

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, June 15, 2017

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-POTENTIAL LITIGATION (Gov. Code Sec. 54956.9(d) (2)):

1. **Threatened or Pending Litigation – Flow Diversion**
2. **Threatened or Pending Litigation- Upper Narrows Project**

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

3. **Valles v. VWVRA et al, Case No. 5:15-CV-02297**

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

4. **Agency Negotiators: Logan Olds, General Manager; Piero Dallarda, Best Best Krieger
Negotiating Party/Parties: City of Adelanto and G. Michael Milhiser
Under Negotiation: Real Property**

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

REPORT FROM CLOSED SESSION

PUBLIC COMMENTS – REGULAR SESSION AGENDA

ANNOUNCEMENTS AND CORRESPONDENCE:

5. Possible conflict of interest issues
6. Article: Sewage Saved This Man's Life. Someday It Could Save Yours
7. Project Profile: Upper Narrows Pipeline Replacement
8. Article: Southern California Gas Company
9. Government Finance Officers Association Award

CONSENT CALENDAR:

10. Approve May 2017 Disbursement Registers
11. Approve Minutes from the May 18, 2017 Regular Meeting
12. Recommendation to Approve Professional Services For Biogas Engines

REPORTS & PRESENTATIONS:

13. Presentation: 2017-2018 Budget

ACTION & DISCUSSION ITEMS:

14. Resolution 2017-05: Reconciliation of Fund Balances
15. Resolution 2017-06: Interfund Loan
16. Resolution 2017-07: Funding of Repair and Replacement, Fund 07
17. Resolution 2017-08 Revisions to Reserve Policy

PUBLIC HEARING:

18. Adoption of Fiscal Year 2016-2017 Budget

ACTION & DISCUSSION ITEMS (continued):

- 19. Resolution 2017-09: Adopt FY 2017-2018 Budget**
- 20. Resolution 2017-10: FY 2017-2018 Holiday Schedule**
- 21. Recommendation to Ratify Low Voltage Power Emergency Purchases**
- 22. Resolution 2017-11: Appreciation for Frank Robinson**
- 23. Recommendation to Cancel June 29th Board Meeting**

STAFF/PROFESSIONAL SERVICES REPORTS:

- 24. Financial and Investment Report –May 2017**
- 25. Operations & Maintenance Report – May 2017**
- 26. Environmental Compliance Department Reports – May 2017**
- 27. Septage Receiving Facility Reports – May 2017**
- 28. Safety & Communications Report – May 2017**
- 29. Construction Report – May 2017**

NEXT VVWRA BOARD MEETING:

Thursday, June 29, 2017 – Regular Meeting of the Board of Commissioners

Thursday, July 20, 2017– Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Recommendation to Approve Proposal for South Apple Valley Interceptor (July)

Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

VVWRA Regular Meeting Agenda

Thursday, June 15, 2017

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Agenda Posting: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Authority's Administrative offices not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the Board Secretary.

Items Not Posted: In the event any matter not listed on this agenda is proposed to be submitted to the Board for discussion and/or action, it will be done in compliance with Section 54954.2(b) as an emergency item or because there is a need to take immediate action, which came to the attention of the Board subsequent to the posting of the agenda, or as set forth on a supplemental agenda posted in the manner as above, not less than 72 hours prior to the meeting date.

Public Comments: Any member of the public may address the Board of Commissioners on specific agenda items or matters of general interest. As determined by the Chair, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to five minutes. Persons desiring to submit paperwork to the Board of Commissioners shall provide a copy of any paperwork to the Board Secretary for the official record.

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

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

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

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

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

Meeting Adjournment: This meeting may be adjourned to a later time and items of business from this agenda may be considered at the later meeting by Order of Adjournment and Notice in accordance with Government Code Section 54955 (posted within 24 hours).

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

HEALTHY LIVING

05/11/2017 05:46 am ET | Updated 4 days ago

Sewage Saved This Man's Life. Someday It Could Save Yours.

Bacteriophages — viruses found in soil, water and human waste — may be the cure in a post-antibiotic world.

By Lauren Weber

When Thomas Patterson woke up from a two-month coma in March 2016, he learned two things he couldn't believe: Donald Trump was soon to become the Republican nominee for president, and his wife, Steffanie Strathdee, had saved him from dying of an antibiotic-resistant superbug by injecting him with viruses harvested from sewage. It took a lot of convincing for him to accept these weren't just more hallucinations. Patterson and Strathdee met while serving on a National Institutes of Health grant review panel almost 16 years ago. Strathdee doesn't usually find review panels a riveting experience, but when she caught Patterson's eye, they both realized there might be something more to this one.

Married in 2004, they work together in the field of HIV/AIDS research at the University of California, San Diego — Patterson as a professor of psychiatry at the School of Medicine, and Strathdee as an infectious disease epidemiologist and head of the Global Health Institute.

They're also avid travelers who have visited more than 50 countries. They added Egypt to their list in November 2015 and found themselves thrust into another global health crisis. But this time, Patterson was the patient, and his case could prove to be a medical turning point.

On Nov. 28, 2015, Patterson started having terrible stomach pain and running a fever. Originally the couple thought he had food poisoning. They headed to a clinic in Luxor, Egypt, where doctors diagnosed him with pancreatitis and began treatment.

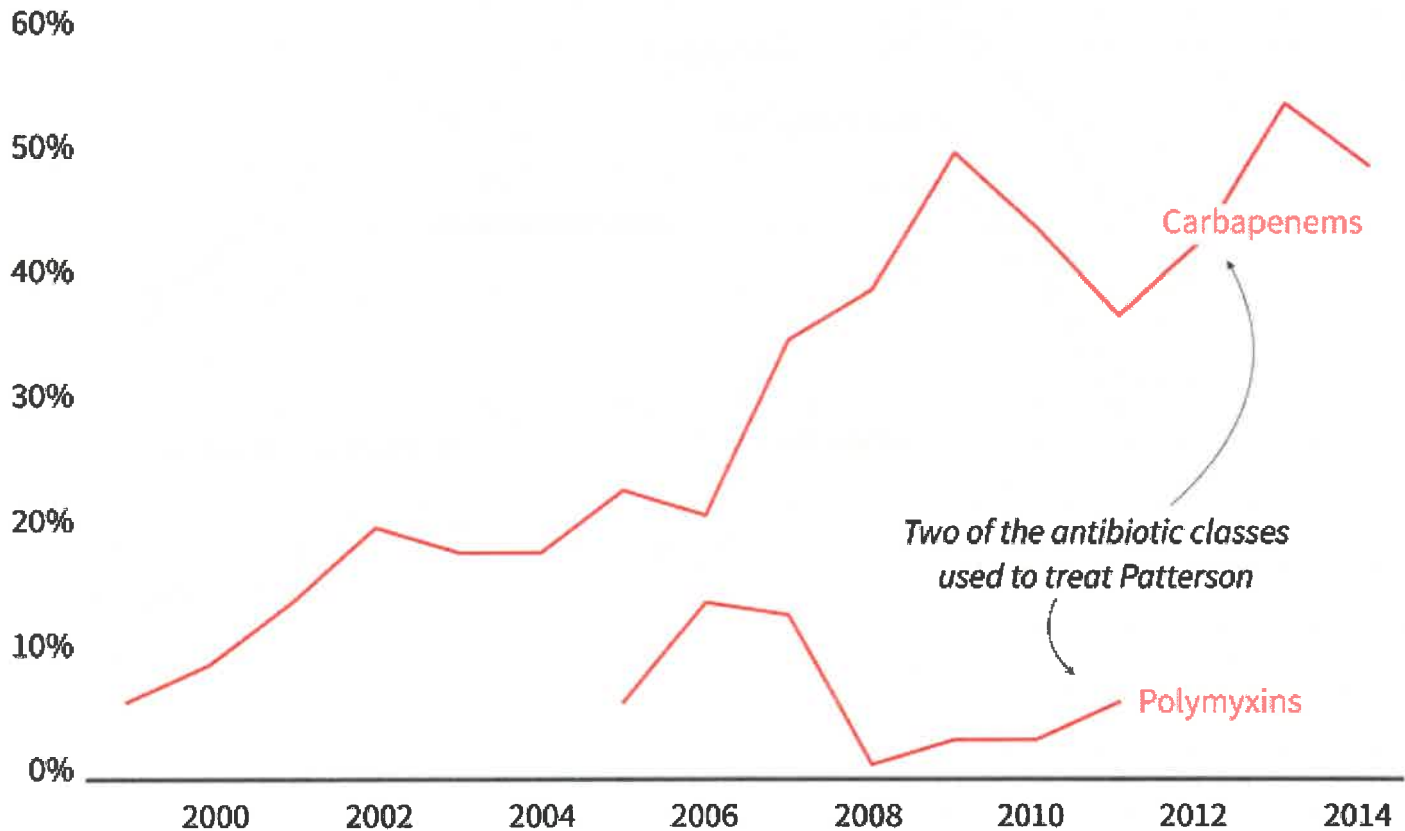
Patterson's symptoms kept getting worse. After less than a week, he was medevaced to a hospital in Frankfurt, Germany, where doctors determined that he had a life-threatening infection from a multidrug-resistant strain of *Acinetobacter baumannii*. Public health experts sometimes call multidrug-resistant bacteria "superbugs," because they can't be stopped by most antibiotics.

The superbug that Patterson contracted has also been dubbed "Iraqibacter," because it was previously found in American soldiers who had served in the Iraq War. The World Health Organization has put it on a list of antibiotic-resistant "priority pathogens" — 12 bacteria families that pose serious threats to human health and for which doctors critically need new treatments.

Antibiotic-resistant pathogens are a growing public health crisis and are expected to kill 10 million people a year by 2050, according to a [2014 report](#) funded by the United Kingdom. The medical community is struggling with the question of how to treat patients in a post-antibiotic world. Tom Patterson needed an answer to that question to stay alive.

Antibiotic Resistance Is On The Rise

Percent of U.S. *Acinetobacter baumannii* samples that were resistant to antibiotic classes



Note: Resistance rates are aggregated from tested samples of blood and cerebrospinal fluid from inpatients of all ages.

Source: CDDEP ResistanceMap

HuffPos

ALISSA SCHELLER/THE HUFFINGTON POST

His doctors think Patterson initially suffered a gallstone attack and then picked up something much worse when he visited the clinic in Luxor, as the superbug that attacked him was of Egyptian origin. However, the source of the bacteria is ultimately unknown.

By the time he arrived in Frankfort, Patterson was projectile-vomiting black bile and unable to eat or drink anything. His family had to wear protective scrubs and gloves to even come near him.

“He was a mess,” said Patterson’s older daughter, Carly DeMento. “It looked like something out of ‘The Exorcist.’”

A very worried Strathdee called her colleagues back in the U.S., who warned her that her husband had only a 50-50 chance of survival with such a dangerous superbug. Dr. Robert “Chip” Schooley, a colleague and friend who heads the Division of Infectious Diseases at UC San Diego, said Patterson should be medevaced home so Schooley could take over the case.

Back in the U.S., Patterson’s condition continued to deteriorate rapidly. A gallstone was blocking a bile duct, creating an abscess the size of a football that *Acinetobacter baumannii* had infected. His doctors hoped they could contain the infection in the abscess, but on Jan. 17, 2016, a drain slipped and the superbug flooded his body. Patterson went into septic shock.

He fell into a coma, where he remained for the better part of the next two months. Strathdee could hardly recognize her husband: He lost so much weight — eventually about 100 pounds over what would become a nine-month hospital stay — and was buried beneath a tangled web of tubes.

“He started slipping away,” Strathdee recalled. “I can’t even describe to you how wasted he looked.”

In mid-February, Strathdee was on a conference call with her colleagues who were handling Patterson’s care. After they thought she had hung up, she heard one of them ask if anyone had the heart to tell her that her husband was dying.

Strathdee was devastated, but she wasn’t going to give up. She went home, opened her computer and started her own search through the medical literature for answers.

One area of research she found that looked promising involved bacteriophages — viruses that can infect and attack bacteria. A colleague had also sent her information about “phage” therapy, after a friend who had contracted a superbug traveled to a [phage clinic in Tbilisi, Georgia](#).

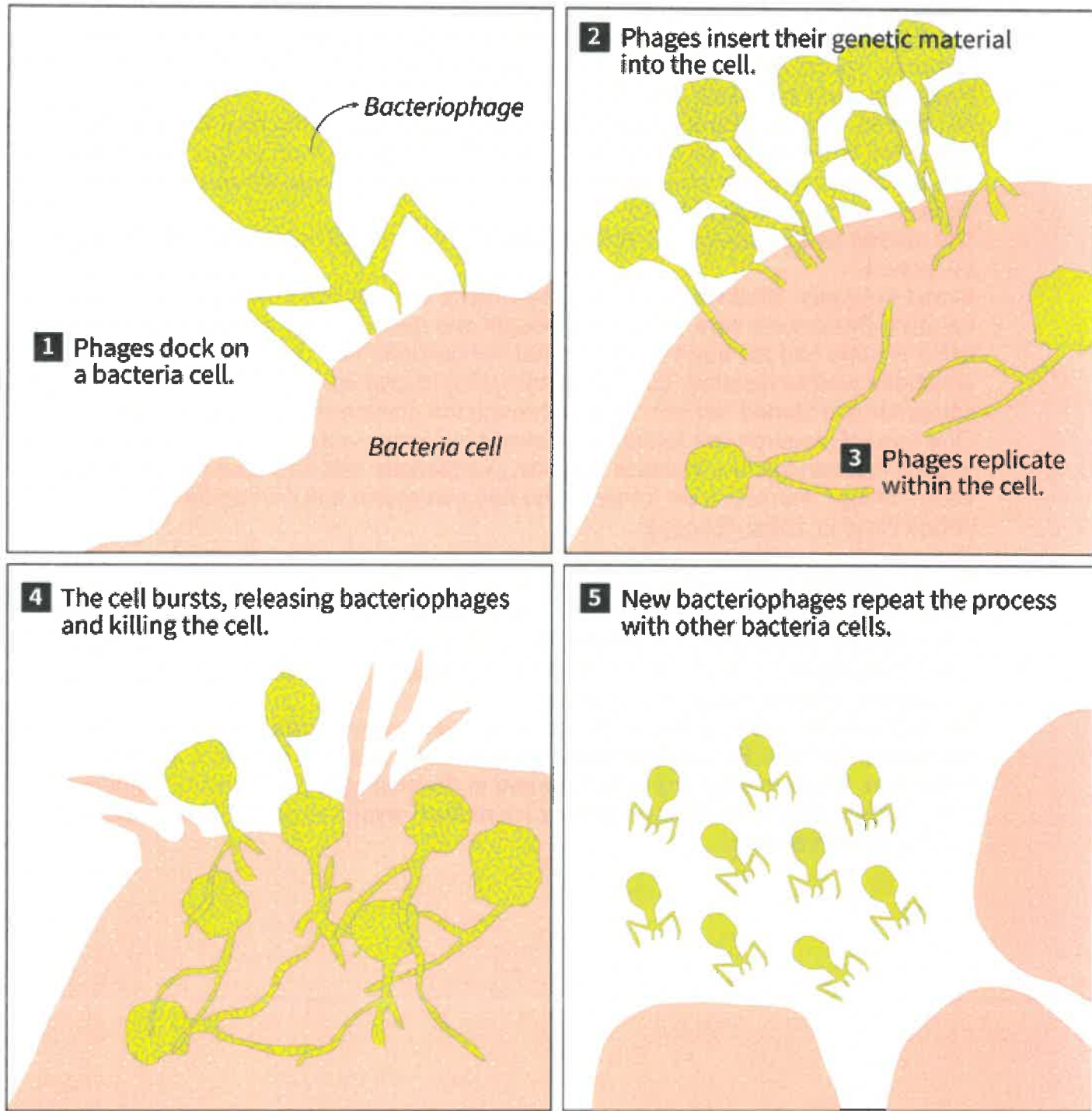
“Even if there’s a little sliver of hope, I have to try this,” Strathdee thought.

Bacteriophages have been around for a long, long time. Since the dawn of the planet, to be exact. There are an estimated 10^{31} — ten million trillion trillion — phages on earth. A single drop of seawater can contain millions. They exist in soil, water and human waste, as an abundance of these viruses feed on [intestinal bacteria](#). While they are harmless to humans, phages are deadly to bacteria.

Medical researchers originally explored phages as a way to treat infectious disease in the 1920s and ‘30s. But each phage is an individual virus that attacks a specific bacterium. Western medicine largely turned to developing broad-spectrum antibiotics like penicillin, which kill all bacteria they encounter — even the good bacteria found in healthy human bodies.

How Phages Kill Bacteria

Phages are viruses that attack specific kinds of bacteria. There are trillions of types of phages, each infecting only one or a few strains of bacteria.



Source: UC San Diego

HuffPo

ALISSA SCHELLER/THE HUFFINGTON POST

Research on phage therapy continued in Eastern Europe and the Soviet Union, where antibiotics weren't readily available. But with the wide availability of antibiotics, it fell out of favor in the U.S. Today, only a handful of U.S. labs conduct phage research.

The medical community could not have predicted the rapid rise of antibiotic resistance, the product of both the evolution of bacteria and the repeated misuse and overuse of antibiotics in humans and animals. These days, about 23,000 people die in the U.S. annually from diseases and infections that antibiotics can no longer stop, a figure experts say is going to continue rising unless there are dramatic changes in how the medications are used.

As antibiotics become less and less effective, surgery, childbirth and even a scraped knee become potentially catastrophic. This impending health disaster has global health experts looking at phages — or anything else that might work — as a potential treatment for infections.

"I think this is the only thing that will save us in a post-antibiotic world," said Carl Merrill, a former NIH scientist who consulted on Patterson's case. Merrill believes so much in the future of phage therapy that he decided to come out of retirement at age 80 to start a company with his son, called Adaptive Phage Therapeutics, that will partner with the Navy to explore the future of phage therapy.

"I'll save an infinite number of lives in the future if I can pull this off," Merrill said.

Ryland Young, the director of the Center for Phage Technology at Texas A&M University, attests that he's happily married. But if he developed a multidrug-resistant infection tomorrow, he said he'd want to have Strathdee as his wife.

Strathdee contacted more than a dozen researchers and labs in her quest to find phages that could target *Acinetobacter baumannii* and potentially save her husband's life. None of them had the phages Patterson needed or the clearance to give her their phages. The Food and Drug Administration hadn't even approved of this type of experimental treatment yet, and even if the right phage could be isolated, there would still be a lot of bureaucratic red tape to cut through before Patterson's doctors could treat him with it.

Young knew it was a long shot. Not only did his research lab not have the phages Patterson needed; they had never before tried to apply their research toward treating a specific patient. Still, Young couldn't brush off the pleading email Strathdee had sent him. He responded immediately and set up a call that night, joined by his team members from the lab. "Tom was on the verge of expiring, and Steffanie was not going to take it lying down," he said.

For the next few weeks, Young's team searched for those phages. They examined the phages they had in their library and put out calls to other labs and research facilities around the world. They even organized a trip to the local sewage plant to hunt for a potential match, since human waste is one of the most prolific sources of bacteriophages.

The team eventually found four phages — two from outside sources and two from the local sewage plant — that they thought might work.

Back in San Diego, Schooley was negotiating with the FDA to obtain an emergency permit to use phages on Patterson. In the course of doing so, he learned that the Army and the Navy had both been collecting phage libraries as part of their biodefense programs. The Naval lab offered to scan its phage library and ship any potential matches to Schooley. Within 48 hours of receiving Patterson's sample, the Naval team prepared a cocktail of phages that specifically targeted his strain of *Acinetobacter baumannii*. (BuzzFeed recently wrote about the Navy's role in Patterson's case.) There wasn't much time left. Patterson, still in a coma, was now suffering from multiple-organ failure.

The Texas A&M team finished their phage search first and shipped them off to San Diego State University, which had agreed to help process and clean the specimens so they could be injected into Patterson. On March 15, 2016, Patterson's doctors injected the first batch into his abdominal cavity via catheters. His condition did not change much after the initial injections. The Navy's phages arrived two days later. On Merrill's recommendation, they were injected intravenously — a more aggressive form of treatment. It is believed to be the first time such an approach was tried in the U.S. For the next five days, Patterson's family and doctors waited anxiously to see if this experimental treatment could make the difference. On March 20, he woke up from his coma — only to slip back into it and suffer another bout of septic shock. The doctors temporarily took him off the phage therapy, fearful that it had caused the reaction, only to realize he'd developed a different infection. They quickly put him back on the phages. Three days later, Patterson fully emerged from the coma. He was off the ventilator within a week and allowed to go outside in a wheelchair within a month. "Not only was he alive, but he was awake," said his daughter. "It was like a cloud was lifted." Patterson wasn't done fighting though. The evolving superbug soon grew resistant to the phage cocktails, and his condition deteriorated again. The Naval lab developed a new combination of modified phages, which it shipped off to UC San Diego. That time, he was cured.

Choosing to inject her husband with what was essentially purified sewage was, Strathdee said, "the scariest thing I ever did." But, she added, "I really thought he was going to make it. I just thought it has to work."

Merrill views Patterson's recovery as a seminal moment for phage therapy in the U.S. "To be honest," he said, "I never thought I'd live to see this."

In fact, doctors can't be absolutely sure that phages saved Patterson's life. Yes, he woke up from two months in a coma just days after receiving phage treatment. Yes, he somewhat miraculously recovered from one of the worst superbugs known to man. Yes, he is the first person in the United States to successfully undergo intravenous bacteriophage therapy.

But for now, his case is just an anecdote — albeit a hopeful one — as all the physicians and scientists who worked on his case point out. Schooley said that while he has submitted a report on the case to multiple medical journals, it has yet to be accepted for

publication — likely because one patient is not data. But he said it shows what’s possible: “You can take a multidrug-resistant bacteria and make something that can kill it.”

And the American scientific community is starting to take more interest in phage therapy, after relegating it to the outskirts of medicine for years.

There are still high barriers to bringing phages into the mainstream of medical science, including identifying more of the specific phages that target specific bacteria, testing methods of treatments, determining how the FDA will regulate their use, and figuring out how to incentivize pharmaceutical companies to do the needed research. Experts say hospitals would need to have access to libraries of phages from around the world to make this kind of therapy available to masses of patients, and entirely new safety protocols would have to be put in place.

The Navy’s interest in phage development could provide a critical boost. “One of Naval Medical Research Center’s goals with respect to bacteriophage science would be to provide military members infected with [multidrug-resistant] organisms additional antimicrobial options, so we were experienced and well positioned to provide an effective phage cocktail for Dr. Patterson,” said Lt. Cmdr. Theron Hamilton, who is the head of genomics and bioinformatics at the center’s Biological Defense Research Directorate. “Obviously we are thrilled with the outcome and hope this case increases awareness of the possibility of applying phage therapy to tough cases.”

Patterson feels oddly lucky to have been part of this medical experiment.

“In some sense, I was fortunate to experience all of this and hopefully make a contribution to moving this field forward so it could potentially save millions of people,” he told HuffPost from his home in California.

He said if they make a movie about his case, he wants Tom Selleck to play him.

Strathdee said she’d love that, as long as she gets to appear as herself.

Patterson doesn’t have any residual side effects, although he had to undergo extensive physical therapy after spending months in a hospital bed.

But there is one thing, he said. Every once in a while, he swears he can smell the sewage they injected into him.

“He’s full of shit,” his wife responded.

Graphics created by Alissa Scheller

This article has been updated to amend overstatements of the length of time it took the Texas A&M team to secure the phages they sent to Patterson, as well as the number of researchers to whom Strathdee reached out.

Lauren Weber The Morning Email Editor, HuffPost

FUSIBLE PVC® PIPE USED FOR SEWER SIPHONS ON THE UPPER NARROWS PROJECT

Critical HDD installations completed under the Mojave River

Overview

The City of Victorville was incorporated into the State of California on September 21, 1962. The area was originally settled in 1885. Victorville is now the largest of the cities in the Victor Valley, located northeast of Los Angeles on Interstate I-15 on the way to Las Vegas. Victorville is currently undergoing an industrial and retail expansion based on its lower cost of living, access to major transportation routes, and significant investments in its public infrastructure.

In the winter of 2010 the Victor Valley Wastewater Reclamation Authority (VVWRA) sustained damage to several of its sewer interceptors. High flows in the Mojave River caused a blockage which resulted in an overflow event for the system. As part of reestablishing the gravity interceptor system, the new Upper Narrows Pipeline Replacement project was designed. Plans for the new pipeline project required installation of a siphon section crossing under the Mojave River. The siphon section was designed to be installed using horizontal directional drilling (HDD). The 1,750 linear foot crossing was planned using two 16-inch diameter lines to be installed in a bundled configuration in a single bore hole.

