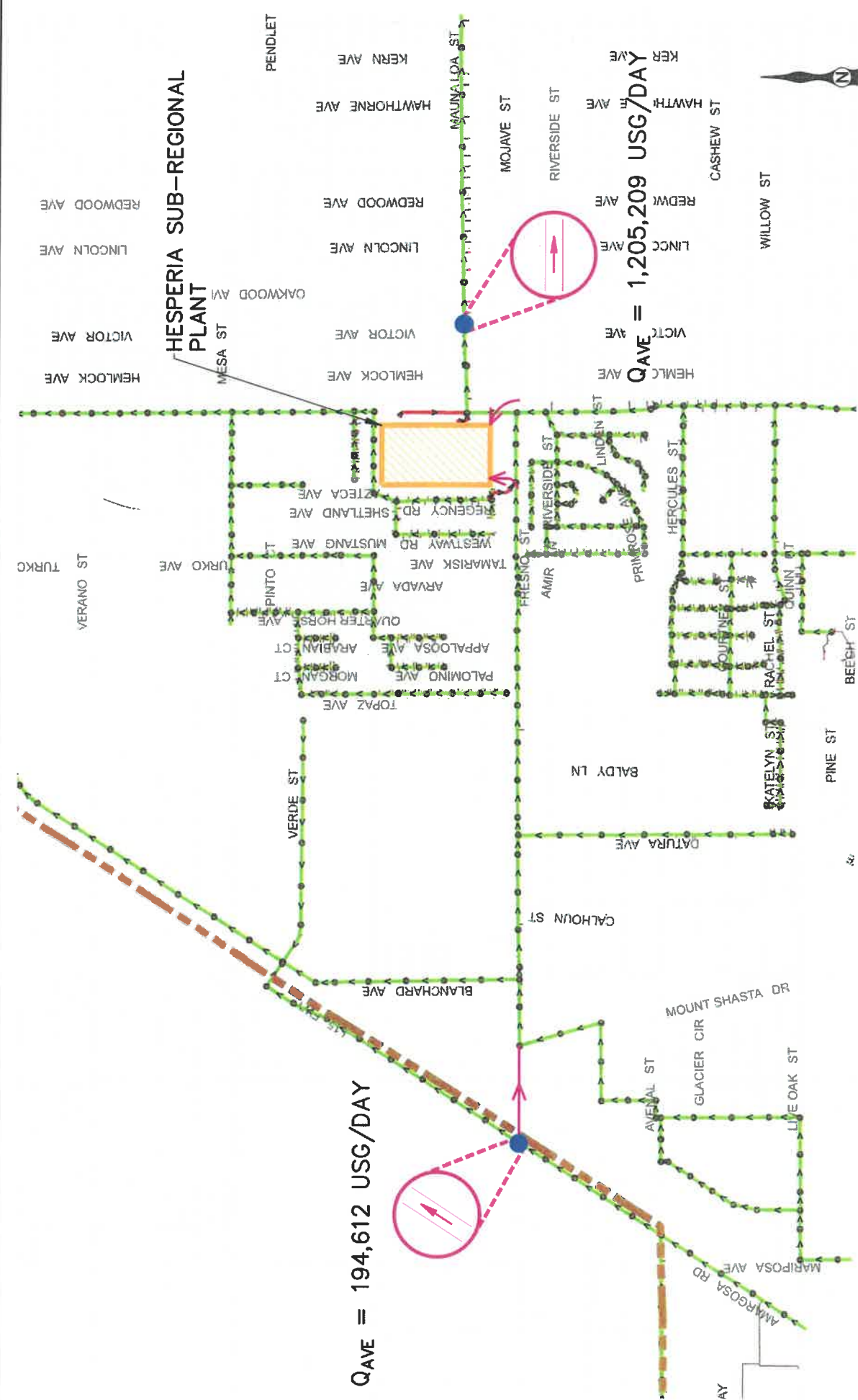
Nils Bentsen
City Manager

*Bill Holland, Mayor
Rebekah Swanson, Mayor Pro Tem
Larry Bird, Council Member
Jeremiah Brosowski, Council Member
Paul Russ, Council Member*

Nils Bentsen, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us



**HESPERIA SUB-REGIONAL
PLANT**

QAVE = 194,612 USG/DAY

QAVE = 1,205,209 USG/DAY

SCALE: 1" = 100'

TKE
 THE ENGINEERING, INC.
 1000 UNIVERSITY BLVD
 RIVERSIDE, CA 92507
 (951) 508-0400
 (951) 508-0400
 (951) 508-0400

CITY OF HESPERIA
 RECYCLED WATER EXHIBIT

5:\CAD\1158-05 Drainage DF Study\Amargosa_Victor Ave_Municipal_Diversion.dwg



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: September 30, 2018

TO: Logan Olds
 General Manager

FROM: Chieko Keagy *ck*
 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 SEPTEMBER 2018, check numbers 121925- 121961 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>ACH's and EFT's</i>	<i>Payroll</i>	<i>Total</i>
<i>\$64,083.27</i>	<i>\$776,290.00</i>	<i>\$273,283.01</i>	<i>\$1,113,656.28</i>

Victor Valley Reclamation Authority
Cash Disbursement Register
From 9/1/18 through 9/30/18

12

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Matching Document Number	Check Amount
121925	9/6/2018	9/6/2018	01	Liberty Utilities- Apple Valley Ranchos Water	AV Subregional Water Usage- Otoe	082418	\$ 709.08
121925	9/6/2018	9/6/2018	01	Liberty Utilities- Apple Valley Ranchos Water	AV Subregional Water Usage- Otoe FS	082718	\$ 191.84
121926	9/6/2018	9/6/2018	01	Blackline Safety Corp	Loner Device Lease	INV2011486	\$ 210.00
121927	9/6/2018	9/6/2018	01	City Employees Associates	Supervisors Due Deductions	083118	\$ 75.00
121928	9/6/2018	9/6/2018	01	Flyers Energy, Llc	Gas	CFS-1664739	\$ 1,692.95
121929	9/6/2018	9/6/2018	01	G.A. Osborne Pipe & Supply	Supplies	393401	\$ 17.03
121930	9/6/2018	9/6/2018	01	Hi Grade Materials Co.	Slurry Delivery	0044332	\$ 2,758.40
121930	9/6/2018	9/6/2018	01	Hi Grade Materials Co.	Slurry Delivery	0044372	\$ 2,672.20
121930	9/6/2018	9/6/2018	01	Hi Grade Materials Co.	Slurry Delivery	0044525	\$ 2,672.20
121931	9/6/2018	9/6/2018	01	Orkin	AV Subregional Pest Control	175329274	\$ 150.00
121932	9/6/2018	9/6/2018	01	Pioneer Research Corp.	Grease	253809	\$ 1,198.90
121933	9/6/2018	9/6/2018	01	Prudential Overall Supply	Uniform Service	22666300	\$ 496.71
121934	9/6/2018	9/6/2018	01	United Rentals Northwest, Inc	Forklift Certification Training	159097220-001	\$ 900.00
121935	9/13/2018	9/13/2018	01	Capio	CAPIO Membership Renewal	5339	\$ 225.00
121936	9/13/2018	9/13/2018	01	Concorde Communications	Answering and Telephone Service	180900010	\$ 94.90
121937	9/13/2018	9/13/2018	01	G.A. Osborne Pipe & Supply	Material	394561	\$ 250.79
121938	9/13/2018	9/13/2018	01	Hi-Desert Communications	Site Rent	38002	\$ 100.00
121939	9/13/2018	9/13/2018	01	Konica Minolta Business Solutions	Printing & Lease Charges	32373066	\$ 767.42
121940	9/13/2018	9/13/2018	01	Mailfinance	Postage Lease	N7309867	\$ 269.61
121941	9/13/2018	9/13/2018	01	Mojave Desert A.Q.M.D.	Permit Fees- 453/1124	MD9489	\$ 3,138.16
121941	9/13/2018	9/13/2018	01	Mojave Desert A.Q.M.D.	Permit Fees- 453/3407	MD9495	\$ 3,445.61
121942	9/13/2018	9/13/2018	01	Motion Industries, Inc.	Motor Controls	CA43-445371	\$ 620.79
121943	9/13/2018	9/13/2018	01	Napa Victorville	Belts	795770	\$ 88.31
121944	9/13/2018	9/13/2018	01	Orkin	Pest Control	174686246	\$ 390.61
121945	9/13/2018	9/13/2018	01	Prudential Overall Supply	Uniform Service	22669898	\$ 475.01
121946	9/13/2018	9/13/2018	01	Quill Corporation	15 Household Extion Cords	9793028	\$ 33.38
121946	9/13/2018	9/13/2018	01	Quill Corporation	Office Supplies	9825755	\$ 555.02
121946	9/13/2018	9/13/2018	01	Quill Corporation	Tab Dividers	9855674	\$ 13.55
121947	9/13/2018	9/13/2018	01	Waterman Industries Llc C/O Cs Amsco	Sliding Gates for Primary	176453	\$ 4,761.66
121948	9/13/2018	9/13/2018	01	Cintas Corporation	First Aid Supplies	5011666640	\$ 339.97
121948	9/13/2018	9/13/2018	01	Cintas Corporation	First Aid Supplies	9031344419	\$ 431.00
121949	9/17/2018	9/17/2018	01	Donna Anthony	Retiree Health Benefit Allowance	ANTH090718	\$ 438.00
121950	9/17/2018	9/17/2018	01	Dan Sentman	Retiree Health Benefit Allowance	SENT090718	\$ 212.97
121951	9/20/2018	9/20/2018	01	Agri-Con Hydraulics Inc	Brown Bear Pump Repairs	18-15940	\$ 2,322.88
121951	9/20/2018	9/20/2018	01	Agri-Con Hydraulics Inc	Brown Bear Pump Repairs	18-15941	\$ 2,322.88
121952	9/20/2018	9/20/2018	01	American Organics	Greenwaste	5401004	\$ 15.98
121953	9/20/2018	9/20/2018	01	Applied Industrial Technologies	Bearing	7014306328	\$ 553.62
121954	9/20/2018	9/20/2018	01	Csrma	Property Insurance Premium	6254	\$ 6,475.04
121955	9/20/2018	9/20/2018	01	G.A. Osborne Pipe & Supply	Piping Supplies	394678	\$ 335.11
121956	9/20/2018	9/20/2018	07	Hesperia Hose Supply	Hose for Digester	62799	\$ 1,939.50
121957	9/20/2018	9/20/2018	01	Hi Grade Materials Co.	Slurry Delivery	0044894	\$ 3,152.77
121957	9/20/2018	9/20/2018	01	Hi Grade Materials Co.	Slurry Delivery	0045055	\$ 3,340.25
121958	9/20/2018	9/20/2018	01	Luhdorff And Scalmanini Consulting Engineers	3 Year Groundwater Reporting	34167	\$ 11,475.75
121959	9/20/2018	9/20/2018	01	Prudential Overall Supply	Uniform Service	22673640	\$ 475.01
121960	9/20/2018	9/20/2018	01	Royal Wholesale Electric	Surge Suppressor	6441-575454	\$ 1,005.43
121961	9/20/2018	9/20/2018	01	Yale Chae Equipment And Services	JCB Hose Brake	S1190082	\$ 272.98
Total Checks							64,083.27
00000615V7V34	9/7/2018	9/7/2018	01	Ups	Express Shipping	0000615V7V348	\$ 31.60
00000615V7V34	9/7/2018	9/7/2018	01	Ups	Freight	178971520	\$ 784.82
0025363	9/6/2018	9/6/2018	01	Travis Prine	Grade 1 Certification Renewal	083018	\$ 125.00
0025364-1	9/6/2018	9/6/2018	01	Applied Maintenance Supplies & Solution	Consumables	96975622	\$ 691.95
0025364-10	9/6/2018	9/6/2018	01	T-Mobile	Mobil Hot Spots	082118	\$ 45.58
0025364-11	9/6/2018	9/6/2018	01	Underground Service Alert Of Southern Califon	Dig Alert Charges	820180793	\$ 102.40
0025364-12	9/6/2018	9/6/2018	01	U.S.A. Bluebook	Dippers	671625	\$ 762.45
0025364-13	9/6/2018	9/6/2018	01	Walters Wholesale Electric	Light Bulbs	S111251442.001	\$ 509.93
0025364-2	9/6/2018	9/6/2018	01	D.D.H. Apple Valley Construction, Inc.	Battery Energy Storage Project	1&2-CBC	\$ 3,943.00
0025364-2	9/6/2018	9/6/2018	01	D.D.H. Apple Valley Construction, Inc.	Battery Energy Storage Project	3-C131	\$ 410.06
0025364-3	9/6/2018	9/6/2018	01	Ehs International Inc.	EHS Confined space training	3-17352	\$ 1,350.00
0025364-4	9/6/2018	9/6/2018	01	Grainger	GRAI000 9885531948	9885531948	\$ (155.59)
0025364-4	9/6/2018	9/6/2018	01	Grainger	Peel-off Marker	9884220048	\$ 27.82
0025364-4	9/6/2018	9/6/2018	01	Grainger	Sensor	9884085516	\$ 588.52
0025364-4	9/6/2018	9/6/2018	01	Grainger	Sensors	9884987414	\$ 583.32
0025364-5	9/6/2018	9/6/2018	01	Hach Company	Cartridge Replacement	11112260	\$ 5,664.88
0025364-5	9/6/2018	9/6/2018	01	Hach Company	Cartridge Replacement	11117789	\$ 1,065.65
0025364-5	9/6/2018	9/6/2018	01	Hach Company	CREDIT HACH000 2147405	2147405	\$ (2,853.22)
0025364-5	9/6/2018	9/6/2018	01	Hach Company	CREDIT HACH000 2147421	2147421	\$ (76.27)
0025364-5	9/6/2018	9/6/2018	01	Hach Company	Standards for Calibrations	11106366	\$ 1,001.86
0025364-6	9/6/2018	9/6/2018	01	Ilink Business Management	AV Subregional Custodial Service	43851	\$ 263.88
0025364-6	9/6/2018	9/6/2018	01	Ilink Business Management	AV Subregional Custodial Services	42551	\$ 263.88
0025364-6	9/6/2018	9/6/2018	01	Ilink Business Management	Janitorial Services	158	\$ 2,569.76
0025364-7	9/6/2018	9/6/2018	01	Lara Landscaping	Hesperia Subregional Weed Removal	484	\$ 5,150.00
0025364-8	9/6/2018	9/6/2018	09	Mwh Constructors	Subregional Construction Management	1791510	\$ 95,248.43
0025658-1	9/13/2018	9/13/2018	01	Ipc Industries, Inc Dba Prestige Golf Cars	Golf Cart Fleet	01-89465	\$ 63,910.50
0025658-2	9/13/2018	9/13/2018	09	Applied Maintenance Supplies & Solution	Consumables	96968479	\$ 702.19
0025658-3	9/13/2018	9/13/2018	01	Carollo Engineers, A Professional Corporation	Carollo Desert Knolls Wash	0169417	\$ 9,632.70
0025658-4	9/13/2018	9/13/2018	01	Energy Choice, Inc.	Spark Plugs - 32	INV05862	\$ 16,616.00
0025658-5	9/13/2018	9/13/2018	01	Grainger	Sport Drink Mix	9894997585	\$ 60.60
0025658-5	9/13/2018	9/13/2018	01	Masters Electric	CEC Battery Installation Project	8182	\$ 10,368.00
0025658-6	9/13/2018	9/13/2018	01	Mcgrath Rentcorp	Admin Office Lease	1733251	\$ 3,995.37
0025658-7	9/13/2018	9/13/2018	01	Protection One	Protection One Services	124443201	\$ 811.88
0025658-8	9/13/2018	9/13/2018	01	U.S. Bank	Cal Card Statement August 2018	08-22-18	\$ 4,920.68

Victor Valley Reclamation Authority
Cash Disbursement Register
From 9/1/18 through 9/30/18

12

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Matching Document Number	Check Amount
0025791-1	9/17/2018	9/17/2018	01	Billings, Richard	Retiree Health Benefit Allowance	BILL090718	\$ 438.00
0025791-10	9/17/2018	9/17/2018	01	Randy Main	Retiree Health Benefit Allowance	MAIN090718	\$ 438.00
0025791-11	9/17/2018	9/17/2018	01	Mark Mcgee	Retiree Health Benefit Allowance	MCGE090718	\$ 438.00
0025791-12	9/17/2018	9/17/2018	01	Lillie Montgomery	Retiree Health Benefit Allowance	MONT090718	\$ 197.76
0025791-13	9/17/2018	9/17/2018	01	L. Christina Nalian	Retiree Health Benefit Allowance	NALI090718	\$ 438.00
0025791-14	9/17/2018	9/17/2018	01	Nave, Patrick	Retiree Health Benefit Allowance	NAVE090718	\$ 438.00
0025791-2	9/17/2018	9/17/2018	01	Roy Dagnino	Retiree Health Benefit Allowance	DAGI090718	\$ 438.00
0025791-3	9/17/2018	9/17/2018	01	Tim Davis	Retiree Health Benefit Allowance	DAVI090718	\$ 438.00
0025791-4	9/17/2018	9/17/2018	01	Terric Gossard Flint	Retiree Health Benefit Allowance	FLDN090718	\$ 249.30
0025791-5	9/17/2018	9/17/2018	01	Gillette, Randy	Retiree Health Benefit Allowance	GILL090718	\$ 438.00
0025791-6	9/17/2018	9/17/2018	01	Darline Gyurcsik	Retiree Health Benefit Allowance	GYUR090718	\$ 212.97
0025791-7	9/17/2018	9/17/2018	01	Thomas Hinojosa	Retiree Health Benefit Allowance	HINO090618	\$ 438.00
0025791-8	9/17/2018	9/17/2018	01	Patricia J Johnson	Retiree Health Benefit Allowance	JOHN090718	\$ 183.34
0025791-9	9/17/2018	9/17/2018	01	Olin Keniston	Retiree Health Benefit Allowance	KENI090718	\$ 249.30
0026086-1	9/20/2018	9/20/2018	01	Advanced Systems	Fleet Vehicle Wash	467	\$ 250.00
0026086-10	9/20/2018	9/20/2018	01	E.S. Babcock & Sons, Inc.	Lab Testing August 2018	090118	\$ 25,465.00
0026086-11	9/20/2018	9/20/2018	01	Grainger	Float Valve	9882702534	\$ 128.23
0026086-11	9/20/2018	9/20/2018	01	Grainger	Saw and Battery	9882860076	\$ 416.64
0026086-11	9/20/2018	9/20/2018	01	Grainger	Welding Screen	9897899192	\$ 211.87
0026086-12	9/20/2018	9/20/2018	01	Lara Landscaping	AV Subregional Weed Clean Up	502	\$ 900.00
0026086-12	9/20/2018	9/20/2018	01	Lara Landscaping	AV Subregional Weed Clean Up	503	\$ 900.00
0026086-13	9/20/2018	9/20/2018	07	Siemens Industry Inc.	Level Transmitters	5602777927	\$ 1,699.22
0026086-14	9/20/2018	9/20/2018	07	Tyler Technologies, Inc	Tyler Technologies Finance Software Installa	025-234282	\$ 5,503.40
0026086-14	9/20/2018	9/20/2018	07	Tyler Technologies, Inc	Tyler Technologies Finance Software Installa	025-234351	\$ 5,000.00
0026086-15	9/20/2018	9/20/2018	01	U.S.A. Bluebook	Powder Detergent	679390	\$ 672.93
0026086-2	9/20/2018	9/20/2018	01	American Express	American Express Charges August 2018	08282018	\$ 5,070.94
0026086-3	9/20/2018	9/20/2018	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	96980107	\$ 708.04
0026086-4	9/20/2018	9/20/2018	01	Solenis Llc	Polymer	131353567	\$ 7,994.62
0026086-5	9/20/2018	9/20/2018	01	Biogas Power Systems- Mojave, Llc	Biogas Project	VVWRA-18-09	\$ 64,119.27
0026086-6	9/20/2018	9/20/2018	07	Biogas Engineering	Integration of Digesters	16544	\$ 14,900.00
0026086-6	9/20/2018	9/20/2018	09	Biogas Engineering	Load Bank Design	203	\$ 167.25
0026086-6	9/20/2018	9/20/2018	01	Biogas Engineering	Microgrid CM Services	202	\$ 4,176.00
0026086-6	9/20/2018	9/20/2018	01	Biogas Engineering	Microgrid CM Services	213	\$ 1,944.00
0026086-7	9/20/2018	9/20/2018	01	Brenntag Pacific, Inc	Ferric Chloride	BPI870997	\$ 11,532.77
0026086-8	9/20/2018	9/20/2018	01	Fedak & Brown Llp	FYE 2018 Audit Services	08312018	\$ 1,600.00
0026086-9	9/20/2018	9/20/2018	01	C.S. Amsco	Swing Check Valves	13989	\$ 1,995.55
090618	9/7/2018	9/7/2018	01	Southwest Gas Company	Natural Gas	082218	\$ 376.17
091318CHAR	9/13/2018	9/13/2018	01	Charter Communications	Telephone Charges	00135292090718	\$ 4,853.19
091318SWG	9/13/2018	9/13/2018	01	Southwest Gas Company	Hesperia Subregional Natural Gas	090718	\$ 27.82
091318UPS	9/13/2018	9/13/2018	01	Ups	Express Shipping	0000615V7V368	\$ 36.87
092018SWG	9/20/2018	9/20/2018	01	Southwest Gas Company	AV Subregional Natural Gas- Otoe	091018	\$ 25.00
092018UPS	9/20/2018	9/20/2018	01	Ups	Express Shipping	0000615V7V378	\$ 317.35
114202368.43	9/7/2018	9/7/2018	01	Dell Inc.	Optiplex 5060 MFF	090218	\$ 2,105.27
2888156	9/13/2018	9/13/2018	01	State Water Resources Control Board	9.5 MGD SRF Financing Agreement	073118	\$ 11,397.13
2888156	9/13/2018	9/13/2018	09	State Water Resources Control Board	9.5 MGD SRF Financing Agreement	073118	\$ 253,652.43
36696291	9/13/2018	9/13/2018	01	Hesperia Water District	Hesperia Subregional Water Usage	091018	\$ 1,056.17
82380696862499	9/7/2018	9/7/2018	01	Southern California Edison	Electricity	082118	\$ 69,869.47
83950026112569	9/13/2018	9/13/2018	01	Southern California Edison	Hesperia Subregional Electricity	08102018	\$ 12,101.06
83950026112639	9/20/2018	9/20/2018	01	Southern California Edison	Hesperia Subregional Electricity- Appaloosa	091118	\$ 7,849.90
83950027692636	9/20/2018	9/20/2018	01	Southern California Edison	Hesperia Subregional Electricity- Fresno	09112018	\$ 331.07
83977752892639	9/20/2018	9/20/2018	01	Southern California Edison	AV Subregional Electricity- Otoe	091218	\$ 18,627.72
91000019017725	9/7/2018	9/7/2018	01	Lincoln Financial Group	Life and Disability Insurance	3730532772	\$ 3,953.78
91000019017725	9/7/2018	9/7/2018	01	Lincoln Financial Group	Life and Disability Insurance	3750534017	\$ 100.66
91318SWG	9/13/2018	9/13/2018	01	Southwest Gas Company	Hesperia Subregional Natural Gas	09072018	\$ 100.91
Total ACH & EFT's							776,290.00

Chang 10-04-18
APPROVED

Total Checks	\$	64,083.27
Total ACH and EFT	\$	776,290.00
Total Payroll - September 2018	\$	273,283.01
Total	\$	1,113,656.28

**MINUTES OF A REGULAR MEETING
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWRA)
September 20, 2018**

CALL TO ORDER: Chair Jeff Rigney called the meeting to order at 8:05 am; in the Administrative Conference Room at Victor Valley Wastewater, located at 20111 Shay Road, Victorville California, with the following members present:

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

**Jeff Rigney, Chair
Scott Nassif, Vice-Chair
Jim Kennedy, Secretary
Larry Bird, Treasurer**

VWRA Staff and Legal Counsel:

**Logan Olds, General Manager
Kristi Casteel, Secretary to GM/Board
Piero Dallarda, Legal Counsel (BB&K)
Chieko Keagy, Controller
Alton Anderson, Construction Manager
David Wylie, Safety & Communications Officer**

**Xiewi Wang, Senior Accountant
Robert Coromina, Director of Administration
Brad Adams, Lead Operator
Marcos Avila, Lead Mechanic
Eugene Davis, O&M Manager
Latif Laari, Business Application Manager**

Others Present:

**Nils Bentsen, City of Hesperia
Greg Snyder, Town of Apple Valley
Stephan Longoria, City of Victorville**

Jim Cox, City of Victorville

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

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

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Rigney called the meeting to order at 8:41 am.

REPORT FROM CLOSED SESSION

Nothing to report

PUBLIC COMMENTS- REGULAR SESSION AGENDA

None

ANNOUNCEMENTS AND CORRESPONDENCE:

Manager Olds stated that he would like to table item 32 regarding the Lewis Center Easement and it will be brought back before the Board in October.

9. Possible conflict of interest issues

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

10. Lahontan Conditional Waiver of Discharge Requirements – Bay View Farms

11. Article: Amid Trump Rollbacks California Moves to Regulate Wetlands on its Own

12. Article: Explosion at Water Reclamation Plant Injures 10

13. Article: Should I Flush It?

14. Notice: Local Agency Formation Commission for San Bernardino County Public Hearing for Resolution No. 3270 Countywide Service Review for Wastewater

15. CASA Legislative Update

16. General Managers Report

CONSENT CALENDAR:

17. Approve August 2018 Disbursement Registers

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

18. Approve Minutes from the August 16, 2018 Regular Meeting

19. Recommendation to Approve Paychex to Process Payroll

20. Recommendation for Tyler Licensing Module Addition

21. Recommendation to Approve Anaergia Mixer Proposal for Digester One Rebuild Project

Commissioner Kennedy requested to pull Item 21 from consent.

Manager Olds stated that currently VVWRA is rebuilding digesters 1-3. The existing mixing system that was installed at no cost to VVWRA, has failed. The hydraulic seals were failing on the mixer.

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

22. Recommendation to Ratify Low Voltage Power Emergency Purchases

Commissioner Nassif made a motion to approve the consent calendar with exception of item 21, seconded by Commissioner Bird and approved by roll call vote with Commissioner Nassif abstaining from any disbursements to Napa Auto Parts.

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

REPORTS & PRESENTATIONS:

23. Presentation: AB 1600 (Wang)

Xiewi Wang gave a presentation on AB 1600

ACTION & DISCUSSION ITEMS:

Financial

24. Receive and File the Newly Created VVWRA AB 1600 Report

The Board received and filed AB 1600

25. Recommendation to Approve Resolution 2018-11 to Amend the Asset Management Policy

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

26. Use of State Revolving Funds Proceeds Paid to VVWRA to Reimburse VVWRA for Expenses Initially Paid for from VVWRA Capital Funds

Manager Olds stated that the Board requested two items. One was a comment by the State, which was received and the Board reviewed at the last meeting. The second was a legal position presented by attorney Warren Diven. Both the State and legal opinion concur. VVWRA is eligible to use those funds for other capacity related projects. This will be incorporated into the mid-year budget review that will be presented to the Board in January or February.

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

WWTP

27. American Organics Facility Modification Project Plan

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

28. Recommendation to Pursue Net Energy Metering

Manager Olds stated that VVWA is extremely frustrated with the power quality issues that have been experienced here at the facility. There have been multiple meetings with Southern California Edison (SCE) and they intend to install a voltage regulator on the line. Manager Olds has been told that voltage regulator will only provide moderate benefit to VVWRA. It will not address all of the issues. CPUC has revised the net metering rules so that facilities that produce up to 2 megawatts could apply for the program. Before the change it was under a megawatt. SCE is recommending VVWRA move forward with the net metering proposal and starts exporting power onto the grid. Essentially exporting this power will create a buffer so that VVWRA is creating good power on site that meets the voltage requirements for VVWRA equipment and SCE's issue will happen out on the grid and will not affect VVWRA. SCE is stating that once the proposal is received they can work with VVWRA. Alton Anderson informed Manager Olds that on the last call SCE refused to discuss the matter further until VVWRA has submitted an application. VVWRA would like to submit the proposal and do the engineering study that is required as part of the proposal so that SCE will start responding. SCE has indicated that once that proposal has been submitted, then they can work with us. Once VVWRA gets the information associated with this, staff would come back before the Engineering Committee to evaluate the technical issues associated with it. SCE said that they would provide VVWRA with any costs associated with that and then the Board can make a decision on how to proceed or not to proceed.

Commissioner Nassif asked if this was a budgeted expenditure.

Manager Olds stated that it was not a budgeted expenditure.

VVWRA Regular Meeting Minutes
Thursday September 20, 2018
Page 6

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

29. Authorization to Release Bid to Construct the Storm Water Diversion Structure

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

30. Engineering Services during Construction for Storm Water Structure

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

Interceptor

31. Recommendation to Approve Scope for Engineering Services During Construction and Construction Management for Desert Knolls Wash

VVWRA Regular Meeting Minutes
Thursday September 20, 2018
Page 7

Manager Olds stated that this is a budgeted project. During the construction of the Subregionals there were some design issues that occurred by both Carollo and HDR. As part of that, VVWRA has negotiated engineering services and they have agreed to reduce the cost of this project by \$135,400.00 to reflect that consideration.

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

32. Recommendation to Approve Permanent Easement and Temporary Construction Easement for Desert Knolls Wash with the High Desert “Partnership in Academic Excellence” Foundation

Tabled

33. Recommendation to Award Desert Knolls Wash Interceptor Construction Contract to Apple Valley Construction

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

JPA

34. Recommendation to Approve an Organizational Performance Proposal

Manager Olds stated that this was discussed by the Administrative Committee and it was the consensus to bring it back before the full Board for consideration.