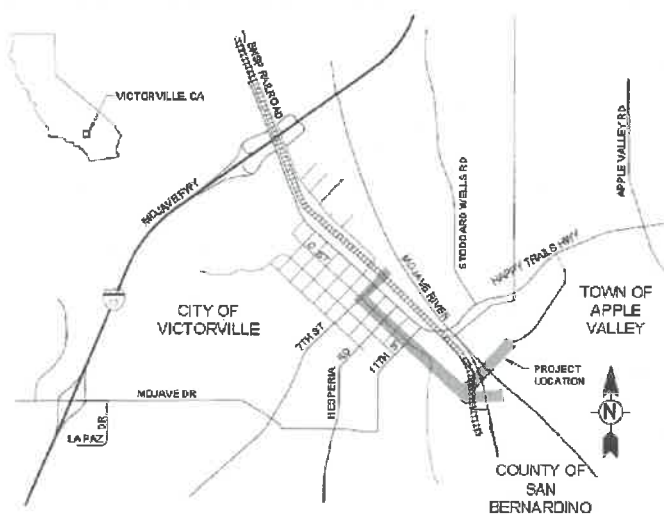
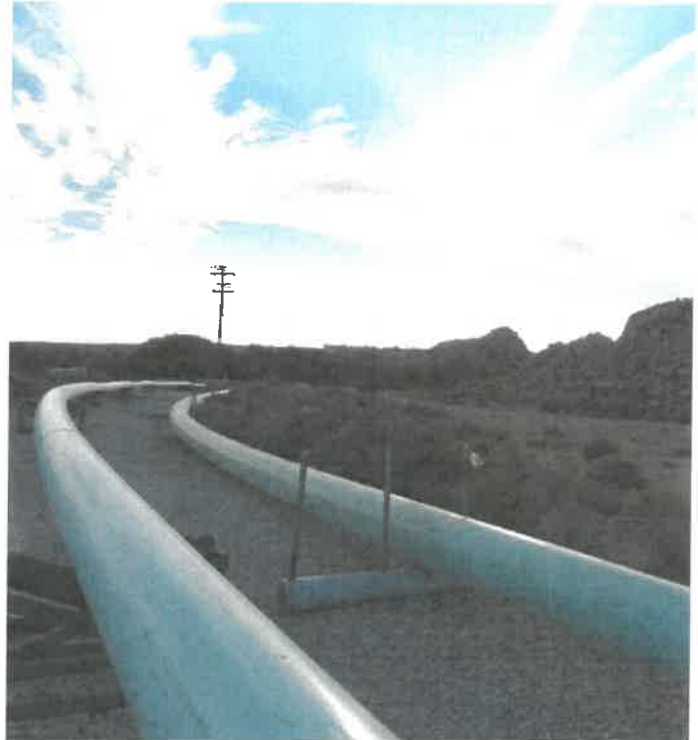


Figure 1: Map of the Anticipated Project Layout

Pipeline Details and Project Summary

Project:	Upper Narrows Pipeline Replacement Project
Location:	Victorville, CA
Length and Pipe Size:	3,500 LF 16-inch DR18 Fusible PVC® pipe
Installation:	Horizontal directional drill
Engineer:	Tetra Tech
Contractor:	JW Fowler
Directional Drilling Contractor:	The HDD Company



PROJECT PROFILE: HDD INSTALLATION FUSIBLE C-900® | FUSIBLE C-905® | FPVC®

Today, the VVWRA operates as both a Joint Powers Authority and a public agency within California. It provides wastewater treatment services to four member agencies: San Bernardino County Service Areas 42 (Oro Grande) and 64 (Spring Valley Lake), the Cities of Hesperia and Victorville, and the Town of Apple Valley. In total, the VVWRA covers a service area of 216 square miles and serves over 200,000 people. The main treatment facility is located in Oro Grande, approximately 94 miles from Los Angeles.

In June of 2013 the VVWRA finalized the 2013-14 budget which included approval for the Upper Narrows Pipeline Replacement project. The project was designed to relocate the main interceptor from the Mojave River to a new line through Old Town Victorville. Tetra Tech's Irvine, CA office was hired to develop plans for the wastewater main replacement. Tetra Tech's design was complicated by the presence of various hydrocarbons found in soils around the Narrows project area. Limiting the public's short term and long term exposure to these hydrocarbons became a priority in the design. It was this site condition which dictated that a significant portion of the project would be installed using trenchless methods.

To minimize the impacts of existing hydrocarbons in and around the project area Tetra Tech incorporated horizontal directional drilling (HDD), micro-tunneling, and bore-and-jack installation methods to limit the amount of open trench construction. VVWRA was amenable to different pipe materials but were insistent that the final pipe system be a fused system without gaskets. Both fusible polyvinylchloride pipe and HDPE pipe were approved for the dual-pull 1,750 linear foot horizontal directional drill segment. To offer equivalent degrees of soil load bearing capability and hydraulic capacity, both 16-inch DR18 FPVC® pipe and 20-inch DR9 HDPE pipe were specified in the design documents (see Figure 2). Contractors were required to designate which pipe material they would install at the time of bid submittal.

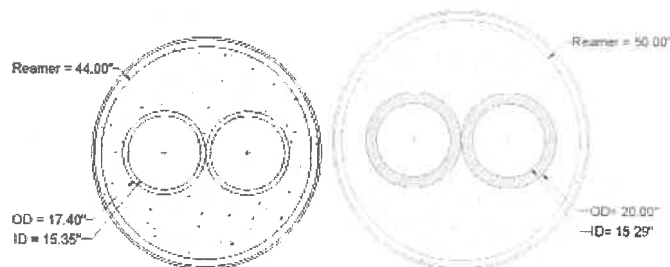


Figure 2: Original Bore Design

In consideration of the challenging ground conditions, it was determined that 80 foot steel conductor casings would be required at the entrance and exit pits of the bore.

In the early stages of preparing the drill crossing, The HDD Company, who was selected to perform the bores, requested permission to change the project design to complete installation using two separate drills rather than a single, larger diameter bore. Rick Evans with The HDD Company commented, "Because the nearest geotechnical core sample to the center of the bore was more than 500 feet from entry, it was unclear if the middle of the bore would be in solid granite, de-composed granite, alluvial formations or some combination. The decision to drill individual bores was based on the increased drilling risk associated with the unknown number of transitions between the rock and alluvial sections. Interestingly, we only encountered decomposed granite."

When presented with this solution and the associated benefits, Tetra Tech approved the request to redesign the bore. This resulted in two parallel drills of 16-inch FPVC® pipe in 24-inch bores rather than a dual pull of two 16-inch pipes through a single 54-inch to 60-inch bore (see Figure 3).

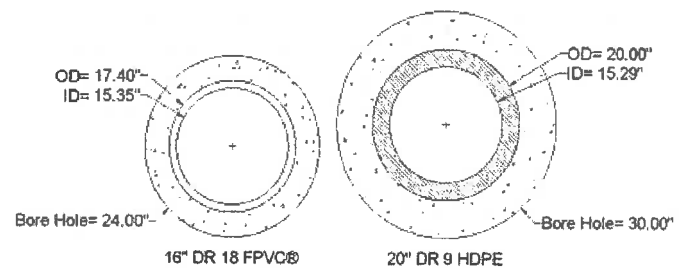


Figure 3: Approved Alternate Bore Design



Figure 4: HDD Alignment

PROJECT PROFILE: HDD INSTALLATION
 FUSIBLE C-900® | FUSIBLE C-905® | FPVC®



Underground Solutions, Inc. provides infrastructure technologies for water, wastewater and power cable conduit applications. Underground Solutions' Fusible PVC® pipe products, including Fusible C-900®, Fusible C-905® and FPVC®, utilize patented technology to produce a fused monolithic, fully-restrained, gasket-free, leak-free piping system ideal for trenchless (horizontal directional drilling, pipe bursting and sliplining) or conventional "open-cut" installations and are available in 4-inch to 36-inch diameters. The combination of standard fittings and lower weight with higher flow for a given pressure class versus other thermoplastic pipes ensures that Fusible PVC® pipe brings greater economy to most pipeline projects.



Underground Solutions, Inc.
 858.679.9551
www.undergroundsolutions.com

RENEWABLE NATURAL GAS

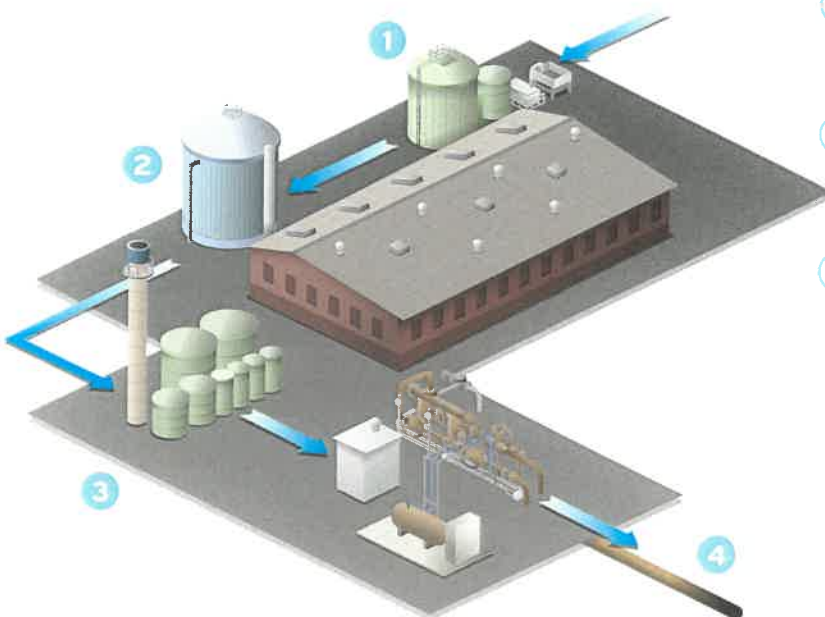
PART OF CALIFORNIA'S RENEWABLE ENERGY FUTURE

WHAT IS RENEWABLE NATURAL GAS?

Traditionally, pipeline natural gas comes from deep underground wells and is often associated with petroleum production. On the other hand, renewable natural gas (RNG) is natural gas derived from organic waste material found on the surface of the earth. In California, and throughout the United States, there are a variety of sources of this organic waste, which we see in daily life. These include food waste, garden and lawn clippings, animal and plant-based material as well as degradable carbon sources such as paper, cardboard and wood. The abundance of this material can allow for production of biogas in significant quantities.

The most common source of biogas is the naturally-occurring biological breakdown of organic waste at facilities such as wastewater treatment plants and landfills. Biogas typically consists of methane and carbon dioxide, with traces of other elements. Biogas is cleaned and conditioned to remove or reduce non-methane elements in order to produce RNG. The converted RNG is then put into the utility pipeline as a replacement for traditional natural gas. This process helps promote the safe and reliable operation of the natural gas pipeline distribution network as well as the natural gas equipment and appliances used by customers.

HOW ORGANIC WASTE IS CONVERTED INTO RNG



- ① Waste products, such as sludge, food waste or manure are processed in a biodigester.
- ② The biodigester breaks down the organic material to create biogas – a mixture of methane and other elements.
- ③ The biogas can then be processed and conditioned leaving behind RNG, which can be used interchangeably with traditional natural gas.
- ④ This RNG can be used where it is produced for things like generating electricity or fueling vehicles, or it can be injected into a utility pipeline for transportation to other customers.

GREENHOUSE GAS REDUCTIONS

RNG comes from organic sources that originally removed carbon dioxide from the atmosphere during photosynthesis, so it is considered a carbon-neutral fuel. Often, RNG can be produced from organic waste that would otherwise decay and create methane emissions. Capturing these methane emissions can actually make RNG a carbon-negative fuel by removing emissions from the atmosphere. Reducing carbon dioxide and other greenhouse gas levels is important to help reduce global warming.

GREEN ENERGY AROUND THE CLOCK HELPS CALIFORNIA'S ECONOMY

Unlike certain other sources of renewable energy, such as solar and wind technologies, RNG is available 24 hours per day, seven days a week. It can be deployed when and where it is needed through the existing pipeline network. Converting waste products into RNG can help California meet its energy needs with local resources. Investing in RNG production in California can create jobs in all regions of the state while improving air quality by better managing our waste streams.

UP TO 400 PERCENT CARBON DIOXIDE REDUCTIONS FOR TRANSPORTATION

Studies conducted by the University of California at Davis have estimated that more than 20 percent of California's current residential natural gas use can be provided by RNG derived from our state's existing organic waste alone¹. This can help reduce the need for other fossil-based fuels, and increase our supplies with a local renewable fuel. According to the California Air Resources Board², RNG sourced from landfill-diverted food and green waste can provide a 125 percent carbon dioxide reduction, and RNG from dairy manure can result in a 400 percent carbon dioxide reduction when replacing traditional vehicle fuels.



More than half of all natural gas dispensed in California for transportation is RNG, powering buses, refuse trucks and heavy-duty trucks.

SOCALGAS® IS A SUPPORTER OF RNG

As part of our commitment to help the environment and support California in meeting its greenhouse gas reduction goals, SoCalGas® offers expertise and assistance to customers and project developers who want to convert organic waste material into biogas or RNG. Through our network of natural gas pipelines, SoCalGas offers the opportunity for RNG to be accepted into our transmission and distribution system and delivered to our customers.

FIND OUT MORE

For more information visit:

[socalgas.com/smart-energy](https://www.socalgas.com/smart-energy)

Or contact our Market Development Team at:
marketdevelopment@semprautilities.com

¹ "The Feasibility of Renewable Natural Gas as a Large-Scale, Low Carbon Substitute", Prepared for the California Air Resources Board and the California Environmental Protection Agency by Amy Jaffe, Principal Investigator. STEPS Program, Institute of Transportation Studies, UC Davis: <https://www.arb.ca.gov/research/apr/past/13-307.pdf>

² "Low Carbon Fuel Standard Pathway Certified Carbon Intensities": <https://www.arb.ca.gov/fuels/lcfs/fuelpathways/pathwaytable.htm>



GAME-CHANGING TECHNOLOGY

Near-zero emission buses with low NOx engines fueled by renewable natural gas (RNG) can reduce smog-forming (NOx), greenhouse gas (GHG) and particulate matter (PM) emissions faster and more cost-effectively than other technologies.

BUS TECHNOLOGY COMPARISON					
	Bus Cost	Total Cost	NOx Emissions	GHG Emissions	PM Emissions
	\$	\$/mile	tons	tons	tons
Low NOx RNG Bus	\$528 K	\$4.18	5,362	4.49 M	-579
Electric Bus Depot Charging (Projected Performance)	\$750 K	\$4.27	8,398	7.57 M	110
Electric Bus on Route Charging (Projected Performance)	\$770 K	\$4.28	8,341	7.51 M	108
Hydrogen Fuel Cell Bus	\$1.24 M	\$ 4.53	12,638	12.58 M	797

Data Source: Ramboll Environ, Revised Report for Advanced Transit Vehicle Consortium of the MTA, September 29, 2016



GAME CHANGER

THE BEST WAY TO MEET CALIFORNIA'S 2030 AND 2050 EMISSIONS REDUCTION GOALS TODAY: NEAR-ZERO HEAVY-DUTY NATURAL GAS TRUCKS FUELED BY RENEWABLE NATURAL GAS (RNG)

NEAR ZERO EMISSIONS
NATURAL GAS ENGINE

> 90% reduction
in NOx (smog-forming) emissions

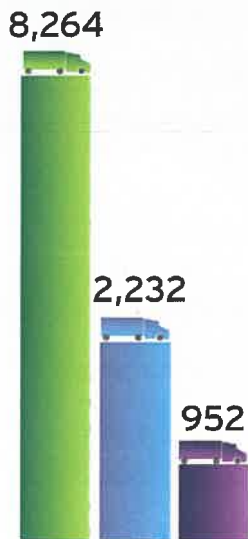


RENEWABLE NATURAL GAS
AS TRANSPORTATION FUEL

> 80% reduction
in greenhouse gas emissions

HOW MUCH CAN \$500 MILLION DO FOR OUR AIR AND ENVIRONMENT?

Number of Trucks Incentivized

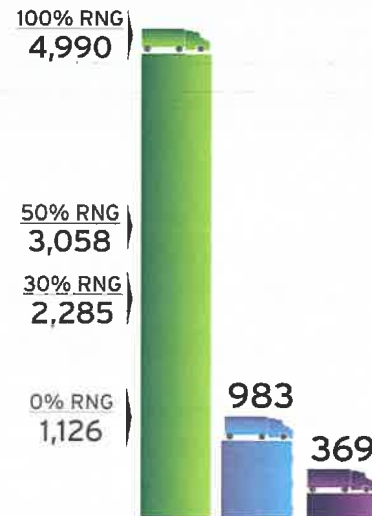


Smog-Forming Emissions Reductions*



*Compared to Baseline Diesel (weighted tons)

Greenhouse Gas (GHG) Reductions†



†Compared to Baseline Diesel (thousand MT CO2e)

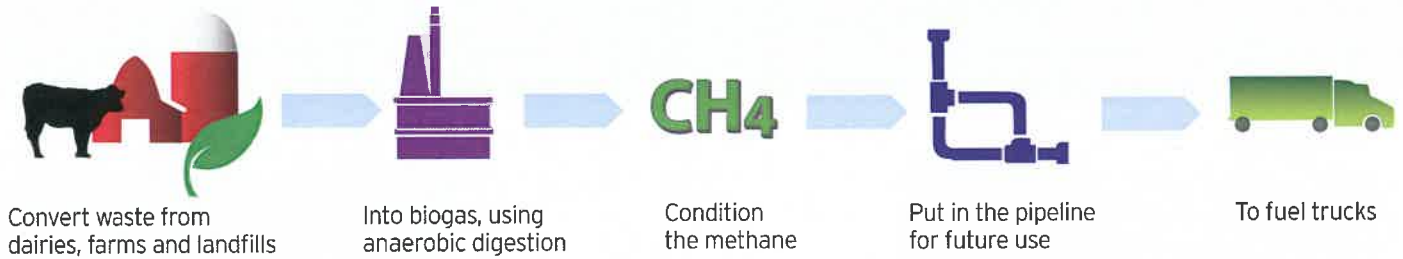
Natural Gas Vehicle (NGV)
Commercially available in 2016

Electric HD Truck CA Grid
California Air Resources Board projects commercial availability in 2030†

Fuel Cell HD Truck - 33% RH2
†ARB Technology Assessments 2015

For more information, visit NGVGameChanger.com

CREATING RENEWABLE NATURAL GAS



Renewable Natural Gas is 13X More Cost-Effective Than Fuel Cell Trucks

Cost-Effectiveness of GHG Emissions Reductions

Per Metric Ton CO_{2e}

<i>This technology is available to help meet California's goals TODAY!</i>	\$100	RNG NEAR-ZERO
	\$444	COMPRESSED NATURAL GAS NEAR-ZERO
<i>This technology will not be commercially available until 2030.†</i>	\$509	ELECTRIC HD TUCK CA GRID
	\$1354	FUEL CELL HD TRUCK 33% RENEWABLE HYDROGEN

† ARB Technology Assessments 2015

**NGVs
FUELED
BY RNG**

**REDUCE NO_x
REDUCE GHG EMISSIONS
INCREASE DEMAND FOR RNG**

Compared to electric vehicle technologies, which can at best provide zero carbon emissions, RNG sourced from dairy, food and green waste is **carbon-negative** – **removing more carbon from the atmosphere than it produces.**

One dairy-sourced RNG fueled truck has **6X the greenhouse gas benefit** of one plug-in electric vehicle.

Many fleets have already embraced RNG. In fact, according to the California Air Resource Board's latest Low Carbon Fuel Standard report, **more than half of the natural gas used in California vehicles is RNG.**

California has an opportunity to put organic waste to beneficial use, meet waste reduction goals and reduce GHG emissions by converting this waste to **carbon-negative RNG for transportation fuel.**

Putting more clean heavy-duty natural gas trucks on California's roads is the fastest and most cost-effective means to **accelerate RNG production.**

For more information, visit NGVGameChanger.com



GOVERNMENT FINANCE OFFICERS ASSOCIATION
NEWS RELEASE

FOR IMMEDIATE RELEASE

05/04/2017

For more information contact:
Todd Buikema, Acting Director/TSC
Phone: (312) 977-9700
Fax: (312) 977-4806
E-mail: tbuikema@gfoa.org

(Chicago, Illinois)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Victor Valley Wastewater Reclamation Authority** by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s) or department designated by the government as primarily responsible for preparing the award-winning CAFR.

The CAFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

Government Finance Officers Association is a major professional association servicing the needs of nearly 19,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington, D.C.

203 NORTH LASALLE STREET, SUITE 2700, CHICAGO, ILLINOIS 60601-1210



Government Finance Officers Association
 203 North LaSalle Street, Suite 2700
 Chicago, Illinois 60601-1210
 312.977.9700 fax: 312.977.4806

May 4, 2017

Logan Olds
 General Manager
 Victor Valley Wastewater Reclamation Authority
 20111 Shay Road
 Victorville, CA 92394

Dear Mr. Olds:

We are pleased to notify you that your 2016 fiscal year end comprehensive annual financial report (CAFR) qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. Congratulations for having satisfied the high standards of the program. We hope that your example will encourage others in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements are enclosed. It is strongly encouraged the recommended improvements be implemented into the next report and the report be submitted to the program within six months of your next fiscal year end. Certificate of Achievement Program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. The written responses should provide details about how each item is addressed within this report. These responses will be provided to those Special Review Committee members participating in the review. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. An AFRA is enclosed for the preparer as designated on the application.

Continuing participants will find a Certificate and brass medallion enclosed with these results. First-time recipients will find a Certificate enclosed with these results and will receive a plaque in about 10 weeks. You may arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and we hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

A current holder of a Certificate of Achievement may include a reproduction of the Certificate in its immediately subsequent CAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year.

A Certificate of Achievement Program application is posted on GFOA's website. This application must be completed and accompany your next submission. See sections III and IV of the application for instructions. **The entity's GFOA membership number appears on the attached comments and must be listed on the application.** Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.