VVWRA Regular Meeting Minutes
Thursday September 20, 2018
Page 8

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: No

35. Recommendation to Award Wastewater Treatment Plant Capacity Evaluation Study to Carollo Engineering

Manager Olds stated that there have been significant changes to VVWRA's facility since the last capacity analysis was formally done back in 2006. At that time the treatment plant capacity was defined as 18 MGD and was only hydraulic capacity. In 2008 a new NPDES permit was adopted and it imposed nitrogen limits. This was the first time VVWRA faced issues with its organic capacity. Over the last few years staff has done many projects to improve the management and operations and maintenance of the aeration basin. The basins have been rebuilt and instrumentation has been added. As a result of these changes and the construction of the regulatory upgrade project in 2012, the hydraulics of the facility has changed and the operation of the facility has radically changed. This was initially reported in 2012 in a nitrogen study. That study was never formally adopted because of regulatory issues. Since completing these projects, staff has almost two years of data that can now be rolled into a new evaluation of the hydraulics of the facility, remodel how the facility is operated and VVWRA would have a capacity number. When VVWRA went from an 18 MGD facility and made the improvements and did the study, it indicated that VVWRA's treatment capacity may be 13.8 MGD. The average construction cost is \$10 a gallon which means that VVWRA lost \$42 million in equity in the facility when the new nitrogen limit was imposed. For every million gallons that VVWRA can regain from that loss of capacity, is a \$10 million savings for this Agency. It also means that by regaining that without having to build concrete tanks and other construction is that VVWRA is reducing the cost per gallon to treat and that has significant long term ramifications. Through this study VVWRA will learn exactly how much capacity has been regained.

Commissioner Kennedy asked what affect septage has had. Is that a significant factor in capacity?

Manager Olds said that when VVWRA was asked to take on septage, the septage was taken in and went straight into the liquid stream. The problem with septage is it has a very high organic strength and taking that much septage at one time demands so much oxygen to oxidize that waste it upsets the balance of the treatment plant. As part of the 18 MGD project, a 30,000 gallon septage

equalization tank was built. This allows staff to slowly meter the septage in so that the plant is not taking on large loads at any given time.

Commissioner Kennedy asked if septage had an effect on capacity.

Manager Olds said yes. It will exert a demand as well because it has to be nitrified and denitrified a higher strength waste. If VVWRA did not have septage going through the liquid stream, that would increase capacity. At one point, about three years ago, staff looked into putting septage straight into the digesters but didn't want to get into messing with the function of the plant that much at the time.

Commissioner Kennedy asked if any of this was reason not to do septage.

Manager Olds stated that it was direction given by the Board to VVWRA to do septage. If it was the desire of the Board to re-evaluate it, that could be revisited.

Commissioner Rigney said he would like to see the study take a look at septage but not at an additional cost.

Commissioner Kennedy asked that the recommendation be revised to include an analysis of septage for the same price quoted in the staff recommendation. No additional cost will be added for the study to take a look at the impact of septage.

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

36. Recommendation to Award Interceptor Capacity Evaluation Study to Dudek Engineering

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

VVWRA Regular Meeting Minutes
Thursday September 20, 2018
Page 10

Commissioner Kennedy: Yes

STAFF/PROFESSIONAL SERVICES REPORTS:

- 37. **Financial and Investment Report – August 2018**
- 38. **Operations & Maintenance Report – August 2018**
- 39. **Environmental Compliance Department Reports – August 2018**
- 40. **Septage Receiving Facility Reports – August 2018**
- 41. **Safety & Communications Report – August 2018**

NEXT VVWRA BOARD MEETING:

Thursday, November 15, 2018 – Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

APPROVAL:

DATE: October 18, 2018 **BY:** _____

Approved by VVWRA Board Scott Nassif,
Secretary VVWRA Board of Commissioners



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Report/Recommendation to the General Manager
October 18, 2018

FROM: Robert Coromina, Director of Administrative Services *RC*
TO: Logan Olds, General Manager
SUBJECT: Recommendation to Approve Resolution No. 2018-12: Amend Surplus Property List of Unused Equipment and Scrap

RECOMMENDATION

It is recommended that the Board of Commissioners approve Resolution No. 2018-12 to amend the Surplus Property list and authorize the General Manager to approve the disposition of surplus equipment that no longer has any present or prospective use.

REVIEWED BY

This recommendation has been reviewed by Eugene Davis, Operations and Maintenance Manager, Chieko Keagy, Controller, and Latif Laari, Business Applications Manager.

BACKGROUND INFORMATION

VVWRA is currently in possession of equipment that is categorized as surplus property. Pursuant to Resolution No. 2006-10, staff would like to begin the surplusing of the property listed on Exhibit "B." The majority of the said property is to be disposed of as unserviceable junk or scrap. The equipment that is still functional will be disposed of under the policy and procedures regarding the disposal of surplus personal property as outlined in resolution 2006-10

FINANCIAL IMPACT

Finance Approval:

All revenue generated by the sale of any of the property will be deposited into the VVWRA general fund.

Fund	01 []	07 []	09 []
Account String			
Project Code			
Budgeted Available before This Recommendation	\$		
Budget Applied to This Staff Recommendation	\$		
Budget Remaining (Over Budget)	\$		

RELATED IMPACTS

None

RESOLUTION NO. 2018-12**RESOLUTION TO AMEND LIST OF SURPLUS EQUIPMENT ESTABLISHED UNDER RESOLUTION 2006-10 (RESOLUTION ESTABLISHING POLICY AND PROCEDURES FOR DISPOSING OF SURPLUS PROPERTY, DECLARING ITEMS OF VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO BE SURPLUS PROPERTY AND AUTHORIZING THE SALE AND DISPOSITION THEREOF)**

WHEREAS, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority [Authority] has deemed that it is in the best interest of VVWRA constituents to dispose of certain items of personal property and equipment [Property] as surplus property pursuant to Government Code Section 37350; and

WHEREAS, the Authority is empowered, pursuant to Government Code Section 37350, to dispose of said items of property when, in its discretion, it finds that said property is no longer required for purposes of the Authority; and

WHEREAS, the Authority adopted Resolution 2006-10 on July 18, 2006 establishing Policy and Procedures as the preferred policies and procedures for the disposal of such surplus property; and

WHEREAS, the Authority has determined that the General Manager may declare any personal property as surplus and that such declaration shall be made in writing, the equipment and materials listed in Exhibit B, which is attached hereto and incorporated herein by this reference, shall be disposed of as surplus property as contemplated in the Policy.

WHEREAS, the Authority has identified and the General Manager has declared further personal property as surplus to be disposed of; and

WHEREAS, the Authority desires to designate income derived from surplus miscellaneous metals recycling to offset costs associated with employee events.

NOW THEREFORE, BE IT RESOLVED that all items listed in Exhibit B shall be declared as surplus property, pursuant to the provisions of Government Code Section 37350, and that the Policy and Procedures attached hereto in Exhibit A shall be followed in order to dispose of said surplus property.

APPROVED AND AMENDED at a regular meeting of the Board of Commissioners of Victor Valley Wastewater Reclamation Authority on this 18^h day of October 2018.

Jeff Rigney, Chair
VWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jim Kennedy, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP
General Counsel, VWRA

EXHIBIT A**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY****POLICY AND PROCEDURES RE DISPOSAL OF SURPLUS PERSONAL PROPERTY****Designation of surplus personal property.**

The General Manager may, after consultation with the appropriate personnel at VVWRA, declare any personal property as surplus. The declaration shall be in writing, and the property shall be delivered to the General Manager by those employees of VVWRA that have custody and control over it. The General Manager shall store the property and maintain a written inventory. If any supervisor or manager of any department at VVWRA has use of the property, he or she may so request from the General Manager who shall have the authority to assign the property to any department able to make best use of such property. If, however, no supervisor or manager makes request for the use of such property in his department after the inventory has been circulated at least once, then the property shall be finally deemed surplus and having no further public use or benefit.

Sale by sealed bid or auction of surplus personal property.

The General Manager shall, in all cases where the estimated value of the particular item of personal property is five thousand dollars or more, and may, in the sale of all other personal property where, in his or her discretion, he or she determines it in the best interest of VVWRA, sell surplus personal property by means of sealed bid or public auction. The procedure for conducting such sale shall be determined by the General Manager, providing, however, that the following are included in such procedure: (1) At least one notice, three days before the sale, shall be posted in three public places in the VVWRA service area, containing a general description of the type of property to be sold and the time and place of such bid opening or auction; (2) That the terms of all sales shall be cash; (3) The sale by sealed bid or auction shall be to the highest responsible bidder; (4) That a receipt be given to the purchaser. In conducting an auction, the General Manager may contract with a professional auctioneer, and his or her fee may either allow a flat fee, hourly fee, or a percentage of the amount of the sale, based upon that which is the common and customary method and rate for such auctioneering services. The auction may be conducted at the most convenient business location to the person or entity conducting the auction as long as VVWRA's General Manager concurs on the location.

Sale in open market of surplus personal property.

If the surplus property is in usable condition and its estimated value is less than five thousand dollars, the surplus property may be disposed of in the following manner: The General Manager shall make an investigation of the market conditions of personal property of the type declared surplus and determine prices for all surplus property which, in his or her opinion, will be competitive with prices in the open market. He or she may then sell the personal property at market prices by advertising in the most appropriate means which, in his or her opinion, will bring the greatest number of potential purchasers. A notice of the sale shall be posted in three public places within VVWRA's service area, at least three days before the sale, which notice

shall set forth the day and time it shall begin; the number of days it is to be continued if it is to last more than one day; the place where the articles may be examined; the place where the purchase price is to be paid and the property delivered; and a general description of the type of property being sold. The terms of all such sales shall be cash in the amount of the full purchase price. The General Manager or his or her authorized representative shall give a receipt to the purchaser of such property and keep a copy for the files. No sale may be made under this section to any employee. As an alternate to the procedure in this section, the General Manager may dispose of the property by contracting with a professional auctioneer, and his or her fee may either allow a flat fee, hourly fee, or a percentage of the amount of the sale, based upon that which is the common and customary method and rate for such auctioneering services. The auction may be conducted at the most convenient business location to the person or entity conducting the auction as long as VVWRA's General Manager concurs on the location.

Trade-in surplus personal property.

Notwithstanding any provisions of this article for the sale of surplus personal property in the open market or any auction, the General Manager may trade in surplus personal property with an amount he or she determines to be reasonable, to be allowed toward the purchase of a similar type of personal property. Typical situations where this might apply might be in the disposal of used motor vehicles and other machinery and equipment for which trade-ins are commonly permitted by the manufacturer.

Sale of unserviceable junk or scrap personal property.

When any surplus property is deemed to be unserviceable, junk or scrap, no longer suitable for its original purpose, the General Manager shall dispose of such personal property by destruction, trade or sale of said personal property at the best competitive price available in the open market without regards to the other provisions of this article.

Conveying surplus personal property to charitable, nonprofit organizations.

Notwithstanding the other provisions of this article, the Board of Commissioners may convey to a charitable nonprofit organization or a school district any surplus personal property upon receiving reasonable assurances that the property (or the proceeds therefrom) will be used for the benefit of educational, scientific, or charitable purposes, or for community matters such as recreation, education, aid to the destitute, city beautification, or any other activity in which the city government may legitimately participate. The maximum estimated value for said personal property shall not exceed five thousand dollars.

Conveying surplus personal property to other public agencies.

Notwithstanding the other provisions of this article, the Board of Commissioners may convey or sell without recourse to sealed bid or auction surplus personal property to other public agencies including cities, counties, school districts, special districts and joint powers agencies as may be determined by the Board.


**Victor Valley Wastewater
Surplus Equipment
Exhibit B**

Item	Item Description	Model #	Additional Info	Location	Qty
1	IR Golf Cart	Club Car	091	Yard	1
2	IR Golf Cart	Club Car	201	Yard	1
3	IR Golf Cart	Club Car	199	Yard	1
4	IR Golf Cart	Club Car	198	Yard	1
5	IR Golf Cart	Club Car	200	Yard	1
6	IR Golf Cart	Club Car	094	Yard	1
7	IR Golf Cart	Club Car	093	Yard	1
8	Electronic E Waste	Miscellaneous	N/A	Warehouse	4 Pallets
9					
10					
11					
12					
13					
14					
15					
16					
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VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Report/Recommendation to the Board of Commissioners

October 18, 2018

FROM: Chieko Keagy, Controller 

TO: Logan Olds, General Manager

SUBJECT: Adoption of Resolution 2018-13 to Amend Procurement Policy

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolution 2018-13, A Resolution of the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority to Amend Procurement Policy.

REVIEW BY OTHERS

This recommendation was reviewed by External Finance Committee. The staff emailed to George Harris (City of Victorville), Casey Brooksher (City of Hesperia), and Brian Johnson (Town of Apple Valley), and Carolina Mendoza (San Bernardino County Special District); and Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

The procurement policy revisions reflect revised Titles and related authorizing amounts. The External Finance Committee reviewed and provided the staff with comments on the revisions. The staff presents to the Board for consideration of the revisions and other clarifying modifications.

FINANCIAL IMPACT

Finance Approval:

None noted.

Fund	01 []	07 []	09 []
Account String			
Project Code			
Budgeted Available before This Recommendation	\$		
Budget Applied to This Staff Recommendation	\$		
Budget Remaining (Over Budget)	\$		

RELATED IMPACTS

None noted.

RESOLUTION NO. 2018-13

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
TO AMEND THE PROCUREMENT POLICY**

WHEREAS, Section 54202 of the Government Code requires every local agency to adopt policies and procedures governing the purchases of supplies and equipment by the local agency and that all purchases of supplies and equipment shall be in accordance with said policies and procedures; and

WHEREAS, on May 23, 1996, the Board of Commissioners for the Victor Valley Wastewater Reclamation Authority adopted Resolution No. 96-1 establishing policies and procedures governing the letting of public works contracts and purchases of supplies and equipment by the Victor Valley Wastewater Reclamation Authority (“Purchasing Policy”); and

WHEREAS, on March 23, 2000, the Board of Commissioners adopted Resolution No. 2000-5, which revised and updated the policies and procedures governing contracts and purchases of supplies and equipment (“Amended Purchasing Policy”); and

WHEREAS, on April 26, 2001, the Board of Commissioners adopted Resolution No. 2001-7 to address new staff positions that were approved by the Board of Commissioners (“Amended Purchasing Policy”); and

WHEREAS, on June 19, 2006, the Board of Commissioner adopted Resolution No. 2006-8 to address new staff positions that were approved by the Board of Commissioners and to designate purchasing authority to acting or interim positions that were approved by the Board of Commissioners; and

WHEREAS, on March 2, 2007, the Board of Commissioners adopted Resolution No. 2007-2 to address administrative changes requested by the Finance Department and update positions that were approved by the Board of Commissioners; and

WHEREAS, on July 16, 2009 the Board of Commissioners adopted a Procurement Policy under Resolution No. 2009-12 that addressed administrative changes requested by the Finance Department to enhance internal controls and address new updated bid limitations to bring the limits into line with current practices and with other governmental entities; and

WHEREAS, on March 20, 2013 under Resolution 2013-9 the Board of Commissioners adopted an amendment to the Procurement Policy to address travel paid for by third parties in Section XII: Third Party Travel Payment Guidelines; and

WHEREAS, on September 16, 2013 under Resolution 2013-21 the Board of Commissioners adopted an amendment to extend the length of the advertising period for Notices Inviting Bids; and

WHEREAS, on October 23, 2014 under Resolution 2014-28 the Board of Commissioners adopted an amendment to amend the Procurement Policy to modify the Procurement Policy Sections XIII, Petty Cash and XV, Authorizing Signatures for Agency Funds, Documents, and Payments Subject to the Joint Signatures Provisions; and

WHEREAS, on July 16, 2015 under Resolution 2015-15 the Board of Commissioners adopted an amendment to amend the Procurement Policy to modify the Procurement Policy Sections IV, Purchases less than or equal to \$2,000.00 and XI, Credit Card, Purchasing Card, Cardlock Fuel Purchase Card and Open Charge Accounts and XV, Authorizing Signatures for Agency Funds, Documents, and Payments Subject to the Joint Signatures Provisions; and

WHEREAS, the Board of Commissioners now desires to amend the Procurement Policy to address administrative changes requested by the Finance Department and update positions that were approved by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority that the Procurement Policy shall be amended:

SECTION 1: Adopted Procurement Policy. The Procurement Policy shall be adopted as set forth in the attached Exhibit "A," and all expenditure of funds by the Victor Valley Wastewater Reclamation Authority shall be in accordance with the policies and procedures set forth therein.

SECTION 2: Effective Date. This adopted Procurement Policy shall be effective immediately and shall supersede and replace all previous versions of said policy.

SECTION 3: Execution of Resolution. The Chair of the Commission will sign this Resolution, and the Secretary of the Commission will certify that this Resolution was duly and properly adopted by the Commission.

ADOPTED AND APPROVED this 18th day of October, 2018.

Jeff Rigney, Chair
VWVRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jim Kennedy, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION

I, Kristi Casteel, Secretary to the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority, State of California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2018-13, adopted by the Board of Commissioners of said Authority at its meeting of October 18, 2018.

Kristi Casteel
Secretary to the Board of Commissioners

EXHIBIT A



Victor Valley Wastewater Reclamation Authority

Department of Finance

Procurement Policy

APPROVALS

Approved by: _____ Date: _____
 General Manager

Approved by: _____ Date: _____
 Controller

PROCEDURE REVISION HISTORY		
Rev.	Date	Approval
1.5	07/16/15	Board Approval - Resolution No.2015-15
2.0	10/18/18	Board Approval - Resolution No.2018-xx

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Victor Valley Wastewater Reclamation Authority

Procurement Policy

Board Approved October 18, 2018

Resolution No. 2018-xx

TABLE OF CONTENTS

Purpose of Procurement Policy

Section I. Guidelines for the Use of Funds 1

**Section II. Purchase Orders, Contracts, Invoices,
And Purchase Requisitions 3**

Section III. Limits of Authority 4

Section IV. Purchases less than or equal to \$2,000..... 5

Section V. Purchases of \$2,000 to \$5,000..... 5

Section VI. Purchases of \$5,000 to \$30,000..... 5

Section VII. Purchases in Excess of \$30,000 7

Section VIII. Professional Services Agreements..... 9

Section IX. Utilization of Open Ended Purchase Orders 10

Section X. Leases and Rentals 10

**Section XI. Credit Cards, Purchasing Cards, and Fuel
Purchase Cards 10**

Section XII. Travel 12

Section XIII. Petty Cash 15

Section XIV. Exceptions to the Purchasing Policy Requirements 15

**Section XV. Authorizing Signatures for Agency Funds,
Documents and Payments Subject
To the Joint Signatures Provisions..... 16**

**Section XVI. Emergency Conditions and
Purchasing Authority 17**

Section XVII. Violation of this Policy..... 20

Section XVIII. Definitions.....20

Appendix A VVWRA Organizational Flow Chart

Appendix B VVWRA Quotation Comparison Sample Form

Appendix C VVWRA Code of Ethics

Appendix D Purchasing Card Agreement

Appendix E Acknowledgement of Receipt of VVWRA Procurement Policy

The purpose of this procurement policy is to establish the requirements and implement the rules and regulations governing the procurement of all goods, services, travel and capital (fixed) assets required by the Victor Valley Wastewater Reclamation Authority (VWRA) within the limits established in this policy pertaining to the use of the VWRA funds.

Section I. Guidelines for the Use of Funds

A. Capital Improvement Funds (Fund 09)

Capital Funds are principally sewer connection fees and the associated interest earned on invested connection fees. Connection fees are collected from property owners by the member entities and paid to Victor Valley Wastewater Reclamation Authority (“VWRA”).

The use of accrued Capital Improvements Funds shall be restricted to the following:

1. The expansion of capacity to meet the needs of the service area shall be pursuant to Title 23 of the California Code of Regulations Section 2232. Capacity shall include the sewage collection system, the water reclamation plant(s) and solids handling facilities. The Authority will routinely evaluate the infrastructure needs of the Member Agencies and its existing resources to identify capital projects required to ensure that the rated capacity of existing facilities is not exceeded prior to the completion of projects providing additional capacity.
2. The improvement of existing collection and treatment systems to meet regulatory requirements or to protect the environment. Regulatory requirements are generally contained in local, state, and federal permits, but may also be required by other regulatory, legislative, or judicial actions.
3. The construction of new facilities required for the efficient and cost-effective processing of wastewater. New facilities shall include sewers, treatment units, and ancillary facilities required for the operation, maintenance, and administration of the regional Authority.
4. The construction of reclaimed water facilities that will generate revenue, which will in turn be used to reduce the cost of wastewater treatment for the service area. Reclaimed water facilities include subregional treatment plants, reclaimed water pumping systems, and reclaimed water distribution and metering systems.
5. Consulting, engineering, and legal studies and reviews required for the proper planning, design, and construction of capital improvements.

6. Fixed-term loans to the Operations and Maintenance Fund to finance unanticipated needs, such as costs incurred in responding to emergencies. Capital Funds loaned to the Operations and Maintenance Fund must be repaid to the Capital Improvements fund with interest, at a rate consistent with the current LAIF interest rate.
7. The management and administration of Capital Improvement Projects and of the collected and invested Capital funds by the regional Authority staff.

B. Repair and Replacement Fund (Fund 07)

Repair and Replacement Fund is collected by the Authority as a component of the sewer user charge (as variable fees). Sewer user charges are collected from the member agencies corresponding to measured discharges of wastewater to the regional collection system. Sewer user charge rates are established and/or adjusted by the Board of Commissioners from time to time to provide for the anticipated cost of operating and maintaining the regional collection and treatment facilities.

The use of Repair and Replacement Fund shall be limited to projects or items with an aggregate cost of at least \$12,000 and an expected life of at least three (3) years.

The use of Repair and Replacement Fund shall be restricted to the following:

1. The replacement of existing facilities due to age, maintenance costs, or advances in current technology. Existing facilities shall include systems for sewage collection, wastewater pumping, wastewater treatment, solids handling, and process controls.
2. The purchase of components or systems not otherwise defined as capital improvements to include one-time repairs and replacements that are not regular operations and maintenance costs.

Some examples of Repairs and Replacements expenses are:

1. The overhaul or complete unit repair of existing facilities due to wear.
2. Spare parts and spare complete units for existing facilities.

C. Operations & Maintenance Fund (Fund 01)

Operations & Maintenance Funds are collected by the Authority as sewer user charges (variable fees). Sewer user charges are collected from the member

entities corresponding to measured discharges of wastewater to the regional collections system. Sewer user charge rates are established by the Board of Commissioners from time to time to provide for the anticipated cost of operating and maintaining the regional collections and treatment facilities. The use of Operations & Maintenance Funds shall include but not be limited to the actual fixed and variable costs associated with operating and maintaining the regional Authority.

Section II. Purchase Orders, Contracts, Invoices, and Purchase Requisitions

A. Purchase Order and Contract Approval

In general, purchases for the Authority are processed by generating a purchase order. Construction projects, professional services, and significant material purchases usually require the execution of a contract in addition to a purchase order. Some purchases may be arranged without the use of a purchase order as described herein. Authority to sign purchase orders, contracts or to otherwise authorize expenditures on behalf of the Authority shall be in accordance with the limits of authority and the provisions contained herein.

B. Invoice Approval

Prior to the payment of invoices or other demands for money, all invoices with purchase orders shall be matched with invoice, purchase order and receiving docs and approved by appropriate supervisor for payment approval. Invoices without purchase orders, such as Contractual Monthly Services, which include but not limited to Electrical, Natural Gas, Telephone, Water, Pest Control, and Uniforms, will go to the Director of Administrative Services for approval. Any Non-Contractual Invoices without purchase orders shall go to the appropriate department Supervisor for approval. In the absence of the Director of Administrative Services, the General Manager and his or her designees may approve invoices on behalf of the Director of Administrative Services.

C. Purchase Order Request

Purchase order requests are to be prepared for the solicitation of quotes, bids, availability, and to prepare a purchase order for approval. Purchase requisitions shall have the approval of the appropriate employee as determined by the limits of authority described herein. A copy of the purchase requisition and supporting documentation shall be attached to the respective purchase order.

D. Cooperative Purchasing or Piggy Backing

When the purchase from a supplier of ordinary and generic materials of common use, like chairs, pencils, cars, etc. who has been awarded a specific item or items in a contract resulting from a formal competitive bid process by another governmental agency within the state of California or by the federal

government within the previous three hundred sixty-five days (one year) and permits other governments to purchase from the bid. The purchase must be approved by the Director of Administrative Services. If more than \$30,000 must be approved by the Board of Commissioners. This section specifically excludes construction and large capital projects.

E. Other Provisions

Under no circumstances shall any individual split orders or otherwise alter the process of purchasing materials, supplies, equipment, or contractual services so as to circumvent the limits or provisions contained in this Policy.

All amounts pertaining to limits of authority and authorized signatories shall be for the total amount of the purchase inclusive of sales tax, shipping, handling and any and all fees/charges/taxes paid in order to fulfill the terms of the purchase.

Section III. Limits of Authority

A. Board of Commissioners

The VVWRA Board of Commissioners shall approve all expenditures in excess of \$30,000, except for expenditures such as utilities, process chemicals, permit fees, and other expenses defined as exceptions elsewhere in this Policy. The VVWRA Board of Commissioners must approve all construction contract change orders.

B. General Manager

The General Manager, Acting General Manager, or any other person that has been specifically named in an official action by the VVWRA Board of Commissioners to act on behalf of the General Manager, is authorized to approve expenditures up to a limit of \$30,000 on any one order or contract either by bid or quote.

C. Director of Operations (or Operations & Maintenance Manager in the absence of Director of Operations), Director of Administration, Controller, Project Construction Manager and Business Application Manager

The above department directors and managers are authorized to approve expenditures up to a limit of \$10,000 on any one order or contract.

D.

The Project Construction Manager and Business Application Manager are authorized to approve expenditures up to a limit of \$10,000 on any one order or contract.

E. Lead Operator and Lead Mechanic

Lead Operator and Lead Mechanic are authorized to approve expenditures up to a limit of \$5,000 each on any one order or contract.

F. Other Employees

Other employees authorized by the General Manager may spend up to \$500 per month for purchases on behalf of VVWRA such as travel expenses, materials, supplies, and other emergency services, excluding construction contract change orders. Such spending shall be conducted using an authorized purchasing card program. Itemized receipts are required for all expenses. Further, all such purchases should be supported by requisitions and purchase orders approved by managers.

A list of all current positions is available in the Human Resources Department. All of the above titles and persons holding these positions are identified in the VVWRA Organizational Chart. (Appendix A)

Section IV. Purchases less than or equal to \$2,000

Purchases of materials, supplies, equipment and contractual services having a total estimated value of less than or equal to \$2,000 may be made without formal or informal competitive bidding or competitive quotes. However, a reasonable effort is to be made at all times to insure the most favorable terms for VVWRA in the procurement of all such materials, supplies, equipment and contractual services.

Section V. Purchases of \$2,000 to \$5,000

Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$2,000 and less than or equal to \$5,000 may be made in the open market based on a minimum of three (3) verbal quotes obtained via telephone or in person. Purchases described in this section may be made with less than three (3) verbal quotes if reasonable efforts to obtain three (3) or more verbal quotes have failed to produce the required number of responsive quotes. All information obtained via verbal quote shall be logged onto a VVWRA "Quotation Comparison" worksheet, (Appendix B).

Section VI. Purchases of \$5,000 to \$30,000

Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$5,000 and less than or equal to \$30,000 may be

made in the open market based on a minimum of three (3) competitive written quotes. Purchases described in this section may be made with less than three (3) competitive quotes if reasonable efforts to obtain three (3) or more written quotes have failed to produce the required number of responsive quotes. All written quotes shall be logged onto a VVWRA "Quotation Comparison" worksheet and the written quotes attached to the worksheet. Purchases of \$5,000 to \$30,000 may go out for competitive sealed bid at the discretion of the General Manager. The competitive written quote process is further described as follows:

A. Notice Inviting Competitive Quotes

Requests for competitive quotes shall be solicited either by verbal or written requests mailed, faxed, or e-mailed to prospective vendors. The notice inviting competitive quotes shall contain a clear and concise description of the desired materials, supplies, equipment, or contractual services. The notice inviting competitive quotes shall also include a deadline for the submission of responsive quotes.

B. Record of Competitive Quotes

A written record of the responses from all vendors contacted shall be maintained with the respective purchase request. If appropriate, signed and dated telephone conversation records shall suffice for vendors that respond only by telephone.

C. Award of Competitive Quotes

Awards of purchases made under this section shall be to the lowest responsible vendor or contractor that complies with the specifications contained in the notice inviting competitive quotes. Awards made to vendors or contractors that did not provide the lowest cost shall be accompanied by written documentation explaining the reason or reasons for the award. All documentation regarding the award must be attached to the purchase order.

D. Exclusions

The General Manager shall have the authority to waive the requirements of this section in the following circumstances provided that the reasons for such a waiver are documented as part of the purchasing process:

1. The acquisition of engineering, professional, audit, or legal services.
2. The acquisition of highly technical and specialized outside services.
3. The acquisition of materials, supplies and equipment in which the Authority did not receive at least three quotes.