Sincerely,

Todd Buikema
 Acting Director, Technical Services Center



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: June 02, 2017
TO: Logan Olds
 General Manager
FROM: Angela Valles 
 Director of Finance
SUBJECT: Cash Disbursements Register

RECOMMENDED ACTION

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

BACKGROUND

The Cash Disbursements Register totals represented below are for the month of MAY 2017, check numbers 117684- 120861 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>EFT's</i>	<i>Payroll</i>	<i>Total</i>
<i>\$121,785.07</i>	<i>\$5,364,905.95</i>	<i>\$269,801.24</i>	<i>\$5,756,492.26</i>

Victor Valley Reclamation Authority
Cash Disbursement Register
From 5/1/17 Through 5/31/17

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
117684	5/1/2017	5/1/2017	01	Federal Licensing Inc.	FCC Radio License Renewal	(110.00)
117947	5/31/2017	5/31/2017	01	Beverly Radiology	Injury X-Rays	(109.33)
118009	5/31/2017	5/31/2017	01	Beverly Radiology	First Aid	(90.00)
118408	5/31/2017	5/31/2017	01	R.F. Electrical Technology	Electrical Repairs	(1,950.00)
118431	5/31/2017	5/31/2017	01	American Organics	Waste Disposal	(16.00)
118435	5/31/2017	5/31/2017	01	Center For Advanced Media Studies	Training	(135.00)
119227	5/31/2017	5/31/2017	01	Albert Campos	SDI Reimbursement	(8.83)
120790	5/4/2017	5/4/2017	07	Aeromix Systems Inc	Tornado Aerator Lower End	7,859.95
120791	5/4/2017	5/4/2017	01	Applied Industrial Technologies	Orange Gloves	355.58
120792	5/4/2017	5/4/2017	01	Apple Valley Transfer & Storage Db	Document Shredding Service	45.00
120793	5/4/2017	5/4/2017	01	Atmospheric Analysis And Consulting, Inc.	Gas Analysis	1,880.00
120794	5/4/2017	5/4/2017	01	Blackline Safety Corp	Loner Device Service	210.00
120795	5/4/2017	5/4/2017	01	Brown Bear Corp	Brown Bear Parts	423.28
120796	5/4/2017	5/4/2017	01	Catrol, Inc.	Repair MOV	1,084.00
120797	5/4/2017	5/4/2017	01	Concept Power Inc.	Battery Replacement MSB Gear	1,985.29
120798	5/4/2017	5/4/2017	01	Electrical Systems Engineering Company	MSB Maintenance	9,150.00
120799	5/4/2017	5/4/2017	01	Flyers Energy, Llc	Gasoline	805.39
120800	5/4/2017	5/4/2017	01	Frontier	Acct# 661-194-9743-031907-5	199.99
120801	5/4/2017	5/4/2017	01	Frontier	Acct# 760-246-8178-122106-5	218.80
120802	5/4/2017	5/4/2017	01	G.A. Osborne Pipe & Supply	3W Spigot	96.74
120803	5/4/2017	5/4/2017	01	Golf Cars Of Riverside	48V Charger	1,196.01
120804	5/4/2017	5/4/2017	01	Labconco Corporation	Powder Detergent	584.42
120805	5/4/2017	5/4/2017	01	Measurement Technologies, Inc.	Sideways Tee Assembly	1,012.73
120806	5/4/2017	5/4/2017	01	Parkhouse Tire Inc.	Dump Truck Tires	730.96
120807	5/4/2017	5/4/2017	01	Prudential Overall Supply	Uniform Service	446.03
120808	5/4/2017	5/4/2017	01	Royal Wholesale Electric	Arc Flash	2,155.00
120808	5/4/2017	5/4/2017	01	Royal Wholesale Electric	Long Nose Pliers	34.76
120808	5/4/2017	5/4/2017	01	Royal Wholesale Electric	Electrical Hardware	2,012.93
120808	5/4/2017	5/4/2017	01	Royal Wholesale Electric	Late Fee for Arc Flash	32.32
120809	5/4/2017	5/4/2017	01	Sparklets Drinking Water	Bottled Water	510.25
120810	5/4/2017	5/4/2017	01	United Rentals Northwest, Inc	Seal Kit	155.79
120810	5/4/2017	5/4/2017	01	United Rentals Northwest, Inc	Coolant For Generators	1,222.03
120811	5/11/2017	5/11/2017	01	Applied Industrial Technologies	Anchor Bolt Grout	24.72
120812	5/11/2017	5/11/2017	01	Becker Pumps Corporation	CHP 1 Hug Compressor	1,146.41
120813	5/11/2017	5/11/2017	01	Bia / Baldy View Chapter	SBC Water Conference	599.00
120814	5/11/2017	5/11/2017	01	Blaine Tech Services, Inc.	Plant Sampling	807.75
120814	5/11/2017	5/11/2017	01	Blaine Tech Services, Inc.	Apple Valley GMWS	3,328.00
120814	5/11/2017	5/11/2017	01	Blaine Tech Services, Inc.	Regional Facility MMWS	4,130.00
120814	5/11/2017	5/11/2017	01	Blaine Tech Services, Inc.	Hesperia GMWS	8,136.80
120815	5/11/2017	5/11/2017	01	Concorde Communications	Answering and Telephone Service	94.90
120816	5/11/2017	5/11/2017	01	Dell Inc.	Account# 6879450208000712898	686.85
120817	5/11/2017	5/11/2017	01	Ebmeyer Charter And Tour	Granite Hills URC Tour	1,259.25
120818	5/11/2017	5/11/2017	01	Environmental Water Solutions, Inc.	Flare #2 thermocouple and controller	5,779.40
120819	5/11/2017	5/11/2017	01	Frontier	ACCT #760-246-7344-030481-5	53.06
120820	5/11/2017	5/11/2017	01	Frontier	ACCT# 760-246-7864-030481-5	53.09
120821	5/11/2017	5/11/2017	01	Frontier	ACCT #760-247-4698-121382-5	216.75
120822	5/11/2017	5/11/2017	01	Hesperia Chamber Of Commerce	Hesperia Chamber Sponsorship	500.00
120823	5/11/2017	5/11/2017	01	Hi-Desert Communications	Site Rent	100.00
120824	5/11/2017	5/11/2017	01	Johnson Machinery Co.	Oil Analysis Containers	640.00
120825	5/11/2017	5/11/2017	01	Konica Minolta Business Solutions	Printer Charges	276.39
120826	5/11/2017	5/11/2017	01	Luhdorff And Scalmanini Consulting Engineers, Inc.	2016 Semi Annual	9,100.50
120826	5/11/2017	5/11/2017	01	Luhdorff And Scalmanini Consulting Engineers, Inc.	Pere Pond and Semi Annual	9,089.50
120826	5/11/2017	5/11/2017	01	Luhdorff And Scalmanini Consulting Engineers, Inc.	Semi Annual Reports	1,325.00
120827	5/11/2017	5/11/2017	01	Mcr Technologies	Septage EQ FLOW Transmitter Troubesho	1,056.00
120828	5/11/2017	5/11/2017	01	Prudential Overall Supply	Uniform & Linen Service	453.65
120829	5/11/2017	5/11/2017	01	Safety-Kleen Systems Inc.	Safety Kleen	1,696.78
120829	5/11/2017	5/11/2017	01	Safety-Kleen Systems Inc.	Safety Kleen	1,275.24
120830	5/11/2017	5/11/2017	01	Southern Counties Lubricants	Engine Oil	2,619.47
120830	5/11/2017	5/11/2017	01	Southern Counties Lubricants	Engine Oil	810.41
120831	5/11/2017	5/11/2017	01	United Rentals Northwest, Inc	United Rental Fall Protection Training	1,806.25
120832	5/17/2017	5/17/2017	01	Donna Anthony	Donna Anthony Retiree Health Benefit All	443.00
120833	5/17/2017	5/17/2017	01	Dan Sentman	Daniel Sentman Retiree Health Benefit All	225.63
120834	5/18/2017	5/18/2017	01	Applied Industrial Technologies	GBT Belts	263.13
120835	5/18/2017	5/18/2017	01	Apple Valley Transfer & Storage Db	Document Shredding Service	95.00
120836	5/18/2017	5/18/2017	01	Crump & Co., Inc	TNA Gear	733.45
120837	5/18/2017	5/18/2017	01	Csrma	David Padilla File NO. I911018	2,490.25
120838	5/18/2017	5/18/2017	01	Electrical Systems Engineering Company	MSB Breaker Repair for Generator #3	5,750.00
120839	5/18/2017	5/18/2017	01	Flyers Energy, Llc	Gasoline	852.52
120840	5/18/2017	5/18/2017	01	G.A. Osborne Pipe & Supply	GBT Piping	320.69
120840	5/18/2017	5/18/2017	01	G.A. Osborne Pipe & Supply	GBT PVC & Fittings	1,350.33
120841	5/18/2017	5/18/2017	01	Gfoa	ANGELA VALLES MEMBERSHIP REN.	160.00
120842	5/18/2017	5/18/2017	01	High Desert Backflow	Backflow Tests	230.00
120843	5/18/2017	5/18/2017	01	Jams	Advisory Opinion - Legality of Flow Divert	2,016.00
120844	5/18/2017	5/18/2017	01	Prudential Overall Supply	Uniform Cleaning Service	453.65
120845	5/18/2017	5/18/2017	01	Thurlow'S Heating & A/C Inc.	Thurlow'S Server Room Service Call	328.10
120845	5/18/2017	5/18/2017	01	Thurlow'S Heating & A/C Inc.	Service Call on Condesor	874.28
120845	5/18/2017	5/18/2017	01	Thurlow'S Heating & A/C Inc.	O&M Building Compressor	5,700.00
120847	5/25/2017	5/25/2017	01	Applied Industrial Technologies	SEPCO Packing	1,510.66

Victor Valley Reclamation Authority
Cash Disbursement Register
From 5/1/17 Through 5/31/17

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
120848	5/25/2017	5/25/2017	01	Russell Blewett	Commissioner Stipened	100.00
120849	5/25/2017	5/25/2017	01	Ced	Conduit	1,991.23
120849	5/25/2017	5/25/2017	01	Ced	EYS3G	668.05
120850	5/25/2017	5/25/2017	01	James Cox	Commissioner Stipened	100.00
120851	5/25/2017	5/25/2017	01	Department Of Consumer Affairs	License # 126075 CPA Renewal	120.00
120852	5/25/2017	5/25/2017	01	Golf Cars Of Riverside	Gold Cart Headlights	369.35
120853	5/25/2017	5/25/2017	01	Vallen Distribution, Inc	SCBA Inspection	688.75
120854	5/25/2017	5/25/2017	01	Hesperia Chamber Of Commerce	Hesperia Chamber Annual Membership	420.00
120855	5/25/2017	5/25/2017	01	James N. Kennedy	Commissioner Stipened	100.00
120856	5/25/2017	5/25/2017	01	Scott Nassif	Commissioner Stipened	100.00
120857	5/25/2017	5/25/2017	01	Orkin	Pest Control	375.89
120858	5/25/2017	5/25/2017	01	Prudential Overall Supply	Uniform Service	453.65
120859	5/25/2017	5/25/2017	01	United Rentals Northwest, Inc	Rammer Large	74.22
120860	5/25/2017	5/25/2017	01	Yale Chase Equipment And Services	JCB Parts	3,224.08
120861	5/25/2017	5/25/2017	01	Cintas Corporation	First Aide Supplies	149.90
					Check Total	121,785.07
00029955782	5/18/2017	5/18/2017	01	State Board Of Equalization	1st Quarter 2017 Sales Tax	301.94
050917CHAR2525	5/9/2017	5/9/2017	01	Charter Communications	Telephone Charges	99.58
050917CHAR5603	5/9/2017	5/9/2017	01	Charter Communications	Telephone Charges	2,499.15
050917SWG	5/9/2017	5/9/2017	01	Southwest Gas Company	Natural Gas	455.03
050917UPS	5/9/2017	5/9/2017	01	Ups	Express Shipping	1.65
050917UPS	5/9/2017	5/9/2017	01	Ups	Express Shipping	34.17
051817UPS	5/18/2017	5/18/2017	01	Ups	Express Shipping	285.05
11274344	5/31/2017	5/31/2017	01	Verizon Wireless	Wireless Telephone Charges	1,812.76
11274380	5/31/2017	5/31/2017	01	Verizon Wireless	Wireless Telephone Charges	152.04
185650737	5/31/2017	5/31/2017	01	City Of Victorville / Sanitation	Trash Service	6,515.32
2269698	5/2/2017	5/2/2017	09	W.M Lyles	Subregional Construction	2,472,848.50
2284609-1	5/4/2017	5/4/2017	01	A.D.S. Corp.	Flow Monitoring	8,333.28
2284609-10	5/4/2017	5/4/2017	01	Larry Walker Associates	2017 Regulatory Assistance	7,023.75
2284609-11	5/4/2017	5/4/2017	01	Patton Sales Corp	Conveyor	814.59
2284609-12	5/4/2017	5/4/2017	01	Schafer Consulting	Needs Assessment and Project Coordinatio	515.00
2284609-13	5/4/2017	5/4/2017	01	Underground Service Alert Of Southern California	Dig Alert Charges	60.00
2284609-14	5/4/2017	5/4/2017	01	U.S. Bank	Cal Card Charges March 17	4,709.73
2284609-15	5/4/2017	5/4/2017	01	Valley Power Systems, Inc.	Rebuild Air Starter and VGF Head	2,779.76
2284609-16	5/4/2017	5/4/2017	01	Vision Internet Providers	Web Hosting	243.10
2284609-2	5/4/2017	5/4/2017	01	Advanced Systems	Fleet Vehicle Wash	375.00
2284609-3	5/4/2017	5/4/2017	01	Applied Maintenance Supplies & Solution	PVC	10.56
2284609-4	5/4/2017	5/4/2017	01	Biogas Power Systems- Mojave, Llc	Biogas Project	64,546.00
2284609-5	5/4/2017	5/4/2017	01	Brenntag Pacific, Inc	BREN001 BPI256423	(180.00)
2284609-5	5/4/2017	5/4/2017	01	Brenntag Pacific, Inc	Ferric Chloride	4,799.88
2284609-5	5/4/2017	5/4/2017	01	Brenntag Pacific, Inc	Bleach	945.03
2284609-6	5/4/2017	5/4/2017	01	Bsk Associates	Alltech Annual Sampling	799.00
2284609-6	5/4/2017	5/4/2017	01	Bsk Associates	Cemex Annual Sampling	797.00
2284609-6	5/4/2017	5/4/2017	01	Bsk Associates	Metering Stations Annual Sampling	1,071.00
2284609-6	5/4/2017	5/4/2017	01	Bsk Associates	Little Sisters Annual Sampling	772.00
2284609-7	5/4/2017	5/4/2017	01	Crane Pro Services	Quarterly Crane Inspection	1,430.00
2284609-8	5/4/2017	5/4/2017	01	Grainger	Inverter	405.84
2284609-8	5/4/2017	5/4/2017	01	Grainger	Railing Parts	1,695.64
2284609-8	5/4/2017	5/4/2017	01	Grainger	Utility Pump	97.70
2284609-9	5/4/2017	5/4/2017	01	Hach Company	Total/ Free C12 Test Strips	222.15
2284609-9	5/4/2017	5/4/2017	01	Hach Company	Hach Sample Cell 1cm Rectangular Quartz	1,221.47
2330523-1	5/9/2017	5/9/2017	09	Christensen Brothers Gen Eng Inc	Nanticoke Pump Station Bypass	272,987.75
2330523-1	5/9/2017	5/9/2017	09	Christensen Brothers Gen Eng Inc	Nanticoke Pump Station Bypass	313,869.33
2330523-2	5/9/2017	5/9/2017	09	W.M Lyles	Subregional Construction Apple Valley	864,116.08
2330523-3	5/9/2017	5/9/2017	09	Aecom	Nanticoke Bypass Sewer Replacement	108,814.95
2349792-1	5/11/2017	5/11/2017	01	All Covered	Cisco Configuration	1,040.00
2349792-10	5/11/2017	5/11/2017	01	Protection One	Protection One Monitoring	523.53
2349792-11	5/11/2017	5/11/2017	01	Valley Power Systems, Inc.	Waukesha Engines Retrofit	17,705.94
2349792-12	5/11/2017	5/11/2017	01	Vision Internet Providers	Web Hosting Fee	243.10
2349792-13	5/11/2017	5/11/2017	01	Wageworks, Inc	FSA Monthly Spending	86.75
2349792-14	5/11/2017	5/11/2017	01	Xylem Water Solutions	UV Sensor	7,249.42
2349792-2	5/11/2017	5/11/2017	01	Brenntag Pacific, Inc	Ferric Chloride	4,026.68
2349792-3	5/11/2017	5/11/2017	01	Bsk Associates	Calportland Sample	242.00
2349792-4	5/11/2017	5/11/2017	01	Culligan Water Conditioning	Water Softener	470.00
2349792-5	5/11/2017	5/11/2017	01	Diamond Environmental Services	Restroom Rental	262.39
2349792-6	5/11/2017	5/11/2017	01	Evoqua Water Technologies Llc	Bioxide	8,999.28
2349792-7	5/11/2017	5/11/2017	01	Grainger	Open PO for Consumables	10.42
2349792-7	5/11/2017	5/11/2017	01	Grainger	Railing Fittings	403.07
2349792-7	5/11/2017	5/11/2017	01	Grainger	Railing Fittings	135.00
2349792-7	5/11/2017	5/11/2017	01	Grainger	Spa Pump	421.12
2349792-8	5/11/2017	5/11/2017	01	Honest Johns Septic Service, Inc.	AVPS Wet Well	1,200.00
2349792-9	5/11/2017	5/11/2017	01	Ilink Business Management	Janitorial Services	2,569.76
2364822	5/15/2017	5/15/2017	01	Southern California Edison	Requested Outage 5/23/2017	996.20
2372193-1	5/17/2017	5/17/2017	01	Billings, Richard	Richard Billings Retiree Health Benefit All	398.73
2372193-10	5/17/2017	5/17/2017	01	Randy Main	Randy Main Retiree Health Benefit Allowa	443.00
2372193-11	5/17/2017	5/17/2017	01	Mark McGee	Mark McGee Retiree Health Benefit Allow.	443.00
2372193-12	5/17/2017	5/17/2017	01	Lillie Montgomery	Lillie Montgomery Retiree Health Benefit	443.00

Victor Valley Reclamation Authority
Cash Disbursement Register
From 5/1/17 Through 5/31/17

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
2372193-13	5/17/2017	5/17/2017	01	L. Christina Nalian	Louise Nalian Retiree Health Benefit Allow	443.00
2372193-14	5/17/2017	5/17/2017	01	Nave, Patrick	Pat Nave Retiree Health Benefit Allowance	443.00
2372193-2	5/17/2017	5/17/2017	01	Roy Dagnino	Roy Dagnino Retiree Health Benefit Allow	443.00
2372193-3	5/17/2017	5/17/2017	01	Tim Davis	Timothy Davis Retiree Health Benefit Allo	443.00
2372193-4	5/17/2017	5/17/2017	01	Terrie Gossard Flint	Teresa Flint Retiree Health Benefit Allowa	261.76
2372193-5	5/17/2017	5/17/2017	01	Gillette, Randy	Randy Gillette Retiree Health Benefit Allo	443.00
2372193-6	5/17/2017	5/17/2017	01	Andrew Gyurcsik	Andrew Gyurcsik Retiree Health Benefit A	443.00
2372193-7	5/17/2017	5/17/2017	01	Thomas Hinojosa	Thomas Hinojosa Retiree Health Benefit A	443.00
2372193-8	5/17/2017	5/17/2017	01	Patricia J Johnson	Patricia Johnson Retiree Health Benefit All	172.48
2372193-9	5/17/2017	5/17/2017	01	Olin Keniston	Olin Keniston Retiree Health Benefit Allow	261.76
2383167-1	5/19/2017	5/19/2017	01	Beck Oil, Inc.	Diesel	1,233.53
2383167-2	5/19/2017	5/19/2017	01	Fedak & Brown LLP	Audit of Financial Statements FYE 6/30/17	2,400.00
2383167-3	5/19/2017	5/19/2017	01	D.K.F. Solutions Inc.	MSO Monthly Subscription Fee	350.00
2383167-4	5/19/2017	5/19/2017	01	E.S. Babcock & Sons, Inc.	March Lab Testing	26,016.00
2383167-4	5/19/2017	5/19/2017	01	E.S. Babcock & Sons, Inc.	April Lab Testing	19,796.00
2383167-5	5/19/2017	5/19/2017	09	W.M. Lyles	Subregional Construction Hesperia	892,939.19
2383167-6	5/19/2017	5/19/2017	01	Mcgrath Rentcorp	Admin Office Lease	3,658.12
2383167-7	5/19/2017	5/19/2017	01	Valley Power Systems, Inc.	Waukesha Engines 4&5 Digester Gas Rela	2,265.87
2405192-1	5/25/2017	5/25/2017	01	Advanced Systems	Fleet Vehicle Wash	275.00
2405192-10	5/25/2017	5/25/2017	01	U.S.A. Bluebook	Sludge Judges	1,773.03
2405192-11	5/25/2017	5/25/2017	01	Wageworks, Inc	FSA Montly Spending	86.75
2405192-12	5/25/2017	5/25/2017	07	Xylem Water Solutions	UV Channel 1 Wiper	28,090.97
2405192-2	5/25/2017	5/25/2017	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	573.13
2405192-2	5/25/2017	5/25/2017	01	Applied Maintenance Supplies & Solution	Union Galvanized	12.45
2405192-3	5/25/2017	5/25/2017	01	Solenis Llc	Praestol	6,908.93
2405192-4	5/25/2017	5/25/2017	01	Bsk Associates	VVTA Annual Sample	742.00
2405192-5	5/25/2017	5/25/2017	01	Crane Pro Services	Crane Repair	1,773.50
2405192-6	5/25/2017	5/25/2017	01	Hach Company	Gel Probe	915.85
2405192-6	5/25/2017	5/25/2017	07	Hach Company	LDO Cap Replacement	9,086.80
2405192-6	5/25/2017	5/25/2017	07	Hach Company	Swivel Clamp	2,155.00
2405192-6	5/25/2017	5/25/2017	07	Hach Company	Sensor Cap Replacement	5,624.18
2405192-7	5/25/2017	5/25/2017	01	Larry Walker Associates	2017 Regulatory Assistance	2,467.21
2405192-8	5/25/2017	5/25/2017	01	Rincco Chemical Industries, Inc.	Chemical Disposal	1,747.90
2405192-8	5/25/2017	5/25/2017	01	Rincco Chemical Industries, Inc.	Chemical Disposal	737.00
2405192-8	5/25/2017	5/25/2017	01	Rincco Chemical Industries, Inc.	Chemical Disposal	686.53
2405192-8	5/25/2017	5/25/2017	01	Rincco Chemical Industries, Inc.	Chemical Disposal	990.00
2405192-8	5/25/2017	5/25/2017	01	Rincco Chemical Industries, Inc.	Chemical Disposal	2,417.25
2405192-9	5/25/2017	5/25/2017	01	Schafer Consulting	Finance Software Template Development	19,317.83
2405274-1	5/25/2017	5/25/2017	01	Casteel, Kristi	Board Meeting Refreshments	19.78
2405274-2	5/25/2017	5/25/2017	01	Tarango, Michael	Grade 3 Renewal	300.00
27812039	5/9/2017	5/9/2017	01	Hesperia Water District	Water Usage at Hesperia Subregional	1,372.19
28139262	5/31/2017	5/31/2017	01	Hesperia Water District	Hesperia Subregional Water Usage	308.47
531172525	5/31/2017	5/31/2017	01	Charter Communications	Telephone Charges June 17	99.58
5312017SWG	5/31/2017	5/31/2017	01	Southwest Gas Company	Natural Gas	964.63
5312017UPS	5/31/2017	5/31/2017	01	Ups	Express Shipping	1.46
729675	5/9/2017	5/9/2017	01	Konica Minolta Business Solutions	Big Printers	351.02
729675	5/9/2017	5/9/2017	01	Konica Minolta Business Solutions	Individual Printers	1,387.62
82380696861519	5/31/2017	5/31/2017	01	Southern California Edison	Electricity	111,934.44
83204268101389	5/18/2017	5/18/2017	01	Southern California Edison	Electricity Charges	1,354.38
83950026111519	5/31/2017	5/31/2017	01	Southern California Edison	Hesperia Subregional Electricity	4,561.71
83950027691388	5/18/2017	5/18/2017	01	Southern California Edison	Hesperia Subregional Electricity	690.73
910000187691	5/9/2017	5/9/2017	01	Lincoln Financial Group	Life and Disability Insurance	2,907.35
910000187691	5/9/2017	5/9/2017	01	Lincoln Financial Group	Life and Disability Insurance	104.66
9100001877854	5/31/2017	5/31/2017	01	Lincoln Financial Group	Life and Disability Insurance June 17	3,013.28
9100001877854	5/31/2017	5/31/2017	01	Lincoln Financial Group	Life and Disability Insurance June 17	104.66
Total ACH and EFT's						5,364,905.95
Total ACH and Checks						5,486,691.02
Payroll - May 2017						269,801.24
Total Disbursements - May 2017						5,756,492.26

APPROVED

Chiko Kagey 06-07-17

**MINUTES OF A REGULAR MEETING
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWVRA)
May 18, 2017**

CALL TO ORDER: Chair Jim Cox called the meeting to order at 8:06 am; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

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

**Jim Cox, Alternate Chair
Russell Blewett, Vice Chair
Jeff Rigney, Secretary
Scott Nassif, Treasurer**

VWVRA Staff and Legal Counsel:

**Logan Olds, General Manager
Piero Dallarda, Legal Counsel (BB&K)
Angela Valles, Director of Finance
Robert Townsend, EC Inspector
Xiwei Wang, Accountant
Robert Coromina, Director of Administration**

**Kristi Casteel, Secretary to GM/Board
Alton Anderson, Construction Manager
Chieko Keagy, Accounting Supervisor**

Others Present:

**Doug Robertson, City of Victorville
Walter Linn, Rep for Congressman Cook
Frank Robinson, Town of Apple Valley
Bob Sache, ACOME
Keith Metzler, City of Victorville**

**Nils Bentsen, City of Hesperia
Greg Snyder, Town of Apple Valley
Chandrikaa Balendhran, HDR
Brian Gengler, City of Victorville**

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

Piero stated that item 8 from announcements and correspondence needed to be moved to action items. An emergency arose last night at the plant due to low voltage from Edison that requires action. The Board may want to take action on purchasing equipment and other matters that the General Manager will be presenting. Under Government Code Section 59954.2 it qualifies as an emergency but also because it was on the agenda and it is being moved from announcements to action.