4. The acquisition of materials, supplies and equipment when it is in the best interest of the Authority to purchase name brand or sole source materials, supplies, or equipment, as determined by the General Manager. Materials, supplies and equipment shall be considered obtainable from only one vendor when only one vendor offers it for sale, lease, or rental, or when only one vendor is able to provide the materials, supplies or equipment within the time frame and/or under the terms and conditions which reasonably meet the needs of VVWRA. Sole source purchases are appropriate when there is no suitable substitute for the desired materials, supplies and equipment. A memo to the General Manager must be attached describing the circumstances surrounding the situation.
5. The purchase of equipment or supplies at a public auction that has been approved in advance by the General Manager. The spending limit for purchases made at a public auction shall be \$10,000, unless the spending limit for a particular auction is increased in advance by an action of the VVWRA Board of Commissioners.
6. In determining the lowest responsible bidder for the purchase of supplies, and or services totaling \$100,000 or less, and where responsibility and quality are equal, a credit of three percent (3%) of the bid submitted by the lowest responsible bidder meeting the specifications shall be given to a vendor, supplier or service provider that has held a current business license and has maintained its principal business office within the jurisdictional boundaries of VVWRA continuously for at least twelve (12) consecutive months prior to submitting the bid. No credit shall be given pursuant to this section when legal constraints on the expenditure of funds prohibit the provision of such a credit.

Section VII. Purchases in Excess of \$30,000

Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$30,000 shall be made by the competitive sealed bid process. The competitive sealed bid process is further described as follows:

A. Notices Inviting Bids

A notice inviting bids shall be advertised at a minimum of five (5) business days in the newspaper of local publication. The notice inviting bids shall include a general description of the articles or services to be procured, instructions on how to obtain bid forms and specifications, and the time and place for the opening of sealed bids. The notice inviting bids shall be published at least ten (10) working days before the date of opening of the

sealed bids. The notice inviting bids shall also be posted in the lobby area of the VVWRA administration building. The Notice Inviting Bids and the bid documents may also be mailed, faxed, or e-mailed to one or more identified potential bidders.

B. Bidder's List

The Authority shall maintain a list of potential bidders for various supplies and services, which shall be updated from time to time.

C. Bid Holder's List

Records shall be maintained for each person or firm requesting a copy of the bid documents, including the firm name, contact person, address, city, state, zip code, phone number, fax number, and e-mail address. Included in this list shall be all of the firms initially identified and mailed bid documents.

D. Bid Documents

The bid documents shall include, at a minimum, a bid advertisement, instructions to bidders, technical specifications, and a bid form. Bids for contractual services shall also include general and special conditions, if any, as well as engineering plans, detailed specifications, and additional requirements for bonds, insurance, etc. The Authority may require that certain specialized materials and supplies, such as chemicals and lubricants, be tested for performance prior to the award of a contract. The Authority may require a bid bond, performance bond or other type of bond or bonds in amounts determined to be appropriate to protect the best interests of the Authority.

E. Bid Opening Procedure

Sealed bids shall be submitted to the General Manager or his or her designee and shall be identified on the outside of the sealed envelope as a bid for the given project. Bids shall be opened and read aloud in public at the time and place stated in the bid advertisement. A tabulation of all bids received shall be made available for public inspection and shall be distributed to all responsive bidders.

F. Rejection of Bids

At its sole discretion, the Authority may reject any and all bids presented and re-advertise for bids or cancel the bid solicitation altogether.

G. Award of Bids and Contracts

Awards shall be made to the lowest responsible bidder. The determination of the lowest responsible bidder shall be at the discretion of the General Manager or the VVWRA Board of Commissioners pursuant to the findings and recommendations presented at the time of award of the contract. The award shall consider the following in determining the lowest responsible bidder:

1. The ability, capacity and skill of the bidder to perform the contract.

2. The integrity, reputation, judgment, experience, efficiency and record of performance of the bidder.
3. The sufficiency of the financial resources of the bidder to perform the contract.
4. The quality, availability and adaptability of the materials, supplies, equipment or services to the particular use required.
5. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
6. The number and scope of any conditions attached to the bid.
7. The price quoted, taking into account all relevant factors in evaluating that quote.
8. Potential vendors, suppliers, contractors, and service providers that are located in the VVWRA service area or who maintain a permanent office in the VVWRA service area shall be given additional favorable consideration in the award of bids or contracts (see page 7, D6), provided that the other criteria in this section are deemed equal.

H. Exclusions

The VVWRA Board of Commissioners shall have the authority to waive the requirements of this section provided that any such exclusion does not conflict with the provisions of the California Government Code, Public Contract Code, or other applicable code. Further, if the Authority does not receive at least three (3) responsible bids in response to the provisions of this section, the VVWRA Board of Commissioners may choose to utilize other provisions described herein as an alternative method of bidding, provided that such an action does not conflict with the provisions of applicable law.

Section VIII. Professional Services Agreements

The acquisition of services for engineering, audit, legal, consulting, and other professional services in excess of \$30,000 shall be obtained through a solicitation of Requests for Proposals. The procedures for soliciting Requests for Proposals shall be respective to the type, complexity, and expected cost of services to be provided. Awards made for professional services shall be based on the qualifications that best match the needs of the Authority.

Section IX. Utilization of Open Ended Purchase Orders

Open ended purchase orders may be utilized and approved for recurring purchases of materials, supplies, outside services and month-to-month rentals where the vendor periodically bills for materials, supplies, or services rendered throughout the current fiscal year, provided that such approval is in accordance with all the provisions of this Policy. Each individual purchase made against an open purchase order must be evidenced by a purchase requisition that has been approved by the employee with the appropriate spending authority. The VVWRA Board of Commissioners must approve any exceptions to these requirements.

Section X. Leases and Rentals

For purposes of this Policy, leases and other similar contracts that provide property, materials, supplies, equipment, and services shall be considered to be a purchase. The cost associated with the lease shall be the sum of all payments to be made by VVWRA under the terms of that lease.

Section XI. Credit Cards, Purchasing Cards, Fuel Purchase Cards, and Open Charge Accounts (In order to use these cards and accounts, the Employee must sign the Credit Card, Purchasing Card, Purchase Card and Open Charge Account Agreement. See Appendix D)

A. Credit Card Accounts

Credit card accounts may be used by the General Manager and his/her designee to make reservations or charge purchases in the name of VVWRA without the submission of signed purchase orders for Authority travel, travel related expenses, business related meetings, business related meals, and non-routine commodity purchases. Reservations and/or purchases for Authority travel and travel related expenses shall be limited to \$2,500 per purchase. Reservations and/or purchases for business related meetings and business related meals shall be limited to \$1,000 per purchase. Non-routine commodity purchases shall be limited to \$5,000 per purchase unless authorized by an action of the Board of Commissioners. Non-routine commodity purchases are generally defined as equipment, parts, and/or supplies that are determined to be critical to the operation of the treatment facility, and due to time considerations require a more expedient procurement process than can be obtained using a routine purchase order. All credit card purchases shall require the submission of signed, itemized receipts. Credit card purchases may be executed by the General Manager and by other employees specifically authorized by the General Manager to use the credit card account. All such purchases must be in compliance with the requirements of this section and the limits of authority set forth in Section III.

B. Purchasing Card Accounts

An approved purchasing card, such as Cal CARD may be used by employees authorized by the General Manager to purchase materials, supplies, and services, or to pay for travel related expenses that are retroactively supported by the submission of s approved purchase orders. Materials, supplies, and services obtained using the purchasing card are generally defined as equipment, parts, supplies, and services that are relatively minor in cost and are urgently needed for the operations of the treatment facility that require a more expedient procurement process than a routine purchase order. Purchasing card transactions shall be limited to a monthly expenditure limit of:

Credit Card Expenditure Limits:

Directors and Controller	\$5,000	
Managers	\$2,500	Other employees \$500

All purchasing card transactions are limited to a \$2,000 maximum per single transaction. Any purchases above \$2,000 require General Manager's approval prior to making purchases. All purchasing card transactions should be approved by department heads retroactively or in advance by issuing approved purchase orders.

All purchasing card purchases shall require the submission of signed, itemized receipts.

1. The card holder is responsible to ensure that sufficient appropriations are available prior to making a purchase.
2. Use of the purchasing card is not intended to replace the purchasing policy or replace effective procurement planning which enables volume discounts or results in split purchases to circumvent the dollar limitations in this policy.
3. Prior to issuance of the VVWRA purchasing card to an employee, he/she must read the Card Policies and Procedures and sign the Agreement. (Appendix D)

C. Open Charge Accounts

Open charge accounts that would allow employees to charge purchases in the name of VVWRA without the submission of a signed purchase order are only allowed when the specific account, with a list of named employees authorized to sign on that account, has been authorized for use by an employee with appropriate spending authority. The use of open charge accounts is further limited to \$10,000 per transaction.

D. Cardlock Fuel Purchase Accounts

An approved purchasing card such as the Cardlock system may be used by employees to purchase gasoline or diesel fuel for specific vehicles owned by the Authority without the submission of signed purchase orders. Cardlock fuel purchase cards are provided in the Authority's vehicles for this purpose. The use of Cardlock system does not require the submission of signed receipts.

Section XII. Travel

Agency funds, equipment, supplies (including letterhead), and staff time must only be used for authorized Agency business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on Agency adopted policy positions;
2. Attending educational seminars designed to improve employees' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the Agencies interests;
4. Recognizing service to the Agency (for example, Safety Awards to promote safe work practices, Employee of the Month Awards to encourage moral and employee retention, or thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
5. Attending Agency events;

The following expenses also require prior Board approval:

1. International travel;
2. Expenses which exceed the limits established for each employee; and
3. Expenses exceeding \$5,000.00 per trip.

Examples of personal expenses that the Agency will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;

3. Family expenses, including partner's expenses when accompanying employee on agency-related business, as well as children- or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on Agency business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

All other expenditures require prior approval by the Board of Commissioners.

Cost Control

To conserve Agency resources and keep expenses within budget, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the Agency will be limited to the costs that fall within the guidelines.

Transportation - The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed under this provision if more than one employee is attending an out of town conference or if other extenuating circumstances apply, and it is determined that a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation.

Airfare - Airfares will be purchased through Expedia.com or directly from airlines.

Automobile - Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (*see* www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed. An employee must use an agency vehicle if the company vehicle is available for use. If an agency vehicle is not available and the

employee has the proper automobile insurance coverage on file with the Human Resource Department, the employee may use their own vehicle, unless otherwise authorized by management.

Car Rental - Rental cars will be rented through www.expedia.com or directly through the respective airlines.

Taxis/Shuttles - Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

Lodging - Lodging expenses will be reimbursed or paid for when travel on official Agency business reasonably requires an overnight stay.

Conferences/Meetings - If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

Other Lodging - Travelers must request conference rates when attending conferences and, when available. Lodging rates that are equal or less than conference rates are presumed to be reasonable and hence reimbursable for purposes of this policy. In the event that conference rates are not available at a given time or in a given area, lodging rates that do not exceed the median retail price for lodging for that area listed on websites like www.expedia.com or an equivalent service shall be considered reasonable and hence reimbursable.

Meals - Meal expenses are reimbursed at Internal Revenue Service rates presently in effect (*see* www.irs.gov).

When the meal function is an organized event (for example, conferences and other types of activities that fall within the list of “authorized expenditures” above), the official or employee shall be reimbursed the amount being charged by the event organizer for the meal. The Agency recognizes that the per person cost may exceed the above rates due to additional costs associated with organizing the event, service charges, and the costs associated with any invited guests. **Victor Valley Wastewater will not pay for alcohol/personal bar expenses.**

Telephone/Fax/Cellular - Employees will be reimbursed for actual telephone and fax expenses incurred on Agency business. Telephone bills should identify which calls were made on Agency business. For cellular calls when

the employee has a particular number of minutes included in the employee's plan, the employee can identify the percentage of calls made on public business.

Internet - Employees will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for agency-related business.

Airport Parking - Long-term parking must be used for travel exceeding 24-hours.

Other - Baggage handling fees of up to \$1 per bag and gratuities of up to 15 percent will be reimbursed.

Cash Advance

From time to time, it may be necessary for an employee to request a cash advance to cover anticipated expenses while traveling or doing business on the Agencies behalf. Such request for an advance should be submitted to the Finance Department 7 days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
 - a. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
2. The dates of the expenditure(s).

Any unused advance must be returned to the Finance Department within two business days of the employee's return, along with an expense report and itemized receipts documenting how the advance was used in compliance with this expense policy.

Section XIII. Petty Cash – Deleted per Resolution 2014-28

Section XIV. Exceptions to the Purchasing Policy Requirements

The provisions and limitations contained in this Policy do not apply to the following items and accordingly the General Manager is authorized to disburse funds for these items in the appropriate amounts. However, disbursements for these items must still be made in accordance with the guidelines for the use of funds contained herein:

Electrical power	Natural gas
Telephone service	Regulatory permit fees
Water service	Refuse Service
Process chemicals	Lab Analysis
Insurance Premiums	

Section XV. Authorizing Signatures for Agency Funds, Documents, and Payments Subject to the Joint Signatures Provisions

A. Payments under \$30,000

Payments by the Authority to individuals or institutions in the amount of less than \$30,000 shall require two original signatures from General Manager and one of the following signers. When General Manager is not available, the following alternate signers will approve and sign checks for payments.

Director of Administration
 Director of Operations (or Operations and Maintenance Manager in the absence of Director of Operations)
 Project Construction Manager
 Controller

B. Payments Of \$30,000 or More

Payments by the Authority to individuals or institutions of \$30,000 or more shall require two original signatures, either by General Manager, one Commissioner, or two Commissioners. When General Manager is not available, the alternate signers specified above at the Section VX, item A will approve and sign checks for payments together with one Commissioner.

C. Payments in the Absence of Two Authorized Signers

Payments by the Authority to individuals or institutions in any amount may be executed upon the original signatures of two Commissioners in the absence of authorized signers described at the Section VX, item A.

D. Names of Authorized Officers

The names of the authorized Officers and Commissioners of the Authority may change from time to time, and any such changes shall be described in the adopted minutes of the Authority.

E. Notification of Financial Institutions

Controller shall provide each financial institution with a current list of the names of the signers including four Commissioners that are authorized to execute documents. The list so described shall include the name the title and an original signature for each authorized signer including the four Commissioners.

F. Acting Or Interim Authorized Signer

Any acting or interim signer authorized by the Board of Commissioners shall have the same authority as a permanent signer.

Section XVI. Emergency Conditions and Purchasing Authority**A. Purpose**

The declared purposes of this section are to provide for the preparation and implementation of plans for the protection of persons, property, and the environment within the VVWRA service area in the event of an emergency; the direction of the emergency organization and emergency response activities; and the coordination of the emergency functions of the Authority with all other public agencies, corporations, organizations and affected private persons.

B. Emergency Defined

As used in this section, “emergency” means the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons, property, or the environment within the VVWRA service area caused by such conditions as sewer overflows or spills, sewer backups, air pollution, fire, flood, storm, epidemic, riot, or earthquake, or other conditions, including conditions resulting from war or imminent threat of war, but other than conditions resulting from a labor controversy, for which conditions are or are likely to be beyond the control of the services, personnel, equipment and facilities of the Authority, which may require the combined forces of other political subdivisions to combat.

C. Mutual Aid Agreements

It shall be the duty of the General Manager to develop and recommend for adoption by the VVWRA Board of Commissioners emergency and mutual aid plans and agreements and such ordinances, resolutions, rules, and regulations as are necessary to implement such plans and agreements.

D. Emergency services - General Manager - Powers and duties

The General Manager is empowered to:

1. Request the Board of Commissioners to proclaim the existence or threatened existence of an “emergency” if the Board is in session, or to issue such proclamation if the Board is not in session. Whenever an emergency is proclaimed by the General Manager, the Board shall take action to ratify the proclamation in a timely fashion or the proclamation shall have no further force or effect. For emergencies that are anticipated to result in \$50,000 or less in actual expenditures, ratification of the emergency may occur at the next scheduled Board meeting. For emergencies that are anticipated to result in more than

\$50,000 in total expenditures, ratification of the emergency must occur within seven days after the proclamation of the emergency;

2. Request the Governor to proclaim a “state of emergency” when, in the opinion of the General Manager, the locally available resources is inadequate to cope with the emergency;
3. Control and direct the efforts of the emergency organization of the Authority for the accomplishment of the purposes of this section;
4. Direct cooperation between and coordination of services and staff of the emergency organization of the Authority, and resolve questions of authority and responsibility that may arise between them;
5. Represent the Authority in all dealings with public or private agencies on matters pertaining to emergencies as defined herein;
6. In the event of the proclamation of an emergency, the General Manager is empowered to:
 - a. Make and issue rules and regulations on matters reasonably related to the protection of life, property, and the environment as affected by such emergency; provided, however, such rules and regulations must be confirmed at the earliest practicable time by the Board of Commissioners;
 - b. Obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property and to bind the Authority for the fair value thereof and, if required immediately, to commandeer the same for the Authority’s use;
 - c. Require emergency services of any VVWRA employee and, in the event of a proclamation of an emergency, to command the aid of as many citizens of the community as he or she deems necessary in the execution of his or her duties; such persons shall be entitled to all privileges, benefits and immunities as are provided by state law for registered disaster service workers;
 - d. Requisition necessary personnel or material of any member entity or willing agency, and;
 - e. Execute all of his or her ordinary power as General Manager, all of the special powers conferred upon him or her by this section or by resolution or emergency plan developed pursuant

to this section and adopted by the Board of Commissioners, all powers conferred upon him or her by any statute, by any agreement approved by the Board of Commissioners, and by any other lawful authority.

E. Emergency services - General Manager - Designating order of succession

The General Manager shall designate a person or persons that shall be in charge in his or her absence, to take effect in the event the General Manager is unavailable to attend meetings and otherwise perform his or her duties during an emergency. The Board of Commissioners shall approve any changes to the order of succession. In the event that the General Manager does not or cannot designate a person or persons to be in charge, the following order of succession shall apply:

1. Director of Operations (or Operations and Maintenance Manager in the absence of Director of Operations)
2. Director of Administration
3. Project Construction Manager
4. Controller

If any of the above listed persons are absent or otherwise unable to perform the duties described during an emergency, the order of succession shall continue to the first available person listed.

F. Emergency Organization

All officers and employees of the Authority, together with those volunteer forces enrolled to aid them during an emergency, and all groups, organizations, and persons who may by agreement or operation of law, including persons impressed into service under the provisions described herein, shall be charged with duties incident to the protection of life and property in the VVWRA service area during such emergency, and shall constitute the emergency organization of the Authority.

G. Emergency Plans

The General Manager shall be responsible for the development, periodic review, and maintenance of emergency plans, which plan shall provide for the effective mobilization of the resources of the Authority, both public and private, to meet any condition constituting an emergency, and shall provide for the organization, powers, duties, services, and staff of the emergency organization. Such emergency plans shall take effect upon adoption by resolution of the Board of Commissioners. (See Resolution 81-11 a Resolution Establishing Statement of Policy on Emergency Operations)

H. Expenditures

Any expenditure made in connection with and subsequent to the proclamation of an emergency, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants, property, or environment of the VVWRA service area. The spending limits and purchasing policies set forth herein shall not apply in the event of a proclaimed emergency.

Section XVII. Violation of this Policy

Use of public resources or falsifying expense reports in violation of this policy may result in disciplinary action up to and including termination. Appendix E, Acknowledgement of Receipt of VVWRA Procurement Policy, must be signed by all employees.

Section XVIII. Definitions

Capacity: The ability to collect, transport, measure, analyze, treat, process and/or sell or otherwise dispose of wastes, wastewater and its components and/or its residuals or by-products, as measured by volume or weight.

Capital assets: Those assets that have been capitalized for accounting purposes in accordance with the VVWRA Capital Asset Policy.

Capital Fund: The VVWRA fund that is funded by sewer connection fees, in addition to other sources.

Connection Fees: Fees collected by the VVWRA member entities for connecting to the regional wastewater system and paid to VVWRA for the purpose of funding capital costs.

Cooperative Purchasing Agreements or Piggy Back: Cooperative purchase agreements are when another governmental agency has performed a competitive bid process and allows other agencies to “piggyback” off of those bid prices offered. No formal or informal procedures shall then be required.

Open Charge Account: A charge account that is the financial liability of VVWRA and can be used by VVWRA employees without providing the vendor with an authorized purchase order or purchase contract.

Open Ended Purchase Order: An authorized purchase order that is used for recurring expenditures up to a maximum stated amount. The vendor that is named on this type of purchase order submits invoices or other requests for payment as supplies and materials are furnished or as services are rendered.

Operations and Maintenance Fund: The VVWRA fund that is funded by monthly user service charges, in addition to other sources.

Rehabilitation: Extraordinary expenditures for obtaining and installing process structures, equipment, and accessories which extend the useful life and/or improve the efficiency of the wastewater collection and treatment process from the original design.

Repair and Replacement Fund: The VVWRA fund that is collected as an approved and identified component of the monthly user service charges.

Replacement: Expenditures for obtaining and installing process structures, equipment, and accessories which are necessary to maintain the capacity and performance for which such items were originally designed and constructed.

Upgrade: The ability to process or treat wastewater and its components and/or its residuals or by-products to a higher level, as stated and measured by regulatory authorities.

Sewer User Charges: The unit-price charge levied on each user of the VVWRA system to recover the costs of operation, maintenance, repair, replacement, and rehabilitation; and, which may include an amount for capital costs and debt service. The user charge is based on a unit cost applied to each user's measured wastewater flow to the regional collection system. The users billed by VVWRA are the member entities of the regional authority.

**Appendix A
Organization Chart**

Appendix B
Quotation Comparison Form

Appendix C

Victor Valley Wastewater Reclamation Authority Code of Ethics

VVWRA HUMAN RESOURCES' CODE OF ETHICS

The Human Resources Department has established the following standards of conduct governing the performance of all persons exercising delegated purchasing authority in transacting VVWRA business and preventing potential conflicts of interest.

- To regard public service as a sacred trust, giving primary considerations to the interest of the public agency that employs us.
- To purchase without prejudice, seeking to obtain the maximum value for each dollar spent.
- To avoid unfair practices giving all qualified vendors' equal opportunity and consideration in an atmosphere of good faith, devoid of intentional misrepresentation.
- To honor our obligations and require that obligations to our public agency be honored.
- To accord vendor representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving our purchasing needs.
- To refuse to accept any form of commercial bribery and zealously guard against any

- appearance of conflict of interest To be receptive to counsel from our co-workers and to cooperate with them to promote a spirit of teamwork and unity.
- To conduct ourselves with fairness and dignity and to demand honesty and truth in the purchasing process.
- To strive for greater knowledge of purchasing methods and of the materials we purchase.
- To operate with all organizations and individuals engaged in activities designed to enhance the development of the profession, remembering that our actions reflect on the entire purchasing profession.

ACKNOWLEDGEMENT

I have received a copy of, am fully aware, and understand the VVWRA Human Resources' ethical guidelines; and I agree to abide by the terms of this policy. I also agree to remain apprised of future revisions to this policy and to abide by the terms of all such revisions.

Employee Name: _____

Employee Signature: _____

Date: _____

Appendix D

Victor Valley Wastewater Reclamation Authority Credit Card, Purchasing Card, Card lock Purchase Card and Open Charge Accounts Agreement

I _____ certify that I have received a copy of the Victor Valley Wastewater Reclamation Authority (VWVRA)'s Procurement Policy dated _____ and I agree to fully comply with such policy and all the procedures, terms and conditions including Section XI on pages _____ as it pertains to the use of Credit Cards, the Purchasing Card assigned to me, the Cardlock Purchase Card and Open Charge Accounts.

I have received Purchasing Card No. _____ Expiration Date _____
Single Transaction Limit _____ Monthly Limit _____.

I understand that transactions are limited as indicated in the Procurement Policy under Section XI and may be modified further by the General Manager or Director of Administrative Services.

I understand that this card has been provided to me through VWVRA's participation in the State of California Cal-Card Program and that, as a cardholder, I am a designated employee under this program. I understand that this card may only be used for Official VWVRA business. I will not use this card to make unauthorized, prohibited or personal purchases. I further agree not to use the card for any purchase that conflicts with VWVRA's Procurement Policies and Procedures.

That is, advance approval of each purchase shall be provided by ordinance, resolution, administrative regulation, or action of the Board of Commissioners, General Manager or Director of Administrative Services.

I understand that unauthorized use of the card may result in disciplinary action up to and including termination and payment for unauthorized charges. I understand that the VWVRA may be liable for all charges on the card, even if inconsistent with the terms of the Agreement. I further understand that the VWVRA will audit the use of this card and will report any discrepancies or misuse of the card to the General Manger and, if necessary, to the Police Department. I acknowledge and agree that I am personally liable to VWVRA for all charges made on the card in violation of the Procurement Policies and Procedures. Accordingly, I further understand and agree that, in the future, I will authorize the VWVRA to deduct from my paycheck any amount that I have charged or have permitted to be charged to this card account which is not consistent with the terms of this Agreement. If acceptable justification for the charge is not received within fifteen (15) days from the receipt of the Statement of Account for the card, I agree that I will authorize VWVRA to deduct the amount of the charge from my paycheck.

I am responsible for the Card's safekeeping at all times. I understand that no one else may use this card for any reason. I will immediately notify the Bank, the Director of Administrative

Services, and my supervisor in the event that the card is lost or stolen, if I believe the card has been used in a fraudulent or inappropriate manner, or when there are any changes to my cardholder information.

I agree to retain my bankcard receipts to complete the transaction and to verify the expenditure on behalf of the VVWRA. I will review the Monthly Statement of Account immediately upon receipt and forward verification of each charge to my supervisor as provided for above. If I dispute a charge, I will immediately seek to resolve the problem with the vendor, and complete a "Statement of Questioned Item".

I understand that the VVWRA has the unconditional right to cancel the card issued to me at any time. In the event the VVWRA cancels the card issued to me, or at the time of separation from service with the VVWRA, I will immediately cut it in half and return the card to the Director of Administrative Services or my supervisor.

I understand that approval of this Agreement by the VVWRA makes me responsible for safeguarding and protecting VVWRA assets. I hereby acknowledge receipt of this Agreement and confirm that I have read and understand the terms and conditions. I further acknowledge and confirm that any violation of the terms and conditions of this Agreement may result in disciplinary and/or legal against me.

Cardholder (Print and Sign) _____ Date

Supervisor (Print and Sign) _____ Date

Attachment: VVWRA Procurement Policy dated _____

Appendix E

Acknowledgement of Receipt of VVWRA Procurement Policy

I, hereby acknowledge receipt of the Victor Valley Wastewater Reclamation Authority Procurement Policy approved on _____.

I understand that compliance with this policy is a condition of employment and that violation of this policy may result in disciplinary action up to and including termination.

Date: _____

Employee Signature: _____

Employee Name (Please Print): _____



Victor Valley Wastewater Reclamation Authority

Department of Finance

Procurement Policy

APPROVALS

Approved by: _____ Date: _____
General Manager

Approved by: _____ Date: _____
Controller

PROCEDURE REVISION HISTORY		
Rev.	Date	Approval
1.5	07/16/15	Board Approval - Resolution No.2015-15
2.0	10/18/18	Board Approval - Resolution No.2018-xx

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*This document is controlled when viewed online. When downloaded and printed, this document becomes **UNCONTROLLED**, and users should check with the Department of Human Resources to ensure that they have the latest version.*



Victor Valley Wastewater Reclamation Authority

Procurement Policy

Board Approved ~~January~~October
1818, 2018

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Resolution No. 2018-xx

TABLE OF CONTENTS

Purpose of Procurement Policy

Section I. Guidelines for the Use of Funds 1

Section II. Purchase Orders, Contracts, Invoices,
And Purchase Requisitions..... 3

Section III. Limits of Authority 4

Section IV. Purchases less than or equal to \$2,000..... 5

Section V. Purchases of \$2,000 ~~To~~ \$5,000 5

Section VI. Purchases of \$5,000 ~~To~~ \$30,000 5

Section VII. Purchases in Excess of \$30,000 7

Section VIII. Professional Services Agreements 9

Section IX. Utilization of Open Ended Purchase Orders 9

Section X. Leases and Rentals 10

Section XI. Credit Cards, Purchasing Cards, ~~and Cardlock Fuel~~
Purchase Cards ~~and Open Charge Accounts~~ 10

Section XII. Travel 12

Section XIII. Petty Cash..... 15

Section XIV. Exceptions to the Purchasing Policy Requirements 15

Section XV. Authorizing Signatures for Agency Funds,
Documents and Payments Subject
To the Joint Signatures Provisions 16

Section XVI. Emergency Conditions and
Purchasing Authority 17

Section XVII. Violation of this Policy..... 20

Section XVIII. Definitions.....20

Appendix A VVRA Organizational Flow Chart

Appendix B VVRA Quotation Comparison Sample Form

Appendix C VVRA Code of Ethics

Appendix D Purchasing Card Agreement

Appendix E Acknowledgement of Receipt of VVRA Procurement Policy

The purpose of this procurement policy is to establish the requirements and implement the rules and regulations governing the procurement of all goods, services, travel and capital (fixed) assets required by the Victor Valley Wastewater Reclamation Authority (VWRA) within the limits established in this policy pertaining to the use of the VWRA funds.

Section I. Guidelines for the Use of Funds

A. Capital Improvement Funds (Fund 09)

Capital Funds are principally sewer connection fees and the associated interest earned on invested connection fees. Connection fees are collected from property owners by the member entities and paid to Victor Valley Wastewater Reclamation Authority ("VWRA").

The use of accrued Capital Improvements Funds shall be restricted to the following:

1. The expansion of capacity to meet the needs of the service area shall be pursuant to Title 23 of the California Code of Regulations Section 2232. Capacity shall include the sewage collection system, the water reclamation plant(s) and solids handling facilities. The Authority will routinely evaluate the infrastructure needs of the Member Agencies and its existing resources to identify capital projects required to ensure that the rated capacity of existing facilities is not exceeded prior to the completion of projects providing additional capacity.
2. The improvement of existing collection and treatment systems to meet regulatory requirements or to protect the environment. Regulatory requirements are generally contained in local, state, and federal permits, but may also be required by other regulatory, legislative, or judicial actions.
3. The construction of new facilities required for the efficient and cost-effective processing of wastewater. New facilities shall include sewers, treatment units, and ancillary facilities required for the operation, maintenance, and administration of the regional Authority.
4. The construction of reclaimed water facilities that will generate revenue, which will in turn be used to reduce the cost of wastewater treatment for the service area. Reclaimed water facilities include subregional treatment plants, reclaimed water pumping systems, and reclaimed water distribution and metering systems.
5. Consulting, engineering, and legal studies and reviews required for the proper planning, design, and construction of capital improvements.

6. Fixed-term loans to the Operations and Maintenance Fund to finance unanticipated needs, such as costs incurred in responding to emergencies. Capital Funds loaned to the Operations and Maintenance Fund must be repaid to the Capital Improvements fund with interest, at a rate consistent with the current LAIF interest rate.
7. The management and administration of Capital Improvement Projects and of the collected and invested Capital funds by the regional Authority staff.

B. Repair and Replacement Fund (Fund 07)

Repair and Replacement Fund is collected by the Authority as a component of the sewer user charge (as variable fees). Sewer user charges are collected from the member agencies corresponding to measured discharges of wastewater to the regional collection system. Sewer user charge rates are established and/or adjusted by the Board of Commissioners from time to time to provide for the anticipated cost of operating and maintaining the regional collection and treatment facilities.

The use of Repair and Replacement Fund shall be limited to projects or items with an aggregate cost of at least \$12,000 and an expected life of at least three (3) years.

The use of Repair and Replacement Fund shall be restricted to the following:

1. The replacement of existing facilities due to age, maintenance costs, or advances in current technology. Existing facilities shall include systems for sewage collection, wastewater pumping, wastewater treatment, solids handling, and process controls.
2. The purchase of components or systems not otherwise defined as capital improvements to include one-time repairs and replacements that are not regular operations and maintenance costs.

Some examples of Repairs and Replacements expenses are:

1. The overhaul or complete unit repair of existing facilities due to wear.
2. Spare parts and spare complete units for existing facilities.

C. Operations & Maintenance Fund (Fund 01)

Operations & Maintenance Funds are collected by the Authority as sewer user charges (variable fees). Sewer user charges are collected from the member

entities corresponding to measured discharges of wastewater to the regional collections system. Sewer user charge rates are established by the Board of Commissioners from time to time to provide for the anticipated cost of operating and maintaining the regional collections and treatment facilities. The use of Operations & Maintenance Funds shall include but not be limited to the actual fixed and variable costs associated with operating and maintaining the regional Authority.

Section II. Purchase Orders, Contracts, Invoices, and Purchase Requisitions

A. Purchase Order and Contract Approval

In general, purchases for the Authority are processed by generating a purchase order. Construction projects, professional services, and significant material purchases usually require the execution of a contract in addition to a purchase order. Some purchases may be arranged without the use of a purchase order as described herein. Authority to sign purchase orders, contracts or to otherwise authorize expenditures on behalf of the Authority shall be in accordance with the limits of authority and the provisions contained herein.

B. Invoice Approval

Prior to the payment of invoices or other demands for money, all invoices with purchase orders shall be matched with invoice, purchase order and receiving docs and approved by appropriate supervisor for payment approval. Invoices without purchase orders, such as Contractual Monthly Services, which include but not limited to Electrical, Natural Gas, Telephone, Water, Pest Control, and Uniforms, will go to the Director of Administrative Services for approval. Any Non-Contractual Invoices without purchase orders shall go to the appropriate department Supervisor for approval. In the absence of the Director of Administrative Services, the General Manager and his or her designees may approve invoices on behalf of the Director of Administrative Services.

C. Purchase Order Request

Purchase order requests are to be prepared for the solicitation of quotes, bids, availability, and to prepare a purchase order for approval. Purchase requisitions shall have the approval of the appropriate employee as determined by the limits of authority described herein. A copy of the purchase requisition and supporting documentation shall be attached to the respective purchase order.

D. Cooperative Purchasing or Piggy Backing

When the purchase from a supplier of ordinary and generic materials of common use, like chairs, pencils, cars, etc. who has been awarded a specific item or items in a contract resulting from a formal competitive bid process by another governmental agency within the state of California or by the federal

government within the previous three hundred sixty-five days (one year) and permits other governments to purchase from the bid. The purchase must be approved by the Director of Administrative Services. If more than \$30,000 must be approved by the Board of Commissioners. This section specifically excludes construction and large capital projects.

E. Other Provisions

Under no circumstances shall any individual split orders or otherwise alter the process of purchasing materials, supplies, equipment, or contractual services so as to circumvent the limits or provisions contained in this Policy.

All amounts pertaining to limits of authority and authorized signatories shall be for the total amount of the purchase inclusive of sales tax, shipping, handling and any and all fees/charges/taxes paid in order to fulfill the terms of the purchase.

Section III. Limits of Authority

A. Board of Commissioners

The VVWRA Board of Commissioners shall approve all expenditures in excess of \$30,000, except for expenditures such as utilities, process chemicals, permit fees, and other expenses defined as exceptions elsewhere in this Policy. The VVWRA Board of Commissioners must approve all construction contract change orders.

B. General Manager

The General Manager, Acting General Manager, or any other person that has been specifically named in an official action by the VVWRA Board of Commissioners to act on behalf of the General Manager, is authorized to approve expenditures up to a limit of \$30,000 on any one order or contract either by bid or quote.

C. ~~Department Directors~~ Director of Operations (or Operations & Maintenance Manager in the absence of Director of Operations), Director of Administration, Controller, Project Construction Manager and Business Application Manager

The ~~above Department Directors~~ directors and managers are authorized to approve expenditures up to a limit of \$10,000 on any one order or contract.

D. ~~Project Construction Manager~~

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The Project Construction Manager and Business Application Manager ~~is~~ are authorized to approve expenditures up to a limit of \$10,000 on any one order or contract.

- E. **Supervisors Lead Operator and Lead Mechanic**
~~All Supervisors are each~~ Lead Operator and Lead Mechanic are authorized to approve expenditures up to a limit of \$5,000 each on any one order or contract.

- F. **Other Employees**
 Other employees authorized by the General Manager may spend up to \$500 per month for purchases on behalf of VVWRA such as travel expenses, materials, supplies, and other emergency services, excluding construction contract change orders. Such spending shall be conducted using an authorized purchasing card program. Itemized receipts are required for all expenses. Further, all such purchases should be supported by requisitions and purchase orders approved by managers.

A list of all current positions is available in the Human Resources Department. All of the above titles and persons holding these positions are identified in the VVWRA Organizational Chart. (Appendix A)

- Section IV. Purchases less than or equal to \$2,000**
 Purchases of materials, supplies, equipment and contractual services having a total estimated value of less than or equal to \$2,000 may be made without formal or informal competitive bidding or competitive quotes. However, a reasonable effort is to be made at all times to insure the most favorable terms for VVWRA in the procurement of all such materials, supplies, equipment and contractual services.

- Section V. Purchases of \$2,000 ~~t~~o \$5,000**
 Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$2,000 and less than or equal to \$5,000 may be made in the open market based on a minimum of three (3) verbal quotes obtained via telephone or in person. Purchases described in this section may be made with less than three (3) verbal quotes if reasonable efforts to obtain three (3) or more verbal quotes have failed to produce the required number of responsive quotes. All information obtained via verbal quote shall be logged onto a VVWRA "Quotation Comparison" worksheet, (Appendix B).

Section VI. Purchases of \$5,000 ~~to~~ \$30,000

Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$5,000 and less than or equal to \$30,000 may be made in the open market based on a minimum of three (3) competitive written quotes. Purchases described in this section may be made with less than three (3) competitive quotes if reasonable efforts to obtain three (3) or more written quotes have failed to produce the required number of responsive quotes. All written quotes shall be logged onto a VVWRA "Quotation Comparison" worksheet and the written quotes attached to the worksheet. Purchases of \$5,000 to \$30,000 may go out for competitive sealed bid at the discretion of the General Manager. The competitive written quote process is further described as follows:

A. Notice Inviting Competitive Quotes

Requests for competitive quotes shall be solicited either by verbal or written requests mailed, faxed, or e-mailed to prospective vendors. The notice inviting competitive quotes shall contain a clear and concise description of the desired materials, supplies, equipment, or contractual services. The notice inviting competitive quotes shall also include a deadline for the submission of responsive quotes.

B. Record of Competitive Quotes

A written record of the responses from all vendors contacted shall be maintained with the respective purchase request. If appropriate, signed and dated telephone conversation records shall suffice for vendors that respond only by telephone.

C. Award of Competitive Quotes

Awards of purchases made under this section shall be to the lowest responsible vendor or contractor that complies with the specifications contained in the notice inviting competitive quotes. Awards made to vendors or contractors that did not provide the lowest cost shall be accompanied by written documentation explaining the reason or reasons for the award. All documentation regarding the award must be attached to the purchase order.

D. Exclusions

The General Manager shall have the authority to waive the requirements of this section in the following circumstances provided that the reasons for such a waiver are documented as part of the purchasing process:

1. The acquisition of engineering, professional, audit, or legal services.
2. The acquisition of highly technical and specialized outside services.

3. The acquisition of materials, supplies and equipment in which the Authority did not receive at least three quotes.
4. The acquisition of materials, supplies and equipment when it is in the best interest of the Authority to purchase name brand or sole source materials, supplies, or equipment, as determined by the General Manager. Materials, supplies and equipment shall be considered obtainable from only one vendor when only one vendor offers it for sale, lease, or rental, or when only one vendor is able to provide the materials, supplies or equipment within the time frame and/or under the terms and conditions which reasonably meet the needs of VVWRA. Sole source purchases are appropriate when there is no suitable substitute for the desired materials, supplies and equipment. A memo to the General Manager must be attached describing the circumstances surrounding the situation.
5. The purchase of equipment or supplies at a public auction that has been approved in advance by the General Manager. The spending limit for purchases made at a public auction shall be \$10,000, unless the spending limit for a particular auction is increased in advance by an action of the VVWRA Board of Commissioners.
6. In determining the lowest responsible bidder for the purchase of supplies, and or services totaling \$100,000 or less, and where responsibility and quality are equal, a credit of three percent (3%) of the bid submitted by the lowest responsible bidder meeting the specifications shall be given to a vendor, supplier or service provider that has held a current business license and has maintained its principal business office within the jurisdictional boundaries of VVWRA continuously for at least twelve (12) consecutive months prior to submitting the bid. No credit shall be given pursuant to this section when legal constraints on the expenditure of funds prohibit the provision of such a credit.

Section VII. Purchases in Excess of \$30,000

Purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$30,000 shall be made by the competitive sealed bid process. The competitive sealed bid process is further described as follows:

A. Notices Inviting Bids

A notice inviting bids shall be advertised at a minimum of five (5) business days in the newspaper of local publication. The notice inviting bids shall include a general description of the articles or services to be procured,

instructions on how to obtain bid forms and specifications, and the time and place for the opening of sealed bids. The notice inviting bids shall be published at least ten (10) working days before the date of opening of the sealed bids. The notice inviting bids shall also be posted in the lobby area of the VVWRA administration building. The Notice Inviting Bids and the bid documents may also be mailed, faxed, or e-mailed to one or more identified potential bidders.

B. Bidder's List

The Authority shall maintain a list of potential bidders for various supplies and services, which shall be updated from time to time.

C. Bid Holder's List

Records shall be maintained for each person or firm requesting a copy of the bid documents, including the firm name, contact person, address, city, state, zip code, phone number, fax number, and e-mail address. Included in this list shall be all of the firms initially identified and mailed bid documents.

D. Bid Documents

The bid documents shall include, at a minimum, a bid advertisement, instructions to bidders, technical specifications, and a bid form. Bids for contractual services shall also include general and special conditions, if any, as well as engineering plans, detailed specifications, and additional requirements for bonds, insurance, etc. The Authority may require that certain specialized materials and supplies, such as chemicals and lubricants, be tested for performance prior to the award of a contract. The Authority may require a bid bond, performance bond or other type of bond or bonds in amounts determined to be appropriate to protect the best interests of the Authority.

E. Bid Opening Procedure

Sealed bids shall be submitted to the General Manager or his or her designee and shall be identified on the outside of the sealed envelope as a bid for the given project. Bids shall be opened and read aloud in public at the time and place stated in the bid advertisement. A tabulation of all bids received shall be made available for public inspection and shall be distributed to all responsive bidders.

F. Rejection of Bids

At its sole discretion, the Authority may reject any and all bids presented and re-advertise for bids or cancel the bid solicitation altogether.

G. Award of Bids and Contracts

Awards shall be made to the lowest responsible bidder. The determination of the lowest responsible bidder shall be at the discretion of the General Manager or the VVWRA Board of Commissioners pursuant to the findings and

recommendations presented at the time of award of the contract. The award shall consider the following in determining the lowest responsible bidder:

1. The ability, capacity and skill of the bidder to perform the contract.
2. The integrity, reputation, judgment, experience, efficiency and record of performance of the bidder.
3. The sufficiency of the financial resources of the bidder to perform the contract.
4. The quality, availability and adaptability of the materials, supplies, equipment or services to the particular use required.
5. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
6. The number and scope of any conditions attached to the bid.
7. The price quoted, taking into account all relevant factors in evaluating that quote.
8. Potential vendors, suppliers, contractors, and service providers that are located in the VVWRA service area or who maintain a permanent office in the VVWRA service area shall be given additional favorable consideration in the award of bids or contracts (see page 7, D6), provided that the other criteria in this section are deemed equal.

H. Exclusions

The VVWRA Board of Commissioners shall have the authority to waive the requirements of this section provided that any such exclusion does not conflict with the provisions of the California Government Code, Public Contract Code, or other applicable code. Further, if the Authority does not receive at least three (3) responsible bids in response to the provisions of this section, the VVWRA Board of Commissioners may choose to utilize other provisions described herein as an alternative method of bidding, provided that such an action does not conflict with the provisions of applicable law.

Section VIII. Professional Services Agreements

The acquisition of services for engineering, audit, legal, consulting, and other professional services in excess of \$30,000 shall be obtained through a solicitation of Requests for Proposals. The procedures for soliciting Requests for Proposals shall be respective to the type, complexity, and expected cost of

services to be provided. Awards made for professional services shall be based on the qualifications that best match the needs of the Authority.

Section IX. Utilization of Open Ended Purchase Orders

Open ended purchase orders may be utilized and approved for recurring purchases of materials, supplies, outside services and month-to-month rentals where the vendor periodically bills for materials, supplies, or services rendered throughout the current fiscal year, provided that such approval is in accordance with all the provisions of this Policy. Each individual purchase made against an open purchase order must be evidenced by a purchase requisition that has been approved by the employee with the appropriate spending authority. The VVWRA Board of Commissioners must approve any exceptions to these requirements.

Section X. Leases and Rentals

For purposes of this Policy, leases and other similar contracts that provide property, materials, supplies, equipment, and services shall be considered to be a purchase. The cost associated with the lease shall be the sum of all payments to be made by VVWRA under the terms of that lease.

Section XI. Credit Cards, Purchasing Cards, ~~Cardlock~~-Fuel Purchase Cards, and Open Charge Accounts (In order to use these cards and accounts, the Employee must sign the Credit Card, Purchasing Card, ~~Cardlock~~-Purchase Card and Open Charge Account Agreement. See Appendix D)

A. Credit Card Accounts

Credit card accounts may be used by the General Manager and his/her designee to make reservations or charge purchases in the name of VVWRA without the submission of signed purchase orders for Authority travel, travel related expenses, business related meetings, business related meals, and non-routine commodity purchases. Reservations and/or purchases for Authority travel and travel related expenses shall be limited to \$2,500 per purchase. Reservations and/or purchases for business related meetings and business related meals shall be limited to \$1,000 per purchase. Non-routine commodity purchases shall be limited to \$5,000 per purchase unless authorized by an action of the Board of Commissioners. Non-routine commodity purchases are generally defined as equipment, parts, and/or supplies that are determined to be critical to the operation of the treatment facility, and due to time considerations require a more expedient procurement process than can be obtained using a routine purchase order. All credit card purchases shall require the submission of signed, itemized receipts. Credit card purchases may be

executed by the General Manager and by other employees specifically authorized by the General Manager to use the credit card account. All such purchases must be in compliance with the requirements of this section and the limits of authority set forth in Section III.

B. Purchasing Card Accounts

An approved purchasing card, such as ~~the State of California Purchasing Program (CAL CARD)~~ may be used by employees authorized by the General Manager to purchase materials, supplies, and services, or to pay for travel related expenses ~~without that are retroactively supported by~~ the submission of ~~signed approved~~ purchase orders. Materials, supplies, and services obtained using the purchasing card ~~account~~ are generally defined as equipment, parts, ~~and supplies, and services~~ that are relatively minor in cost ~~and that and~~ are ~~urgently~~ needed for the operations of the treatment facility, ~~and due to the relatively minor cost or time considerations that~~ requires a more expedient procurement process than ~~can be obtained using~~ a routine purchase order. Purchasing card ~~purchases transactions~~ shall be limited to a monthly expenditure limit of:

Credit Card Expenditure Limits:

- ~~Directors and Controller Level Expenditure: —~~ \$5,000
- ~~Managers Supervisor Level Expenditure: \$2500~~ \$2,500
- ~~Other employees Level Expenditure: —~~ \$500

~~**All Supervisor and Employee Credit purchasing Card transactions expenditures are limited to a \$15002,000 maximum per single transaction. Any required purchases above \$2,000+500 requires General Manager's Approval prior to making purchases expenditure. All purchasing card transactions should be approved by department heads retroactively or in advance by issuing approved purchase orders.~~

All purchasing card purchases shall require the submission of signed, itemized receipts.

1. The card holder is responsible to ensure that sufficient appropriations are available prior to making a purchase.
2. Use of the purchasing card is not intended to replace the purchasing policy or replace effective procurement planning which enables volume discounts or results in split purchases to circumvent the dollar limitations in this policy.
3. Prior to issuance of the VVWRA purchasing card to an employee, he/she must read the Card Policies and Procedures and sign the Agreement. (Appendix D)

3.

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C. Open Charge Accounts

Open charge accounts that would allow employees to charge purchases in the name of VVWRA without the submission of a signed purchase order are only allowed when the specific account, with a list of named employees authorized to sign on that account, has been authorized for use by an employee with appropriate spending authority. The use of open charge accounts is further limited to \$10,000 per transaction.

D. Cardlock Fuel Purchase Accounts

An approved purchasing card such as the Cardlock system may be used by employees to purchase gasoline or diesel fuel for specific vehicles owned by the Authority without the submission of signed purchase orders. Cardlock fuel purchase cards are provided in the Authority's vehicles for this purpose. The use of Cardlock system does not require the submission of signed receipts.

Section XII. Travel

Agency funds, equipment, supplies (including letterhead), and staff time must only be used for authorized Agency business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on Agency adopted policy positions;
2. Attending educational seminars designed to improve employees' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the Agencies interests;
4. Recognizing service to the Agency (for example, Safety Awards to promote safe work practices, Employee of the Month Awards to encourage moral and employee retention, or thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
5. Attending Agency events;

The following expenses also require prior Board approval:

1. International travel;
2. Expenses which exceed the limits established for each employee; and

3. Expenses exceeding \$5,000.00 per trip.

Examples of personal expenses that the Agency will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying employee on agency-related business, as well as children- or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on Agency business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

All other expenditures require prior approval by the Board of Commissioners.

Cost Control

To conserve Agency resources and keep expenses within budget, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the Agency will be limited to the costs that fall within the guidelines.

Transportation - The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed under this provision if more than one employee is attending an out of town conference or if other extenuating circumstances apply, and it is determined that a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation.

Airfare - Airfares will be purchased through Expedia.com or directly from airlines.

Automobile - Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (*see* www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed. An employee must use an agency vehicle if the company vehicle is available for use. If an agency vehicle is not available and the employee has the proper automobile insurance coverage on file with the Human Resource Department, the employee may use their own vehicle, unless otherwise authorized by management.

Car Rental - Rental cars will be rented through www.expedia.com or directly through the respective airlines.

Taxis/Shuttles - Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

Lodging - Lodging expenses will be reimbursed or paid for when travel on official Agency business reasonably requires an overnight stay.

Conferences/Meetings - If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

Other Lodging - Travelers must request conference rates when attending conferences and, when available. Lodging rates that are equal or less than conference rates are presumed to be reasonable and hence reimbursable for purposes of this policy. In the event that conference rates are not available at a given time or in a given area, lodging rates that do not exceed the median retail price for lodging for that area listed on websites like www.expedia.com or an equivalent service shall be considered reasonable and hence reimbursable.

Meals - Meal expenses are reimbursed at Internal Revenue Service rates presently in effect (*see* www.irs.gov).

When the meal function is an organized event (for example, conferences and other types of activities that fall within the list of "authorized expenditures" above), the official or employee shall be reimbursed the amount being charged by the event organizer for the meal. The Agency recognizes that the per person

cost may exceed the above rates due to additional costs associated with organizing the event, service charges, and the costs associated with any invited guests. **Victor Valley Wastewater will not pay for alcohol/personal bar expenses.**

Telephone/Fax/Cellular - Employees will be reimbursed for actual telephone and fax expenses incurred on Agency business. Telephone bills should identify which calls were made on Agency business. For cellular calls when the employee has a particular number of minutes included in the employee's plan, the employee can identify the percentage of calls made on public business.

Internet - Employees will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for Agency-related business.

Airport Parking - Long-term parking must be used for travel exceeding 24-hours.

Other - Baggage handling fees of up to \$1 per bag and gratuities of up to 15 percent will be reimbursed.

Cash Advance

From time to time, it may be necessary for an employee to request a cash advance to cover anticipated expenses while traveling or doing business on the Agencies behalf. Such request for an advance should be submitted to the Finance Department 7 days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
 - a. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
2. The dates of the expenditure(s).

Any unused advance must be returned to the Finance Department within two business days of the employee's return, along with an expense report and itemized receipts documenting how the advance was used in compliance with this expense policy.

Section XIII. Petty Cash – Deleted per Resolution 2014-28

Section XIV. Exceptions to the Purchasing Policy Requirements

The provisions and limitations contained in this Policy do not apply to the following items and accordingly the General Manager is authorized to disburse funds for these items in the appropriate amounts. However, disbursements for these items must still be made in accordance with the guidelines for the use of funds contained herein:

- | | |
|--------------------|------------------------|
| Electrical power | Natural gas |
| Telephone service | Regulatory permit fees |
| Water service | Refuse Service |
| Process chemicals | Lab Analysis |
| Insurance Premiums | |

Section XV. Authorizing Signatures for Agency Funds, Documents, and Payments Subject to the Joint Signatures Provisions

A. ~~Payments of under \$30,000 or Less or Payments for Utilities in Any Amount~~

~~Payments by the Authority to individuals or institutions in the amount of less than \$30,000 or less or payments for utilities in any amount shall contain require the two original two signaturess fromof the Treasurer and General Manager and one of the following signers. or the Treasurer or General Manager and one VVWRA Commissioner or two Commissioners. When General Manager is not available, the following order of succession alternate signers will apply to approve and sign documentschecks for and payments.~~

Director of Administration

- ~~1. Director of Operations~~
- ~~2. Director of Operations (or Operations and Maintenance Manager in the absence of Director of Operations) Director of Administration~~
Project Construction Manager
- ~~3. Controller~~

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B. Payments Of \$30,000 or More excluding Utilities

Payments by the Authority to individuals or institutions of \$30,000 or more in an amount exceeding \$30,000 excluding utilities as described in section VIII above shall contain require two original signatures, either by the Treasurer or General Manager, one Commissioner, or two Commissioners. When General Manager is not available, the alternate signers specified above at the Section VX. item A will approve and sign checks for payments together with one Commissioner.

- C. Payments in the Absence of Two Authorized ~~Officers~~Signers**
 Payments by the Authority to individuals or institutions in any amount may be executed upon the original signatures of two Commissioners in the absence of authorized ~~Officers~~signers described at the Section VX, item A.
- D. Names of Authorized Officers**
 The names of the authorized Officers and Commissioners of the Authority may change from time to time, and any such changes shall be described in the adopted minutes of the Authority. ~~Staff can access these names from the Human Resources Division.~~
- E. Notification of Financial Institutions**
~~Controller shall provide~~ Each financial institution ~~shall be provided~~ with a current list of the names of the ~~Officers—signers including four and Commissioners that are authorized to execute documents, and execute instruments of payment and in what amount.~~ The list so described shall include the name, the title, ~~the amount authorized for each name of authorized signor~~ and an original signature for each authorized ~~Officer—signer or including the four~~ Commissioners.
- F. Acting Or Interim Authorized ~~Officer~~Signer**
 Any acting or interim ~~Officer—signer~~ authorized by the Board of Commissioners shall have the same authority as a permanent ~~Officers~~signer.

Section XVI. Emergency Conditions and Purchasing Authority

- A. Purpose**
 The declared purposes of this section are to provide for the preparation and implementation of plans for the protection of persons, property, and the environment within the VVWRA service area in the event of an emergency; the direction of the emergency organization and emergency response activities; and the coordination of the emergency functions of the Authority with all other public agencies, corporations, organizations and affected private persons.
- B. Emergency Defined**
 As used in this section, “emergency” means the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons, property, or the environment within the VVWRA service area caused by such conditions as sewer overflows or spills, sewer backups, air pollution, fire, flood, storm, epidemic, riot, or earthquake, or other conditions, including conditions resulting from war or imminent threat of war, but other than conditions resulting from a labor controversy, for which conditions are or are likely to be beyond the control of the services, personnel, equipment and

facilities of the Authority, which may require the combined forces of other political subdivisions to combat.

C. Mutual Aid Agreements

It shall be the duty of the General Manager to develop and recommend for adoption by the VVWRA Board of Commissioners emergency and mutual aid plans and agreements and such ordinances, resolutions, rules, and regulations as are necessary to implement such plans and agreements.

D. Emergency services - General Manager - Powers and duties

The General Manager is empowered to:

1. Request the Board of Commissioners to proclaim the existence or threatened existence of an "emergency" if the Board is in session, or to issue such proclamation if the Board is not in session. Whenever an emergency is proclaimed by the General Manager, the Board shall take action to ratify the proclamation in a timely fashion or the proclamation shall have no further force or effect. For emergencies that are anticipated to result in \$50,000 or less in actual expenditures, ratification of the emergency may occur at the next scheduled Board meeting. For emergencies that are anticipated to result in more than \$50,000 in total expenditures, ratification of the emergency must occur within seven days after the proclamation of the emergency;
2. Request the Governor to proclaim a "state of emergency" when, in the opinion of the General Manager, the locally available resources is inadequate to cope with the emergency;
3. Control and direct the efforts of the emergency organization of the Authority for the accomplishment of the purposes of this section;
4. Direct cooperation between and coordination of services and staff of the emergency organization of the Authority, and resolve questions of authority and responsibility that may arise between them;
5. Represent the Authority in all dealings with public or private agencies on matters pertaining to emergencies as defined herein;
6. In the event of the proclamation of an emergency, the General Manager is empowered to:
 - a. Make and issue rules and regulations on matters reasonably related to the protection of life, property, and the environment as affected by such emergency; provided, however, such rules

and regulations must be confirmed at the earliest practicable time by the Board of Commissioners;

- b. Obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property and to bind the Authority for the fair value thereof and, if required immediately, to commandeer the same for the Authority's use;
- c. Require emergency services of any VVWRA employee and, in the event of a proclamation of an emergency, to command the aid of as many citizens of the community as he or she deems necessary in the execution of his or her duties; such persons shall be entitled to all privileges, benefits and immunities as are provided by state law for registered disaster service workers;
- d. Requisition necessary personnel or material of any member entity or willing agency, and;
- e. Execute all of his or her ordinary power as General Manager, all of the special powers conferred upon him or her by this section or by resolution or emergency plan developed pursuant to this section and adopted by the Board of Commissioners, all powers conferred upon him or her by any statute, by any agreement approved by the Board of Commissioners, and by any other lawful authority.

E. Emergency services - General Manager - Designating order of succession

The General Manager shall designate a person or persons that shall be in charge in his or her absence, to take effect in the event the General Manager is unavailable to attend meetings and otherwise perform his or her duties during an emergency. The Board of Commissioners shall approve any changes to the order of succession. In the event that the General Manager does not or cannot designate a person or persons to be in charge, the following order of succession shall apply:

1. ~~Director of~~ Director of Operations ~~(or Operations and Maintenance Manager in the absence of Director of Operations)~~
2. Director of Administration
3. Project Construction Manager
4. ~~Operations Supervisor~~ Controller
5. ~~Maintenance Supervisor~~

If any of the above listed persons are absent or otherwise unable to perform the duties described during an emergency, the order of succession shall continue to the first available person listed.

F. Emergency Organization

All officers and employees of the Authority, together with those volunteer forces enrolled to aid them during an emergency, and all groups, organizations, and persons who may by agreement or operation of law, including persons impressed into service under the provisions described herein, shall be charged with duties incident to the protection of life and property in the VVWRA service area during such emergency, and shall constitute the emergency organization of the Authority.