VVWRA Regular Meeting Minutes**Thursday May 18, 2017****Page 2**

Commissioner Cox made a motion to move Item 8 from announcements to an action item, which was seconded by Commissioner Blewett and approved by unanimous voice vote.

Chair Cox 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 Blewett made a motion to enter into Closed Session, which was seconded by Commissioner Cox and approved by unanimous voice vote.

REGULAR SESSION**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Chair Cox called the meeting to order at 9:20 am.

REPORT FROM CLOSED SESSION

None

PUBLIC COMMENTS- REGULAR SESSION AGENDA

None

ANNOUNCEMENTS AND CORRESPONDENCE:**6. Possible conflict of interest issues**

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

7. General Managers Report**8. WWTP Low Voltage Issues – moved to action items****9. SCE Reduction in Standby Fees for VVWRA will Save Ratepayers \$76,043.00****10. Article: A New Zealand River Now Has The Legal Rights of A Human****11. Article: Danish Urine Beer****12. CWEA Awards**

CONSENT CALENDAR:

13. Approve March and April 2017 Disbursement Registers

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

14. Approve Minutes from the March 16, 2017 Regular Meeting

15. Recommendation to Approve Access Agreement With High Desert Power Plant

16. Recommendation to Approve Proposal for Desert Knolls Wash Environmental Study

17. Recommendation to Approve VVWRA Energy Policy

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

REPORTS & PRESENTATIONS:

18. Presentation: FY 2017-2018 Budget

Chieko Keagy gave an overview of the proposed FY 2016-2017 Budget. She explained the Operations, Capital, and Replacement Funds. Manager Olds stated that as Commissioner Kennedy requested, the value of depreciation is being shown and it is a tool to address the ups and downs of VVWRA's fiscal issues as a way to stabilize it.

Commissioner Cox stated that the actual expenses are the true expenses, cash out and the depreciation is for booking purposes for assets.

Manager Olds said that Commissioner Cox was correct.

Manager Olds said an overview was just given on this fiscal year and last fiscal year. This identifies very clearly what the fiscal issues are with VVWRA. For end of fiscal year 2018 it is anticipated that entity wide, there is a positive cash flow of \$2.6 million with \$1.7 million in fund 01 and \$844,000 in fund 09. This includes the debt service associated with fiscal year 2018 but the issue is with 2019. In fiscal year 2019 there is a negative \$50,622 entity wide with a positive \$136,381 in fund 01 and negative \$187,004 in fund 09 due to the impending debt load. Going

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back to 2018, the subregionals have been pulled out, and to operate for a partial year for performance testing only. By operating the subregionals for the year, it drives VVWRA into the negative \$350,000 overall with a negative 1.1 million in fund 01 and a positive \$844,725 in fund 09. In 2019 it gets worse, negative \$3.2 million overall with negative \$3 million in fund 01 and negative \$187,004 in fund 09. If the subregionals are operated, VVWRA will default on the debt service for the subregionals.

It was also requested to look at the numbers with the flow diversion. On an annual basis, this is our loss of operating income based on an analysis that Manager Olds completed with flow from reports to Lahontan from the City of Victorville. There is about \$2 million dollars being diverted from VVWRA. If there was no longer a flow diversion, looking at the numbers with operating the subregionals, VVWRA would be positive \$2.1 million overall with \$829,971 in fund 01 and it is believed that there is about \$500,000 of connection fees (based on the information given to VVWRA) which would be a positive \$1.3 million in fund 09. VVWRA would be able to operate the subregionals and still be net positive for 2018 if VVWRA had the funds from the flow diversion. For fiscal year 2019, and include the debt service, overall is negative \$730,688 with negative \$1 million in fund 01 and a positive \$312,996 in fund 09. Even with the flow diversion monies, if VVWRA operates the subregionals and tries to makes debit service we will still be in the negative.

If you look at four years past due, this is the amount of monies that have been diverted from VVWRA, a little over \$4 million. This flow diversion connection fees past due are an estimate of \$2.9 million and is a function of VVWRA and the City of Victorville have never reached consensus on the allocation of the connection fee permits associated with the former George Airforce Base. There is not a proper and true accounting for this so this is an unfunded liability on VVWRA's books for capacity that VVWRA does not know the dollar value or even the flow volume associated with it. This is just a rough estimate. If you include the \$4 million dollars it gives VVWRA a positive \$6.4 million overall with \$3.1 million in fund 01 and \$3.2 million in fund 09. This would be a one-time cash infusion though.

Going back to 2018 as part of VVWRA's review of the books, staff worked with the auditors to look at how much cash VVWRA has on hand. As of 6/30/15 VVWRA has \$7.9 million overall with \$4.9 million in fund 01 and \$3 million in fund 09. The Board does have the option to dip into those funds to operate the subregionals or to ensure that debt service is made but currently VVWRA's debt coverage ratio is 0.82 and we are supposed to be at a 1.1 ratio. Dipping into those funds would only be a temporary solution to an ongoing issue. Going back to 2019, ignoring the flow diversion because it is unknown how that will be resolved, using cash reserves, you could operate the subregionals and cover debt services and have a little left in the bank. The issue with this is that we have Desert Knolls Wash to complete and will be over \$1 million to complete. VVWRA does not have the ability to finance any debt right now with a 0.82 ratio no one will loan VVWRA money. VVWRA may have to seek assistance from the member agencies to loan VVWRA funds. VVWRA's only option to pay for that project is the cash reserves. In addition to the fact that the cash reserve is a 2015 number, the subregionals still need to be finished. There are some overages due to time that has been taken to complete those projects so that \$7.9 million will be closer to \$7.3 million by the time those projects are completed, minus \$1.5 million to complete Desert Knolls Wash, and you are looking at about \$5.8 million at the end of the next fiscal year. The situation is pretty significant. Manager Olds thanked the Board for continuing to work on the

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fiscal issues for VVWRA. Realistically, the Board has about 6 months to make a decision. Traditionally, in public agencies, fees are adjusted in steps. The longer it takes to make a decision, the more significant those steps will need to be. The Board may wish to consider loaning VVWRA funds in the short term so that it might be possible to mitigate the size of the increases.

VVWRA needs direction from the Board because there are not enough funds to do both. VVWRA cannot operate the subregionals and meet debt service. A choice needs to be made on which option VVWRA needs to pursue. There are funds, what has been budgeted is for three months of operation for both facilities to ensure that the equipment functions and works so that if there are any issues, the equipment is still under warranty and VVWRA can work with the vendors to fix the issues.

Chair Cox asked, since he is an alternate commissioner and does not attend every meeting, has the study been completed and the Board approved the rate increases so that VVWRA is authorized to move forward with the steps as needed.

Manager Olds said absolutely not. The last financial plan and rate study approved by the Board was in 2014. Those rates have been implemented. We are currently not conducting a financial plan and the reason given for not doing that is that the member agencies wanted to wait to see how the flow diversion issues were resolved. The first time Manager Olds brought this to the Board was prior to the rate study being approved in 2014 and it has been brought up three times with the City Managers. They were opposed to a new financial plan being done because they felt that until the issue with the flow diversion was resolved it would be difficult to identify a specific value. In the meantime, VVWRA moves forward with not operating the subregionals or defaulting on our debt.

ACTION & DISCUSSION ITEMS:**8. WWTP Low Voltage Issues – moved to action items**

Manager Olds stated that yesterday evening at approximately 7 PM, VVWRA experienced low voltage coming from Southern California Edison. The best way to describe what happened at the plant is to imagine that your body took a hard blow, and you are bleeding internally. You don't feel it at first but eventually your body starts shutting down. This is essential what happened electrically to the plant. There were successive failures, one of the transformers for the back wash system failed and it is believed that is what caused generator two not to come online. When generator two did not come online, the low voltage power from the entire plant was shut down, it was also peak nighttime flow and EQ basins one and two were filled very quickly and half way filled basin three before staff was able to get the treatment plant back online. Then the staff started to address the cascading failures. Unfortunately, the back wash tank over flowed but only for a few brief minutes. The flow volume was less than a thousand gallons and was therefore not a violation. Thank you to the Town of Apple Valley for their assistance in the investigation with the situation. Two- 100 horse power variable frequency drives for the percolation ponds were damaged beyond repair as well as the two- 100 horse power electric motors. Back wash also failed. Staff was able to get one of the back wash pumps running. There is a temporary pump there now. Multiple instrumentation controls failed and it is unknown at this point if they are

permanently damaged by the low voltage issue or if they need to be rebooted. Staff went home around 2 am this morning and returned to site at 9 this morning. Load testing will begin at 10 am. It is unknown if there are additional drives or transformers that are damaged that could damage the generator. So as of right now we are solely dependent on Edison for our power, the low voltage issues could continue and cause a failure. There is not much time to handle the flows. Testing is being done on generator two to bring it online and start bringing key components of the treatment plant online sequentially so that staff knows that the generator is handling the load and also know if something fails that staff will be right there, shut it off and get the generator restarted. This testing will start at 10 am.

Commissioner Cox asked if it has been determined what the cost might be and who might be responsible for the cost?

Manager Olds stated that VVWRA does intend to file a claim with Edison. It is estimated at this point of about a quarter of a million dollars' worth of damage done with the first low voltage issue that occurred about two weeks ago and estimate that at least another hundred thousand possibly one hundred and fifty thousand from yesterday's incident.

Manager Olds said that he will also be calling a third party electrical specialist to determine what VVWRA's exposure is. One of VVWRA's \$300,000.00 pieces of equipment partially fried, and it needs to be determined if the UV system has been damaged.

Commissioner Blewett made a motion that an emergency has derived from low voltage issues, to avoid a danger to public health that could result from a discharge to the river that violates VVWRA's permits that the General Manager is to proceed with the emergency procurement process in order to obtain the type of equipment necessary to prevent such danger to public health and it will be ratified at the next board meeting, seconded by Commissioner Nassif.

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

19. CEMEX Request to Construct on VVWRA Easement and to Provide a New Easement for Future Construction of a Replacement Sewer Interceptor

Manager Olds stated that CEMEX will be expanding their track and they have done a detailed analysis that VVWRA staff has reviewed and concurs with CEMEX's analysis.

Commissioner Blewett made a motion to approve the Recommendation, seconded by Commissioner Rigney

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

20. South West Gas Engineering Study

Manager Olds stated that he attended a seminar on renewable natural gas to learn if what Southwest Gas was proposing was accurate. Manager Olds reviewed with the Board several months ago, the amount of biogas that VWRA produces and in reviewing that it was estimated that VWRA flares about \$900,000.00 annually in biogas. Based on the brown and green renewable energy credits, Southwest Gas has confirmed that the value of the gas we are currently flaring is about \$970,000.00 a year. They would really like to do a project with VWRA to do pipeline injection. To take the first step, we need to spend \$30,500.00 on an engineering study to determine if the project is possible. If we do the project with them, Southwest Gas will reimburse the \$30,500.00. The low end of interconnection fees in California for Southwest Gas and PG&E can cost \$1.5 million and goes up from there. Their current estimate is \$400,000.00. There is a grant that would pay for half of that. If we do a project with Southwest Gas, they would pay the other half. Manager Olds has also spoken about this opportunity with the company that VWRA is working on the development agreement with to privatize the anaerobic digesters and they have expressed interest in this opportunity and VWRA could possibly partner with them. The interconnect is not the problem, the engineering study is not the problem; it is cleaning up the gas and providing the pressure that is an issue. That equipment can cost millions of dollars. In order to determine what that number would be, the engineering study would need to be done. There could be a possible third party to finance the gas scrubbing system. This was not budgeted for so it would be an unbudgeted project from capital.

Commissioner Blewett asked if it would be possible to get the \$30,500.00 from the people VWRA would like to partner with.

Manager Olds said he had not thought of that and it could be a possibility. If the Board is interested in that, Manager Olds stated that he would like to amend his recommendation to be given the authority to propose having one of the potential private parties pay for the engineering study and in the absence of their interest the recommendation would still be to move forward with VWRA paying for the study.

Commissioner Rigney made a motion to approve the Amended Recommendation to give Manager Olds the authority to propose having one of the potential private parties pay for the engineering study and in the absence of their interest the recommendation would still be to move forward with VWRA paying for the study, seconded by Commissioner Nassif

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

21. Recommendation to Approve Wastewater Facilities Transfer Agreement

Manager Olds stated that this transfer agreement goes back many years and has been discussed at various engineering committees over the years. The member entities have discussed this and to Manager Olds knowledge, they are in agreement.

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Interceptor

Manager Olds stated that items 22-26 have all been reviewed by the Engineering Committee

22. Recommendation to Approve Amended AECOM Contract

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

23. Recommendation to Approve Nanticoke Change Order

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Subregional

24. Recommendation to Approve Amended MWH Contract

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

25. Recommendation to Approve Apple Valley Subregional Change Order

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

26. Recommendation to Approve Hesperia Subregional Change Order

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

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Flow Diversion

27. Recommendation to Approve Adhoc Committee

Manager Olds stated that this was a request to form an Adhoc Committee to evaluate all options to VVWRA to comply with the advisory opinion including litigation. At the request of the City of Hesperia to form an Adhoc Committee to look into the numbers associated with the flow diversion.

Commissioner Nassif stated that if VVWRA moved into mediation, it doesn't make sense to have a committee because we will be in mediation and all parties would be represented during mediation.

Commissioner Blewett stated that he believed this was beyond an Adhoc Committee now.

Manager Olds stated that with permission from Commissioner Blewett, staff recommends tabling item 27.

Commissioner Rigney made a motion to table the Recommendation, seconded by Commissioner Cox

Chair Cox: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

28. VVWRA Claim Against the City of Victorville

Commissioner Nassif made a Substitute Motion. The Motion was to table filing a claim today, but to address the claim at the next regular Board meeting on June 15th because at that time there will be an expectation that the City of Victorville will get back to VVWRA with a decision on whether the City of Victorville will engage in mediation. If the City of Victorville indicates at the Jun 15th meeting that it is not interested in resolving the flow diversion through mediation, then the direction is for the General Manager and Legal Counsel is to file a claim against Victorville in connection with the flow diversion and

related matters. If the City is interested in mediation, then mediation needs to be concluded by the end of July. If the mediation is not concluded by the end of July, then the direction is for the General Manager and Legal Counsel to file a claim against Victorville by then. Between now and the next Board meeting, the General Manager and Legal Counsel are to inquire about the availability of mediators for mediation so at the next Board meeting everybody will know what needs to be done to conduct mediation if that is what all parties would like to do. The motion is seconded by Commissioner Rigney.

Chair Cox: Yes

Commissioner Blewett: No

Commissioner Rigney: Yes

Commissioner Nassif: Yes

STAFF/PROFESSIONAL SERVICES REPORTS:

29. **Financial and Investment Report –April 2017**
30. **Operations & Maintenance Report – March and April 2017**
31. **Environmental Compliance Department Reports –April 2017**
32. **Septage Receiving Facility Reports –April 2017**
33. **Safety & Communications Report – April 2017**

NEXT VVWRA BOARD MEETING:

Thursday, June 15, 2017 – Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Recommendation to Approve Proposal for South Apple Valley Interceptor (June)

Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

APPROVAL:

DATE: _____
Approved by VVWRA Board

BY: _____
Jeff Rigney, Secretary
VVWRA Board of Commissioners



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

June 15, 2017

FROM: Marcos Avila, Maintenance Lead
TO: Logan Olds, General Manager *LO*
SUBJECT: Biogas Fuel Supply; Waukesha Engines 4&5.

RECOMMENDATION

It is recommended that the Board of Commissioners approve the professional services of Biogas Engineering to evaluate and provide recommendations necessary to improve Biogas fuel supply for Waukesha engines 4&5 in an amount not to exceed \$5800.00, five thousand eight hundred dollars.

REVIEW BY OTHERS

Eugene Davis, Interim Director of Operations

BACKGROUND INFORMATION

VVWRA has two Waukesha V.G.F engines running on natural gas since 2009. With the increased biogas production following the ADM/FOG deliveries, VVWRA has made the modifications to utilize biogas for blowers 4 & 5. This will maximize the use of a renewable energy source while decreasing the cost of consuming natural gas. During the week of May 15th VVWRA attempted to run the blowers on scrubbed biogas. The findings showed that the engines did not have enough biogas delivered to run the blowers under a load. Therefore it is believed that there is a restriction in the biogas pipeline or within the biogas blower system that is not allowing engines 4 &5 to run under a load. Biogas Engineering has staff that worked on the biogas delivery and blower system for the 2G engine project. Therefore Biogas Engineering is uniquely qualified to provide the professional services to resolve the biogas issues for engines 4 & 5.

FINANCIAL IMPACT

The financial impact is \$5,800 for Biogas Engineering professional service.
 Account: 01-02-172-6165-9999

Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-02-172-6165
Transfer Needed due to Insufficient Budget	Y [] N [X]
If Transfer, from Which Account String or Reserve	

Fund 09	
Accounting Code (String) example: 09-xx-xxx-xxxx (mandatory project code)	
Transfer Needed due to Insufficient Budget	Y [] N []
If Transfer, from Which Account String or Reserve	

Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source if applicable	\$
Original Contract Amount	\$
Change Order	Y [] N []
Contract after Change	\$

Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source	\$
Original Contract Amount	\$
Change Order	Y [] N []
Contract after Change	\$

RELATED IMPACTS

The utilization of excess biogas to run the blowers will reduce the natural gas consumption and utilize a renewable energy source.



May 25, 2017

Marcos Avila
 Victor Valley Wastewater Reclamation Authority
 20111 Shay Rd.
 Victorville, CA 92394

Subject: Proposal to Review Data and Analyze Existing Information for Troubleshooting Engine 4 and Engine 5 Fuel Supply Issue at Victor Valley Waste Water Reclamation Authority (VWVRA).

Dear Marcos,

Biogas Engineering (Biogas) staff visited the Victor Valley Waste Water Reclamation Authority (VWVRA) owned and operated waste water treatment plant (WWTP) on May 17, 2017 to review the existing conditions for Engine 4 and Engine 5 (Air Blowers). These air blowers are used to supply the air to the aeration pond. These air blowers have been operational since 2009, utilizing natural gas to power two Waukesha reciprocating engines which intern drives the air blower.

The VWVRA would like use digester gas (DG) generated at the site to fuel these air blowers. The existing infrastructure can deliver DG to the air blowers, however, these blowers can not reach its maximum capacity due to fuel supply issue. The VWVRA staff invited Biogas to view the existing conditions at the site. Biogas staff visited the site and requested following information:

1. Provide a cut sheet for the existing air blowers. Please provide maximum flow and pressure rating for the digester gas fuel supply.
2. Information pertaining to the fuel supply train at the air blowers. Please provide the existing pressure regulator specifications, also, any additional information on the fuel train solenoid valves would be helpful.
3. Provide information on the Gas Conditioning Skid (GCS) supplying pressurized DG to the air blowers i.e. drawings, specifications max flow and maximum pressure rating etc.
4. Asbuilt drawings showing the plan and profile of the DG supply line conveying the DG from the GCS to air blowers.
5. Operational data for the DG pressure at the inlet and outlet of the GCS.

Once the data is received, Biogas will analyze the data per the scope of work provided below.

SCOPE OF WORK

Provide below is our understanding of the scope of work:

- Coordinate data gathering efforts with plant staff and provide feedback on the completeness of the data;
- Review gathered information pertaining to the GCS, fuel supply line and air blowers;
- Review fuel supply train information and contact manufacturer to verify the sizing of the pressure regulator on the fuel supply train;
- Review the GCS inlet and outlet - flow and pressure data to determine minimum and maximum parameters and perform pressure drop calculations for the existing buried pipe;
- Compare the pressure drop data with the field observations taken during the air blower startup testing on May 17, 2017 and determine if fuel supply line camera inspection is required;
- Perform pressure drop calculations for the fuel supply line and compare the results to the pressure gauge or PIT readings;
- Review the air blower's maximum fuel consumption rating and compare that to the available fuel from GCS; and
- Provide a letter report documenting findings and recommend improvements/testing necessary to resolve the fuel supply issue.

PROJECT SCHEDULE

Once the information is made available, Biogas staff will perform its review and provide a draft report to the VWVRA staff within 5-weeks.

PROJECT FEE

We propose a lump-sum cost of **\$5,800** to perform the work described above. The cost will be billed in full at the completion of the task (after the draft report has been issued to VWVRA). We propose a net 30 days' term for the payment of the invoices.

CLOSING

We sincerely thank VWVRA for providing us another opportunity to assist you. We look forward to providing assistance in resolving the fuel supply issue. If you have any questions, please contact the undersigned.

Sincerely,



Arnold Ramirez, PE
Sr. Project Manager
Cell: (909) 942-0751




Gautam Arora, PE
President
Cell: (909) 286-9900



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

15 June 2017

FROM: Logan Olds, General Manager 
TO: Board of Commissioners
SUBJECT: Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolutions:
 Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

VWRA staff has worked with its auditor, legal counsel and the Member Entity Finance Committee to resolve several fiscal issues associated with its accounting practices. Each Resolution must be adopted in the order above to ensure the validity of the Resolution. This means that if Resolution 2017-07 were adopted without Resolution 2017-06 being adopted that the purpose of Resolution 2017-07 is negated. Therefore each Resolution will be discussed as it relates to the revisions to VWRA's financial protocols.

Resolution 2017-05 Reconciliation of Fund Balances

This Resolution is based on VWRA's auditor reviewing the fund balances from 2010 forward and establishing a cash value held in reserve for operating and capital income as of June 30, 2015. This Resolution will also allow VWRA to make a journal entry and address the significant imbalance in the existing repair and replacement fund by "zeroing out" fund 07. Interestingly this issue with fund 07 extends back to the late 1990's.

Resolution 2017-06 Interfund Loan

This Resolution recognizes that Resolution 2017-05 provides a true cash value for operating and capital income. Therefore the cash value in the operating and capital funds accurately allocates the cash balances between the funds.

Resolution 2017-07 Authority to Fund Repair and Replacement, Fund 07

This Resolution recognizes that Resolution 2017-05 establishes a cash balance for operating and capital funds and that Fund 07 was given a zero balance. Resolution 2017-06 eliminates the interfund loan between funds. Now Resolution 2017-07 can establish that the cash funds held in excess of the Operating Reserve amount in the Operating fund 01 can be transferred to the Repair and Replacement fund 07. Therefore the Repair and Replacement fund will first be given a zero balance to address prior accounting issues then it will be funded so that the correct due to, due from protocols are in place to account for the cash without any accounting issues associated with an interfund loan.

Resolution 2017-08 Revisions to the Reserve Policy

Once the preceding Resolutions are adopted, it is necessary to revise the Reserve Policy to ensure that it is consistent with the transfer of cash to the Repair and Replacement fund from the Operating fund. The Operating Reserve includes 5% of adopted prior year operating expenses and the operating portion of the SRF loan reserve. Essentially this Resolution ensures that the cash reserve is in the correct fund to meet debt service and fund replacement projects.

FINANCIAL IMPACT

None, the result of the passage of the aforementioned Resolutions is designed to address prior accounting issues and to allocate available cash according to fund.

RELATED IMPACTS

Improved efficiency in the accounting for the Repair and Replacement Fund 07.

RESOLUTION NO. 2017-05

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE VICTOR VALLEY WASTEWATER RECLAMATION
AUTHORITY TO ADOPT FUND BALANCES**

WHEREAS, the Victor Valley Wastewater Reclamation Authority (“Authority”) retained auditors Fedak & Brown LLP, its current auditors (“Auditors”), to evaluate VVWRA accounts and account balances;

WHEREAS, it is the recommendation of the Auditors for accounting purposes that the accounts and balances therein be expressed in a different manner and according to the journal entries described in Appendix A;

WHEREAS, the Auditors have determined that the journal entries described in Appendix A comply with accounting and auditing requirements and meet VVWRA’s needs;

WHEREAS, it was also determined that Fund 07 for Repairs and Replacements shall be balanced to zero for fiscal year 2017-2018, but the amounts in that fund shall be distributed into other existing funds as set forth in Appendix A and according to applicable law,

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

(1) the Board approves the Auditor’s findings for allocating revenues and expenses for each fund as set forth in Appendix A, including allocation of the Repairs and Replacement Fund into the Operations and Maintenance and Capital Outlay funds;

(2) that the allocation be performed in accordance with applicable law and generally accepted accounting and auditing procedures as recommended by the Auditors; and,

(3) that staff and legal counsel to take the appropriate steps to implement the findings and recommendations by the Auditors as set forth herein.

APPROVED AND ADOPTED this 15th day of June, 2017.

James Kennedy, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 15, 2017.

Kristi Casteel – Clerk of the Board

EXHIBIT “A”



Charles Z. Fedak, CPA, MBA
 Christopher J. Brown, CPA, CGMA
 Jonathan P. Abadesco, CPA

Fedak & Brown LLP
 Certified Public Accountants

Cypress Office:
 6081 Orange Avenue
 Cypress, California 90630
 (657) 214-2307
 FAX (714) 527-9154

Riverside Office:
 4204 Riverwalk Pkwy, Ste. 390
 Riverside, California 92505
 (951) 977-9888

Memo

To:/Location: Logan Olds, Victor Valley Wastewater Reclamation Authority
 From:/Location: Christopher Brown, Fedak & Brown LLP
 Date: February 14, 2017
 Subject: Agreed Upon Procedures – Fund Cash Balance

Dear Mr. Logan Olds, General Manager:

Summary of Engagement:

We were engaged by the Victor Valley Wastewater Reclamation Authority (Authority) to perform agreed upon procedures to verify the Authority's fund cash balances at June 30, 2015. We performed the agreed procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Our procedures included the following:

- We reviewed the Authority's Revenue Ordinance(s), including related and applicable board resolutions and amendments as provided, for the fiscal years ended June 30, 2010 through 2015.
- We gained an understanding of the methodology for allocating revenues and expenses for each fund as follows: (1) Operations and Maintenance (O&M), (2) Repairs and Replacements (R&R), and (3) Capital Outlay (CO) according to the Authority's Revenue Ordinance(s) and applicable board resolutions.
- We reviewed reserve policies as documented in the Authority's State Revolving Funds (SRF) agreements as approved by the California State Water Resources Control Board as part of recalculating restricted cash balances.
- We reviewed and validated the balances noted in the Authority's Cash and Reserve Summary at June 30, 2015, as provided by the Authority.
- We conducted interviews of Authority personnel regarding the processes for determining the balances noted in the Authority's Cash and Reserve Summary at June 30, 2015, as provided by the Authority.

- When deemed appropriate by us, we incorporated prior year's substantive testing results for capital assets (e.g. construction in progress) and revenue (e.g. connection fees). When, upon review of prior audit working papers, it was determined that the scope of work previously performed is deemed inadequate for purposes of our agreed upon procedures, we requested additional items, as was considered necessary.
- We agreed the recalculated balances to the Authority's cash and cash equivalents balances per fund, and reserve summary as provided by the Authority for fiscal years 2010 through 2015.

Our Recommendations:

Based on the results of our procedures, it appears that the Authority's cash balance for each of the funds is reasonably computed in the aggregate for all funds for the fiscal years 2010 through 2015. However, during our procedures, we noted that fund level accounting transactions do not consistently utilize the due to/from, and transfers in/out accounts within the Authority's general ledger system. These accounts allow the accurate transfer of assets, liabilities, revenues, and expenses within the fund accounting framework. As a result, certain asset accounts maintain credit balances, and certain liability accounts maintain debit balances which is contrary to proper accounting procedures.

This finding appears to be the result of the process by which the Authority's current accounting system posts certain inter-fund transactions within the system and the accounting departments' adherence certain accounting policies and procedures that predate the current management team.

We recommend that the Authority consider the following:

- In a manner consistent with GAAP, transfer funds to the CO Fund from the O&M Fund in an amount sufficient to equal the minimum restricted balances required for capital projects, and debt servicing at June 30, 2015. In addition, the Authority should determine and transfer any unspent amounts related to connection fees that may be considered restricted (if any) at June 30, 2015. The effect of this transfer would be to properly report restricted cash within the CO Fund, and reduce the inter-fund loan balance between the O&M Fund and the CO Fund at June 30, 2015. Please see managements proposed journal entries in Appendix A.
- In a manner consistent with GAAP, transfer those funds equal to the negative cash balance within the R&R Fund from the O&M Fund at June 30, 2015. The effect of this transfer would be to properly report the actual cash balance within the R&R Fund to \$0, with the offsetting adjustment to the Due to Other Funds and Due from Other Funds accounts. Please see managements proposed journal entries in Appendix A.
- Adjust the Authority's Due to Other Funds and Due from Other Funds to properly reflect inter-fund balances at June 30, 2015. Please see managements proposed journal entries at Appendix A.
- Based on our review and discussions with management, we recommend that the Authority merge the R&R Fund into the O&M Fund. Currently the R&R Fund is charged with recording repair and replacement expenses, but has no funding source outside of inter-fund transfers from the O&M Fund. As a result, the Authority's staff is required to periodically reconcile fund balances and record additional adjusting entries. This process appears inefficient and appears to provide no observable benefit to the Authority.

- Based on procedures, discussions with management and staff, and review of the Authority's accounting system, we recommend that the Authority consider upgrading the current accounting software.

Issues for Consideration:

During our discussions with management, it was noted that there may be potential legal issues with regard to the recommendations as noted above. Below are the items for consideration by the Authority's counsel:

- In 2006, the Authority entered into an inter-fund loan agreement(s) between the O&M Fund and the CO Fund. At June 30, 2015, the outstanding loan balance was \$2,070,906.43 per the Authority's general ledger. The transfer of funds as noted in the recommendations above appears to satisfy the terms of the loan agreement (also see Appendix A) however, the Authority's management is concerned that repayment may be in violation, or contrary to the intent of the Board approved inter-fund loan agreement.
- Would the merger of the R&R Fund into the O&M Fund violate Authority Policy? What action would be required to merge the funds?

Thank you,

Christopher J. Brown, CPA CGMA
Fedak & Brown LLP

Victor Valley Wastewater and Reclamation Authority
Proposed Journal Entries
July 1, 2015

Appendix A

Fund:	<u>FY 2015 Per Client Unadjusted TB</u>	<u>Balance after AJE #1 and #2 below</u>	<u>Balance per CAFR</u>	<u>Difference</u>
Operations and Maintenance	17,022,450	4,971,837	TBD	-
Repairs and Replacement	(6,269,484)	-	TBD	-
Capital Outlay	<u>(2,767,338)</u>	<u>3,013,791</u>	<u>TBD</u>	<u>-</u>
	<u>7,985,628</u>	<u>7,985,628</u>	<u>7,985,172</u>	<u>456</u>

TBD To Be Determined

	Debit	Credit
Due from/to Analysis		
01-1300 Due from other funds	\$	(6,518,605.77)
01-2300 Due to other funds		(108,171,058.91)
07-1300 Due from other funds	3,355,830.87	
07-2300 Due to other funds		(187,723.46)
09-1300 Due from other funds	107,522,515.86	
Due to other funds		3,999,041.41
	<u>\$ 110,878,346.73</u>	<u>(110,878,346.73)</u>

Example AJE #1

01-1010 Citizens Business Bank	\$	5,781,129
01-2012 Payable to Capital Outlay	2,070,906	
01-2300 Due to other funds	3,710,223	
09-1010 Citizens Business Bank	5,781,129	
09-1247 Receivable from O&M Fund		2,070,906
09-1300 Due from other funds		3,710,223
	<u>\$ 11,562,258</u>	<u>11,562,258</u>

To adjust cash balances and interfund payable per fund at July 1, 2015

Example AJE # 2

01-1010 Citizens Business Bank	\$	6,269,484
01-1300 Due from other funds	6,269,484	
07-1010 Citizens Business Bank	6,269,484	
07-2300 Due to other funds		6,269,484
	<u>\$ 12,538,968</u>	<u>12,538,968</u>

To adjust cash balances of R&R and O&M fund at July 1, 2015



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

15 June 2017

FROM: Logan Olds, General Manager *LO*
TO: Board of Commissioners
SUBJECT: Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolutions:
 Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

VWVRA staff has worked with its auditor, legal counsel and the Member Entity Finance Committee to resolve several fiscal issues associated with its accounting practices. Each Resolution must be adopted in the order above to ensure the validity of the Resolution. This means that if Resolution 2017-07 were adopted without Resolution 2017-06 being adopted that the purpose of Resolution 2017-07 is negated. Therefore each Resolution will be discussed as it relates to the revisions to VWVRA's financial protocols.

Resolution 2017-05 Reconciliation of Fund Balances

This Resolution is based on VWVRA's auditor reviewing the fund balances from 2010 forward and establishing a cash value held in reserve for operating and capital income as of June 30, 2015. This Resolution will also allow VWVRA to make a journal entry and address the significant imbalance in the existing repair and replacement fund by "zeroing out" fund 07. Interestingly this issue with fund 07 extends back to the late 1990's.

Resolution 2017-06 Interfund Loan

This Resolution recognizes that Resolution 2017-05 provides a true cash value for operating and capital income. Therefore the cash value in the operating and capital funds accurately allocates the cash balances between the funds.

Resolution 2017-07 Authority to Fund Repair and Replacement, Fund 07

This Resolution recognizes that Resolution 2017-05 establishes a cash balance for operating and capital funds and that Fund 07 was given a zero balance. Resolution 2017-06 eliminates the interfund loan between funds. Now Resolution 2017-07 can establish that the cash funds held in excess of the Operating Reserve amount in the Operating fund 01 can be transferred to the Repair and Replacement fund 07. Therefore the Repair and Replacement fund will first be given a zero balance to address prior accounting issues then it will be funded so that the correct due to, due from protocols are in place to account for the cash without any accounting issues associated with an interfund loan.

Resolution 2017-08 Revisions to the Reserve Policy

Once the preceding Resolutions are adopted, it is necessary to revise the Reserve Policy to ensure that it is consistent with the transfer of cash to the Repair and Replacement fund from the Operating fund. The Operating Reserve includes 5% of adopted prior year operating expenses and the operating portion of the SRF loan reserve. Essentially this Resolution ensures that the cash reserve is in the correct fund to meet debt service and fund replacement projects.

FINANCIAL IMPACT

None, the result of the passage of the aforementioned Resolutions is designed to address prior accounting issues and to allocate available cash according to fund.

RELATED IMPACTS

Improved efficiency in the accounting for the Repair and Replacement Fund 07.

RESOLUTION NO. 2017-06**RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE VICTOR VALLEY WASTEWATER RECLAMATION
AUTHORITY INTERFUND LOAN**

WHEREAS, the Victor Valley Wastewater Reclamation Authority (“Authority”) retained auditors Fedak & Brown LLP (“Auditors”) to evaluate VVWRA account balances and existing interfund loans;

WHEREAS, as set forth in more detail in Resolution 2017-05, Auditors recommended that fund 07 for Repairs and Replacements shall be balanced to zero for fiscal year 2017-2018 pursuant to the recommended journal entries and according to applicable law and generally accepted accounting and auditing procedures;

WHEREAS, this Resolution resolves all issues regarding the interfund loan and, accordingly, overrides and substitutes all prior resolutions on the subject matter;

WHEREAS, according to Auditors and staff there is \$7,985,172 that will be allocated pursuant to the Auditors and staff recommendation between the Capital Outlay Fund in the amount of \$3,013,791 and the Operations and Maintenance Fund in the amount of \$4,971,837;

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

1. the Board approves the Auditors’ findings and recommendations for allocating revenues and expenses for each fund as follows:
 - (a) Operations and Maintenance: \$4,971,837
 - (b) Repairs and Replacements: \$0
 - (c) Capital Outlay Fund: \$3,013,791
2. the Board directs staff and legal counsel to take the appropriate steps to implement the findings and direction set forth herein;

APPROVED AND ADOPTED this 15th day of June, 2017.

James Kennedy, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 15, 2017.

Kristi Casteel – Clerk of the Board

EXHIBIT “A”



BEST BEST & KRIEGER
ATTORNEYS AT LAW

*****ATTORNEY-CLIENT PRIVILEGE*****

*****ATTORNEY WORK PRODUCT*****

Memorandum

To: Logan Olds, General Manager
VWVRA
File No.: 16773.00000

From: Piero C. Dallarda

Date: March 14, 2017

Re: Financial Audit

DRAFT

BACKGROUND

This memorandum memorializes conversations held on February 24, 2017, and February 27, 2017, between legal counsel and general manager Logan Olds. Based on our conversations, it appears that the Victor valley Wastewater reclamation Authority (“VWVRA”) currently has three operating accounts. These accounts consist of: (1) a capital account; (2) an operations and maintenance account; and, (3) a repair and replacement account.

The capital account is used to fund capital projects, for instance, projects designated to increase hydraulic or regulatory capacity. Capacity fees collected by VWVRA go into the capital fund. The operation and maintenance fund is used to fund any operational expenses or expenses related to maintenance, such as repairing pumps, etc. User fees go into the operation and maintenance fund. The repair and replacement fund is used for projects that involve the repair and/or replacement of existing infrastructure. The repair and replacement fund is the subject of this memorandum.

The repair and replacement fund was created by the VWVRA’s Commission (“Board”) to make sure that projects were assigned the appropriate percentage of capital versus operations and maintenance. It is our understanding based on information provided by staff that no actual funds are deposited in the repair and replacement fund until a project is determined to be a repair and replacement project and then funds are transferred from either the capital fund or the operation maintenance fund or maybe both if the project is a hybrid project. When both funds (capital and operations and maintenance) are used to fund the repair and replacement plan for a project, the project is assigned a percentage that constitute the portion of the project that is repair and a percentage that is attributed to capital improvement (for instance if a larger pump station is built to replace an old one).



BEST BEST & KRIEGER
ATTORNEYS AT LAW

We are advised that although no actual funds are deposited in the repair and replacement fund, there is a budgeted amount that is assigned to the repair and replacement fund. This situation has caused a glitch in the way VVWRA's accounting programs function. As a result, VVWRA's financial auditors are suggesting that VVWRA get rid of the repair and replacement fund. The auditors have requested that staff consult with legal counsel to determine whether (1) VVWRA is required to have a repair and replacement fund; and, (2) if it is not, what type of Board action could be used to eliminate that fund.

ANALYSIS

As we discussed on Friday, February 24, 2017, and then again on Monday, February 27, 2017, under the circumstances described by staff, VVWRA is not required to have a repair and replacement fund under state law. The requirement came as a result of Board action and, therefore, the Board can eliminate the fund through a resolution. It should be noted, however, the Board's initial concern was to make sure that projects were allocated the appropriate percentage of Capital versus Operations and Maintenance expenses. That is because VVWRA has to comply with the Mitigation Fee Act and the member entities are required to comply with Proposition 218. As long as VVWRA uses the funds for the purpose for which the fees that fund the account were collected, VVWRA should be in compliance with the Mitigation Fee Act.

Related to this question regarding the repair and replacement fund, there is an interfund loan between the capital account (connection fees) and the operations and maintenance account (user fees). As part of terminating the repair and replacement fund, VVWRA would like to accelerate payment from the Operations and Maintenance account to the Capital account under the interfund loan. The interfund Loan approved by the Board does not have a pre-payment penalty or prohibition. Therefore, as long as the interfund loan is repaid by the operations and maintenance to the capital account in the amount presently due and owing at the time of payment, there should not be a problem with that from a legal standpoint. We are advised that, as a result of paying off the interfund loan early, it would appear that the R&R account will be eliminated as well, but such development needs to be confirmed with the auditors and accounting staff."

CONCLUSION


Based on the information provided by staff as set forth above, we believe that, through Board action, VVWRA can shut down the repair and replacement account and repay the interfund loan without any penalties.

cc: Chieko Keagy, VVWRA



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
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15 June 2017

FROM: Logan Olds, General Manager 
TO: Board of Commissioners
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REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

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Once the preceding Resolutions are adopted, it is necessary to revise the Reserve Policy to ensure that it is consistent with the transfer of cash to the Repair and Replacement fund from the Operating fund. The Operating Reserve includes 5% of adopted prior year operating expenses and the operating portion of the SRF loan reserve. Essentially this Resolution ensures that the cash reserve is in the correct fund to meet debt service and fund replacement projects.

FINANCIAL IMPACT

None, the result of the passage of the aforementioned Resolutions is designed to address prior accounting issues and to allocate available cash according to fund.

RELATED IMPACTS

Improved efficiency in the accounting for the Repair and Replacement Fund 07.

RESOLUTION NO. 2017-07**RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE VICTOR VALLEY WASTEWATER RECLAMATION
AUTHORITY TO FUND REPAIR AND REPLACEMENT
FUND 07**

WHEREAS, the Victor Valley Wastewater Reclamation Authority (“Authority”) has performed a financial variance analysis and has determined that the findings regarding Fund Cash Balance by the Authority’s auditors Fedak & Brown LLP are accurate;

WHEREAS, the funds from Operations and Maintenance Fund 01 will be allocated as described in Appendix A attached hereto and as recommended by the Auditors and VVWRA’s staff;

WHEREAS, As part of Resolution 2017-05, fund 07 has been balanced to zero and has been reintroduced for budgeting purposes for FY 2017-2018;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority that the funds shown in Resolution 2017-06 of \$4,971,837.00 will be transferred to fund 07 for funding;

APPROVED AND ADOPTED this 15th day of June, 2017.

James Kennedy, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VVWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VVWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 15, 2017.

Kristi Casteel – Clerk of the Board

EXHIBIT "A"

Victor Valley Wastewater Reclamation Authority

**Independent Accountant's Report
on Applying Agreed Upon Procedures**

For the Fiscal Year Ended June 30, 2015



Fedak & Brown LLP
Certified Public Accountants

**Victor Valley Wastewater Reclamation Authority
Independent Accountant’s Report on Applying Agreed Upon Procedures
For the Fiscal Year Ended June 30, 2015**

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Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
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Independent Accountant's Report on Applying Agreed Upon Procedures

Board of Directors
Victor Valley Wastewater Reclamation Authority
20111 Shay Road
Victorville, CA 92394

We have performed the procedures enumerated below, which were agreed to by the Victor Valley Wastewater Reclamation Authority (Authority) to assist the Authority in recalculating the balance of cash and cash equivalents, by fund, for the fiscal years ended June 30, 2010 through 2015.

We performed the agreed-upon procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures performed as described below either for the purpose for which this report has been requested or for any other purpose.

The specific procedures performed and findings noted are as follows:

- *Procedure:* We will review the Authority's Revenue Ordinance(s), including related and applicable board resolutions and amendments as provided, for the fiscal years ended June 30, 2010 through 2015.

Finding: The Authority's Revenue Ordinance applicable for the fiscal years ended June 30, 2010 through 2015 appears reasonable.

- *Procedure:* We will gain an understanding of the methodology for allocating revenues and expenses for each fund as follows: (1) Operations and Maintenance, (2) Repairs and Replacements, and (3) Capital Outlay according to the Authority's Revenue Ordinance(s) and applicable board resolutions.

Finding: The Authority has no formal written procedures in allocating revenues and expenses for each fund.

- *Procedure:* We will review reserve policies as documented in the Authority's State Revolving Funds (SRF) agreements as approved by the California State Water Resources Control Board as part of recalculating restricted cash balances.

Finding: The Authority is using its reserve policies according to Resolution 2002-9 (fiscal years ended 2009 through 2011) and 2011-35 (fiscal years ended 2012 through 2015) in calculating the required cash balances per fund.

- *Procedure:* We will review and validate the balances noted in the Authority's Cash and Reserve Summary at June 30, 2015, as provided by the Authority.

Finding: The Total Cash and Reserve Summary on page 3 of this report were agreed with the corresponding amounts in the Authority's 2009, 2010, 2011, 2012, 2013, 2014 and 2015 audited financial statements.

- *Procedure:* We will conduct interviews of Authority personnel regarding the processes for determining the balances noted in the Authority's Cash and Reserve Summary at June 30, 2015, as provided by the Authority.

Finding: Based on our discussion with Authority's personnel, the Authority discontinued monitoring its cash and reserve summary starting from June 30, 2010 to the current period.

- *Procedure:* As deemed appropriate by us, we will incorporate prior year's substantive testing results for capital assets (e.g. construction in progress) and revenue (e.g. connection fees). If, upon review of prior audit working papers, it is determined that the scope of work previously performed is deemed inadequate for purposes of our agreed upon procedures, we may request additional items, as necessary.

Finding: Based from our review of prior year's working papers', it was determined that the substantive testing done for capital assets and revenues were adequate and there is no need to request for additional documentation.

- *Procedure:* We will agree the recalculated balances to the Authority's cash and cash equivalents balances per fund, and reserve summary as provided by the Authority for fiscal years 2010 through 2015.

Finding: Based on our recalculation on page 3, it appears that the Authority's actual cash balance for each of the funds is reasonably computed for fiscal years 2010 through 2015. However, during our procedures, we noted that fund level accounting transactions do not consistently utilize the due to/from, and transfers in/out accounts within the Authority's general ledger system. These accounts allow the accurate transfer of assets, liabilities, revenues, and expenses within the fund accounting framework. As a result, certain asset accounts maintain credit balances, and certain liability accounts maintain debit balances which is contrary to proper accounting procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's compliance with the aforementioned requirements. Accordingly, we did not conduct an examination, nor do we express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Authority and is not intended to be used by those who have not agreed to the procedures, those that have not taken the responsibility for the sufficiency of the procedures for their purposes and should not be used by anyone other than these specified parties.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
May 1, 2017

Victor Valley Wastewater Reclamation Authority
Cash Balance Recalculation per Fund
For the Fiscal Years Ended June 30, 2010 to 2015

Cash Allocation by Fund	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Amount per Trial Balance FY 2015	Variance
Operations and Maintenance,								
cash balance, beginning	\$ (3,228,874)	431,169	668,001	3,860,868	10,621,084	15,986,245		
Add: Cash inflows	10,631,384	11,173,223	14,226,722	17,835,529	16,366,100	13,342,339		
Less: Cash outflows	(6,971,341)	(10,936,391)	(11,033,855)	(11,075,313)	(11,000,939)	(12,632,291)		
cash balance, end	431,169	668,001	3,860,868	10,621,084	15,986,245	16,696,293	17,022,450	(326,157)
Repairs and Replacements,								
cash balance, beginning	(2,572,383)	(3,228,763)	(4,026,116)	(4,578,304)	(4,781,842)	(5,069,217)		
Less: Cash outflows	(656,380)	(797,353)	(552,188)	(203,538)	(287,375)	(804,590)		
cash balance end	(3,228,763)	(4,026,116)	(4,578,304)	(4,781,842)	(5,069,217)	(5,873,807)	(6,269,484)	395,677
Subtotal	(2,797,594)	(3,358,115)	(717,436)	5,839,242	10,917,028	10,822,486	10,752,966	69,520
Capital Outlay,								
cash balance, beginning	16,867,769	16,066,267	13,167,968	9,882,416	3,351,621	(2,530,986)		
Add: Cash inflows	5,995,050	4,665,802	15,013,289	4,854,034	6,259,318	32,010,497		
Less: Cash outflows	(6,796,552)	(7,564,101)	(18,298,841)	(11,384,829)	(12,141,925)	(32,686,944)		
cash balance, end	16,066,267	13,167,968	9,882,416	3,351,621	(2,530,986)	(3,207,433)	(2,767,338)	(440,095)
Total cash per accountant's recalculation	13,268,673	9,809,853	9,164,980	9,190,863	8,386,042	7,615,053	7,985,628	(370,575)
Total cash per CAFR	13,189,576	9,683,015	9,165,612	9,287,631	8,602,875	7,985,172	7,985,172	
Variance	\$ 79,097	126,838	(632)	(96,768)	(216,833)	(370,119)	456	

* The variances noted are due in part to timing differences related to the conversion of the accrual basis of accounting to the cash basis as presented above.



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

15 June 2017

FROM: Logan Olds, General Manager *Lo*
TO: Board of Commissioners
SUBJECT: Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolutions:
 Resolution 2017-05, Reconciliation of Fund Balances
 Resolution 2017-06, Interfund Loan
 Resolution 2017-07, Funding of Replacement and Reserve Fund 07
 Resolution 2017-08, Revisions to Reserve Policy

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

VVWRA staff has worked with its auditor, legal counsel and the Member Entity Finance Committee to resolve several fiscal issues associated with its accounting practices. Each Resolution must be adopted in the order above to ensure the validity of the Resolution. This means that if Resolution 2017-07 were adopted without Resolution 2017-06 being adopted that the purpose of Resolution 2017-07 is negated. Therefore each Resolution will be discussed as it relates to the revisions to VVWRA's financial protocols.

Resolution 2017-05 Reconciliation of Fund Balances

This Resolution is based on VVWRA's auditor reviewing the fund balances from 2010 forward and establishing a cash value held in reserve for operating and capital income as of June 30, 2015. This Resolution will also allow VVWRA to make a journal entry and address the significant imbalance in the existing repair and replacement fund by "zeroing out" fund 07. Interestingly this issue with fund 07 extends back to the late 1990's.