G. Emergency Plans

The General Manager shall be responsible for the development, periodic review, and maintenance of emergency plans, which plan shall provide for the effective mobilization of the resources of the Authority, both public and private, to meet any condition constituting an emergency, and shall provide for the organization, powers, duties, services, and staff of the emergency organization. Such emergency plans shall take effect upon adoption by resolution of the Board of Commissioners. (See Resolution 81-11 a Resolution Establishing Statement of Policy on Emergency Operations)

H. Expenditures

Any expenditure made in connection with and subsequent to the proclamation of an emergency, including mutual aid activities, shall be deemed conclusively to be for the direct protection and benefit of the inhabitants, property, or environment of the VVWRA service area. The spending limits and purchasing policies set forth herein shall not apply in the event of a proclaimed emergency.

Section XVII. Violation of this Policy

Use of public resources or falsifying expense reports in violation of this policy may result in disciplinary action up to and including termination. Appendix E. Acknowledgement of Receipt of VVWRA Procurement Policy, must be signed by all employees.

Section XVIII. Definitions

Capacity: The ability to collect, transport, measure, analyze, treat, process and/or sell or otherwise dispose of wastes, wastewater and its components and/or its residuals or by-products, as measured by volume or weight.

Capital assets: Those assets that have been capitalized for accounting purposes in accordance with the VVWRA Capital Asset Policy.

Capital Fund: The VVWRA fund that is funded by sewer connection fees, in addition to other sources.

Connection Fees: Fees collected by the VVWRA member entities for connecting to the regional wastewater system and paid to VVWRA for the purpose of funding capital costs.

Cooperative Purchasing Agreements or Piggy Back: Cooperative purchase agreements are when another governmental agency has performed a competitive bid process and allows other agencies to “piggyback” off of those bid prices offered. No formal or informal procedures shall then be required.

Open Charge Account: A charge account that is the financial liability of VVWRA and can be used by VVWRA employees without providing the vendor with an authorized purchase order or purchase contract.

Open Ended Purchase Order: An authorized purchase order that is used for recurring expenditures up to a maximum stated amount. The vendor that is named on this type of purchase order submits invoices or other requests for payment as supplies and materials are furnished or as services are rendered.

Operations and Maintenance Fund: The VVWRA fund that is funded by monthly user service charges, in addition to other sources.

Rehabilitation: Extraordinary expenditures for obtaining and installing process structures, equipment, and accessories which extend the useful life and/or improve the efficiency of the wastewater collection and treatment process from the original design.

Repair and Replacement Fund: The VVWRA fund that is collected as an approved and identified component of the monthly user service charges.

Replacement: Expenditures for obtaining and installing process structures, equipment, and accessories which are necessary to maintain the capacity and performance for which such items were originally designed and constructed.

Upgrade: The ability to process or treat wastewater and its components and/or its residuals or by-products to a higher level, as stated and measured by regulatory authorities.

Sewer User Charges: The unit-price charge levied on each user of the VVWRA system to recover the costs of operation, maintenance, repair, replacement, and rehabilitation; and, which may include an amount for capital costs and debt service. The user charge is based on a unit cost applied to each user's measured wastewater flow to the regional collection system. The users billed by VVWRA are the member entities of the regional authority.

**Appendix A
Organization Chart**

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Appendix B
Quotation Comparison Form

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Appendix C

Victor Valley Wastewater Reclamation Authority Code of Ethics

VVWRA HUMAN RESOURCES' CODE OF ETHICS

The Human Resources Department has established the following standards of conduct governing the performance of all persons exercising delegated purchasing authority in transacting VVWRA business and preventing potential conflicts of interest.

- To regard public service as a sacred trust, giving primary considerations to the interest of the public agency that employs us.
- To purchase without prejudice, seeking to obtain the maximum value for each dollar spent.
- To avoid unfair practices giving all qualified vendors' equal opportunity and consideration in an atmosphere of good faith, devoid of intentional misrepresentation.
- To honor our obligations and require that obligations to our public agency be honored.
- To accord vendor representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving our purchasing needs.
- To refuse to accept any form of commercial bribery and zealously guard against any

~~appearance of conflict of interest~~ **appearance of conflict of interest-**

- To be receptive to counsel from our co-workers and to cooperate with them to promote a spirit of teamwork and unity.
- To conduct ourselves with fairness and dignity and to demand honesty and truth in the purchasing process.
- To strive for greater knowledge of purchasing methods and of the materials we purchase.
- To operate with all organizations and individuals engaged in activities designed to enhance the development of the profession, remembering that our actions reflect on the entire purchasing profession.

ACKNOWLEDGEMENT

I have received a copy of, am fully aware, and understand the VVWRA Human Resources' ethical guidelines; and I agree to abide by the terms of this policy. I also agree to remain apprised of future revisions to this policy and to abide by the terms of all such revisions.

Employee Name: _____

Employee Signature: _____

Date: _____

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Appendix D

Victor Valley Wastewater Reclamation Authority Credit Card, Purchasing Card, Card lock Purchase Card and Open Charge Accounts Agreement

I _____ certify that I have received a copy of the Victor Valley Wastewater Reclamation Authority (VWVRA)'s Procurement Policy dated _____ and I agree to fully comply with such policy and all the procedures, terms and conditions including Section XI on pages _____ as it pertains to the use of Credit Cards, the Purchasing Card assigned to me, the Cardlock Purchase Card and Open Charge Accounts.

I have received Purchasing Card No. _____ Expiration Date _____
Single Transaction Limit _____ Monthly Limit _____.

I understand that transactions are limited as indicated in the Procurement Policy under Section XI and may be modified further by the General Manager or Director of Administrative Services.

I understand that this card has been provided to me through VWVRA's participation in the State of California Cal-Card Program and that, as a cardholder, I am a designated employee under this program. I understand that this card may only be used for Official VWVRA business. I will not use this card to make unauthorized, prohibited or personal purchases. I further agree not to use the card for any purchase that conflicts with VWVRA's Procurement Policies and Procedures.

That is, advance approval of each purchase shall be provided by ordinance, resolution, administrative regulation, or action of the Board of Commissioners, General Manager or Director of Administrative Services.

I understand that unauthorized use of the card may result in disciplinary action up to and including termination and payment for unauthorized charges. I understand that the VVWRA may be liable for all charges on the card, even if inconsistent with the terms of the Agreement. I further understand that the VVWRA will audit the use of this card and will report any discrepancies or misuse of the card to the General Manger and, if necessary, to the Police Department. I acknowledge and agree that I am personally liable to VVWRA for all charges made on the card in violation of the Procurement Policies and Procedures. Accordingly, I further understand and agree that, in the future, I will authorize the VVWRA to deduct from my paycheck any amount that I have charged or have permitted to be charged to this card account which is not consistent with the terms of this Agreement. If acceptable justification for the charge is not received within fifteen (15) days from the receipt of the Statement of Account for the card, I agree that I will authorize VVWRA to deduct the amount of the charge from my paycheck.

I am responsible for the Card's safekeeping at all times. I understand that no one else may use this card for any reason. I will immediately notify the Bank, the Director of Administrative Services, and my supervisor in the event that the card is lost or stolen, if I believe the card has been used in a fraudulent or inappropriate manner, or when there are any changes to my cardholder information.

I agree to retain my bankcard receipts to complete the transaction and to verify the expenditure on behalf of the VVWRA. I will review the Monthly Statement of Account immediately upon receipt and forward verification of each charge to my supervisor as provided for above. If I dispute a charge, I will immediately seek to resolve the problem with the vendor, and complete a "Statement of Questioned Item".

I understand that the VVWRA has the unconditional right to cancel the card issued to me at any time. In the event the VVWRA cancels the card issued to me, or at the time of separation from service with the VVWRA, I will immediately cut it in half and return the card to the Director of Administrative Services or my supervisor.

I understand that approval of this Agreement by the VVWRA makes me responsible for safeguarding and protecting VVWRA assets. I hereby acknowledge receipt of this Agreement and confirm that I have read and understand the terms and conditions. I further acknowledge and confirm that any violation of the terms and conditions of this Agreement may result in disciplinary and/or legal against me.

Cardholder (Print and Sign) _____ Date

Supervisor (Print and Sign) _____ Date

Attachment: VVWRA Procurement Policy dated _____

Appendix E

**Acknowledgement of Receipt of VVWRA
Procurement Policy**

I, hereby acknowledge receipt of the Victor Valley Wastewater Reclamation Authority
Procurement Policy approved on _____.

I understand that compliance with this policy is a condition of employment and that violation of
this policy may result in disciplinary action up to and including termination.

Date: _____

Employee Signature: _____

Employee Name (Please Print): _____

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

October 18, 2018

FROM: Chieko Keagy, Controller *ck*
TO: Logan Olds, General Manager
SUBJECT: Adoption of Resolution 2018-14 to Adopt a Statement of Policy for the Investment of Funds for Fiscal Year 2018 - 2019

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolution 2018-14, A Resolution of the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority to adopt a Statement of Policy for the Investment of Funds for Fiscal Year 2018 - 2019.

REVIEW BY OTHERS

This recommendation was reviewed by External Finance Committee. The staff emailed to George Harris (City of Victorville), Casey Brooksher (City of Hesperia), and Brian Johnson (Town of Apple Valley), and Carolina Mendoza (San Bernardino County Special District); and Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

The investment policy revisions reflect addition of Logan Olds as Treasurer and an insertion of Controller to replace Accounting Supervisor as Deputy Treasurer. In addition, the revision includes a new threshold of \$1,000,000 to move from a general checking account to an investment account to reflect capital or repair project needs. The External Finance Committee reviewed and provided the staff with comments on the revisions. The staff presents to the Board for consideration of the revisions and other clarifying modifications.

FINANCIAL IMPACT

		Finance Approval:		
Fund		01 []	07 []	09 []
Account String	<i>example: 07-02-50-9000</i>			
Project Code	<i>example: C005 for Desert Knoll Wash</i>			
Budgeted Available before This Recommendation		\$		
Budget Applied to This Staff Recommendation		\$		
Budget Remaining (Over Budget)		\$		

RELATED IMPACTS None noted.

RESOLUTION 2018-14

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY FOR
THE ADOPTION OF A STATEMENT OF POLICY FOR THE
INVESTMENT OF FUNDS FOR FISCAL YEAR 2018-2019**

WHEREAS, Government Code Section 6509.5 directs the Victor Valley Wastewater Reclamation Authority (“VWVRA”) to invest funds that are not required for the immediate necessities of VWVRA in a manner consistent with the conditions set forth in Government Code Section 53601, and;

WHEREAS, Government Code Section 53601 specifies the permissible type of investments for surplus funds of local agencies, and;

WHEREAS, Government Code 53630 et seq. Further specifies procedures for the handling and deposit of all monies belonging to, or in the custody of VWVRA, and;

WHEREAS, Government Code 53660 et seq. Further requires the VWVRA Treasurer (“Treasurer”) to annually render to the VWVRA Board of Commissioners (“Commission”) a statement of investment policy which the Commission shall consider and adopt at a public meeting, and;

WHEREAS, the Treasurer has rendered, and the Commission has reviewed, the proposed statement of investment policy.

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

Section 1. The Statement of Investment Policy (“Policy”) attached hereto as Exhibit “A” shall be the statement of investment policy for the Victor Valley Wastewater Reclamation Authority, and;

Section 2. The Policy shall be effective upon adoption and shall continue in effect until amended by formal resolution or until the next annual reconsideration and re-adoption of the Policy by the Commission as required by Government Code Section 53646.

ADOPTED this 18th day of October 2018.

Jeff Rigney, Chair
VWVRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jim Kennedy, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, VWRA Counsel

CERTIFICATION

I, Kristi Casteel, Secretary to the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority, State of California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2018-14, adopted by the Board of Commissioners of said Authority at its meeting of October 18, 2018.

Kristi Casteel
Secretary to the Board of Commissioners

EXHIBIT A



Victor Valley Wastewater Reclamation Authority

Department of Finance

Investment Policy

APPROVALS

Approved by: _____ Date: _____
 General Manager

Approved by: _____ Date: _____
 Controller

PROCEDURE REVISION HISTORY		
Rev.	Date	Approval
1.0	10/18/18	Board Approval – Resolution No.2018-XX

*This document is controlled when viewed online. When downloaded and printed, this document becomes **UNCONTROLLED**, and users should check with the Department of Human Resources to ensure that they have the latest version.*

INVESTMENT POLICY



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY



Board Approved on October 18, 2018

TABLE OF CONTENTS

I. Policy..... 1

II. Delegation of Authority.....1

III. Scope..... 2

IV. Prudence..... 2

V. Objectives..... 3

VI. Ethics and Conflicts of Interest..... 3

VII. Authorized Financial Dealers and Institutions..... 4

VIII. Authorized and Suitable Investments..... 5

IX. Collateralization..... 6

X. Confirmation..... 6

XI. Safekeeping of Securities..... 6

XII. Guidelines..... 7

XIII. Maximum Maturities..... 7

XIV. Internal Control..... 7

XV. Performance Standards..... 8

XVI. Reporting..... 8

XVII. Investment Policy Adoption and Annual Review..... 8

XVIII. Glossary..... 9

- Exhibit 1 Broker/ Dealer Questionnaire**
- Exhibit 2 Investment Policy Certification**

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

TREASURER'S STATEMENT OF INVESTMENT POLICY

OVERVIEW

This statement is intended to provide guidelines for the prudent investment of the Victor Valley Wastewater Reclamation Authority's (hereinafter referred to as "Authority") temporary idle cash, and outline the procedures for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while safeguarding its assets.

I. POLICY

It is the Policy of the Victor Valley Wastewater Reclamation Authority to invest public funds in a prudent manner, which will provide in the following order: 1) the highest level of safety of funds, 2) liquidity of funds in order that daily cash flow demands are met, 3) the yield or investment return be maximized while conforming to all laws of the State of California regarding the investment of public funds. In addition, this policy provides guidelines for authorized investments and in accordance with Section 53646 of the California Government Code, the Authority Treasurer will annually render to the Board of Commissioners a Statement of Investment Policy.

II. DELEGATION OF AUTHORITY

The Board of Commissioners (Board) has ultimate authority with respect to investment of Authority funds, and ensuring compliance with this Policy. The Board may delegate such authority, as it deems appropriate, to individual members, officers, or employees of the Authority.

The Board has appointed General Manager as the Treasurer of the Authority pursuant to Section 6505.6. In the absence of the Treasurer, the responsibility to direct investment transactions effecting Authority monies will be restricted to the Controller, acting as the Deputy Treasurer.

The Treasurer and the Deputy Treasurer have been authorized to undertake investment transactions on behalf of the Authority. The authority to undertake investment transactions on behalf of the Authority shall not pass to another individual unless specifically authorized in writing by the General Manager (Treasurer). Although the Treasurer and Deputy Treasurer have been authorized to undertake investment transactions, the clerical management (such as reporting requirements, confirmations, and record keeping) responsibility for the Authority's investments has been delegated to

the Finance Department of the Authority. No person may engage in an investment transaction except as provided under the terms of this policy.

The Treasurer is responsible for ensuring compliance with the Authority's investment policies as well as for establishing systems of internal control to regulate the activities of subordinate officials.

The Treasurer, the Deputy Treasurer, the Chairman of the Board of Commissioners and representatives from the Finance Department shall review the policy on an annual basis for submission and approval by the Board of Commissioners pursuant to Section 53646.

These same members will act as the Investment Committee and meet quarterly to review the Treasurer's Monthly Investment Report and evaluate the portfolio, the monthly cash report, cash projections and to provide general oversight and guidance concerning the investment policy. The Investment Committee is not authorized to direct investment decisions or select individual investment advisors, brokers or dealers.

III. SCOPE

The Treasurer, as defined in Section II. Delegation of Authority, is authorized to invest the Authority's funds in accordance with the applicable provisions of Articles 1 and 2 of Chapter 4 of Division 2, Part 1 of the California Government Code (the "Chapter 4") and Section 16429.1¹. This investment policy applies to all financial assets of the Authority. These funds are accounted for in the Comprehensive Annual Financial Report, which includes the following fund types:

- Operations and Maintenance Fund
- Repairs and Replacement Fund
- Capital Outlay Fund
- Any new fund created by the legislative body, unless specifically exempted.

All monies entrusted to the Treasurer will be pooled in an actively managed portfolio except for the employees' retirement funds, which are administered separately and the proceeds of certain debt issues, which are managed and invested by trustees appointed under indenture agreements.

IV. PRUDENCE

The actions of the Treasurer in the performance of his or her duties as manager of public funds shall be evaluated using the prudent person standard contained in Section 53600.3 applied in the context of managing the overall portfolio:

All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to Chapter 4 of Division 2, Part 1 of the Government Code are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in

¹ All references to "Section" shall refer to the California Government Code unless specified otherwise.

the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

V. OBJECTIVES

The primary objectives, in priority order, of the Authority investment activities shall be:

A. Safety

Safety of principal is the foremost objective of the investment program. Investments of the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The Authority shall seek to safeguard principal by a careful examination of credit risk and market risk of individual investments.

- Credit Risk - is defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing in only very safe institutions and by diversifying the fund so that the failure of anyone issuer would not unduly harm the Authority's cash flow.
- Market Risk - is defined as limiting the weighted average maturity of the Authority fund to less than five years, shall mitigate the risk of market value fluctuations due to overall changes in the general level of interest rates.
- The Authority shall invest in only those institutions that are considered very safe.

B. Liquidity

The Authority investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating expenditure requirements, which might be reasonably anticipated.

C. Return on Investment

The Authority investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Authority's investment risk constraints and the cash flow characteristics of the portfolio. Whenever possible, consistent with risk limitations and prudent investment principles, the Authority shall make an effort to achieve returns at the market average rate of return. The market average rate of return is defined as the average return on six month U.S. Treasury Bills (in normal markets).

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions on behalf of the Authority. The Treasurer, the Deputy Treasurer and all other employees who have been authorized by the Treasurer pursuant to these policies to undertake investment

transaction on behalf of the Authority are required to file annual disclosure statements, State of California Form 700, Statement of Economic Interests Disclosure, as required by the Fair Political Practices Commission (FPPC), and thus disclose to the Secretary to the General Manager/Board of Commissioners any material financial interests in financial institutions that conduct business within the jurisdiction. Any such employees, shall, prior to authorizing an investment transaction with a business entity in which such employee has a financial interest that would otherwise be reportable on Schedule A-1 of California Form 700 whether or not such entity is located in or doing business in the Authority's jurisdiction at such time, disclose such financial interest to the Secretary to the General Manager/Board of Commissioners and General Counsel of the Authority.

During the course of the year, if there is an event subject to disclosure pursuant to the preceding paragraph that could impair the ability of the Treasurer, the Deputy Treasurer or any other employee who has been authorized by the Treasurer pursuant to these policies to undertake investment transaction on behalf of the Authority to make prudent decisions pursuant to the standard set forth in III above, the General Counsel to the Authority, General Manager and Chairperson and Secretary to the Board will be notified in writing within 10 days of the occurrence of such event subject to disclosure.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Authority shall transact business only with issuers, banks, savings and loans and registered investment securities dealers, managers and advisors. The purchase of any investment, other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State of California as a broker/dealer, as defined in Section 25004 of the Corporations code, who is a member of the National Association of Securities Dealers (NASD) or a member of a Federally regulated securities exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The Treasurer shall investigate all institutions that wish to do business with the Authority, in order to determine if they are adequately capitalized, make market in securities appropriate to the Authority's needs and agree to abide by the conditions set forth in the Authority's Investment Policy and the Treasurer shall not authorize any such institution to provide investment services to the Authority unless such institution shall have provided to the Treasurer: 1) a current audited financial statement, 2) proof of National Association of Security Dealers Certification, 3) proof of state registration, 4) completed broker/dealer questionnaire (Exhibit 1) and certification of having read the Authority's investment policy and depository contracts (Exhibit 2).

The Treasurer will maintain a list of financial institutions authorized to provide investment services to the Authority and review annually the financial condition and registrations of qualified bidders. A current audited financial statement and proof of current National Association of Securities Dealer Certification and state registration are required to be on file with the Treasurer for each financial institution and broker/dealer with which the Treasurer invests funds of the Authority.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS

The Sections 16429.1 and the provisions of Articles 1 and 2 of Chapter 53601, et seq. limits the investment vehicles available to local agencies. The authority's Investment Policy further restricts the permitted investments to those listed below:

- California State Treasurer's Local Agency Investment Fund (LAIF) - Section 16429.1 authorizes each local government agency to invest a maximum of \$40 Million in the investment program administered by the California State Treasurer. Money invested with LAIF is pooled with state money in order to earn the maximum rate of return possible in a manner consistent with sound investment practices. There is no limitation as to the percentage of the portfolio a local agency can invest in LAIF. A local agency can remit to the state treasurer any money not required for immediate needs and Section 16429.1 gives the agency the exclusive determination of the length of time its money will be on deposit.

LAIF provides daily liquidity; therefore, there is no final stated maturity for this investment category. Investments in LAIF shall not exceed \$40 million per governmental entity.

- San Bernardino County Local Agency Investment Fund (SBCLAIF).
- The Investment Trust of California (CalTRUST), as authorized by Government Code Section 53601(p).
- United States Treasury Bills, Notes and Bonds or those for which the full faith and credit of the United States are pledged for payment of principal and interest. Purchase of this category shall not exceed five years to maturity. There is no limit on the percentage of the Authority's investment portfolio that may be invested in this category of investment.
- Insured Certificates of Deposits (CD's) of California banks and/or savings and loan associations, and/or savings banks, which mature in 5 years or less, provided that the authority's purchases of such CD's shall not exceed Two Hundred Fifty thousand Dollars (\$250,000) per institution per the Troubled Assets Relief Program (TARP) of the Federal Government guidelines or any other applicable limit established by the State of California or the Federal Government. If the TARP guidelines change or are eliminated by the Federal Government, the Authority must remain within the insured dollar amount guidelines of the Federal Deposit Insurance Corporation (FDIC). The purchases of certificates of deposit pursuant to this paragraph and the following paragraph may not, in total, exceed 30% of the Authority's investment portfolio that may be invested in these categories of investments.
- Certificates of deposits purchased pursuant to and in compliance with the provisions of Section 53601.8 at a commercial bank, savings bank, or savings and loan association that uses a private sector entity that assists in placement of such certificates of deposit. Certificates of deposits acquired through the Certificate of Deposit Account Registry Service (CDARS) are eligible for investment by the Authority pursuant to this paragraph. The purchases of certificates of deposit pursuant to this paragraph and the preceding paragraph may not, in total, exceed 30% of the Authority's investment portfolio that may be invested in these categories of investments.

- Money Market Mutual Funds (with \$1 net asset value) Investments in money market mutual funds, according to Section 53601(l) shall, be restricted to those funds of diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and that have (1) attained the highest ranking or highest letter and numerical rating provided by not less than two of the following nationally recognized statistical rating organizations: Moody's, Standard & Poor's or Fitch, and (2) retained an investment advisor registered with the Securities and Exchange Commission with not less than five years experience, with assets under management in excess of five hundred million dollars (\$500,000,000). A further restriction is that the purchase price of shares of the mutual funds shall not exceed twenty percent (20%) of the Authority's surplus funds and the purchase price of shares of any one mutual fund shall not exceed ten percent (10%) of the Authority's surplus funds.

IX. COLLATERALIZATION

Collateralization will be required on all Demand Accounts and uninsured Time Deposits. Demand Accounts and uninsured Time Deposits with banks and savings and loans shall be collateralized at 102% of market value of principle and accrued interest or in the manner prescribed by law for depositories accepting municipal investment funds, whichever is greater.

All securities owned by the Authority will be held by an independent third party with whom the Authority has a current custodial agreement, except the collateral for time deposits in banks and savings and loans. Collateral for time deposits in savings and loans is held by the Federal Home Loan Bank or an approved Agent of Depository. The collateral for time deposits in banks shall be held in the Authority's name in the bank's Trust Department, or alternatively in the Federal Reserve Bank.

X. CONFIRMATION

Receipts for confirmation of purchase of authorized securities should include the following information: trade date, par value, rate, price, yield, settlement date, cusip number, description of securities purchased, agency's name, net amount due, third party custodial information. These are minimum information requirements.

Confirmations should be received by the Finance Department, thus allowing for a separation of duties between the Treasurer who places the investment and the Finance Department staff confirming the investment.

XI. SAFEKEEPING OF SECURITIES

In accordance with Section 53601, all securities owned by the Authority shall be held in safekeeping by the Authority's custodial bank or third party bank trust department, acting for the Authority under the terms of a custody agreement. All securities will be received and delivered using standard Delivery-Versus Payment (DVP) procedures, which ensures that securities are deposited with the third party custodian prior to release of funds. A third party custodian as evidenced by safekeeping receipts will hold securities. Investments in LAIF or money market mutual funds are undeliverable and are not subject to delivery or third party safekeeping. Investments in CalTRUST for all

participants are under custody of a third-party custodian selected by the CalTRUST Board of Trustees.

The Authority will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools (LAIF, SBCLAIF and CalTRUST); no more than 50% of the entity's total investment portfolio will be invested in a single security type or with a single financial institution.

XII. GUIDELINES

When more than \$1,000,000 has been accumulated for investment, the Treasurer shall deposit such monies with LAIF or may gather interest quotes from all financial institutions qualified to do business with the Authority and located within the Authority and selected institutions outside the Authority, consisting of both banks and savings and loans who have a Gerry Findley Incorporated (GFI) or other equivalent rating agency used by Municipal Treasurers to evaluate banks and savings and loans, Bank Rating Evaluation of "A" or higher. Before money is invested in other than the LAIF, quotes from six (6) or more institutions shall be obtained by the Authority. All qualified institutions from which quotes are obtained shall be insured under the FDIC or the Federal Savings and Loan Insurance Corporation (LAIF, SBCLAIF and CalTRUST are excluded from this provision).

Quotes may be taken by telephone and shall be arrayed on a quote sheet showing the date of the quote and the name of the Authority employee obtaining quotes. The quote sheet shall list the amount to be invested, the institutions from which quotes were solicited, the quoting official, and the comparative rates of simple interest offered for the money. The simple interest rate shall be listed in each case for thirty (30), sixty (60), and ninety (90), and one hundred and eighty (180) day investment periods. If other alternatives are given they may be listed, however, the purpose of the quote sheet is to compare like with like. (LAIF, SBCLAIF and CalTRUST are excluded from this provision.)

XIII. MAXIMUM MATURITIES

To the extent possible, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow or expressly authorized by the Board no less than three months prior to the investment, the Authority will not directly invest in securities maturing more than five (5) years from the date of purchase.

XIV. INTERNAL CONTROL

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

XV. PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain the highest rate, with the greatest security and liquidity consistent with the cash flow requirements of the authority, but at no fewer rates on the date of investment than the rate being paid by the Local Agency Investment Fund (LAIF).

XVI. REPORTING

Under the provision of Section 53464, the Treasurer shall render a report to the Authority Board of Commissioners containing detailed information on all securities, investment and moneys of the Authority. The report will be submitted on at least a quarterly basis and provided to the Authority board within 30 days following the end of the quarter. The report will contain the following information on the portfolio that is subject to this investment policy.

- The type of investment, name of the issuer, date of maturity, accrued interest, par and cost in each investment;
- The weighted average maturity of the investments;
- The market value and source of the valuation;
- Average term to maturity of the portfolio;
- The description of the compliance with the statement of investment policy; and
- The statement denoting the Authority's ability to meet its anticipated expenditure requirements for the next six months.

XVII. INVESTMENT POLICY ADOPTION AND ANNUAL REVIEW

The above investment policy is adopted by resolution of the Authority. According to Section 53646, the Treasurer shall review the policy on an annual basis and the Board shall consider at a public meeting and approve any modifications made thereto.

Attachments: Glossary
Broker/Dealer Questionnaire
Investment Policy Certification

XVIII. GLOSSARY

AGENCIES: Federal agency securities

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCES (BA): a draft or Bill of Exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the insurer.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CERTIFICATE OF DEPOSIT (CD): a time deposit with a specific maturity evidenced by a certificate. Certificate of Deposit may be issued in either negotiable or nonnegotiable form. Nonnegotiable certificates cannot be resold in the secondary market and may face penalties for early redemption whereas a negotiable CD may be resold.

COUPON: (a) The annual rate of interest that a bond issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full value, e.g., US Treasury Bills.

DIVERSIFICATION: dividing investment funds among a variety of securities offering independent return.

FEDERAL CREDIT AGENCIES: Agencies of Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. The Federal Reserve through open-market operations currently sets this rate. This is the rate banks with excess reserves charge other banks that require overnight loans.

FEDERAL RESERVE SYSTEM: The Central Bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, DC., 12 Regional Banks and about 5,700 commercial banks that are members of the system. It is responsible for regulation monetary policy.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): The federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): the institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks to its member commercial banks.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by the full faith and credit of the US Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (US T-bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: The collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard currently set forth in Section 53600.3. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state – the so-called legal list. In other states the trustee may invest in a surety if it is one, which a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital would buy.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker-dealers, banks and a few unregulated firms.

RATE OF RETURN: For fixed-rate securities, it is the coupon or contractual dividend rate divided by the purchase price, which is also the current yield.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value or not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS OR T-BILLS: A non-interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BOND: Long-term US Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing US Treasury securities issued as direct obligations of the US Government and having initial maturities of from one to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.



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

October 18, 2018

FROM: Chieko Keagy, Controller *sk*
TO: Logan Olds, General Manager
SUBJECT: Adoption of Resolution 2018-15 to Update Authorized Officers for Local Agency Investment Fund

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolution 2018-15, Resolution Authorizing Investment of Monies in the Local Agency Investment Fund to update authorized officers.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel and Robert Coromina, Director of Administration.

BACKGROUND INFORMATION

Based on the investment policy, the staff is updating existing officer information for Local Agency Investment Fund (LAIF) to include the Board Commissioner Chair, the Board Treasurer, the General Manager, and the Controller to deposit to or withdraw from LAIF. After the revisions, the authorized parties are representatives from the Town of Apple Valley, San Bernardino County Special District, Treasurer, and Deputy Treasurer.