Resolution 2017-06 Interfund Loan

This Resolution recognizes that Resolution 2017-05 provides a true cash value for operating and capital income. Therefore the cash value in the operating and capital funds accurately allocates the cash balances between the funds.

Resolution 2017-07 Authority to Fund Repair and Replacement, Fund 07

This Resolution recognizes that Resolution 2017-05 establishes a cash balance for operating and capital funds and that Fund 07 was given a zero balance. Resolution 2017-06 eliminates the interfund loan between funds. Now Resolution 2017-07 can establish that the cash funds held in excess of the Operating Reserve amount in the Operating fund 01 can be transferred to the Repair and Replacement fund 07. Therefore the Repair and Replacement fund will first be given a zero balance to address prior accounting issues then it will be funded so that the correct due to, due from protocols are in place to account for the cash without any accounting issues associated with an interfund loan.

Resolution 2017-08 Revisions to the Reserve Policy

Once the preceding Resolutions are adopted, it is necessary to revise the Reserve Policy to ensure that it is consistent with the transfer of cash to the Repair and Replacement fund from the Operating fund. The Operating Reserve includes 5% of adopted prior year operating expenses and the operating portion of the SRF loan reserve. Essentially this Resolution ensures that the cash reserve is in the correct fund to meet debt service and fund replacement projects.

FINANCIAL IMPACT

None, the result of the passage of the aforementioned Resolutions is designed to address prior accounting issues and to allocate available cash according to fund.

RELATED IMPACTS

Improved efficiency in the accounting for the Repair and Replacement Fund 07.

RESOLUTION 2017-08

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

WHEREAS, Ordinance No. 001, adopted October 8, 1980 by the Board of Commissioners (Commission) of the Victor Valley Wastewater Reclamation Authority (VWRA), establishes and imposes a schedule of fees for the treatment of sewer flows to the VWRA Regional Treatment Plant ("User Fees"); and

WHEREAS, the funds collected pursuant to the User Fee Schedule are used to pay for operations and maintenance of the VWRA Regional Wastewater Treatment Plant to comply with applicable laws and regulations; and

WHEREAS, an annual Fiscal Year Budget is prepared and adopted to establish approved expenditures for Operations and Maintenance, Repairs and Replacements, and Capital Improvements, including the determination of appropriate rate schedules for sewer user fees, high strength waste surcharges, and sewer connection fees; and

WHEREAS, resolutions 2017-05, 2017-06 and 2017-07 redistribute cash funds between funds 01, fund 07 and fund 09 it is necessary to revise the Reserve Policy accordingly;

WHEREAS, the Commission adopted Resolution 2011-35, attached hereto as Exhibit "B", to establish a reserve policy to accurately reflect the needs of VWRA and allow the Authority to more accurately plan its projects and the revenue sources to fund them; and

WHEREAS, it is the desire of staff to amend the Reserve Policy.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Victor Valley Wastewater Reclamation Authority does hereby receive, approve and adopt the VWRA Reserve Policy attached hereto as Exhibit "A".

Adopted and Approved this 15th day of June 2017.

James Kennedy, Chair
VWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 15, 2017.

Kristi Casteel – Clerk of the Board

EXHIBIT “A”

Reserve Policy

I. Operating Fund Reserve

- Revenue Source: The Operating Reserve is funded by monies collected from Operating Revenue.
- The State Revolving Fund (SRF) Loan Reserve is a contractually restricted reserve that should be repaid by monies from both operating and non-operating (capital) Income. This is because the loans serve both operating and capital purposes. The operating portion of the SRF loan should be repaid from the operating income.
- Fund Transfers: Transfers to the Operating Reserve shall be based on the prior fiscal year's adopted audit statement, such as Statement of Revenues, Expenses and Changes in Net Position, and shall be calculated by using Operating Revenues less Operating Expenses exclusive of depreciation to determine the net Operating Income.
- Fund Balance: The Operating Reserve balance shall be revised annually with adoption of the budget.
1. The minimum Operating Reserve shall equal 5% of the budgeted total Operating Expenses including debt services for the adopted prior fiscal year.
 - a. For example, for Fiscal Year 2018 (for the year ending 06/30/18), this operating reserve would equal an amount of \$616,306 ($\$12,326,122 \times .05$).
 2. The Operating Reserve shall consist of remaining Operating Revenue to ensure operational reliability of the facilities in an emergency, the rate stability of VVWRA, and to sustain the total annual debt service coverage ratio as stated in each loan agreement.
 3. As required per the SRF loan agreement, the Operating Reserve shall maintain funds at least to meet one fiscal year's debt service for VVWRA's SRF loans.
 - a. For example, for Fiscal Year 2018 (for the year ended 06/30/2018), the SRF Loan Reserve would equal to an amount of \$1,218,613 for the Operating Fund.

II. Replacement Fund Reserve

- Revenue Source: The Replacement Reserve is funded by monies collected from Operating Revenues and is used to fund replacement projects. Other than what is allocated to the Operation Fund reserve calculated at the item number one above, most of operation revenue is in the Replacement Fund Reserve.
- Fund Transfers: Transfers to the Operating Reserve shall be based on the prior fiscal year's adopted audit statement, such as Statement of Revenues, Expenses and Changes in Net Position. The net Operating Income shall be determined by using Operating Revenues less Operating Expenses exclusive of depreciation to determine the net Operating Income. Any remaining fund beyond what was required for Operating Fund will be placed in the Replacement Reserve.
- Fund Balance: The Replacement Reserve balance shall be revised annually with adoption of the budget.
1. Use of the Replacement Reserve shall follow Section XVI Emergency Conditions and Purchasing Authority in the Procurement Policy.
 2. The Replacement Reserve shall consist of remaining Operating Revenues to ensure the serviceability of VVWRA's infrastructure to serve the needs of the Member Agencies and to maintain the rate stability of VVWRA.

III. Capital Fund Reserve (Restricted and Non-Restricted Reserves)

- Revenue Source: The Capital Reserve is funded by monies from non-operating income, such as connection fees and interest earned.
- Fund Transfers: Transfers to the Capital Reserve shall be based on the prior fiscal year's adopted audited statement, such as Statement of Revenues, Expenses and Changes in Net Position. The net Capital Income shall be calculated by using Capital Revenues less Capital Expenses exclusive of depreciation.
- Fund Balance: The Capital Reserve balance shall be revised annually with adoption of the budget.
1. As required per the SRF loan agreement, the Capital Reserve shall maintain funds at least to meet one fiscal year's debt service for VVWRA's SRF loans.
 - a. For example, for Fiscal Year 2018 (for the year ended 06/30/2018), the SRF Loan Reserve at the Capital Fund would equal to an amount of \$1,408,165.
 2. The Capital Reserve shall follow Section XVI Emergency Conditions and Purchasing Authority in the Procurement Policy.



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
 Report/Recommendation to the Board of Commissioners
 June 15, 2017

FROM: Chieko Keagy, Accounting Supervisor *ck*
TO: Angela Valles, Finance Director
SUBJECT: Recommendation to Approve Resolution 2017-09: Adopt Budget for Fiscal Year 2018

RECOMMENDATION

It is recommended that the Board of Commissioners approve Resolution 2017-09: Adoption of the Proposed Budget as presented for the fiscal year of 2018 (for the year ending June 30, 2018).

REVIEW BY OTHERS

This recommendation has been reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

Staff prepared the fiscal year 2018 budget based on input from each department. This budget was presented and discussed by the External and Internal Finance Committees during meetings held on April 26, 2017 and May 22, 2017, which included the discussion of Repair and Replacement Fund 07.

The following related documents are attached: "Operations & Capital Proposed Budget" and "Salary Schedule FY 2018".

FISCAL IMPACT

The proposed budget should lay guidelines for daily operations and capital improvement projects. The budgeted revenues and expenses for the fiscal year are:

Operations and Maintenance	Revenues	\$ 16,875,790	
	Expenses	(15,951,510)	
	FEMA/Cal OES Retention	<u>747,034</u>	\$ 1,671,314
Repairs and Replacement	Revenues	247,500	
	Expenses	<u>(247,500)</u>	-
Capital	Revenues	1,960,836	
	Expenses	(4,487,486)	
	FEMA/Cal OES Retention	<u>3,105,375</u>	<u>578,725</u>
			<u>\$ 2,250,039</u>

RELATED IMPACTS

None noted.

RESOLUTION 2017-09

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
TO APPROVE AND ADOPT THE FISCAL YEAR 2017-2018 BUDGET**

WHEREAS, the General Manager submitted to the Board of Commissioners (“Commission”) of the Victor Valley Wastewater Reclamation Authority (“VWVRA”) a proposed budget for the period July 1, 2017, through June 30, 2017, otherwise known as Fiscal Year 2017-2018, and said proposed budget provides details of the proposed revenues, expenditures, and appropriations for VWVRA during Fiscal Year 2017-2018 (“Budget”);

WHEREAS, the Commission has duly reviewed and considered the proposed Fiscal Year 2017-2018 Budget with respect to the projected revenues and the proposed expenditures, projects, programs, annual surcharge rate adjustments, and related items accordingly;

WHEREAS, the Commission provided public notice of and held a public hearing on June 15, 2017, on the proposed Fiscal Year 2017-2018 Budget (“Public Hearing”);

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

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

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

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

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

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

Section 1. The Budget for Fiscal Year 2017-2018 for the Victor Valley Wastewater Reclamation Authority, a copy of which is attached hereto as Exhibit "A", is hereby approved and adopted, and the amounts of the proposed expenditures are appropriated for the projects, programs, and expenditures specified therein and as currently proposed in the accompanying Capital Improvement Plan spreadsheets, which are subject to future revision by the Board, and;

Section 2. The Commission has determined that it is economically feasible and in the best interest of the Authority to adjust employee salary ranges by the annual Consumer Price Index (CPI). The CPI utilized for this purpose is the annual average for All Urban Consumers for the Los Angeles-Riverside-Orange County area, as published by the Bureau of Labor Statistics, for the 12-month period ending March 31, 2017. The CPI percent change for the year ending March 31, 2016 is 2.7 percent. Per the MOU with the Employees Association the CPI is 2.5%. The adjusted steps and ranges shall be as shown in the attached Exhibit "B".

Section 3. Adoption of Annual Increases. The effective date of salary range adjustments described herein shall be July 1, 2017

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

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

ADOPTED AND APPROVED this 15th day of June, 2017

James Kennedy, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VVWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VVWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 15, 2017.

Kristi Casteel – Clerk of the Board

EXHIBIT “A”

Fiscal Year **2017-2018**

**Operations & Capital
Proposed Budget**

**Victor Valley Wastewater
Reclamation Authority**



Taking the Waste Out of Wastewater

Administration Office and Treatment Plant

20111 Shay Road
Victorville, CA 92394
(760) 246-8638
(760) 246-2898 Fax

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
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Fiscal Year 2017-2018

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Section I: Introduction and Overview



Victor Valley Wastewater Reclamation Authority

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

Administrative Offices

20111 Shay Road, Victorville, CA 92394

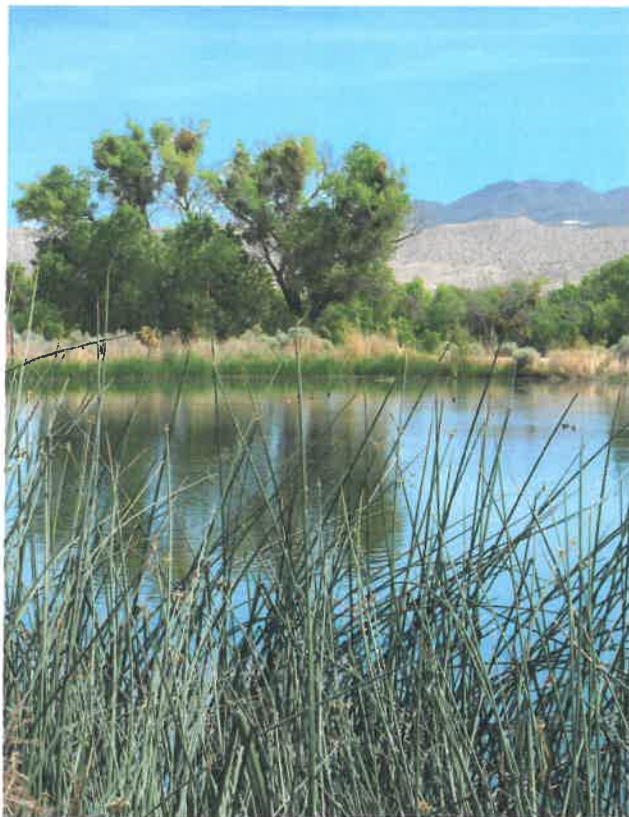
Telephone: (760) 246-8638

Fax: (760) 948-9897

E-mail: mail@vwwra.com

Budget Summary and Message from General Manager

Overview – Revenues and Expenses



VVWRA Percolation Pond

This document includes the budget information for the fiscal year 2017-2018 (hereafter referred to as FY 2018) for Victor Valley Wastewater Reclamation Authority (VVWRA). The table of contents and glossary will help you locate information.

VVWRA uses enterprise accounting to account for three divisions, (1) Operations and Maintenance Fund for daily activities, (2) Repairs and Replacements Fund for periodical repair and replacement work, and (3) Capital Fund for capital projects. VVWRA provides wastewater processing services to four member agencies; City of Victorville, Town of Apple Valley, City of Hesperia, and two areas of San Bernardino County Special Districts. Among the total operating revenue of \$17.9 million budgeted for FY 2018, \$13.7 million represents user fee revenue. We process wastewater, on the average, of 59% from City of Victorville, 17% from Town of Apple Valley, 18% from City of Hesperia and the remaining 6% from the two areas of San Bernardino County Special Districts. Other income includes septage processing fees; tipping fees for anaerobically digestible materials, fats,

oils, and grease; sludge flow; industrial pretreatment fees; and reclaimed water sales; and high strength surcharge fees. The new high strength surcharge rates for FY 2018 are shown at page 37. In addition, we estimated \$247,500 for existing facility major repairs and upgrades and the connection fee revenue of \$878,900 for the construction of capital projects stated at page 34. We have budgeted the connection fee revenues conservatively for FY 2018 as we expect reduced connections to the wastewater system during FY 2018 reflecting reduced connection fees from the City of Victorville.

The FY 2018 budget includes a one-time retention receipt of \$3.9 million from the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES) for the Upper Narrows Replacement and Emergency Projects that VVWRA did not receive during the FY 2017. For the Sub-regional Wastewater Reclamation Plants in the Town of Apple Valley and the City of

Overview – Revenues and Expenses (Continued)

Hesperia, we have budgeted \$751,000 grant under Proposition 1, \$404,000 under the Water Recycling grant, and \$2.3 million of the Clean Water State Revolving Fund (SRF) loans from California State Water Resources Control Board. The FY 2018 total budgeted revenue including grants and loan proceeds is \$22.9 million.

We have budgeted expenses of \$16.2 million for operations and maintenance, \$247,500 for repairs and replacements, and \$4.2 million for capital projects. These expenses and expenditures exclude non-cash item, such as depreciation expense. With the total expense of \$20.7 million, we predict the total budgeted surplus for FY 2018 is \$2.3 million that reflects three-month test run of the two sub-regional plants. It is our challenge to achieve a balanced budget where the operating and capital revenues equal or exceed the total expenses.



Apple Valley Plant - construction in progress

Capital Projects and their Expenditures

VVWRA's capital improvement programs in the next two years (listed at pages 47 and 48) allow VVWRA to utilize cutting-edge technologies to continue providing quality wastewater treatment services to the service areas, including biogas energy projects. The anticipated capital projects can be classified into three general categories: Wastewater Treatment, Interceptor, and Energy Efficiency.

These projects are listed in the *Capital Projects and Debts at Section V* on pages 43 through 51 with the proposed funding through one or more of four sources: federal and/or California grants; SRF loans; operating cash reserve; and capital cash reserve. These capital projects are listed in the order of priority, often overlapping several categories during the year.

Wastewater Treatment and Other Construction Projects:



Hesperia Plant - the purple reclaimed water pipeline

VVWRA predicts completing the construction of both plants at the end of December 2017, so the agency's entire wastewater capacity will increase with less hydraulic load on the Hesperia and Apple Valley interceptors and will continue providing quality wastewater treatment services for the community. The plant in the City of Hesperia will provide reclaimed water to residential communities and commercial businesses along the I-15 corridor.

Capital Projects and their Expenditures (Continued)

Another facility located in the Town of Apple Valley will provide reclaimed water to the town's public parks. In addition to the SRF loan, the Apple Valley plant construction costs are funded through Title 16 grant from Bureau of Reclamation, United States Department of the Interior and grants by Propositions 1, 13, 50, and 84 of State of California.

Interceptor Projects:

The gravity interceptors transport a majority of the wastewater from the surrounding cities in the service areas to VVWRA's wastewater treatment plant. While VVWRA continues to upgrade its treatment facilities to handle the increased flow, the agency has successfully increased its flow transport capacity by completing the construction of a permanent pipeline in the vicinity of the Upper Narrows of the Mojave River to replace the temporary pipeline damaged by the 2010 federal disaster. These projects were mostly financed by FEMA and Cal OES grants and also by an SRF loan. Another interceptor that is near completion is the Nanticoke interceptor. This project will be financed through another SRF loan.

Energy Efficiency Projects:



Microgrid EnergyPod

As a result of the Phase III-A ultraviolet treatment project coming online, VVWRA has been experiencing major increases in power consumption. The agency has planned a series of energy efficiency projects in order to alleviate the high cost of power consumption. For example, VVWRA has initiated a micro-grid battery storage project during FY 2017. This project will be funded through a grant from California Energy Commission that can safe-guard the agency from unavoidably receiving low voltage electricity from Southern California Edison.

Environmental and Regulatory

VVWRA is the regional sewer service provider, and as such, the State Water Code authorizes VVWRA to implement a regional reclaimed water permit program similar to the existing Industrial Pretreatment Program. Under this Master Permit, VVWRA can be responsible for permitting and monitoring reclaimed water users, expediting the more efficient permit process rather than relying on individual permits obtained through Lahontan Regional Water Quality Control Board.

Debts – State Revolving Fund Loans

Under the circumstances where the City of Victorville (Victorville) diverts its flow of 1.7 million gallons per day and further reduces its connection fees, a solution must be reached with the close cooperation of the remaining member agencies. VVWRA must correct these fiscal issues (1) to have a sufficient cash reserve to meet the SRF loan contractual reserve obligation and (2) to comply with the SRF loan contractual repayment obligations.

Based on the comments from the member agencies regarding how to fund reserves and the discussions on the 2014 adopted Financial Plan and associated fee structure, the user fee has been adjusted over the five-

year period with the FY 2018 as the fifth year. The connection fee was also adjusted in FY 2015. The flow diversion and reduced connection fee receipts from Victorville require further consideration of how to fund the operation of the two sub-regional plants and repayments of the SRF loans. Reflecting member agencies' comments, our challenge includes **a balanced budget** where the operational expenses are covered by the user fees without relying on capital revenues, which are exclusively used for capital projects. We have created the FY 2018 budget with this goal in mind. This FY 2018 budget reflects the agency limiting the operation period of the two sub-regional plants only to a three month testing period.

Although there are no applicable legal debt limits for VVWRA to adhere to, other than the loan contractual obligation of maintaining the annual debt service amount, we are challenged with the debt repayments for the SRF loans for the Hesperia and Apple Valley facility construction.

Adding to the lost connection fee income from Victorville, a reduction of connection fee income from other member agencies and higher operation costs during the last few years, VVWRA has spread out the implementation of its vital and required capital projects as shown on pages 47 and 48.



Hesperia Plant – under construction

Long Term Financial Plans

The management of VVWRA seriously considers impacts of flow diversion by the City of Victorville (Victorville) and its 30 year notice of withdrawal from the joint venture in 2046 that Victorville announced on April 6, 2016. Under these circumstances, a new financial plan needs to be conducted and related cash flow assumptions should be revised drastically unless other measures are agreed to by the member agencies.

As the agency has not created a new five-year financial plan, this budget does not include a cash flow prediction and analysis.

Conclusion

The significant financial issue for FY 2018 is first to find a means to supplement the loss of user fee and connection fee revenues resulting from the flow diversion by the City of Victorville. Secondly, our effort is to address the lack of growth in the service areas, which was the basis underpinning the Financial Plan completed in 2014.



Logan Olds, General Manager



**Victor Valley Wastewater Reclamation Authority
GFOA Distinguished Budget Presentation Award for the Fiscal Year Beginning July 1, 2016
Fiscal Year 2017-2018**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Victor Valley Wastewater Reclamation Authority
California**

For the Fiscal Year Beginning

July 1, 2016

A handwritten signature in black ink, appearing to read "Jeffrey R. Egan".

Executive Director

Section II: Financial Structure, Policy and Process

Victor Valley Wastewater Reclamation Authority

Governance

VVWRA is governed by a four-member Governing Board represented by an elected official of member agencies.

Board of Commissioners As of June 30, 2017



James Kennedy, CPA

Secretary

City of
Victorville



Russ Blewett

Chair

City of
Hesperia



Jeffrey Rigney

Treasurer

County of
San Bernardino



Scott Nassif

Vice Chair

Town of Apple
Valley

Prepared by

Logan Olds, General Manager
and Finance Department



**The mission of
Victor Valley Wastewater Reclamation Authority**

Is...

To cost-effectively provide professional, competent wastewater treatment, reclamation, recycling, and reuse,
To maintain the environment by providing clean effluent to the community,
To provide a service to our customers, and
To keep the public informed.

By...

Selecting quality employees,
Effectively communicating at all levels,
Providing effective training,
Encouraging participation in water and wastewater organizations,
Working together as a 'TEAM', and
Providing the budget for projects and personnel.

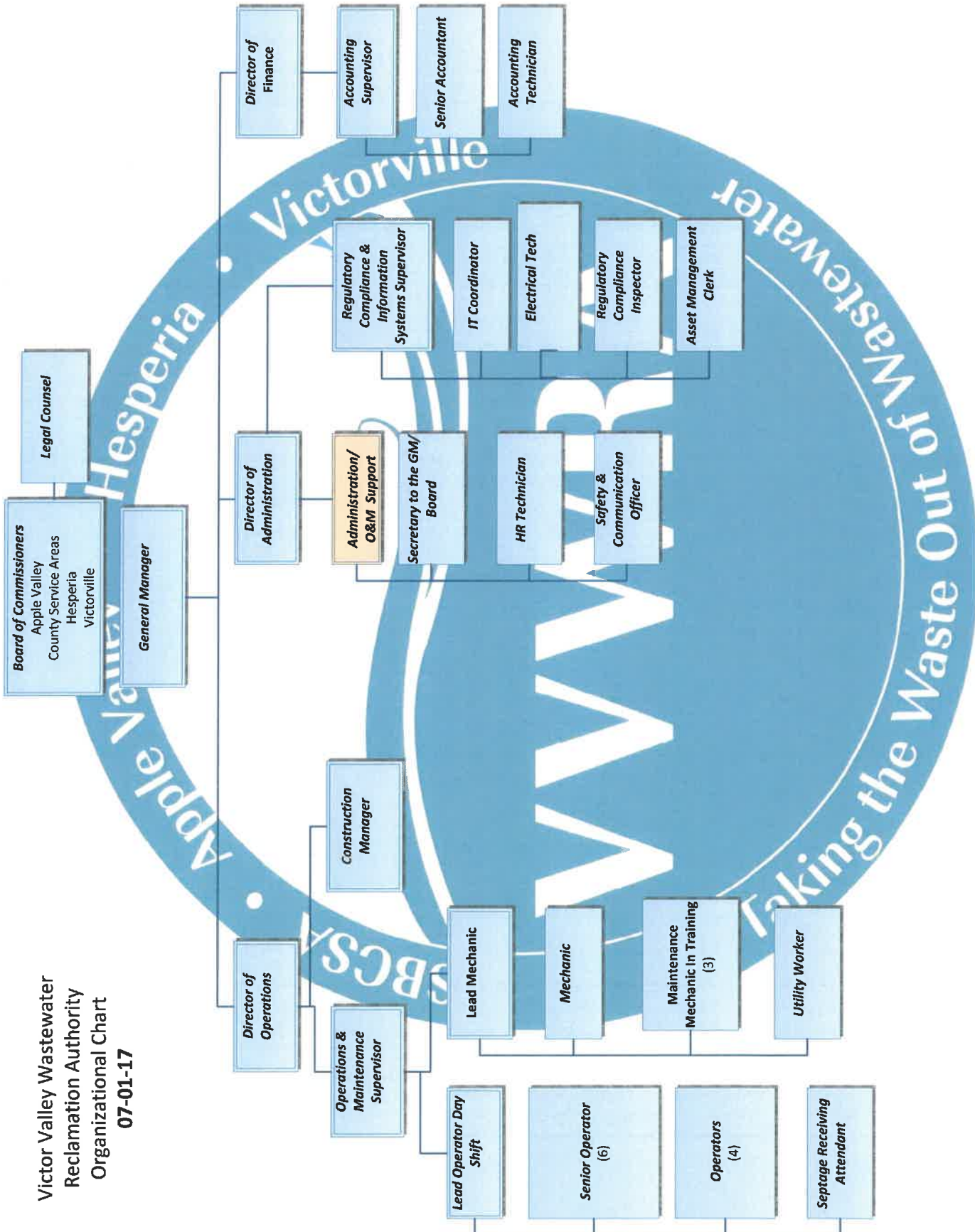
Motivated by...