FINANCIAL IMPACT

Finance Approval:

Fund		01 []	07 []	09 []
Account String	<i>example: 07-02-50-9000</i>			
Project Code	<i>example: C005 for Desert Knoll Wash</i>			
Budgeted Available before This Recommendation		\$		
Budget Applied to This Staff Recommendation		\$		
Budget Remaining (Over Budget)		\$		

RELATED IMPACTS

None noted.

RESOLUTION NO. 2018-15**RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority (Authority) does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interest of the Authority;

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners does hereby authorize the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following Authority officers shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund: **The Board Commissioner Chair, the Board Treasurer, the General Manager, and the Controller.**

PASSED AND ADOPTED at a regular meeting of the Board of Commissioners of Victor Valley Wastewater Reclamation Authority on this 18th day of October 2018.

Jeff Rigney, Chair
VWVRA Board of Commissioners

ATTEST:**APPROVED AS TO FORM:**

Jim Kennedy, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, VWRA Counsel

CERTIFICATION


I, Kristi Casteel, Secretary to the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority, State of California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2018-15, adopted by the Board of Commissioners of said Authority at its meeting of October 18, 2018.

Kristi Casteel
Secretary to the Board of Commissioners



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

18 October 2018

FROM: Logan Olds, General Manager 
TO: Board of Commissioners
SUBJECT: Staffing

RECOMMENDATION

At this time staff is preparing options and will present a recommendation at the Board meeting.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

VWVRA has had an operator resign. A second operator will be leaving for an extended period on medical leave. A maintenance mechanic is currently on extended medical leave. VWVRA staffing is at a critically low level. There are currently no interns at VWVRA to assist operations and maintenance.

FINANCIAL IMPACT

To be determined.

RELATED IMPACTS

To be determined.



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

October 18, 2018

FROM: Mauricio Marin *MM*

TO: Logan Olds

SUBJECT: Digesters 1, 2 &3 Gas integration Equipment

RECOMMENDATION

It is recommended that the Board of Commissioners approve the purchase of automated gas control valves in order to facilitate digester gas integration controls between all digesters from the sole source provider Sunbelt Supply Company in the amount not to exceed \$36,910.00 (includes Tax & Freight)

REVIEW BY OTHERS

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

BACKGROUND INFORMATION

Staff continues to work on re-commissioning Anaerobic Digesters 1,2 &3 to allow for the needed repair of the domes on digesters 4&5. To that end staff has been working closely with Biogas Engineering to identify the equipment needed to automate the digester gas integration system between all digesters .The automated gas control valves will be installed in strategic locations to allow the Supervisory Control and Data Acquisition System (SCADA) to automatically control digesters gas varying pressures between Digesters 4-5 (low pressure) and Digesters 1,2 &3 (high pressure).

Staff researched purchasing options of these critical valves and obtained two proposals , a third vendor was unresponsive , Sunbelt Supply Company offered the lowest competitive price.This vendor will provide us a package system within a short lead-time of 2 to 3 weeks ,and they will also offer local parts and service with a one year manufacturer warranty in Southern California.

FINANCIAL IMPACT

Finance Approval:

Fund		01 []	07 [X]	09 []
Account String	<i>example: 07-02-50-9000</i>	07-02-152-6011		
Project Code	<i>example: C005 for Desert Knoll Wash</i>	R134 Digester repairs		
Budgeted Available before This Recommendation	\$0.00 - not budgeted			
Budget Applied to This Staff Recommendation	\$36,910.00			
Budget Remaining (Over Budget)	-\$36,910.00			

RELATED IMPACTS

Give operators the ability to use continuously all digester gas produced by either Digesters 4-5 (Low pressure) and Digesters 1,2&3 (High pressure)

**Victor Valley Wastewater Reclamation Authority
Quotation Comparison**

		Vendor #1					Vendor #2				Vendor #3			
		Name Sunbelt Supply Co					Name Coyle Supply				Name West Lake Controls			
											NON Responsive			
		Contact Gus Vasquez					Contact Scott Bailey				Contact Tim Hennessey			
		Telephone 3103277750					Telephone 4178620483				Telephone 9494219715			
Item	Description	Qty	Per Unit	Total	+T	+Frt	Per Unit	Total	+Tax	+Frt	Per Unit	Total	+Tax	+Frt
	Digesters 1,2 & 3													
1	Gas Integration Equipment	1	33250	33250	Y	Y	34083.35	34083.35	N	N			N	N
2					N	N			N	N			N	N
3					N	N			N	N			N	N
4					N	N			N	N			Y	N
5					N	N			N	N			N	N
6					N	N			N	N			N	N
7					N	N			N	N			N	N
Plus Sales Tax			2660				2726.69				0.00			
Plus Shipping/Freight			1000				1000				0.00			
Total			36910				37810.15							



Date: 10-01-2018

To: Victorville Water

Page 1 of 2

Quote# SBSQN_01_100118.Victorville_Water

Attn: Mauricio Marin

Phone:

Reference:

E-mail:

Item	Qty	Part No.	Description:	Unit Price	Extended Price
1	4	3-150UVCM-B175C10-6330XPAHBA0BNM	3" KITZ segmental V-port ball valve, CL 150, RF-FE, 316 SS body & disc, Flekseats for gas, =% trim flow, w/ Automax rotary pneumatic actuator, spring return-FCCW at 80 psi at full dP across the valve, w/ Westlock positioner, HARTprotocol, 4-20mA input, Class 1, Div 1, 316 SS tubing and fittings, fully mounted, tubed, wired & bench tested. Del: 2-3 weeks TAG#	\$6,826.00	\$27,304.00
2	1	P4-120N7-MK	Promotion electric actuator, on/off, 120V power, (2) SPDT mechanical switches, NEMA 4, 4x 7, Class 1, Div 1, w/ custom bracket and coupler to mount onto existing valve. Del: 1-2 weeks TAG#	\$2,087.00	\$2,087.00
3	1	8-B5123-02-S02-11-B175S10-EF8551A001MMS-9479NBY2B2M0600-67CF	8" Cameron butterfly valve, HP, CL 150, lug type, 316 SS body & disc, RTFE seats, w/ Automax rotary pneumatic actuator, spring return-FCW at 80 psi at full dP across the valve, w/ ASCO solenoid valve-single operator, 24VDC power, 3-way, 1/8" FNPT ports, Westlock limit switch, CL 1, Div 1, Fisher pneumatic filter regulator, fully mounted, tubed, wired & bench tested. Del: 1-2 weeks TAG#	\$3,859.00	\$3,859.00

Notes, comments, exceptions:

1. All Stock Subject to Prior Sale.
2. Shipping charges not included in quote.
3. Inbound freight will apply.
4. 1-year warranty on assemblies.
5. Freight estimate at \$250.00
6. Tax \$2,660.00 net at 8%

FOB:**Terms: Net 30 Days****Validity: 30 days**

Applicable taxes not included. Please contact me if there is anything else I can help you with.

Best Regards,

Gus Vasquez

17129 Kingsview Ave. Carson, CA 90746 310.327.7750



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

October 18, 2018

FROM: Marcos Avila Maintenance Mechanic Lead *MAH*

TO: Logan Olds, General Manager

SUBJECT: Digester Mixing Pump Replacement.

RECOMMENDATION

It is recommended that the Board of Commissioners approve the purchase of a replacement mixing pump (model SEAF 8" AF bare pump) from the sole source provider Charles P Crowley Company in the amount not to exceed \$49,818.21

REVIEW BY OTHERS

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

BACKGROUND INFORMATION

Staff continues to work on rebuilding Anaerobic digesters 1-3 to allow for the eventual repair of the domes on digesters 4&5. As part of the re-commissioning of Anaerobic digesters 1-3, staff identified the replacement of the existing mixing pump for digester 2.

Mixing is a critical part of our Anaerobic digester operation. In order for the organic material being fed to the digesters to meet the requirements for class sludge, and be turned into usable biogas, this material has to be mixed to provide the contact with the micro organisms present inside the digester. Our digesters are continuously mixed to achieve a constant and stable gas production. A reliable mixing pump is critical in our Anaerobic digestion process.

FINANCIAL IMPACT

Finance Approval:

Fund		01 []	07 [X]	09 []
Account String	<i>example: 07-02-50-9000</i>	07-02-152-6011		
Project Code	<i>example: C005 for Desert Knoll Wash</i>	R134 Digester repairs		
Budgeted Available before This Recommendation	\$			
Budget Applied to This Staff Recommendation	\$ 49,818.21			
Budget Remaining (Over Budget)	\$			

RELATED IMPACTS

1. Increase mixing efficiency.
2. Avoid downtime and long lead time.



QUOTATION

Quote Number: Q22408CMU REV.3
 Quote Date: Oct 2, 2018
 Good Through: Nov 1, 2018
 Page: 1

15861 Business Center Drive
 Irwindale, CA 91706
 U.S.A.

Voice: 626-856-5656 Fax: 626-856-5658

Quoted To:

VICTOR VALLEY WASTEWATER REC AUTH
 20111 SHAY ROAD
 VICTORVALLEY, CA 92394

ShipTo:

VICTOR VALLEY WASTEWATER REC AUTH
 20111 SHAY ROAD
 ATTN: MARCOS AVILA
 VICTORVALLEY, CA 92394

Customer ID	Good Thru	Payment Terms	Sales Rep
VICTOR VALLEY - 01	11/1/18	Net 30 Days	AQ

Quantity	Item	Description	Unit Price	Amount
1.00		~~DUPLICATE PUMP FOR OBSOLETE MODEL SEAF SN: 415A270~~ 8" AF BARE PUMP FREIGHT: FOB FACTORY (SENECA FALLS, NY) PP&A DELIVERY: STANDARD LEAD TIME 24.50 WEEKS ARO BUT CAN BE REDUCED TO 20 WEEKS WITH DESIGN TIME IF ORDER IS EXPEDITED	43,822.00	43,822.00

CPC Co. has a minimum order requirement of \$150.00

Credit Cards: We accept Mastercard or Visa only, with a 3% fee.

No prepayment discounts are allowed by CPC Co.

All orders are subject to sales tax, unless otherwise noted.

Freight is prepaid and added, unless otherwise noted.

CPC Co.'s Standard Terms and Conditions (T & C's) will apply to all orders.

Please ask for a copy of these T & C's if you have not reviewed them.

Subtotal	43,822.00
Sales Tax	3,396.21
Freight	2,600.00
TOTAL	49,818.21



Kang S. Choi
Regional Sales Engineer
Municipal Business

Goulds Pumps

Saint Charles IL Sales Office
tel 630 797-5149
email kang.choi@itt.com

October 1, 2018

To Whom It May Concern:

ITT Goulds Pumps is pleased to confirm that Charles P Crowley Company. is currently our exclusive authorized distributor for all pumps and original replacement parts for the municipal market. This includes products marketed under the ITT Goulds Pumps brand names for the municipal water and wastewater market, in the counties of southern California defined in their distributor agreement.

You may contact Charles P Crowley Company. at:

Charles P Crowley Company
15861 Business Center Drive
Irwindale, CA 91706
Phone: (626) 856-5656
FAX: (626) 856-5658
URL: www.cpcrowley.com

If you require additional information or have any questions regarding this matter, please feel free to contact our office.


Sincerely,

A handwritten signature in black ink that reads "Kang S. Choi".

Kang S. Choi
Regional Sales Engineer



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Report/Recommendation to the Board of Commissioners
 18 October 2018

FROM: Logan Olds, General Manager 

TO: Board of Commissioners

SUBJECT: Lewis Center for Educational Research Easement for Desert Knolls Wash Interceptor Project

RECOMMENDATION

At the time of writing this staff recommendation the Lewis Center for Educational Research indicated that their Board would be meeting on Wednesday October 17th to discuss the offer for a permanent and temporary easement to construct the Desert Knolls Wash Interceptor Project. Staff believes that there will be information to present to the Board on 18 October 2018. At that time staff will provide the Board with a verbal recommendation.

REVIEW BY OTHERS

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

BACKGROUND INFORMATION

The background information for the permanent sewer easement is attached for reference and authorization if an agreement is reached and the VVWRA Board is able to act on an offer by the Lewis Center for Educational Research.

FINANCIAL IMPACT

Unknown at the time of preparing this staff recommendation.

RELATED IMPACTS

None

RECORDING REQUESTED BY:

Victor Valley Wastewater
Reclamation Authority

WHEN RECORDED MAIL TO:

Victor Valley Wastewater
Reclamation Authority
15776 Main Street, Suite 3
Hesperia, CA 92345

EXEMPT FROM RECORDING FEES PER GOVT. CODE §27383
EXEMPT FROM DOCUMENTARY TRANSFER TAX PER REV. & TAX CODE §11922

PERMANENT SEWER EASEMENT

Assessor Parcel No. **0473-183-21**

The UNDERSIGNED, THE HIGH DESERT “PARTNERSHIP IN ACADEMIC EXCELLENCE” FOUNDATION, INCORPORATED, a Non-Profit Corporation, (“Grantor”) hereby GRANTS to the VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY, a Joint Powers Authority and Public Agency of the State of California (“Grantee”), an easement in, over, under, upon and across the lands hereinafter described, to construct, operate, reconstruct, install, replace, remove, repair, alter, maintain, inspect and use sewer line(s) and all related appurtenances (“Grantee Facilities”) for public purposes, and for ingress and egress in connection with the exercise of any of the foregoing rights. The property subject to this easement (“Property”) is located in the County of San Bernardino, State of California, described in attached exhibit marked EXHIBIT “A” and shown on the map marked EXHIBIT “B” attached hereto, both of which exhibits are incorporated herein by this reference.

The above described easement is for the construction, use, reconstruction, maintenance, repair, alteration, inspection, replacement and removal of the Grantee Facilities. Said easement is irrevocable and shall continue in full force and effect, unobstructed from permanent structures or improvements, including without limitation, buildings, fences, concrete or trees, so long as said pipeline system is operated and maintained by Grantee, its successors and assigns, upon the Property.

Grantor shall provide Grantee with access to all roads, driveways and walkways that are now and may be located in and around the Property that are necessary or appropriate for proper ingress and egress to and from the Grantee Facilities. Any upgrade, maintenance, repair, replacement or removal of the Grantee Facilities shall be at Grantee's expense unless the Grantee Facilities are damaged as a result of the negligent acts of Grantor, its contractors, lessees, successors or assigns.

If any legal or equitable action or proceeding is instituted by one party against the other to enforce or interpret any provision of this easement, the party prevailing in such action shall be entitled to recover from the losing party all of its costs of suit, including, but not limited to, reasonable attorneys' fees awarded by the court.

This easement may be amended or modified only by a written instrument executed and acknowledged by the parties or their successors in interest and recorded in the Official Records of Riverside County, California. Any provision of this easement adjudicated by a court of competent jurisdiction to be invalid or unenforceable for any reason shall be ineffective to the extent of such prohibition or invalidity and shall not invalidate or otherwise render invalid or unenforceable any remaining provisions of this grant.

Subject to the easements and offers of dedication of record.

IN WITNESS THEREOF, the undersigned Grantor has executed this instrument as of _____, 2018.

GRANTOR:

**THE HIGH DESERT "PARTNERSHIP IN
ACADEMIC EXCELLENCE" FOUNDATION,
INCORPORATED, a Non-Profit Corporation,**

By: _____

Name: _____

Title: _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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

State of _____)

County of _____)

On _____ before me, _____

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

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

WITNESS my hand and official seal.

Notary Public Signature

(Notary Public Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document requirement)

Number of Pages _____ Document Date _____

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary sealing and, if needed, should be completed and affixed to the document. Acknowledgements from other states may be complete if the documents being sent to that state so long as the sending does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarial act must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and their full title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarial act.
- Indicate the correct gender or plural form by crossing out incorrect forms (i.e. he/she/they or her) or crossing the correct form. Failure to correctly indicate this information may lead to rejection of document regarding.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression is illegible, re-stamp if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - Additional information is not required but could help to ensure that acknowledgment is not enclosed or attached to a different document.
 - Indicate title or type of attached document, number of pages and date.
 - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the role (i.e. CEO, CFO, Secretary).
- For each attached document to the separate document with a staple.

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

CERTIFICATE OF ACCEPTANCE

This Certificate of Acceptance pertains to the interests in real property conveyed by the Grant of Permanent Sewer Easement to which this Certificate of Acceptance is attached,

from: **THE HIGH DESERT "PARTNERSHIP IN ACADEMIC EXCELLENCE" FOUNDATION, INCORPORATED ("Grantor")**

to: **VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY ("Grantee")**

Said Grant of Permanent Sewer Easement is hereby accepted by the undersigned officer on behalf of Grantee pursuant to authority conferred by the Grantee's governing board, and Grantee hereby consents to recordation of said Grant.

Dated: _____, 2018

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY, a Joint Powers Authority

By: _____

Logan Olds, General Manager

EXHIBIT "A"
LEGAL DESCRIPTION
V.V.W.R.A. – DESERT KNOLLS WASH INTERCEPTOR
GRANT OF EASEMENT
APN 0473-183-21

PARCEL 1:

A STRIP OF LAND 10.00 FEET IN WIDTH BEING A PORTION OF SECTION 10, TOWNSHIP 5 NORTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF APPLE VALLEY, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, THE CENTERLINE OF SAID STRIP IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST ONE-QUARTER CORNER OF SAID SECTION 10; THENCE NORTH 00°58'48" EAST A DISTANCE OF 214.30 FEET TO THE TRUE POINT OF BEGINNING; THENCE

- 1) SOUTH 25°10'37" WEST, 303.43 FEET TO AN ANGLE POINT; THENCE
- 2) SOUTH 29°19'06" WEST, 549.20 FEET TO AN ANGLE POINT; THENCE
- 3) SOUTH 34°38'07" WEST, 532.91 FEET TO AN ANGLE POINT; THENCE
- 4) SOUTH 38°09'42" WEST, 312.66 FEET TO AN ANGLE POINT, SAID POINT REFERRED TO AS "POINT A"; THENCE
- 5) SOUTH 38°23'23" WEST, 108.97 FEET TO AN ANGLE POINT; THENCE
- 6) SOUTH 76°08'12" WEST, 164.85 FEET TO THE TERMINUS OF PARCEL 1

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED OR SHORTENED TO TERMINATE ON THE EAST LINE OF SAID SECTION 10.

CONTAINING 19,720 SQUARE FEET/0.453 ACRES.

PARCEL 2:

BEGINNING AT SAID "POINT A"; THENCE

- 1) NORTH 84°13'13" EAST, 19.76 FEET TO THE TERMINUS OF PARCEL 2.

THE SIDELINES OF SAID STRIP OF LAND ARE TO BE SHORTENED TO TERMINATE ON THE EASTERLY LINE OF SAID PARCEL 1.

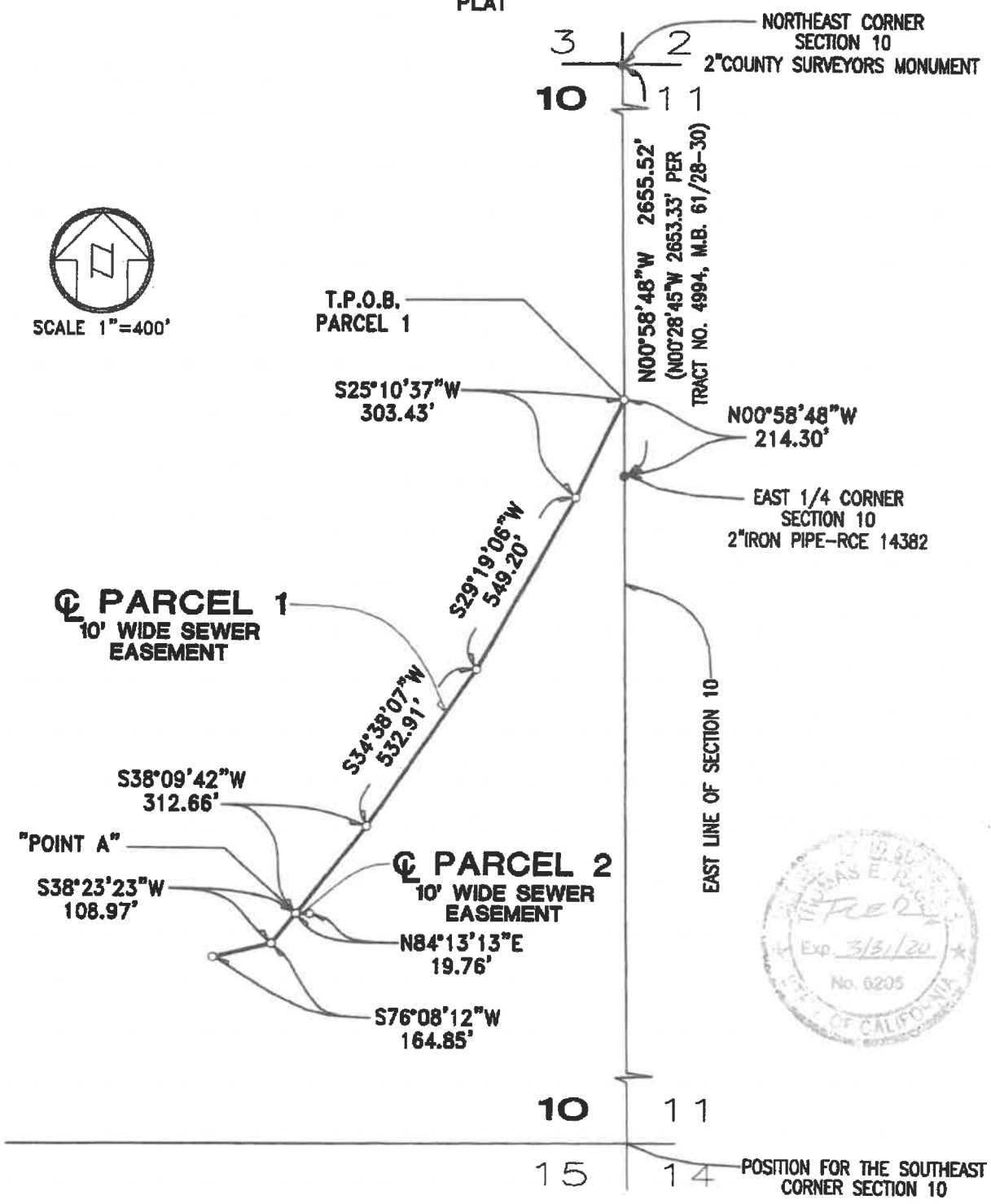
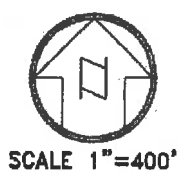
CONTAINING 128 SQUARE FEET/0.003 ACRES.

THIS LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION PURSUANT TO CALIFORNIA BUSINESS AND PROFESSIONAL CODE SECTION 87300.

TER 4/27/18
THOMAS E. RAGEN, L.S. 6205 DATE



EXHIBIT "B" PLAT



TRLS ENGINEERING Inc.
 10770 I Ave, Ste. 108
 Hesperia, CA 92345
 <760> 948-4900



VICTOR VALLEY WATER RECLAMATION AUTHORITY
 A.P.N. 0473-183-21
 DESERT KNOLLS WASH INTERCEPTOR
 APPLE VALLEY, CA



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

October 18, 2018

FROM: Marcos Avila Maintenance Mechanic Lead *MA*

TO: Logan Olds, General Manager

SUBJECT: Apple Valley Otoe Lift Station Replacement Pump

RECOMMENDATION

It is recommended that the Board of Commissioners approve the purchase of a direct replacement pump (Hidrostal pump model F4K-S with a stainless steel impeller) for Apple Valley Otoe lift station from the sole source provider Flo-Systems, INC in the amount not to exceed \$46,690.89.

REVIEW BY OTHERS

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

BACKGROUND INFORMATION

In June 2017, VWRA obtained ownership of the operations and maintenance of Otoe lift station. An assessment of the existing pump equipment was completed. Pump 1 has been in operation for over 30 years and has displayed a decrease in efficiency. An efficiency pump study was completed on November 8, 2017 by Southern California Edison (SCE) and they recommend replacing pump #1. The Lift station collects sewage flow and transfers the flow into interceptors or to the Water reclamation plants (WRP). Both these operations depend on having reliable and efficient pumps.

Our recommendation includes the following necessary options with the purchase.

- Certified performance test.
- Hydro testing.
- Stainless steel impeller

FINANCIAL IMPACT

Finance Approval:

Fund		01 []	07 [X]	09 []
Account String	<i>example: 07-02-50-9000</i>	07-19-10-6011		
Project Code	<i>example: C005 for Desert Knoll Wash</i>	9999 for no project.		
Budgeted Available before This Recommendation		\$43,134.40		
Budget Applied to This Staff Recommendation		\$46,690.89		
Budget Remaining (Over Budget)		(\$3,556.49)		

RELATED IMPACTS

1. Increase in pumping efficiency.
2. Increase in Power savings.
3. Avoid downtime and long lead time.

December 15, 2017

**MAURICIO MARIN
VICTOR VALLEY WASTEWATER AUTHORITY
20111 SHAY ROAD
VICTORVILLE CA 92394**

HYDRAULIC TEST RESULTS: Otoe Pump #1
 Location: 21012 OTOE
 Cust #: 0-000-0122 Serv. Acct #: 047-6407-11
 Meter: 259000-037176 Pump Ref.#: 41875

In accordance with your request, an energy efficiency test was performed on your centrifugal booster pump on November 08, 2017. If you have any questions regarding the results which follow, please contact PAULO ROJAS at (909) 820-5537.

		Equipment
		HP: 50
Pump:	WEMCO	No: 9111390-1
Motor:	RELIANCE	No: 1MAF64678
Results	Test 1 @48Hz	
Discharge Pressure, PSI	25.0	
Discharge Head, Feet	57.8	
Suction Head or Lift, Feet	9.5	
Total Head, Feet	48.3	
Capacity, GPM	760	
Acre Feet Pumped in 24 Hours	3.359	
kW Input to Motor	17.8	
HP Input to Motor	23.9	
Motor Load (%)	43.6	
Measured Speed of Pump, RPM		
Customer Meter, GPM		
kWH per Acre Foot	127	
Overall Plant Efficiency (%)	38.8	

Due to an inadequate water measurement test location, the flow and resulting OPE should be considered approximate rather than actual. The test location does not meet industry standards. We recommend 8-10 diameters of uninterrupted pipe lengths for the ideal test location. This pump is operating inefficiently. The inefficiency is most likely caused by pump wear, failure of pump design to meet existing conditions or a combination of both. Use customer pressure gauge and level indicator for total head. Unable to increase frequency during the test. Annual energy usage was approximated using the hour clock reads provided.

RON FORD
Manager - Hydraulic Services

December 15, 2017

MAURICIO MARIN
VICTOR VALLEY WASTEWATER AUTHORITY
20111 SHAY ROAD
VICTORVILLE CA 92394

PUMPING COST ANALYSIS: Otoe Pump #1

Location: 21012 OTOE

CSS Cust #: 0-000-0122

CSS Serv. Acct.: 047-6407-11

Pump Ref.#: 41875

Meter: 259000-037176

The following energy efficiency analysis is presented as an aid to your cost accounting. This is an estimate based on the conditions present during the Edison pump test performed on November 08, 2017, billing history for the past 12 months, and your current rate of ESP.

Assuming the water requirements will be the same as for the past year, and all operating conditions (annual hours of operation, head above and water pumping level) will remain the same as they were at the time of the pump test, it is estimated that:

- 1 Overall plant efficiency can be improved from 38.8% to 63.0%.
- 2 This can save you up to 21,935 kWh and \$2073.92 annually.
- 3 These kWh savings translate to a 9.50-ton decrease in CO₂ emissions.

	Plant Efficiency		Savings
	<u>Existing</u>	<u>Improved</u>	
Total kWh	57,144	35,209	21,935
kW Input	17.80	10.97	6.83
kWh per Acre Foot	127	78	48.75
Acre Feet per Year	450.0		
Average Cost per kWh	\$0.09		
Average Cost per Acre Foot	\$12.01	\$7.40	\$4.61
Overall Plant Efficiency (%)	38.8	63	
Total Annual Cost	\$5,402.96	\$3,329.04	\$2,073.92

It is sincerely hoped that this information will prove helpful to you, and that your concerns over maintaining optimum energy efficiency will be continued. If you have any questions regarding this report, please contact PAULO ROJAS at (909) 820-5537.

RON FORD
 Manager - Hydraulic Services



Confidential / Proprietary

December 15, 2017

Save Energy, Save Money... Your test results show that you can!

MAURICIO MARIN

VICTOR VALLEY WASTEWATER AUTHORITY PUMPING COST ANALYSIS: Otoe Pump #1

20111 SHAY ROAD

Location: 21012 OTOE

VICTORVILLE CA 92394

Cust #: 0-000-0122

Serv. Acct.: 047-6407-11

Meter: 259000-037176

Pump Ref.#: 41875

Dear SCE Customer:

Solution Code: PM-90890

Helping California businesses save energy and money is a major goal at SCE. As you know, our Technical Specialist performed a free energy efficiency test on one or more pumps at your facility on November 08, 2017. We thank you for the opportunity to provide this service, and appreciate your interest in the performance of your pumps.

The results of the testing, shown in the table below, indicate that the pump listed above has the potential for improved Overall Plant Efficiency (OPE), lower energy costs and a cash incentive.