Creating and maintaining a positive work environment,
Recognizing individual and group efforts, and
Providing competitive pay and benefits.

Measured by...

Meeting budgetary goals,
Meeting the standards for regulatory compliance,
The successful completion of projects,
Employee retention, and
A cooperative effort during emergencies.

Victor Valley Wastewater
Reclamation Authority
Organizational Chart
07-01-17

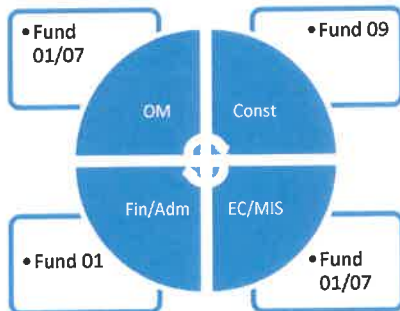


Victor Valley Wastewater Reclamation Authority
Our Organization
Fiscal Year 2017-2018

We are here to serve you.

The Board of Commissioners consists of four elected officials representing each member agency from the Town of Apple Valley, City of Hesperia, City of Victorville, and County of San Bernardino Two Service Areas.

The main function of Victor Valley Wastewater Reclamation Authority (VWVRA) is to receive wastewater from four member agencies and to process the wastewater then to discharge the cleaned water to the Mojave River. The VWVRA conducts its businesses based on an **Enterprise Accounting System** that is an accrual accounting system, similar to a regular business accounting method, by recording revenues and expenses as incurred instead of recognizing transactions when cash is received or paid. The enterprise accounting system is established based on three funds, (1) Operations and Maintenance Fund, (2) Repairs and Replacement Fund, and (3) Capital Fund. Please see how each department uses these funds as shown at the chart below. The Repairs and Replacement Fund is to show periodical repairs and replacement costs separately from normal operations and maintenance. Our main revenues are 'user fees' generated from processing (cleaning) wastewater that the member agencies send and connection fees charged to connect to the agency's system. The main distinction between the user fees and connection fees is that the user fees are associated with daily operations, while the connection fees are used for capital projects as new users will hook up to the system that may require further expansion of our infrastructure. In addition to operation expenses, we normally incur large sums of capital expenditures to improve and expand the infrastructure to fulfill member agencies' needs.



The main functions for each department are explained below. During FY 2017, the agency re-organized its departmental structure eliminating Maintenance and Laboratory departments.

- **Operations (OM)** adheres to State and Federal rules and regulations with no or minimum overflow incidences. The OM now includes the maintenance and laboratory functions, which are to perform repairs and maintenance of equipment and to enforce regulatory compliance by testing samples utilizing a third party laboratory vendor.
- **Construction (Const)** meets the member agency's expansion needs within the limited budget.
- **Environmental Compliance and Management Information System (EC/MIS)** enforces regulatory compliance including safety compliance and to maintain computer integrity.
- **Finance (Fin)** compiles and publishes award-winning Comprehensive Annual Financial Reports and annual budgets.
- **Administration (Adm)** is in charge of personnel. Both Fin and Adm are combined in the above chart as Fin/Adm.

Goals and objectives of each function

Here are goals and objectives of each function. See performance information at pages 22 through 27.

Victor Valley Wastewater Reclamation Authority
Our Organization
Fiscal Year 2017-2018

*The goal of **Operations** is to protect Victor Valley's environment and quality of life while creating reusable resources cost-effectively to the residents of the Victor Valley community. The Operations department provides effective and efficient advanced wastewater treatment, high-quality treated effluent that complies with 100% of all local, state and Federal requirements. Consistent with VVWRA's goals, the Operations' goal is summed up to improve water quality to protect the environment, wildlife and recreational uses of the waters from the nearby Mojave River and Downstream Mojave River Basin beneficial uses. VVWRA Operations staff is a highly dedicated group. The Operations department is staffed 24 hours a day 365 days per year by 15 highly trained wastewater treatment plant operators.*

*The goal of **Construction** is to manage infrastructure construction projects to ensure that the scope of work is budgeted and completed to the appropriate quality standards in a safe manner to meet the member agencies' expansion and repair needs.*

*The goal of **Maintenance** is to provide a high level of cost effective services to all customers in the service areas and all sections of the agency. This cost effectiveness is accomplished through control of wasteful maintenance and operations practices and in the planning of all work activities. The maintenance department maintains the 300 plus acre wastewater treatment plant, in addition to two remote pump stations, vehicle fleet, portable auxiliary equipment and 40 miles of sewer pipeline. The maintenance department comprised of 7 highly skilled craftsmen who are responsible for maintaining the agency's capital assets worth of 205 million dollars, working effectively and efficiently to comply with local, state and Federal requirements.*

*The goal of **Environmental Compliance and Management Information System (EC/MIS)** is to ensure that the agency is in compliance with all environmental laws, providing VVWRA with the latest technologies and support, educating the users and promoting the new technology as an integral component of VVWRA's vision. This effort includes implementation of computerized maintenance management systems that keep track of the maintenance inventory more efficiently. The EC Department implements and enforces VVWRA's Industrial Pretreatment Program to prevent upset, interference and pass-through at the wastewater treatment facility, to ensure beneficial reuse of plant effluents and bio-solids, to protect the structure and integrity of the sewerage collection system, to ensure the safety of personnel working in the system and to protect the health and safety of the public and environment. The EC/MIS Department is staffed by skilled professionals, certified for Environmental Compliance Inspection, Collection System Maintenance, Industrial Pretreatment Plant Operation, Drinking Water Treatment and Drinking Water Distribution.*

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

*The goal of **Finance** is to record approved revenues and expenses in a proper period based on the enterprise accounting and in compliance with the Commissioners-approved budget and to create the award-winning Comprehensive Annual Financial Reports. In addition, its responsibilities include billing timely, collecting fees, establishing and monitoring internal control systems, preparing award-winning budgets and various financial reports, and administering general accounting including payroll.*

*The goal of **Administration** is to ensure a fair and equitable employment selection process, as well as to maintain, administer and implement VVWRA's policies and programs.*

Victor Valley Wastewater Reclamation Authority
Budgeted Positions
Fiscal Year 2017- 2018

Department	Position	2012 Budget	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget	2018 Budget
Administration								
Administrative	Director of Administrative Services	0	0	0	0	1	1	1
Administrative	General Manager	1	1	1	1	1	1	1
Administrative	Administrative Aide	1	1	1	1	1	1	0
Administrative	Management Technician to General Manager	0	0	0	0	0	0	0
Administrative	Secretary - GM/Board	1	1	1	1	1	1	1
Administrative	Administrative Assistant	0	0	0	0	0	0	0
Administrative	Public Information Officer	1	1	1	1	1	1	1
Finance	Director of Finance	1	1	1	1	0	1	1
Finance	Accounting Supervisor	1	1	1	1	1	1	1
Finance	Accountant I	1	1	1	1	1	1	1
Finance	Account Technician	1	1	1	1	1	1	1
Finance	Purchasing Technician	0	0	0	0	0	0	0
Finance	Fiscal Clerk	1	1	0	0	0	0	0
Human Resource	Human Resource Technician	1	1	1	1	1	1	1
Human Resource	Director of Human Resource	0	0	0	0	0	0	0
IT/Env Comp	IT Supervisor	1	1	1	1	1	0	0
IT/Env Comp	IS Coordinator	1	1	1	1	1	1	1
IT/Env Comp	IT Technician	0	0	0	0	0	1	0
IT/Env Comp	IT/Env Comp Supervisor	0	0	0	0	0	1	0
IT/Env Comp	Lead Environmental Compliance Inspector	0	1	1	1	1	0	0
IT/Env Comp	Environmental Compliance Safety Admin Aide	1	1	1	1	1	1	1
IT/Env Comp	Environmental Compliance Inspector-in-Training	1	1	1	1	1	0	0
IT/Env Comp	Environmental Compliance Inspector	0	0	0	0	0	1	1
IT/Env Comp	Environmental Compliance Supervisor	0	0	0	0	0	0	0
IT/Env Comp	EC/IT Supervisor	0	0	0	0	0	0	1
Safety	Environmental Health Safety/Risk Coordinator	0	0	0	0	0	0	0
		14	15	14	14	14	15	13
Operations								
Operations	Director of Operations	1	1	1	1	1	1	1
Operations	Operations & Maintenance Supervisor	1	1	1	1	1	1	1
Operations	Lead Operator	1	1	1	1	1	1	1
Operations	Operator I	3	2	2	2	0	0	0
Operations	Operator II	0	0	0	0	0	0	0
Operations	Operator III	3	5	5	5	6	6	0
Operations	Operator IV	2	0	0	0	0	0	0
Operations	Operator V	0	1	1	1	0	0	0
Operations	Operator-in-Training	2	2	2	2	2	2	1
Operations	Operator	0	0	0	0	4	4	4
Operations	Senior Operator	0	0	0	0	0	0	5
Operations	Septage Receiving Attendant	0	0	0	0	1	1	1
Operations	O&M Clerk	0	0	1	1	1	1	0
Lab/Env Comp	Lab & Environmental Compliance Supervisor	1	1	1	1	1	1	0
Lab/Env Comp	Lab Tech I	0	1	2	2	1	2	0
Lab/Env Comp	Lab Tech II	1	1	0	0	1	0	0
Lab/Env Comp	Lab Tech	0	0	0	0	0	0	0
		15	16	17	17	20	20	14
Maintenance								
Maintenance	Maintenance Supervisor	1	1	1	1	1	1	0
Maintenance	Electrical / Instrumentation Tech	3	3	2	2	2	1	0
Maintenance	Electrical / Instrumentation Tech II	0	0	0	0	0	1	0
Maintenance	Electrical / Instrumentation Tech IV	0	0	1	1	1	1	1
Maintenance	Maintenance Planner	1	1	1	1	1	1	0
Maintenance	Mechanical Tech I	1	1	1	1	1	1	0
Maintenance	Mechanical Tech III	0	2	2	2	2	2	0
Maintenance	Plant Maintenance Tech IV	3	0	0	0	0	0	0
Maintenance	Lead Mechanic	0	0	0	0	0	0	1
Maintenance	Maintenance Mechanic	0	0	0	0	0	0	1
Maintenance	Maintenance Mechanic in Training	1	1	1	1	3	3	3
Maintenance	Utility Worker I	0	0	0	0	0	0	0
Maintenance	Utility Worker II	1	1	1	1	1	1	1
		11	10	10	10	12	12	7
Construction								
Construction	Project Construction Manager	0	0	0	0	0	0	1
Construction	Construction & Energy Efficiency Manager	1	1	1	1	1	1	0
Construction	Construction Inspector	0	0	0	0	0	0	0
		1	1	1	1	1	1	1
Total Department		41	42	42	42	47	48	34

Notes: The FY 2016 and FY 2017 budget includes additional two positions each for two sub-regional plants and one for a septage

Operators	2	2
Maintenance in Training	2	2
Septage Receiving Attendant	1	1
	<u>5</u>	<u>5</u>

**Victor Valley Wastewater Reclamation Authority
Policies
Fiscal Year 2017-2018**

Reserve Policy

The Reserve Policy establishes fund reserve balances to maintain adequate cash reserves to comply with a debt coverage requirement for State Revolving Fund (SRF) loans from State Water Resources Control Board and to handle the possible emergency expenditures in future. The Reserve Policy consists of three types of reserves: Operations and Maintenance reserve, Repairs and Replacement reserve, and SRF loan reserve. The reserve balances are to be revised annually with adoption of the budget.

The Operations and Maintenance Reserve is funded by operating revenue and equals to 10% of the budgeted total operating expenses for the prior fiscal year. In addition, the Repairs and Replacement Reserve includes 1% of the sum of land improvements, buildings, and interceptors. The SRF loan reserve is funded by both operating and non-operating revenues in order to maintain a sufficient reserve to meet the agreement provision of maintaining one fiscal year's debt service payments.

The Operations and Maintenance Reserve is \$1.08 million and the Repairs and Replacement Reserve is \$1.67 million as of June 30, 2017. The SRF loan reserve for the year ending June 30, 2017 is \$5.07 million.

Procurement Policy

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

Supervisors are each authorized to approve expenses up to a limit of \$5,000 on any one order or contract. The Construction Manager and the Department Directors are authorized to approve expenses up to a limit of \$10,000 on any one order or contract. The General Manager is authorized to approve expenses up to a limit of \$30,000 on any one order or contract. The VVWRA Board of Commissioners approves all expenses in excess of \$30,000, except for certain recurring expenses such as utilities, process chemicals, permit fees, and other expenses as defined in the policy, and must approve all construction contract change orders. Generally, the selection of purchases of materials, supplies, equipment and contractual services having an estimated value of more than \$2,000 should be considered based on a minimum of three quotes. Purchases of goods and services having an estimated value of more than \$30,000 should be made through a competitive sealed bid process defined in the policy.

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

Investment Policy

The Investment Policy provides guidelines for the prudent investment of VVWRA's temporary idle cash with the primary objectives of safety, liquidity and yield under provisions of the California Government Code Section 53600.3. Authorized investments include California State Treasurer's Local Agency Investment Fund (LAIF); Investment Trust of California; San Bernardino County

**Victor Valley Wastewater Reclamation Authority
Policies
Fiscal Year 2017-2018**

Investment Policy (Continued)

Local Agency Investment Fund; United States Treasury Bills, Notes and Bonds; insured Certificate of Deposits; and Money Market Mutual Funds.

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

Other Policies

Debt Coverage:

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

1. The financing agreement shall pledge the net revenue of the recipient for repayment of the proposed SRF financing agreement. This pledged revenue source shall be subject to lien and pledge as security for the obligation.
2. The recipient shall establish a restricted reserve fund, held in the recipient's fund, equal to one year's debt service prior to the construction completion date of the project. The reserve fund shall be maintained for the full term of the finance agreement and shall be subject to lien and pledge as security for the obligation.
3. The recipient shall establish rates and charges sufficient to generate net revenues of at least 1.10 times the total annual debt service.

The annual debt payment amounts for the FY 2018 is \$2.63 million. As more SRF loans were added during FY 2015 for Upper Narrows Replacement, Nanticoke, and two Sub-regional projects; the annual due amount will be more than \$5.00 million during peak years. See pages 50 and 51 for the detail payment information. As a special district, VVWRA is not subject to legal debt limits.

Revenues – Rate Ordinance:

VVWRA specifies fees in Fee Ordinance to meet operation needs and most of reserve requirements. The fees, such as connection fees, user charges, high strength surcharges, and septage receiving fees are posted at <http://vvwra.com/index.aspx?page=69> and updated each year. The connection fees are designed to fund capital projects.

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

Overhead Allocation to Project:

VVWRA records overhead expenses such as legal counsel, engineer consulting and audit fees as administration costs that are a part of the operation expenses. The personnel costs are also allocated among departments based on the hours the employees spend. See page 36 for the personnel allocation.

**Victor Valley Wastewater Reclamation Authority
Budget Preparation and Review Process
Fiscal Year 2017-2018**

Basis of Budgeting

Victor Valley Wastewater Reclamation Authority (VWVRA) employs a fiscal year beginning July 1. VWVRA prepares its annual budget based on an accrual accounting method (which recognizes revenues and expenses when they incur) excluding non-cash depreciation expense but including loan proceeds and the related repayments to present the fund inflows and outflows. We have included the reconciliation of FY 2016 actual to FY 2016 Comprehensive Annual Financial Report at page 23.

Balanced Budget

A balanced budget is when VWVRA's operating revenues are equal to or exceed its operating expenses. The FY 2018 budget shows the balanced budget with a surplus for its operations and capital funds.

Budget Process

VWVRA supervisory staff inputs budgetary estimates for the following year with their departmental goals^① in mind at the beginning of the budgetary process. Based on these input, the Accounting Supervisor prepares the draft budget. The senior management including the General Manager reviews the draft budget. The General Manager predicts capital project costs based on the member agency's needs. The Finance Department incorporates the data in to the draft budget.

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

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

① Please see pages 12 and 13 for the departmental goals.



the Mojave River

**Victor Valley Wastewater Reclamation Authority
Budget Preparation and Review Process
Fiscal Year 2017-2018**

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

Budget Calendar

VVWRA Budget Planning FYE 06/30/2015	Required By Date
Budget Kickoff Meeting	02/14/17
Update actual numbers and prepare for new budget cycle.	02/23/17
Present the budget draft at Supervisors' meeting.	03/01/17
Present the first draft budget to General Manager (GM) for review.	03/09/17
Hold a preliminary staff budget review meeting with Supervisors and GM.	03/23/17
Provide the draft changes to Accounting Supervisor.	03/30/17
Present the budget executive summary to Internal Finance Committee.	04/13/17
Finalize the draft budget.	04/20/17
Present the budget recommendations to Internal and External Finance Committee.	04/27/17
Present the second recommendations to Internal and External Finance Committee.	05/04/17
Place a public notice on local newspaper to invite public participation.	05/07/17
Circulate the budget document to the Board.	05/11/17
Board Meeting - Present the budget.	05/18/17
Board budget hearing and adoption	06/15/17
The second Board budget hearing and adoption, if needed.	06/23/17
Apply for GFOA Award for Excellence in Budget Reporting.	06/30/17

To summarize the major actions, we have:

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

Section III: Goals and Performance

**Victor Valley Wastewater Reclamation Authority
Goals, Objectives and Strategies
Fiscal Year 2017-2018**

Strategic Goals and Strategies to Benefit the Communities

The goal of Victor Valley Wastewater Reclamation Authority (VWVRA) is to provide sustainable and cost effective solutions to benefit the communities we serve. The VWVRA serves an arid region which has historically depleted its groundwater resources. For this reason, the processed wastewater is valued for projects, such as replenishing groundwater, protecting riparian habitat, and generating power plant cooling water. The energy stored in the organic matter delivered in the wastewater can be used to



provide heat and power to operate the wastewater treatment plant. Finally, the organic residual resulting from the treatment process can be beneficially reused to amend soil quality and to provide energy to a local cement manufacture, reducing greenhouse gas emissions.

Long-Term Strategies to Pay Back SRF Loans for the Sub-Regional Projects

As the construction of Sub-regional plants are scheduled to complete at the end of December 2017, VWVRA's SRF loans for these projects will become due in December 2018 (one year after the completion of the construction of the project). The Board has discussed a long-term strategy to pay back these loans timely; the consensus indicates that proper rate adjustments of user fees and connection fees for the lost income from the City of Victorville are necessary. As these loan payments affect both funds, Operations (Fund 01) and Construction (Fund 09),¹ the rate consideration involves both user fees (for the Fund 01) and connection fees (for the Fund 09). Without such a remedy, VWVRA may not be able to operate the Sub-regional plants or risk not meeting debt service obligations.

Strategic Measures to Attain the Objectives

The VWVRA strives to accomplish objectives by pursuing four fundamental rules; these rules guide staff to evaluate the needs of the member agencies.

Rule #1: Treat the wastewater to the best means possible given the resources available.

VWVRA strives to optimize the wastewater treatment process, while utilizing the resources on hand in an efficient manner.

Rule #2: Obtain the resources to do #1.

VWVRA endeavors to establish reasonable rates, repair and maintain pipelines, and construct facilities to support Rule #1.

¹ Please see page 12 for the descriptions of the funds.

**Victor Valley Wastewater Reclamation Authority
Goals, Objectives and Strategies
Fiscal Year 2017-2018**

Rule #3: Manage liability.

It is every employee's responsibility to act professionally and be mindful of safety protocols to avoid potential liabilities.

Rule #4: Do not confuse governing authority with managerial authority.

The VVWRA Board determines the actions the agency takes. The General Manager implements those actions.

As the staff evaluates each issue by these rules, the staff can prioritize the tasks and focus his or her energy on projects to meet the goals and objectives of VVWRA.

Marketing Strategies

The VVWRA's strategic plan incorporates integrated financial planning, successful marketing of the programs it pursues, and partnerships with a private industry.

The two driving forces behind this agency's strategic plan are community growth and regulatory requirements that determine the amount of resources required to address issues. Additionally, the industry as a whole is changing with more focus on regional watershed-based decision making.

Through a series of capital projects, the VVWRA endeavors to achieve the goal of providing sustainable and cost effective solutions to the surrounding communities. Capital projects such as Westside Plant Phase III-A, Omnivore projects, and an energy storage project allow VVWRA to improve and to expand the infrastructure at its current regional treatment facility to meet new regulatory requirements as well as to expand the plant's treatment capacity.

To expand the operations outside of this Victorville facility, the VVWRA will further its quest for sustainability by constructing additional sewer lines and Sub-regional water reclamation plants in the Town of Apple Valley and the City of Hesperia. Further, a Nanticoke gravity sewer line, approximately 16,250 feet long of 30" PVC pipe, will eliminate the Nanticoke Pump Station, directly connecting to the existing Town of Apple Valley Otoe Pump Station. These Sub-regional plants would allow VVWRA to have sufficient wastewater flow to provide reclaimed water locally and reduce sewage in our over-capacity interceptors. These plants represent the first step in preparing for the people, business, and industry that would sustain regional growth; reducing the overall load on the collection system; and providing recycled water, the valuable and increasingly important resource in this arid region. Another benefit of locating the sub-regional plants farther up the watershed in the vicinity of residential areas will result in saving of the subsequent energy costs of pumping the recycled water back to the recycled water users.

Water is no longer viewed in simplistic terms of water and wastewater. There are now designer waters produced from recycled wastewater. The production of potable water can now include biological filtration. The public is more broadly aware of the direct injection of recycled water in to groundwater. The VVWRA's strategic planning incorporates the elements of sustainability, innovation, and successful marketing.

**Victor Valley Wastewater Reclamation Authority
Goals, Objectives and Strategies
Fiscal Year 2017-2018**

This concept is best exemplified in the publication building of a *wastewater utility brand*, which discusses how to transition from a traditional monopolistic public utility into an agency of creativity and foresight. Also given the fiscal constraints, it is important to consider opportunities to engage private partnerships and to diversify the revenue sources for the agency.

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

Operations Department has:

The Operations Department continued to enhance injection of external feed stocks to anaerobic digesters. 5,883,812 gallons of anaerobically digestible materials, such as food waste, fats, oil and grease were injected to the digesters, increasing the biogas productions by 262% to generate electrical energy. It also eliminated natural gas import for power production resulting in \$109,398 annual savings and annual revenue of \$235,352 from tipping fees.

Under private and public partnership with Anaergia, the department continues to operate two 2G biogas-powered heat and power generators (CHP) to provide a total of 6,033,249 kWh Renewable Energy during the reporting year, utilizing biogas from anaerobic digester, making the facility 90% to 100% energy and carbon neutral (self-sustained). The facility CHP system produced electricity to power 585.5 homes for one-year based on US Energy Information Administration Statistics. In addition, 5.4 million British thermal unit (BTU) per hour heat, available from the exhaust was transferred to water that flows through the system heat exchangers to heat the anaerobic digesters eliminating the need for installation, operation and maintenance of external sources such as boilers.

Construction Department has:

Depending on the cash flow and urgency needs during the FY 2018, some of the construction projects included in the FY 2018 budget won't be carried on.

The Construction Department has achieved the following progress during the year ended June 30, 2017.