Projected Incentive, Energy , and Cost Savings

	<u>Existing</u>	<u>Improved</u>	<u>Savings</u>	<u>Cash Incentive</u>
Total kWh	57,144	35,209	21,935	\$3,071.00
kW Input	17.80	11.00	6.80	
Acre Feet per Year	450.0			
kWh per Acre Foot	127	78	48.75	
Average Cost per Acre Foot	\$12.01	\$7.40	\$4.61	
Overall Plant Efficiency (%)	38.8	63		
Annual Total	\$5,402.96	\$3,329.04	\$2,073.92	\$3,071.00

Based on these results, it is estimated that the dollar savings as a result of this SCE incentive project will pay for the cost of the project after 3.3 years¹. Payback time without SCE incentive is estimated to be 4.8 years¹.

¹ Payback years are estimated and may vary depending on the actual project cost.

Case studies have shown that repairing, retrofitting, or replacing inefficient pumps can save energy and money, and may even help you avoid serious operational problems. For you business, this could mean the following:

- Overall plant efficiency can be improved from 38.8% to 63.0%.
- Lower Energy Costs: Based on the test data, your past energy usage, and your current rate of ESP, we estimate that you may save up to 21,935 kWh annually, resulting in energy cost savings of \$2,073.92.
- Cash Incentive: With the retrofit and installation of more energy-efficient equipment, you have the potential to receive an incentive of \$0.08 per kWh courtesy of SCE's Customized Efficiency Program and an additional \$0.06 per kWh based on your Silver level with High Desert Partnership. Based on your estimated kWh savings, you would be eligible for a Potential Cash Incentive of \$3,071, capped at 50% of your project cost. (See contract for details.)

If you are interested in an incentive for this pump, please contact PAULO ROJAS at (909) 820-5537 to complete a project application. All applicants must receive a written approval authorization before implementing any project; failure to comply will result in forfeiture of incentive funding.

We encourage you to review your results and take advantage of SCE's energy efficiency expertise and incentives. Visit www.sce.com/rebatesandsavings, or give us a call and let us know how we can be of further service to you.

Sincerely,
Southern California Edison

Program funded by California utility ratepayers, and administered by Southern California Edison under the auspices of the California Public Utilities Commission.

RON FORD
Manager - Hydraulic Services

Confirmation #800101059
300 North Pepper Ave
Rialto, CA 92376

140 S. Chaparral Ct. Suite 140 Anaheim Hills, CA 92808 Phone (714) 202-8101

October 2, 2018

Proposal # 081618N-18-040

Page 1 of 4

To: VVWRA Attn: Marcos Avila 951-973-7393

Re: Apple Valley Lift Station

Dear Marcos,

Flo-Systems is pleased to offer our proposal for a Hidrostral pump for the above lift station, dimensionally and performance-wise identical to the existing pumps. I assume this pump will replace the existing, old Fairbanks Morse pump. We are also offering some optional alternatives below.

Qty. Description

- 1 Hidrostral Brand dry pit horizontal screw centrifugal pump model F4K-S, ductile iron impeller & high chrome liner, flushless tandem mechanical seal, 50 HP, 1800 RPM premium efficient, TEFC, space heaters, direct connect steel base, with coupling and coupling guard, factory standard paint, Tnemec N69, no testing. Freight prepaid 7 allowed included in price below.

Total Price for above \$36,475.00

Note: Special discount: We will offer a 5 % discount on this price if you order the pump by 11/02/18.

Optional Adders:

Non-witness certified performance test	\$2,695.00
Hydro test	\$675.00
SS Impeller (existing pumps have SS impeller)	\$3,730.00

Estimated Lead times: 3 to 4 weeks for submittals ARO, if you want submittals; 18-20 weeks for shipment after approval of submittals and written release, one week for certified testing, if you choose it, one week for transit. Add 3 to 4 weeks for SS impeller

NOT INCLUDED:

- Sales Tax - Provide a resale card if non-taxable.
- Anchor bolts, Jacking Screws
- Control Panels, VFDs, Junction boxes, main disconnect, meter box, conduits, seal offs, Kellem grips, valves, piping, hoses, gauges, warning signs or any ancillary equipment not specifically stated in this proposal.
- Field vibration tests, vibration analysis or vibration testing equipment.
- Field sound pressure level testing, hiring of acoustical consultants.

Proposal # 081618N-18-040
 Page 2 of 4
 VVWRA

- Noise measurement or noise measurement equipment.
- Pumps ship assembled on base plate; however, alignment might get disturbed during transit. Field re-alignment is required and is not included in our scope.
- In the event of any repair work needed within the one-year warranty period, taking out the equipment and re-installing the equipment is not covered under warranty.
- **Startup or any field services, although it's available at an extra cost.**
- Any accessories or services not specifically mentioned in our proposal.

INCLUDED:

- Freight to the jobsite. (FOB factory - freight allowed to the first destination).
- One electronic copy of submittals and as-built O&M manual. Hard copies can be provided at an extra charge.

THIS PROPOSAL EXPIRES IN 30 DAYS from the date of this proposal or bid opening date, if applicable.

This proposal reflects prices based solely upon Flo-Systems' Terms of Sales attached. This proposal does not include the potential additional costs for bonding, accepting contractors terms and conditions, retentions, etc.

The Sellers work and responsibility is expressly limited to providing materials and performing the services listed in this proposal. Design, application and direction for work and materials are to be provided by and responsibility of the Buyer.

This proposal is subject to the attached Flo-Systems Terms of Sale. Any order or contract resulting from this proposal shall be governed by said terms. In addition, (1) Buyer grants to seller a security interest in the equipment listed until contract is completed and full payment is made; (2) In the event that it becomes necessary to enforce the attached Terms of Sale, the prevailing party shall be entitled to reasonable attorney fees and related costs; (3) Interest on past due accounts will be charged at the maximum legal rate not to exceed 1-1/2% per month.

Flo-Systems reserves the right to either accept the order direct or act as a manufacturer's representative, in which case some of the above equipment orders would be placed direct with these manufacturers, along with their terms and conditions.

Thank you for the opportunity to submit this proposal.

Sincerely,
 FLO-SYSTEMS, INC.

Neil Kulkarni



Date: 10/02/18

To: Victor Valley WRA
Attn: Marcos Avila

SUBJECT: SOLE SOURCE LETTER

Dear Mr. Avila,

We thank you for your inquiry into Hidrostal Pumps LLC equipment and parts.

Hidrostal Pumps LLC, in Aurora, Illinois, is the sole source for Hidrostal screw centrifugal pumps and Prerostal Prerotation systems. For assistance and complete information on all Hidrostal pumps, equipment, and parts, please contact our exclusive representative in your area:

Flo-Systems, Inc.

Tel: 714-202-8101 Fax: 714-627-4936
Email: sales@flo-systems.net

Flo-Systems, Inc. is our exclusive representative for Southern California, south of and including the counties of Inyo, Kern, and San Luis Obispo, and also for the state of Nevada, south of and including the counties of Mineral, Nye, and Lincoln.

Flo-Systems, Inc. is also a Hidrostal Authorized Service Center for warranty repairs.

We appreciate your continued interest in Hidrostal Pump products, and we thank you again for the opportunity to serve you.

Sincerely,


A handwritten signature in black ink, appearing to read 'Brent J. Bailey', written in a cursive style.

Brent J. Bailey
Regional Sales Manager-West
Hidrostal Pumps LLC
T: 630-948-3355
C: 630-890-9995
E: bbailey@hidrostalpumps.com



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

18 October 2018

FROM: Logan Olds, General Manager 

TO: Board of Commissioners

SUBJECT: Adoption of Resolution 2018-16 to Quitclaim Deed Interest in Real Property to City of Hesperia

RECOMMENDATION

It is recommended that the Board of Commissioners approve Resolution 2018-16, Resolution of the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority to Quitclaim Deed Interest in Real Property to City of Hesperia.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda.

BACKGROUND INFORMATION

Please refer to attached maps and descriptions. When the Hesperia Water Reclamation Plant (WRP) was in the planning stages the City of Hesperia initially allowed VVWRA to obtain only a portion of the property to build the subregional facility. (See, Figure 1). When the Department of Public Health (DPH) for the State of California raised some issues, VVWRA relocated the percolation ponds for the WRP to a site adjacent to the WRP. This led to an additional transfer of property from the City and a change in lot lines to VVWRA, Figure 2. During the final permitting process, it became apparent that the City and VVWRA had not completed the final land transfer documents with the County. Given that the City was still on title, the City was jointly listed as a Producer/Discharger on the Waste Discharge Requirement (WDR) permit. The issue was addressed, and the City was removed from partial ownership of the percolation ponds. VVWRA, however, remained listed as an owner of the adjacent stormwater detention pond, Figure 3. By approving Resolution 2018-16 and authorizing the General Manager and legal counsel to complete the necessary documentation to quitclaim VVWRA's property interest in the stormwater detention pond, VVWRA will no longer be a joint property owner with the City of the stormwater detention pond.

FINANCIAL IMPACT

None

RESOLUTION NO. 2018-16

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE VICTOR VALLEY WASTEWATER RECLAMATION
AUTHORITY TO QUITCLAIM DEED INTEREST IN REAL
PROPERTY TO CITY OF HESPERIA**

WHEREAS, when the Hesperia Water Reclamation Plant (WRP) was in the planning stages the City of Hesperia initially allowed VVWRA to obtain only a portion of the property to build the subregional facility. (See, Figure 1, attached hereto):

WHEREAS, in response to concerns raised by the Department of Public Health (DPH) for the State of California, VVWRA relocated the percolation ponds for the WRP to a site adjacent to the WRP;

WHEREAS, the relocation of the percolation ponds led to an additional transfer of property from the City and a change in lot lines to VVWRA (see Figure 2 attached hereto);

WHEREAS, as a result of the transfer documents VVWRA remained listed as an owner of an adjacent stormwater retention pond (see, Figure 3 attached hereto)

WHEREAS, VVWRA does not have an interest in ownership or operation of the storm water retention pond and does not have an interest in being be a joint property owner with the City of Hesperia with regards to the stormwater detention pond.; and,

WHEREAS, VVWRA desires to quitclaim to the City of Hesperia all rights, title and ownership of the stormwater detention pond;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Victor Valley Wastewater Reclamation:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Board hereby authorizes and approves the conveyance of the interests in real property described in the Quitclaim Deed attached hereto (the "Quitclaim Deed") and authorizes and directs the Chair, or the General Manager in its stead, to execute the Deed and/or any necessary papers to effect the transfer.

The officers, staff and legal counsel of VVWRA are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers or staff are hereby ratified and confirmed.

APPROVED AND ADOPTED this 18th day of October, 2018.

Jeff Rigney, Chair
VWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Scott Nassif, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

RECORDING REQUESTED BY

City of Hesperia

When Recorded Mail This Deed To:

City of Hesperia
City Clerk's Office
9700 Seventh Ave.
Hesperia CA 92345

OFFICIAL BUSINESS
Exempt from fee per Gov't Code. §6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$ -0- Exempt under R & T Code §11922

Unincorporated area City of Hesperia

Parcel No. _____

Computed on full value of property conveyed, or

Computed on full value less value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

Does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

HESPERIA WATER DISTRICT

The following described property in the City of Hesperia, County of San Bernardino, State of California:

Parcel 1 of Parcel Map No. 19462, Parcel Map Book 244, Pages 38 and 39

Dated _____

Signature

STATE OF CALIFORNIA

COUNTY OF _____ } S.S.

On _____, before me, _____, personally
(Date) (Name and title of the officer)

appeared _____, who proved to me on the basis of satisfactory evidence to be
(Name of person signing)

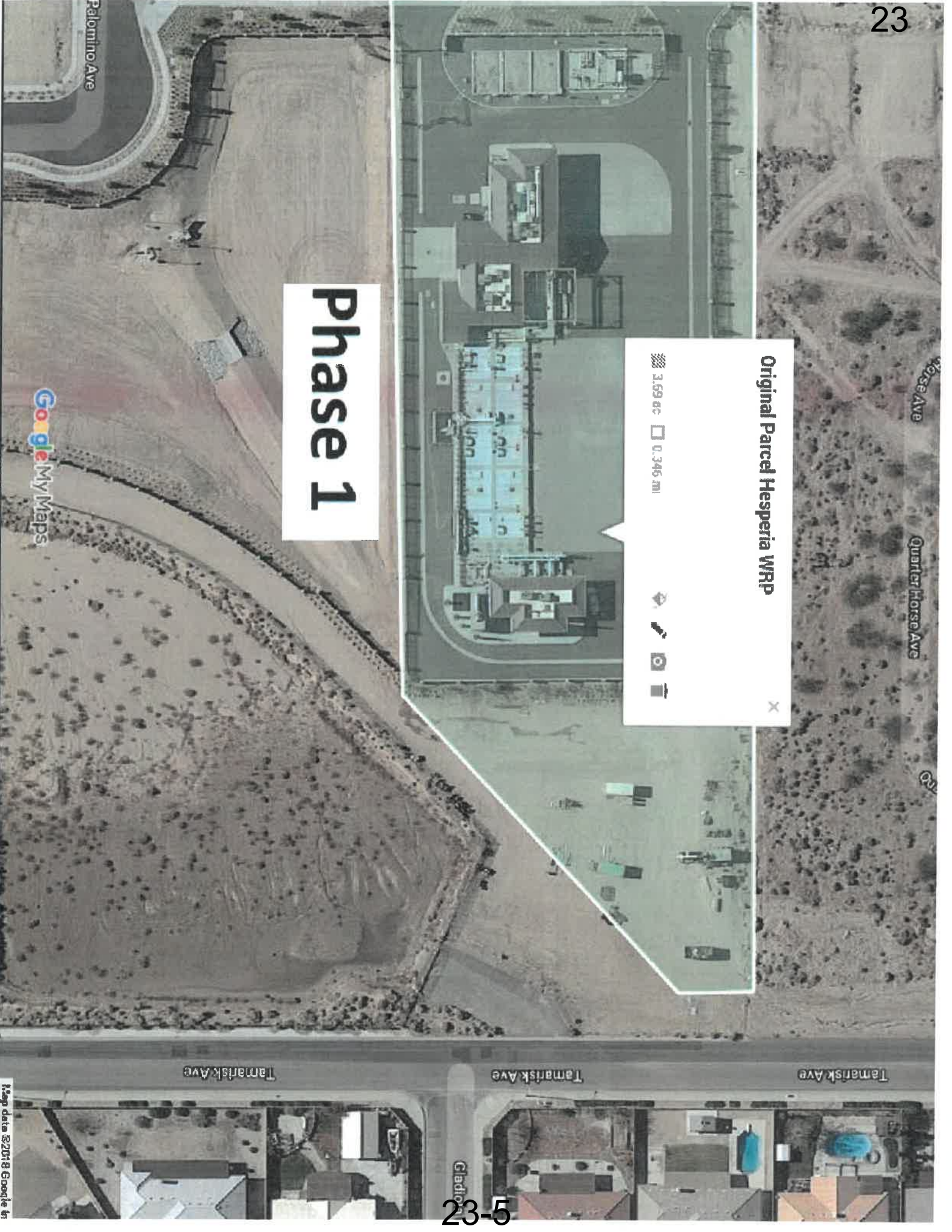
the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

(This area for official seal)

Witness my hand and official seal

Signature _____



Phase 1

Original Parcel Hesperia WRP

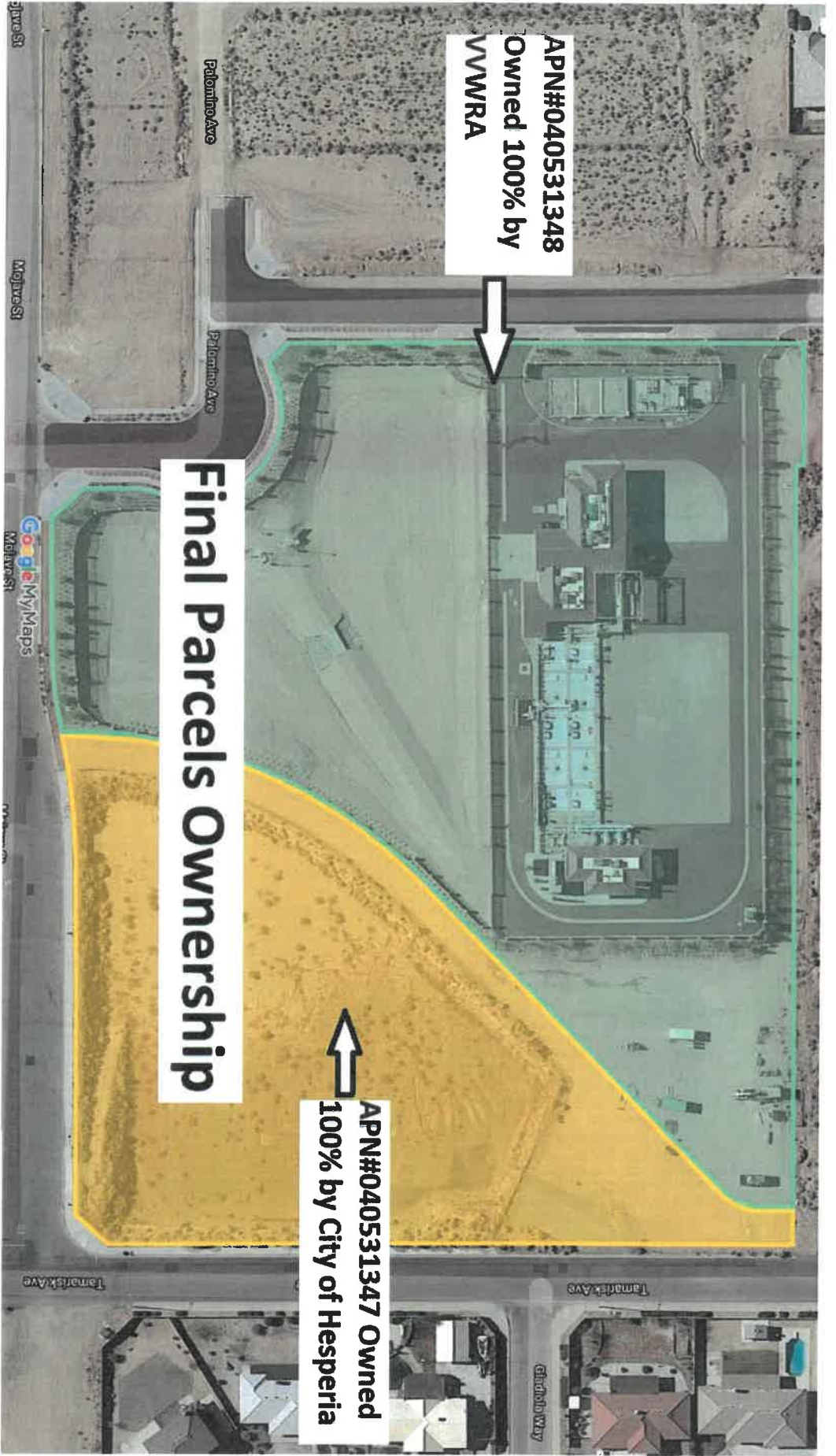
3.59 ac 0.345 mi

Navigation icons: Home, Street View, Measure, Camera, Clear

Google My Maps

Phase 2





**APN#040531348
Owned 100% by
VVWRA**

Final Parcels Ownership

**APN#040531347 Owned
100% by City of Hesperia**



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

18 October 2018

FROM: Logan Olds, General Manager *LO*

TO: Board of Commissioners

SUBJECT: Fibracast Proposal

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the General Manager to allow Fibracast to conduct testing consistent with its letter dated 10 September 2018 at no cost to VVWRA and for VVWRA to provide sufficient funding to ensure normal operation of the Hesperia Water Reclamation Plant (WRP) during the yearlong project.

REVIEW BY OTHERS

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

BACKGROUND INFORMATION

Fibracast has proposed to replace the membranes in one of two treatment trains with a more advanced version. Their estimate is that it could increase the capacity 20-50% of that membrane train. VVWRA staff met with the Town of Apple Valley, Town Manager and the City of Hesperia (City), City Manager to discuss the proposal. It was the consensus that the City of Hesperia has greater need for increased capacity due to their project to re-direct flow to the Hesperia WRP.

Staff contacted Fibracast and as part of the project the current membranes in train one will be placed in train two. During performance testing of the new Fibracast membranes in train one VVWRA will learn what the new capacity is of the WRP. The test may result in an increase of up to 500,000 gallons per day. This value will then be used to determine if additional membranes are required to meet the capacity needs for the City. Based on information provided by the City the WRP will require a capacity rating of approximately 1.7 mgd to meet state and federal regulations for an average dry weather flow of 1.4 mgd. Regardless, by participating in this study VVWRA will save significant amounts of funding that would have otherwise been required to increase capacity.

A second part of the study will determine if the new control systems and equipment will enable a reduction in energy expense due to reduced aeration of the membranes by 50%. This improvement could be fully implemented at both WRP's and reduce operation and maintenance expenses.

Finally, Fibracast, in partnership with Carollo, would like to demonstrate a continuous membrane integrity monitoring program (CMIMP). The future of water use in California will be dependent on direct and indirect potable reuse (DPR/IPR). This will require robust monitoring to validate the integrity of the systems to purify the water. A new laser turbidimeter has been developed which will enable continuous monitoring. Turbidimeters are used throughout VVWRA's facilities and are costly to operate and maintain. If this technology proves to be robust the Authority may wish to deploy it at all its facilities to reduce operations and maintenance cost. Also, by participating in this study VVWRA may be able to position itself to perform DPR/IPR in the future if needed by the Member Entities.

In total, according to Fibracast's 24 September 2018 letter they would be investing approximately \$496,000.00. The projects would increase capacity (at no cost to VVWRA), reduce operations and maintenance cost and create the opportunity for DPR/IPR at the Hesperia WRP.

Fibracast has required that the Hesperia facility remain in full operation for a period of one year to complete the performance testing. Currently VVWRA anticipates operating the WRP through April 2019 and had then planned on idling it if the issues with the Joint Power Authority had not been resolved. Based on preliminary numbers staff believes that the facility will require between \$35,000 to \$50,000 a month to operate. The City of Hesperia paid \$1,031,499.37 in past due user fees on September 25th. Currently a bit over 1.2 million dollars remains in past due user fee charges and an unknown amount of connection fees.

FINANCIAL IMPACT

The FY18-19 unbudgeted amount would be approximately \$100,000 for May and June 2019. Staff believes that based on current progress on the JPA addendum that the issue with the JPA would be resolved in late 2018 or early 2019. It is also important to consider the investment made by Fibracast of approximately \$500,000.00.

RELATED IMPACTS

None.



September 10, 2018

Mr. Logan Olds
 General Manager
 Victorvalley Water Reclamation Agency
 20111 Shay Road
 Victorville
 CA 92394

Dear Mr. Olds,

Fibracast is committed to continually improving its membranes. This has led to three improvements that Fibracast would like to demonstrate at a VVWRA subregional water reclamation plant. First, our research and development team has created a way to aerate our membranes to allow for an increase in membrane permeability and energy cost reductions. As part of our continuous improvement process, we also seek to foresee regulatory issues. The forthcoming Direct and Indirect Potable Reuse (DPR/IPR) regulations that are being investigated by the State Water Resources Control Board of California will provide future opportunities for membrane bioreactor plants.

Fibracast would like to propose to VVWRA to test our new membrane process improvement by installing fine bubble aerators in membrane train 1 of the Hesperia plant. From data obtained from full scale pilots and in a full-scale Municipal Plant in Ohio, we believe that this small modification to the cassette would represent a potential increase in capacity of the membranes by 20 to 50% and could reduce the membrane blower energy by 50%. Once confirmed in train 1, VVWRA will have enough information to either install the fine bubble aerators in the other trains or if the test fails to demonstrate a significant improvement, Fibracast would easily re-install the current aerators. We believe that this test will demonstrate a significant return on investment that will increase hydraulic capacity at a nominal cost. An increased membrane flux rate would mean lower costs to expand the plant when it needs to treat more flow and the reduction in power costs will be an immediate financial savings to the Agency.

VVWRA owns the most advanced MBR in the world, not just operating a high efficiency MBR but also using the Fibracast Membranes which will be introduced at WEFTEC, this year, as the Membranes of the Future. The Carollo/Black & Veatch/ Fibracast team would also like to showcase the VVWRA plant and use the same Train 1 at the Hesperia water reclamation plant, to test a continuous membrane integrity monitoring program (CMIMP) using a laser turbidimeter and in parallel carry out virus and parasite log removal tests which will enable the plant to be accredited for direct potable or indirect potable reuse (DPR or IPR), if it is of interest to VVWRA's Member Entities in the future.

Finally, in the last 8 months Fibracast has significantly improved the quality of its membranes and although the current membranes are more than adequate to meet VVWRA regulatory

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 525 Glover Road
 Hannon, Ontario
 Canada L0R 1P0

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demands and design specifications, we would offer to replace the 2 cassettes in Train I, at no cost to VVWRA, with the new membranes which will have improved virus log removals. This will be important, since the data obtained from the plant will help Carollo and Black & Veatch write the future California regulations for DPR and IPR and they will be publishing the data.

For the reasons mentioned above our first preference is to carry out this one year test at the Hesperia or Apple Valley water reclamation plant. Fibracast is aware that the Authority currently does not have the resources to staff or operate and maintain the subregionals. However VVWRA staff has been able to complete start up at one facility and is transitioning to the Hesperia subregional. It is Fibracast's hope that the VVWRA Board would enable this groundbreaking membrane bioreactor research to occur at one of these facilities. If however VVWRA is not able to commit to operate one of the sub-regionals for 1 year we will fully understand and will make the offer to another California facility. Since the regulations are being developed as we speak time is of the essence to conduct this test. Once we have VVWRA's approval and commitment we could initiate this work within 4 to 6 weeks. Please let us know your decision.

Sincerely

Diana Mourato Benedek, PhD



CEO, Fibracast Limited

525 Glover Road | Hannon, ON | LOR 1P0

Mobile: +1 (760) 846 2357



2018

September 24,

Mr. Logan Olds
General Manager
Victorvalley Water Reclamation Agency
20111 Shay Road,
Victorville
CA 92394

Dear Mr. Olds,

This letter is an addendum to our September 10th, 2018 letter.

We thank you for favorably considering our suggestion to conduct the one year testing at your Hesperia plant. Now that we fully understand the details of the modifications, we would like to provide you with the additional specifications below:

- Fibracast will replace the two FP400 cassettes in Train 1 of the Hesperia plant by two of our newest cassettes which are standardized with the new generation FP500 modules and fine bubble aerators.
- In order to install the new cassettes, we will need to slightly modify the feed manifold of train 1.
- Fibracast will also replace the existing turbidimeter by the newest Hach laser turbidimeter which is proving to be a reliable continuous testing instrument for MBRs.
- Of the 2 FP400 cassettes taken from train 1, one will be inserted into train 2 whereas the modules in the second cassette will be used to fill some of the empty spots of the 3 connected cassettes. This will double the flow capability of train 2.

Fibracast is ready to invest into this one-year demonstration using Carollo and Black & Veatch to approve the experimental work since we believe that the FibraPlate2 ultrafilters will perform well in rejecting viruses and parasites and will be a strong player once the DPR/IPR regulations are in place.

Fibracast's investment into this work will be approximately \$ 500,000, divided into the following tasks:

- Capital costs for the cassettes, the piping modifications and the laser turbidimeter: \$216,000
- Laboratory testing for rejection: app. \$80,000

- Engineering review costs (Carollo and B&V): app. \$120,000
- Fibracast Manpower: app. \$80,000

The modifications made by Fibracast to the plant will be of great benefit to VVWRA. The Hesperia plant will be able to treat more than the contracted flow, the energy costs to operate the blower on Train 1 will be lower and the plant operators will appreciate the new cassette that was designed specifically to be easier to assemble when needed.

We are looking forward to hear back from you. Once we have VVWRA's approval and commitment we could initiate this work within 4 to 6 weeks. Please let us know your decision.

Sincerely



Diana Mourato Benedek, PhD



Diana Mourato Benedek, PhD
CEO, Fibracast Limited
525 Glover Road | Hannon, ON | L0R 1P0
Mobile: +1 (760) 846 2357





October 2, 2018

Logan Olds
General Manager
Victor Valley Wastewater Reclamation Authority

Subject: Pathogen Removal by Fibracast MBR

Dear Logan:

Membrane bioreactors (MBRs) are one of a handful of critical technologies for water reuse. Within the western US, MBRs are now being paired with reverse osmosis (RO) and other technologies for potable water reuse applications. A key factor when applying MBR to potable reuse is to rigorously document the pathogen (virus and protozoa) reduction of MBR, defining the acceptable MBR operational "window" that results in robust and reliable performance.

To that end, Carollo is pleased to participate in a collaborative MBR pathogen removal study with VVWRA, Fibracast, and Black and Veatch. This forthcoming work will define the removal of virus and protozoa by the Fibracast MBR, along with determining acceptable operations and maintenance procedures and monitoring systems to provide confidence in reliable and robust pathogen removal by MBR. The work will be done in parallel with ongoing State of California efforts to validate MBRs for potable reuse (per new Water Research Institute efforts). For this work, Carollo Engineers, Inc. will be contracted by Fibracast to review test protocols and assist in the testing and analysis related to VVWRA.

To be clear, this work could not be done without the support of VVWRA, and we are grateful for your support.

Sincerely,

CAROLLO ENGINEERS, INC.

Andrew Salvesson, P.E.
Vice President
Water Reuse Practice Director



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

Thursday September 20 and Workshop

Thursday October 18

Thursday November 15

Tuesday November 27- Board Workshop

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, August 16, 2018 and October 18, 2018

Victor Valley Wastewater Reclamation Authority



Financial and Cash Report

September 2018

Victor Valley Wastewater Reclamation Authority
CASH AND RESERVE SUMMARY
 October 1, 2018

G/L Account	Description	Balance
1000	DCB Checking Account	\$ 1,086,390
1030	DCB Sweep Account	2,669,749
1075	Cal TRUST	6,133,276
1070	LAIF	1,548,060
	Total Cash	\$ 11,437,475

\$65 mil Max

Reserves:

	Current Balance	Restricted	Assigned	Not Assigned
Targeted Capital Reserve	\$ -	\$ -	\$ -	\$ -
O&M Reserve: 10% of Prior Year Budgeted Operating Expenses	1,435,970		1,435,970	
R&R Reserve: 1% of Land Improvements/Plants/Interceptors PY CAFR	2,954,450		2,954,450	
Reserve for SRF Payments (P& I) - Operating	2,844,844	2,844,844		
Reserve for SRF Payments (P& I) - Capital	2,440,246	2,440,246		
Available for O&M	1,761,965	-		
Total Cash	\$ 11,437,475	\$ 5,285,090	\$ 4,390,420	\$ -

Note 1: ACCUMULATION FOR SRF LOAN PAYMENTS:

	9.5 MGD, 11.0 MGD, NAVI, 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	203,725	640,818	960,452	\$ 2,844,844
Reserve for SRF Payments (P& I) - Capital	1,348,576	-	67,908	409,703	614,059	2,440,246
	\$ 2,130,680	257,745	271,633	1,050,521	1,574,511	\$ 5,285,090

Victor Valley Wastewater Reclamation Authority
Statement of Net Position
September 30, 2018

<i>Assets and Deferred Outflows of Resources</i>	2018
Current assets:	
Cash and cash equivalents	\$ 11,431,502
Interest receivable	8,456
Accounts receivable	3,709,722
Receivable from FEMA Grants	3,872,242
Accounts receivable - Other	7,195
Allowance for Doubtful Accounts	(89,459)
Materials and supplies inventory	83,104
Prepaid expenses and other deposits	<u>199,850</u>
Total current assets	<u>19,222,612</u>
Fixed assets:	
Capital assets not being depreciated	3,097,708
Capital assets being depreciated	<u>197,956,491</u>
Total capital assets	<u>201,054,199</u>
Total assets	<u>220,276,811</u>
Deferred outflows of resources	
Deferred outflows of resources - pension	<u>1,743,035</u>
Total	<u>\$ 222,019,846</u>
 <i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 516,219
Accrued interest on long-term debt	64,084
Long-term liabilities - due within one year:	
Compensated absences	48,647
Loans payables	1,849,149
Other payables	<u>(7,010)</u>
Total current liabilities	<u>2,471,089</u>
Non-current liabilities:	
Long-term liabilities - due in more than one year:	
Compensated absences	239,372
Other post employment benefits payable	1,419,041
Loans payable	84,709,160
Net Pension Liability	5,011,624
Other payables	<u>352,891</u>
Total non-current liabilities:	<u>91,732,088</u>
Total liabilities	<u>94,203,177</u>
Deferred inflows of resources	
Deferred inflows of resources - pension	<u>165,023</u>
Net position:	
Net investment in capital assets	122,731,832
Restricted for SRF loan covenant	5,285,091
Unrestricted	1,312,793
Decrease in net position FY 19	<u>(1,678,070)</u>
Total net position	<u>127,651,646</u>
Total	<u>\$ 222,019,846</u>

Victor Valley Wastewater Reclamation Authority
Revenues and Expenses
Operations and Maintenance
For the Month Ended September 30, 2018

	Actual September 2018	YTD Actual FY 18-19	Approved Budget FY 18-19
REVENUES			
User Charges	\$ 1,116,150	\$ 3,378,056	\$ 13,661,700
Sludge Flow Charge	9,260	24,492	120,000
High Strength Waste Surcharges	-	3,282	20,000
ADM FOG Tipping Fee Revenue	22,300	74,141	200,000
Septage Receiving Facility Charges	49,448	158,088	550,000
Reclaimed Water Sales	567	1,803	25,000
Potable Well Water Sales	52	153	-
Leased Property Income	50	150	-
Interest	119	360	-
Pretreatment Fees	5,700	14,700	50,000
Finance Charge	-	-	-
Grant - FEMA/Cal-EMA	-	-	-
Grant - Proposition 1	-	-	-
Grant- Water Recycling	-	-	-
Grant- CEC Microgrid	-	-	-
Sale of Assets, Scrap, & Misc Income	227	456	1,200
Total REVENUES	\$ 1,203,873	\$ 3,655,681	\$ 14,627,900
EXPENSES			
Personnel	\$ 291,140	\$ 1,257,874	\$ 4,080,784
Maintenance	71,081	318,356	2,194,767
Operations	138,104	580,331	3,151,072
Administrative	54,269	294,806	2,183,749
Construction	-	-	-
Total EXPENSES	\$ 554,594	\$ 2,451,367	\$ 11,610,372
Revenues over Expenses before Depreciation, Debt Service and Transfers	\$ 649,279	\$ 1,204,314	\$ 3,017,528
Depreciation Expense	(1,039,324)	(3,118,968)	-
FEMA CalOES Retention	-	-	747,034
DEBT SERVICE			
SRF Principal	-	-	2,094,805
SRF Interest	-	-	762,842
	\$ -	\$ -	\$ 2,857,647
FUND TRANSFERS IN			
Salary/Benefits Charge from Capital	\$ 8,930	\$ 26,789	-
Admin Charge from Capital	3,393	10,180	-
Total FUND TRANSFERS IN	\$ 12,323	\$ 36,969	\$ -
FUND TRANSFERS OUT			
Transfer to Repairs and Replacements Fund	-	-	2,749,326
Inter-fund loan payment to Capital	-	-	-
Total FUND TRANSFERS OUT	\$ -	\$ -	\$ 2,749,326
Excess Revenues Over Expenses	\$ (377,722)	\$ (1,877,685)	\$ (1,842,411)

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
Repairs and Replacement
For the Month Ended September 30, 2018

	Actual September 2018	YTD Actual FY 18-19	Approved Budget FY 18-19
REVENUES			
R&R Revenues	\$ -	\$ -	\$ -
Total REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES			
SRF Loan Funding	\$ -	\$ -	\$ -
CAPITAL EXPENSES			
Personnel	\$ -	\$ -	\$ -
Maintenance	9,938	34,353	1,204,326
Operations	-	-	25,000
Administrative	-	27,203	150,000
Construction	-	9,450	1,370,000
Total CAPITAL EXPENSES	<u>\$ 9,938</u>	<u>\$ 71,007</u>	<u>\$ 2,749,326</u>
Revenues over Expenses before Debt Service and Transfers	<u>\$ (9,938)</u>	<u>\$ (71,007)</u>	<u>\$ (2,749,326)</u>
FUND TRANSFERS IN			
Transfer from Operations and Maintenance Fund	\$ -	\$ -	\$ 2,749,326
Interfund Loan Payment from O&M	-	-	-
Total FUND TRANSFERS IN	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,749,326</u>
FUND TRANSFERS OUT			
Salary/Benefits Charge to O & M	\$ -	\$ -	\$ -
Admin Charge to O & M	-	-	-
Total FUND TRANSFERS OUT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenues Over Expenses	<u>\$ (9,938)</u>	<u>\$ (71,007)</u>	<u>\$ -</u>

Accrual Basis

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
CAPITAL
For the Month Ended September 30, 2018

	Actual September 2018	YTD Actual FY 18-19	Approved Budget FY 18-19
REVENUES			
Connection Fees	\$ 264,600	\$ 316,000	\$ 2,000,000
Title 16 Grant - Subregional	-	-	-
Grant- Water Recycling	-	-	-
Sale of Assets, Scrap, & Misc Income	-	-	-
Interest	783	33,439	35,000
Proposition 1 Grant	-	-	-
Proposition 84 Grant	-	-	-
FMV Adjustment	-	2,886	-
CEC Microgrid Grant	-	-	-
Grant - FEMA/Cal-EMA	-	-	3,105,375
Total REVENUES	\$ 265,383	\$ 352,325	\$ 5,140,375
CAPITAL EXPENSES			
Personnel	\$ -	-	\$ 378,554
Maintenance	-	-	-
Operations	-	-	170
Administrative	-	(2,054)	-
Construction	-	34,095	430,000
Total CAPITAL EXPENSES	\$ -	\$ 32,041	\$ 808,724
Revenues over Expenses before Debt Service and Transfers	\$ 265,383	\$ 320,284	\$ 4,331,651
DEBT SERVICE			
SRF Principal	\$ -	-	\$ 2,002,675
SRF Interest	12,693	12,693	437,219
	<u>\$ 12,693</u>	<u>\$ 12,693</u>	<u>\$ 2,439,894</u>
FUND TRANSFERS IN			
Capital Recovery - Septage from O&M	\$ -	-	-
Interfund Loan Payment from O&M	-	-	-
Total FUND TRANSFERS IN	\$ -	\$ -	\$ -
FUND TRANSFERS OUT			
Salary/Benefits Charge to O & M	\$ 8,930	26,789	-
Admin Charge to O & M	3,393	10,180	-
Total FUND TRANSFERS OUT	\$ 12,323	\$ 36,969	\$ -
Excess Revenues Over Expenses	\$ 240,367	\$ 270,622	\$ 1,891,757

Accrual Basis

Victor Valley Wastewater Reclamation Authority
Flow Study
For the Month Ended August 31, 2018

Measured by ADS	Percentage of Total %	August Monthly MG
VSD 1 (less North Apple Valley)	5.5787%	19.7000
VSD 2	14.8604%	52.4760
VSD 3	23.7318%	83.8030
VSD 4	7.0601%	24.9310
VSD 5	0.5970%	2.1080
VSD 6	6.4473%	22.7670
VSD Total	58.2753%	205.7850
Apple Valley 01	10.6597%	37.6420
Apple Valley 02	5.7642%	20.3550
Apple Valley North	0.1121%	0.3960
Apple Total	16.5360%	58.3930
Hesperia	19.6559%	69.4100
CSA 64 SVL	4.7204%	16.6690
CSA 42 Oro Grande	0.8125%	2.8690
CSA Total	5.5329%	19.5380
Total Apportioned Flow	100.0000%	353.1260
Mojave Narrows Regional Park		0.1000
Total Study Flow		353.2260

Victor Valley Wastewater Reclamation Authority



Operations and Maintenance Report

September 2018

VWVRA O&M Monthly Report – September 2018

Page 1 of 10

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

TO: Logan Olds, General Manager
FROM: Operations & Maintenance Staff
SUBJECT: OPERATIONS/MAINTENANCE REPORT
DATE: October 13, 2018

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 September 2018.

	Total	Average
Effluent to Mojave	72.057	2.4019
Effluent to Ponds	254.44	8.4813
		Limit
Biochemical Oxygen Demand (BOD)		10 mg/l
Effluent to Mojave	<4.40	
Percent Removal	>98.577	
		Limit
Total Suspended Solids (TSS)		10 mg/l
Effluent to Mojave	<2.1	
Percent Removal	>99.422	
		Limit
Turbidity		2.0 ntu
30 Day Average	0.43	

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 46.84% removal of influent BOD and 74.35% 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 2.67% total solids at 63,563 gallons per day.

Primary clarifiers: #1,#2,#3,#5,#6,#8 are currently online and continue to treat all incoming flow. Primaries #4 remained offline for the month. With one clarifier off line, the remaining 6 primary clarifiers are capable of treating peak flows up to 23 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.

Blower #3 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 1.32 (NTU) during the month of September 2018
The 30 minute settleometer test averaged 98.0 mL/L.
The average "pop time" of the MLSS was >89 min.

Percolation Ponds

South percolation ponds #7, #8, #10, #11, #12 and #13 were used and rotated during the month.

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 September. Filter Effluent average Turbidity of 0.51 NTU.

Solids

Digester #1#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 554,062 gallons of ADM (Anaerobically Digestible Material) and FOG (Fats Oil and Grease). Total is comprised of 476,598 gallons of ADM and 59,500 gallons of FOG.

A Total 23,440,325 cf/day of gas was created by digesters #4 and 5 for the month of September 2018.

That is an average gas production of 781,344 cf/day.

Digester #4 averaged 354,872 cf/day.

Digester #5 averaged 426,472 cf/day.

Digester Volatile Acid/Alkalinity averaged 0.013 for the month.

Ultra Violet Disinfection (UV)

The UV system is currently operating via one channel mode.

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: 1,300 days

Discharge Sampling

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

Maintenance Activities**CMMS Work Order Activity****VVWRA KPI Report**

10/8/2018

1:24 PM

9/1/2018 - 9/30/2018

KPI	Count	Percent
Planned Work Total	355	
Planned Work Completed	339	95.49%
Planned Work Completed On-Time	250	70.42%
Planned Work Incomplete	16	4.51%
Planned Work Completed Late	91	25.63%
Total Work Completed	637	
Reactive Work Completed	111	17.43%
PM Work Completed	493	77.39%

Safety

1. Monthly Vehicle Safety Inspections completed.
2. Monthly gas tech monitor inspections completed.
3. Eyewash safety showers inspected.
4. Monthly SCBA inspections.
5. Hazardous storage area inspection.
6. Spill kit inspections.
7. LOTO refresher.

 VVWRA O&M Monthly Report – September 2018

Page 6 of 10

Preliminary Process

1. Aqua Guard pre-treatment screen inspected and serviced.
2. Headwork's Conveyor Belt Lube & Inspect.
3. Grit pump #2 check valve replaced.

Primary Process

1. All PH and conductivity probes cleaned and calibrated.
2. Influent PH and conductivity probe calibrations complete.
3. Primary #7 helical skimmer service.
4. Primary sludge line spool replaced at ferric injection point.

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 #3 web deflection completed.
6. Waukesha #2 oil change and valve adjustment completed.

Tertiary

VVWRA O&M Monthly Report – September 2018

Page 7 of 10

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

Ultra Violet Disinfection (UV)

1. pH and conductivity probes cleaned and calibrated
2. UVT probe calibrated
3. UV Compliance sample pumps foot valve cleaning.
4. UV MCC filter cleaning.

Treatment Disposal

1. DAFT #1 and #2 Air Compressors 1&2 PM services complete.
2. Drying bed #4 repair ongoing.
3. Replaced Digester feed valves.
4. TWAS #1 pump repack.
5. Digester 1-3 ongoing repairs.

Miscellaneous Plant

1. Serviced Air Handling units for Blower Buildings completed.
2. Quarterly HVAC service
3. Annual emergency generator 1&2 service completed.

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

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

Gas Conditioning Skid

1. Monthly gas sampling collected.
2. Air compressor replacement.

OGPS

1. Monthly Generator Test completed
2. Pump # 1 replaced.

VVWRA O&M Monthly Report – September 2018

Page 9 of 10

AVWRP

1. Monthly exhaust blower lube completed.

Hesperia WRP

1. Monthly exhaust blower lube completed.
2. HVAC services completed.

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

September 2018

VWRA Environmental Compliance Department
Industrial Pretreatment Program

I. Interceptors Operation and Maintenance:

1. Interceptors cleaning & CCTV:

- ✓ No cleaning or CCTV was performed in September 2018

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 found during inspections and no repair was needed or performed.

4. Sanitary sewer overflows (SSO) summary:

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

5. Interceptors maintenance budget remaining:

- ✓ The fiscal year 2018-2019 Interceptor sewer maintenance amount remaining for sewer cleaning and inspection services is \$89500

6. Dig Alert Underground tickets processed:

- ✓ A total of Sixty (60) USA Tickets were received and processed in September 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 September 2018.
 - ✓ One (1) New Business Inspection was conducted in the month of September 2018.
2. **New permits issued:**
 - ✓ One (1) New permits were issued in the month of September 2018.
3. **Permit renewals issued:**
 - ✓ Thirteen (13) Class III permit renewals were issued in the month of September 2018.
4. **Work Orders:**
 - ✓ 54 Work Orders were completed in September 2018
5. **Monthly revenues collected, and invoices issued:**
 - ✓ Revenues: \$3,300.00
 - ✓ Invoiced: \$2,500.00

III. Industrial Pretreatment Activities (continued)

1. Current enforcement actions:

- ✓ Two (2) Notice of Violation was issued in September 2018.

2. Current active industrial pretreatment permits:

- ✓ The current number of VVWRA's industrial wastewater discharge permits is 429, they are comprised as follows:

1	Class I	Categorical Industrial User
11	Class II	Non-Categorical Significant Industrial User
405	Class III	Non-Significant Industrial User
1	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
21	Car Wash/Truck Wash/Bus Wash
3	Coffee Shop
9	Dry Cleaner
297	FSE
22	Grocery Store
3	Hospital
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: 167 in Victorville, 113 in Apple Valley, 123 in Hesperia and 1 in Oro Grande.

Victor Valley Wastewater Reclamation Authority



Environmental Compliance Department

Septage/FOG/ADM Monthly Report

September 2018

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

Payments and Invoices period: September 1st thru September 30th – Septage rate per Gallon: \$ 0.0936
FOG/ADM rate per Gallon: \$ 0.04

Receiving invoices

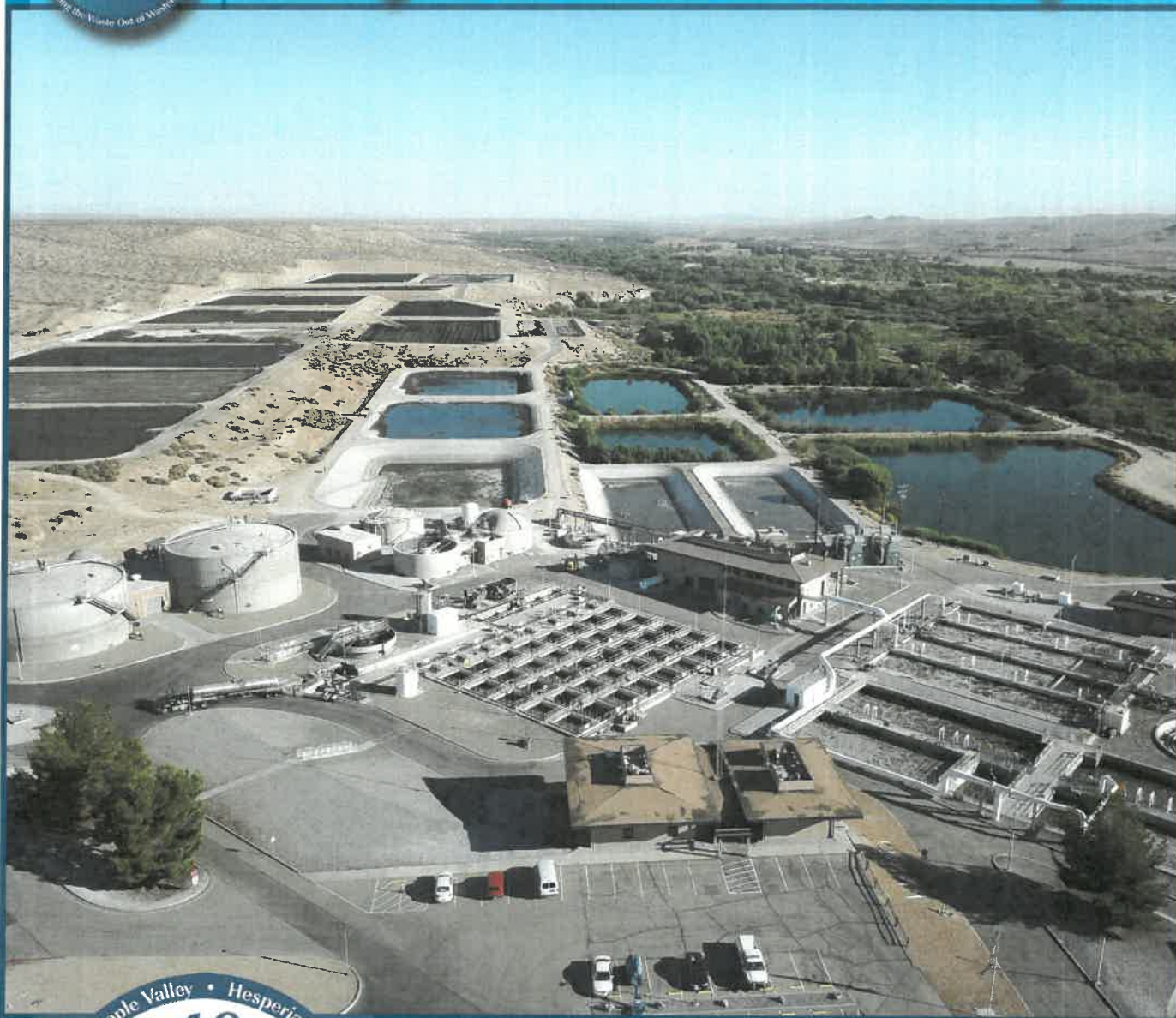
ID No	Septage Hauler	Invoice Date	Total Gallons	Invoice Amount
ABS000	Absolute Pumping	9/30/2018	36,648	\$3,430.25
ALP000	Alpha Omega Septic Service	9/30/2018	150,939	\$14,127.89
BUR000	Burns Septic	9/30/2018	76,000	\$7,113.60
HIT000	Hitt Plumbing	9/30/2018	3,435	\$321.52
HON001	Honest Johns Septic Service, Inc	9/30/2018	53,832	\$5,038.68
ROT001	T.R. Stewart Corp. dba Roto Rooter	9/30/2018	88,082	\$8,244.48
USA000	USA Septic	9/30/2018	103,400	\$9,678.24
ALP000	Alpha Omega Septic Service (Nutro)	9/30/2018	86,562	\$3,462.28
COW000	Co-West Commodities	9/30/2018	165,000	\$6,600.00
LIQ000	Liquid Environmental Solutions of CA	9/30/2018	0	\$0
SMC000	SMC Grease Specialist, Inc.	9/30/2018	302,500	\$12,100.00
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	9/30/2018	0	\$0
HIT000	Hitt Plumbing	9/30/2018	3,435	\$137.40
Grand Totals			1,001,433	\$70,254.34

Septage/FOG/ADM receiving payments:

ID No	Business Name	Payments Received
ABS000	Absolute Pumping	\$3,430.25
ALP000	Alpha Omega Septic Service	\$0
BUR000	Burns Septic	\$0
HON001	Honest Johns Septic Service, Inc	\$21,964.92
ROT001	T.R. Stewart Corp. dba Roto Rooter	\$4,516.92
USA000	USA Septic	\$8,452.08
ALP000	Alpha Omega Septic Service (Nutro)	\$0
COW000	Co-West Commodities	\$7,400.00
LIQ000	Liquid Environmental Solutions of CA	\$0
SMC000	SMC Grease Specialist, Inc.	\$13,616.00
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	\$0
HIT000	Hitt Plumbing	\$0
Grand Total		\$69,668.68



Safety & Communications Report



September 2018



Safety

STAFF SAFETY TAILGATE/ORIENTATION

- September 6--Confined space
- September 13--Proper Lifting
- September 20--7 common causes of accidents
- September 24---Routine is not routine
- September 27--Lock out, tag out





Safety

SAFETY EVENTS/ TRAINING

- Safety tailgates
- Boom/scissor lift
- Safety Committee

UNSAFE CONDITIONS REPORTED/RESOLVED

- Trip hazard painted yellow at new blower building
- removal and disposal of asbestos concrete pipe
- new first aid kits at subregionals

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

DAYS SINCE LAST REPORTABLE ACCIDENT/INJURY:
189 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 LOTO and traffic safety

4

Communications

- Prepped for marking VWRA's 40th anniversary including adjustments to website, social media etc.
- Prepping a new Fall edition of Purple Pipe with release schedule in mid October.





Communications

ACTIVITIES

- Maintained new website and social media sites including Facebook & Twitter.
- Led several tours of the plant
- Represented VWRA at City of Hesperia State of the City, State of the County and PR Coalition,



MEDIA

- Energy storage-A step toward energy neutrality--Water World Magazine

WaterWorld

WaterWorld.

ENERGY STORAGE: A STEP TOWARD ENERGY NEUTRALITY

September 1, 2018

Victor Valley Wastewater Reclamation Authority aims to become energy neutral by supplying all of its energy needs through onsite renewable sources

By Logan Olds

The Victor Valley Wastewater Reclamation Authority (VWVRA) is a partner of the U.S. Department of Energy's (DOE's) Better Plants Program, a voluntary initiative that helps drive energy efficiency improvements and cut costs in the manufacturing and industrial sectors. To date, VWVRA is one of more than 200 industrial organizations that have joined the program and its leadership is helping push boundaries in the energy efficiency space. As a part of VWVRA's ambitious strategy to become energy neutral by supplying all of its energy needs through onsite renewable sources, it has embarked on a plan to establish an energy storage system at its Victorville, Calif., regional wastewater treatment plant.

IMPLEMENTING NEW TECHNOLOGY

To reach its goal, VWVRA's innovative energy project will demonstrate an advanced, pre-commercial flow battery energy storage and control system. When complete, the project will deploy a Primus Power flow battery system with the ability to provide up to five hours of support by supplying up to 200 kW at any point in time and up to 1,000 kWh per day when fully charged.

While on its path to reaching energy neutrality, VWVRA has already implemented a series of programs that convert biogas to energy, including a retrofitted, ultra-efficient anaerobic digester that supplies nearly all of the plant's electricity needs. Once installed, the new battery system will allow the plant to better leverage these renewable energy assets.



Biogas generators help drive energy efficiency improvements and cut costs in the manufacturing and industrial sectors.

To achieve this, the battery system and its interaction with VVWRA's onsite energy usage will be managed by an advanced microgrid control system designed by the University of California, Riverside (UCR). The controller is optimized specifically for the management, storage and deployment of renewable power generated through the utility non-export/minimum import agreement established between VVWRA and its electric utility, Southern California Edison (SCE). The battery system will be able to store or release energy during variable load periods so the facility can consistently operate at or near the 80 kW level required in the minimum import agreement, while maximizing use of all onsite biogas power generation capacity.

Ultimately, the Primus ENERGYPOD®2 storage system will enable VVWRA to harvest and redeploy excess renewable energy generated onsite, as opposed to turning down generator engines or installing dead-load banks. Stored power will be used to meet peak demand onsite with renewable energy rather than relying on grid-supplied electricity. VVWRA expects to reduce grid-supplied energy power consumption by more than 4.2 million kWh per year and reduce greenhouse gas emissions by 1,395 MTCO_{2e} (million tons of carbon dioxide equivalents) per year. As a result of reduced energy consumption, VVWRA will realize \$473,000 in annual energy cost savings.



The Victor Valley Wastewater Reclamation Authority looks to become energy neutral by supplying its own energy needs onsite.

BENEFITS: WATER SAVINGS, INCREASED RELIABILITY AND LOW MAINTENANCE

Beyond reduced emissions and costs, this project offers VWRA further benefits, including the potential for significant water savings and increased power reliability. For example, under existing conditions at VWRA's regional wastewater treatment plant, rapid fluctuations in the power supply can trip off a portion of the facility's equipment, causing the effluent to exceed California's strict Title 22 recycled water requirements. Currently, VWRA must dispose of this water without any beneficial use. By implementing UCR's control system and the Primus batteries, the risk of equipment shut down due to power fluctuations would be significantly curtailed, enabling water reuse and water savings in excess of 2.5 million gallons per year.

Due to its design, the battery system also provides additional advantages in the form of reduced capital, operating and maintenance costs as well as greater reliability. At VWRA's Victorville plant, the project will implement eight 25-kW, modular flow batteries, two 100-kW inverter units, and an innovative controller as well as some enhancements to the existing supervisory control and data acquisition (SCADA) system. Primus Power's flow batteries feature a single flow loop architecture consisting of an electrolyte storage tank, pumps, electrode stacks, system controls and a single 100 kW inverter for every four ENERGYPOD 2 units. Unlike other flow batteries, the Primus system selected by VWRA utilizes robust titanium electrodes and no membranes.



Ultimately, the Primus ENERGYPOD 2 storage system will enable VVWRA to harvest and redeploy excess renewable energy generated onsite, as opposed to turning down generator engines or installing dead-load banks.

The flow battery technology's simplified system offers a more cost-effective electrode design and the overall architecture ensures fewer points of failure. As a result, battery hardware is expected to maintain full functionality for 20 years. Maintenance will be limited to monitoring the electrolyte, inverter replacement approximately every 10 years, and periodic maintenance of other moving parts. Primus Power will also utilize remote monitoring capabilities from its operations center to maximize VVWRA's system uptime through preventative maintenance measures.

Another benefit of the system is that it does not require VVWRA to purchase new control hardware. The proposed flow battery will be operated by the UCR controller composed of innovative algorithms that leverage the facility's existing onsite SCADA system. The SCADA system will collect data from the flow battery system, the existing onsite renewable power generators and the plant's main electrical meter to monitor system status. The implemented algorithms will optimize plant energy sources among grid power, onsite biogas power generators and the flow battery in order to maintain power import levels at or near 80 kW.



VWRA has already implemented a series of programs that convert biogas to energy, including a retrofitted, ultra-efficient anaerobic digester that supplies nearly all of the plant's electricity needs.

REPLICATING SUCCESS

The battery system, combined with the UCR advanced microgrid controller, will create a reliable multi-decade renewable energy platform to save millions of dollars and produce millions of gallons of recycled water for VWRA's customers. However, these savings and advantages could have an even wider impact if this kind of system were replicated to serve other customers and industries. For example, the Primus energy storage system can be used across a wide variety of applications. Beyond water and wastewater treatment plants, it can bring significant benefits to many other industrial facilities that generate power. **WW**

About the Author: Logan Olds is VWRA's general manager and is responsible for its overall management, operations, maintenance and capital improvements program. He has 26 years of experience and holds multiple state certifications in the wastewater field. VWRA serves 300,000 people in the California high desert region.