Project Name	Project Status
1 Sub-Regionals Projects, Apple Valley & Hesperia	– \$65,890,000, Construction started February 2015 and will continue thru December 2017
2 Sub-Regionals Projects, Monitoring Wells	Completed February 2016
3 Upper Narrows Pipeline Replacement Project	Completed. Working on OIG audit comments
4 Upper Narrows – Alternate BNSF Crossing	Completed
5 Upper Narrows – Alternate BNSF Crossing, Phase 2	Completed
6	
7 Yates Road Sampling Station	Completed
8 2014/2015 Manhole Rehabilitation Project	Completed
9 Digesters Biogas to Energy Project	Completed
10 Laboratory Building Replacement Project	Project put on hold until funding available
11 Drying Beds Repair and Drainage Improvements	Completed this project using VVWRA staff on beds 1, 2, and 3. Anticipate completing bed 4 this summer
12 Digesters 4 & 5 Supernatant Line	– \$80,000, On hold for re-evaluation
13 Nanticoke Pump Station Bypass Sewer	– \$5,700,000, Design 100%, NTP April 2016, anticipate completion July 2017

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

14	Shay Road Diversion Structure	Completed
15	Aeration Energy Efficiency Project	Completed
16	Desert Knolls Wash, Apple Valley Interceptor Realignment	– \$500,000, Anticipate Design beginning Design September 2017 with construction complete December 2018
17	Apple Valley Odor Control	– \$650,000,. Will be designed and constructed with Desert Knolls Wash project. Completion December 2018
18	North Hesperia Relief Interceptor	– On hold until evaluation of impact from completed Sub-Regionals project
19	Spring Valley Lake Relief Interceptor	– On hold until evaluation of impact from completed Sub-Regionals project
20	Ossum Wash Interceptor	– \$650,000, anticipate sending to bid November 2017, anticipate completion March 2018
21	Oro Grande Crossing of Mojave River	– \$5,700,000, anticipate sending to bid May 2018, anticipate completion June 2019



Apple Valley Sub-regional



Hesperia Sub-regional

Regulatory Compliance and Information Systems Department has:

VVWRA Interceptors manholes rehabilitation program completion:

Based on a VVWRA interceptors condition assessment study performed by RBF in 2009 and staff recommendations from field conditions reports, VVWRA completed an extensive multi-year (2012-2015) manholes rehabilitation project throughout its service area.

The project included the replacement or rehabilitation of a total of 90 manholes or structures that were severely damaged or compromised by hydrogen sulfide corrosion located along the following interceptors:

- South Apple Valley
- North Apple Valley
- Victorville Schedule 4

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

- Hesperia
- Spring Valley Lake CSA 64
- Adelanto

The following is a summary of the completed project:

Total of 90 manholes or structures were rehabilitated or replaced.

- Removal and replacement of 90 damaged or corroded cast iron manhole covers and frames of varying sizes with new composite manhole covers and frames. These new manhole covers system has proven reliable, corrosion free and temper proof
- Full or Partial Re-coating with Epoxy resin of 60 manholes
- Raising 31 manholes rims above existing grade
- Replacement of 2 concrete manholes with 2 new polymer concrete manholes

Lucity implementation:

In 2016, we achieved significant progress in Lucity implementation.

Using Lucity this year has helped us see the following benefits:

1. Increased Level of Maintenance Information.
2. Improved Work and Service Request Control.
3. Improved GIS capabilities, spatial & condition information about sewer assets is readily available.
4. Improved overall pretreatment permit management & industries inspections.
5. Improved Planning and Scheduling.
6. Extend Equipment Life due to the implementation of over 596 scheduled repetitive PM activities
7. Improved Reliability / Reduced Downtime.
8. Increased Capability to Measure Performance. The reports available now are far better than what we had in the past.
9. We are working on the inventory module which will help us optimize Inventory Usage / Eliminate Stock outs. We recognize that Well-organized stockrooms with accurate inventory records, a stock locator system, stock levels, and a storeroom catalog can significantly improve the overall maintenance operation. Information for decisions on inventory reduction will be readily available to identify parts usage, excess inventory levels, and obsolete parts.
10. Increased Budget Accountability.
11. Identification of potential R&R and CIP (Repair & Replacement and Capital Improvement Projects) projects

Operations Control Room Technology update:

The operations control room technology has been completely updated, new desktops, new monitors and new UPS batteries were installed and configured. With this technology update the operation control is now more efficient for day to day operations

Along with this technology update, a new TV and mini desktop was installed in the lunch room which is also used for trainings and pass down meetings.

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

Copiers Refresh from Konica Minolta

A new lease was entered into with Konica Minolta upon the expiration of the Xerox Copiers lease, a substantial savings was realized by leasing only 2 copiers as well as increasing the efficiency of staff.

File server system update

Implemented a new regional plant file server in the form of a direct attached storage (DAS) to increase reliability, availability and storage capacity of the organization system critical data.

Email archiver and Backup server upgrade:

This upgrade helped us increase the reliability of the email system and safeguard records for years to come.

Regional Plant SCADA communication improvement project:

By implementing the use of new technology from Blackbox.com we were able to significantly increase the reliability of communication from the UV and Aqua-Diamond filters systems and decreased the number of callouts to the MIS department.

Storm Water Pump Station Controls rehabilitation:

The storm water pump station controls at the regional plant was upgraded, new controls were installed and tested.

Laboratory Department has:

- Maintained laboratory accreditation.

After the on-site inspection on August 3, 2015 and in addition to submitting acceptable results from proficiency testing studies the laboratory was granted continued accredited status by California State Environmental Laboratory Accreditation Program until August 31, 2017.

- Maintained accurate laboratory sampling and testing.

In preparing for the Sub-regional plants becoming operational in the near future, sampling and testing of groundwater monitoring wells were initiated for four consecutive months starting in February 2015. Groundwater quality data generated from this baseline study will help determine future testing requirements.

Moreover, the laboratory has increased testing capacity and has increased its preventative maintenance on laboratory equipment with the increased ADM and FOG shipments.

- Updated regulatory compliance requirement reports.

The new Industrial General Permit became effective July 1, 2015. The Laboratory group was instrumental in implementing and maintaining a new Storm Water Pollution Prevention Plan for the main facility.

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

The Laboratory/Environmental Compliance groups continued in their efforts to streamline the evaluation process of compliance of industrial permits by adapting existing software reporting features to include analytical data and specific permit requirements.

Maintenance Department has been:

- *Performing preventative maintenance on plant equipment*

1. UV Wiper Replacements	\$39,00.00 - complete
2. 2G CHP #1 Head Replacements	\$76,388.26 - complete
3. Replaced Vaughn Horizontal Mixing	\$31,402.52 - complete
4. Spencer Blower Rebuild	\$8,426.68 - complete
5. MCC A/C Replacement	\$7,020.00 - complete
6. WILO Mixers Repaired/Replaced	\$15,225.58 - complete
7. South Percolation Pond Pump Fail to Safe	\$48,177.00 – ECD June 20, 2016
8. Replaced VFD for AVPS Pump #1	\$6,165.00 - complete
9. EQ Pump Motor Repair	\$2,531.21 - complete
10. DAFT #1 & #2 Rebuild	\$95,112.00 – ECD August 2016
11. Annual UV Sensor Verifications	\$6,736.85 - complete
12. 2G Parasitic Load Project Parts	\$10,096.88 - complete
13. Quarterly Calibrations 3 rd Party	\$12,000.00 - complete
14. UV Wiper Replacements	\$39,00.00 - complete
15. Tire Replacements & Repairs Fleet	\$10,392.25 - complete
16. A/C Repairs and Service	\$11,430.24 - complete
17. Gas Scrubber Media Change-out	\$81,428.56 - complete
18. Godwin Pump Rebuild	\$13,642.87 - complete
19. Waukesha Engine Repairs/Maintenance	\$23,589.97 - complete
20. Replacement 6” Mag Flow Meters	\$18,176.48 - complete
21. Septage 6” Transfer Pump	\$11,358.88 - complete
22. Tigermag Flow meter 8”	\$4,346.07 - complete
23. Piller Parts and Service	\$7,547.45 - complete
24. Grit Classifier Parts and Repairs	\$10,175.97 - complete

**Victor Valley Wastewater Reclamation Authority
Operations Performance Measure
Fiscal Year 2017-2018**

25. Helical Skimmer Repairs	\$4,137.88 - complete
26. Lifecon Air mask Rental/Purchase	\$15,146.52 - complete

Finance Department has:

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

1. Budgets: Distinguished Budget Presentation Award in the years started July 1, 2012 through 2016 and
2. Comprehensive Annual Financial Reports: Certificate of Achievement for Excellence in Financial Reporting for the years ended June 30, 2010 through 2016.

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

Section IV: Financial Information and Trend Analyses

Victor Valley Wastewater Reclamation Authority
Consolidated Budget Statement of All Funds
Fiscal Year 2017-2018

Our goals, objectives and strategies are transformed into numbers for the budgets with a projection for the rest of FY 2018. The consolidated budget on this page shows all functions of the entire organization. The next page 29 demonstrates a reconciliation of FY 2016 actual to CAFR for the year ended June 30, 2016. The budget on page 30 is for the Operations and Maintenance Fund, the budget on page 32 is for the Repairs and Replacements Fund, and the page 34 shows the budget for the Capital Fund.

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Operations & Maintenance Fund Revenues						
User Charges	\$ 11,480,773	\$ 13,157,520	\$ 10,475,881	\$ 12,571,057	\$ 12,768,600	\$ 13,661,700
Allocate Resource to Repairs and Replacements Fund	-	-	-	-	-	(247,500)
VFWWTP Sludge	129,031	-	104,226	125,071	110,000	137,074
High Strength Waste Surcharges	36,078	12,000	18,273	21,928	20,000	25,000
ADM FOG Tipping Fee Revenue	-	-	186,866	224,239	-	205,000
Septage Receiving Facility Charges	604,958	410,000	511,539	613,847	500,000	609,000
Reclaimed Water Sales	59,265	7,000	29,648	35,578	60,000	44,000
Interest	-	-	10	12	-	-
Pretreatment Fees	54,600	40,000	46,179	55,415	45,000	51,200
Miscellaneous	(2,162)	32,100	3,199	3,839	1,100	1,250
Grant - Proposition 1	-	-	-	-	-	458,297
Grant - Water Recycling	-	-	-	-	-	246,466
	<u>\$ 12,362,543</u>	<u>\$ 13,658,620</u>	<u>\$ 11,375,821</u>	<u>\$ 13,650,986</u>	<u>\$ 13,104,700</u>	<u>\$ 15,191,487</u>
Other Operating Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,684,303
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,684,303</u>
Repairs and Replacements Fund Financing Sources						
Transferred from Operations & Maintenance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,500</u>
Connection Fees	\$ 1,146,089	\$ 1,100,000	\$ 2,266,509	\$ 2,719,811	\$ 700,000	\$ 878,900
Interest	35,772	10,000	31,788	38,146	10,000	38,000
Grant - FEMA/Cal-OES	2,150,333	6,566,688	978,765	978,765	4,503,400	3,105,375
Grant - Water Recycling	1,714,652	-	968,635	1,162,362	1,267,000	157,577
Grant - Proposition 1	4,189,343	-	2,152,410	2,582,892	3,500,000	293,010
Grant - Proposition 84	3,000,000	-	-	-	-	-
Grant - Title 16	1,899,930	3,541,480	-	-	-	-
	<u>\$ 14,136,119</u>	<u>\$ 11,218,168</u>	<u>\$ 6,198,107</u>	<u>\$ 7,481,976</u>	<u>\$ 9,980,400</u>	<u>\$ 4,471,862</u>
Other Capital Financing Sources						
SRF Loan Funding	\$ 23,517,063	\$ 44,984,109	\$ 25,637,291	\$ 30,764,749	\$ 44,750,140	\$ 593,149
	<u>\$ 23,517,063</u>	<u>\$ 44,984,109</u>	<u>\$ 25,637,291</u>	<u>\$ 30,764,749</u>	<u>\$ 44,750,140</u>	<u>\$ 593,149</u>
Total Revenues and Other Financing Sources	\$ 50,015,725	\$ 69,860,897	\$ 43,411,219	\$ 51,897,711	\$ 68,235,240	\$ 22,189,501
Operations and Maintenance Fund Expenses						
Personnel and Benefits	\$ 4,683,577	\$ 4,835,651	\$ 3,513,993	\$ 4,216,792	\$ 4,967,711	\$ 4,086,603
Maintenance	1,598,924	1,807,589	970,219	1,293,625	1,833,784	2,919,360
Operations	2,343,233	2,323,091	1,382,525	1,659,028	3,190,930	3,066,985
Administration	1,709,057	1,689,643	1,447,470	1,736,963	2,057,832	2,270,884
Construction	22,085	-	101,860	130,632	-	2,189,065
	<u>\$ 10,356,876</u>	<u>\$ 10,655,974</u>	<u>\$ 7,423,067</u>	<u>\$ 9,037,040</u>	<u>\$ 12,050,257</u>	<u>\$ 14,731,897</u>
Emergency Expenses						
Maintenance	\$ 399,105	\$ 36,000	\$ 68,907	\$ 82,688	\$ 67,000	\$ -
Operations	115,537	123,260	-	-	83,000	-
FEMA Expenses	\$ 514,642	\$ 159,260	\$ 68,907	\$ 82,688	\$ 150,000	\$ -
Expected FEMA/Cal-OES Grants	(246,176)	(927,253)	-	-	(915,474)	(747,034)
	<u>\$ 268,466</u>	<u>\$ (767,993)</u>	<u>\$ 68,907</u>	<u>\$ 82,688</u>	<u>\$ (765,474)</u>	<u>\$ (747,034)</u>
Repairs and Replacements Fund Expenses						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	305,377	1,215,940	440,720	528,864	808,200	242,500
Operations	16,659	136,650	-	-	20,700	-
Administration	-	24,600	-	-	-	5,000
Construction	41,996	1,625,000	49,226	65,635	-	-
	<u>\$ 364,032</u>	<u>\$ 3,002,190</u>	<u>\$ 489,946</u>	<u>\$ 594,499</u>	<u>\$ 828,900</u>	<u>\$ 247,500</u>
Capital Fund Expenses						
Personnel and Benefits	\$ 407,267	\$ 399,194	\$ 305,565	\$ 366,678	\$ 400,477	\$ 416,716
Maintenance	41,938	-	3,541	4,249	-	40,000
Operations	-	171	12,068	14,482	171	170
Administration	146,512	-	20,207	24,248	-	140,000
Construction	53,795	51,790,556	28,151,590	33,781,908	48,111,352	2,481,435
	<u>\$ 649,512</u>	<u>\$ 52,189,921</u>	<u>\$ 28,492,971</u>	<u>\$ 34,191,565</u>	<u>\$ 48,512,000</u>	<u>\$ 3,079,321</u>
Debt Services						
SRF Principal	\$ 1,603,164	\$ 1,603,164	\$ 1,074,799	\$ 1,825,710	\$ 1,825,710	\$ 2,056,359
SRF Interest	527,516	527,516	171,172	564,705	564,705	570,419
	<u>\$ 2,130,680</u>	<u>\$ 2,130,680</u>	<u>\$ 1,245,971</u>	<u>\$ 2,389,915</u>	<u>\$ 2,389,915</u>	<u>\$ 2,626,778</u>
Total Expenses and Debt Services	\$ 13,769,566	\$ 67,210,772	\$ 37,721,862	\$ 46,295,707	\$ 63,015,598	\$ 19,939,462
Total Agency Net Surplus or (Deficit)	\$ 36,246,159	\$ 2,650,125	\$ 5,689,357	\$ 5,602,004	\$ 5,219,642	\$ 2,250,039

Note: Please see Allocations of Personnel Expenses at page 36 and Projected Cash Allocation Per Fund at page 47.

Victor Valley Wastewater Reclamation Authority
Reconciliation from Actual to CAFR for the Year Ended June 30, 2016
Fiscal Year 2017-2018

	2016 Actual on Page 28	Reconciliation to CAFR	2016 Per CAFR
Operating Revenues			
User Charges	\$ 11,480,773	\$ -	\$ 11,480,773
Adelanto User Charges	129,031	-	129,031
High Strength Waste Surcharges	36,078	-	36,078
Septage Receiving Facility Charges	604,958	-	604,958
Reclaimed Water Sales	59,265	-	59,265
Pretreatment Fees	54,600	-	54,600
Miscellaneous	(2,162)	-	(2,162)
	<u>\$ 12,362,543</u>	<u>\$ -</u>	<u>\$ 12,362,543</u>
Capital Revenues			
Connection Fees	\$ 1,146,089	\$ -	\$ 1,146,089
Interest	35,772	-	35,772
Grant - FEMA/Cal-OES	2,150,333	-	2,150,333
Grant - Water Recycling	1,714,652	-	1,714,652
Grant - Proposition 1	4,189,343	-	4,189,343
Grant - Proposition 84	3,000,000	-	3,000,000
Grant - Title 16	1,899,930	-	1,899,930
	<u>\$ 14,136,119</u>	<u>\$ -</u>	<u>\$ 14,136,119</u>
Other Financing Sources			
SRF Loan Funding	\$ 23,517,063	\$ (23,517,063)	\$ -
	<u>\$ 23,517,063</u>	<u>\$ (23,517,063)</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	\$ 50,015,725	\$ (23,517,063)	\$ 26,498,662
Operating Expenses			
Personnel and Benefits	\$ 4,683,577	\$ -	\$ 4,683,577
Maintenance	1,598,924	-	1,598,924
Operations	2,343,233	-	2,343,233
Administration	1,709,057	-	1,709,057
Construction	22,085	-	22,085
	<u>\$ 10,356,876</u>	<u>\$ -</u>	<u>\$ 10,356,876</u>
Emergency Expenses			
Maintenance	\$ 399,105	\$ -	\$ 399,105
Operations	115,537	-	115,537
FEMA Expenses	\$ 514,642	\$ -	\$ 514,642
Expected FEMA/Cal-OES Grants	(246,176)	-	(246,176)
	<u>\$ 268,466</u>	<u>\$ -</u>	<u>\$ 268,466</u>
Depreciation Expense	<u>\$ -</u>	<u>\$ 6,645,579</u>	<u>\$ 6,645,579</u>
Repair and Replacement Expense			
Personnel and Benefits	\$ -	\$ -	\$ -
Maintenance	305,377	-	305,377
Operations	16,659	-	16,659
Administration	-	-	-
Construction	41,996	-	41,996
	<u>\$ 364,032</u>	<u>\$ -</u>	<u>\$ 364,032</u>
Capital Expenses			
Personnel and Benefits	\$ 407,267	\$ -	\$ 407,267
Maintenance	41,938	-	41,938
Operations	-	-	-
Administration	146,512	-	146,512
Construction	53,795	-	53,795
	<u>\$ 649,512</u>	<u>\$ -</u>	<u>\$ 649,512</u>
Debt Services			
SRF Principal	\$ 1,603,164	\$ (1,603,164)	\$ -
SRF Interest	527,516	-	527,516
	<u>\$ 2,130,680</u>	<u>\$ (1,603,164)</u>	<u>\$ 527,516</u>
Total Expenses with Debt Services	\$ 13,769,566	\$ 5,042,415	\$ 18,811,981
Total Net Surplus or (Deficit)	\$ 36,246,159	\$ (28,559,478)	\$ 7,686,681

Victor Valley Wastewater Reclamation Authority
Budget Statement of Operations and Maintenance Fund
Fiscal Year 2017-2018

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Revenues						
User Charges	\$ 11,480,773	\$ 13,157,520	\$ 10,475,881	\$ 12,571,057	\$ 12,768,600	\$ 13,661,700
Allocate Resource to Repairs and Replacements Fund	-	-	-	-	-	(247,500)
VVIWWTP Sludge	129,031	-	104,226	125,071	110,000	137,074
High Strength Waste Surcharges	36,078	12,000	18,273	21,928	20,000	25,000
ADM FOG Tipping Fee Revenue	-	-	186,866	224,239	-	205,000
Septage Receiving Facility Charges	604,958	410,000	511,539	613,847	500,000	609,000
Reclaimed Water Sales	59,265	7,000	29,648	35,578	60,000	44,000
Interest	-	-	10	12	-	-
Pretreatment Fees	54,600	40,000	46,179	55,415	45,000	51,200
Miscellaneous	(2,162)	32,100	3,199	3,839	1,100	1,250
Grant - Proposition 1	-	-	-	-	-	458,297
Grant - Water Recycling	-	-	-	-	-	246,466
	\$ 12,362,543	\$ 13,658,620	\$ 11,375,821	\$ 13,650,986	\$ 13,504,700	\$ 15,191,487
Other Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,684,303
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,684,303
Total Operating Revenues and Other Financing Sources	\$ 12,362,543	\$ 13,658,620	\$ 11,375,821	\$ 13,650,986	\$ 13,504,700	\$ 16,875,790
Expenses						
Personnel and Benefits	\$ 4,683,577	\$ 4,835,651	\$ 3,513,993	\$ 4,216,792	\$ 4,967,711	\$ 4,086,603
Maintenance	1,598,924	1,807,589	970,219	1,293,625	1,833,784	2,919,360
Operations	2,343,233	2,323,091	1,382,525	1,659,028	3,190,930	3,066,985
Administration	1,709,057	1,689,643	1,447,470	1,736,963	2,057,832	2,270,884
Construction	22,085	-	108,860	130,632	-	2,389,065
	\$ 10,356,876	\$ 10,655,974	\$ 7,423,067	\$ 9,037,040	\$ 12,050,257	\$ 14,732,897
Emergency Expenses						
Maintenance	\$ 399,105	\$ 36,000	\$ 68,907	\$ 82,688	\$ 67,000	\$ -
Operations	115,537	123,260	-	-	83,000	-
FEMA OPERATING EXPENSES	\$ 514,642	\$ 159,260	\$ 68,907	\$ 82,688	\$ 150,000	\$ -
Expected FEMA/Cal-OES Grants	(246,176)	(927,253)	-	-	(915,474)	(747,034)
	\$ 268,466	\$ (767,993)	\$ 68,907	\$ 82,688	\$ (765,474)	\$ (747,034)
Debt Services						
SRF Principal	\$ 500,019	\$ 500,019	\$ 114,582	\$ 697,751	\$ 697,751	\$ 857,475
SRF Interest	282,085	282,085	39,603	343,588	343,588	361,138
	\$ 782,104	\$ 782,104	\$ 154,185	\$ 1,041,339	\$ 1,041,339	\$ 1,218,613
Total Operations & Maintenance Expenses with Debt Services	\$ 11,407,446	\$ 10,670,085	\$ 7,646,159	\$ 10,161,067	\$ 12,326,122	\$ 15,204,476
Operations & Maintenance Net Surplus or (Deficit)	\$ 955,097	\$ 2,988,535	\$ 3,729,662	\$ 3,489,919	\$ 1,178,578	\$ 1,671,314

⊕ Please see detailed expense information at page 31.

We have predicted 3,900 million gallons (MG) of wastewater inflows to process for the FY 2018 budget. The FY 2018 inflow quantity is multiplied by the rate of \$3,503 per MG. Please refer to page 36 for the personnel expenses allocated between Operations & Maintenance (O&M) and Capital Funds. The emergency projects is completed during the FY 2017. The Expected FEMA and Cal OES Grant revenue \$747,034 is shown as a negative number to include the 10% retention that will be awarded at the completion of the projects. Please refer to Projected Cash Allocation per Fund at page 47 for the O&M projected cash at the end of FY 2018. As for the State Revolving Fund (SRF) loan principal and interest payments for future years, please refer to pages 50 and 51 for the SRF loan payment schedule per maturities. Based on the predicted beginning fund balance, we apply any excess O&M revenues over expenses to Repairs and Replacement Fund needs. See Budget Statement of Repairs and Replacement Fund at page 32.

Victor Valley Wastewater Reclamation Authority
Operations and Maintenance Fund – Expenses Other Than Emergency Expenses
Fiscal Year 2017-2018

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Personnel Expenses Allocations ⓘ						
Allocation to Maintenance	\$ 1,221,803	\$ 1,270,355	\$ 916,694	\$ 1,100,032	\$ 1,267,716	\$ 970,585
Allocation to Operations	2,239,971	2,306,437	1,413,236	1,695,884	2,009,414	1,661,723
Allocation to Administrations	1,221,803	1,258,859	1,184,063	1,420,876	1,690,581	1,454,295
	<u>\$ 4,683,577</u>	<u>\$ 4,835,651</u>	<u>\$ 3,513,993</u>	<u>\$ 4,216,792</u>	<u>\$ 4,967,711</u>	<u>\$ 4,086,603</u>
Maintenance Expenses						
Maintenance Equipment	\$ 546,788	\$ 393,650	\$ 335,211	\$ 446,948	\$ 584,257	\$ 1,110,560
Instrumentation	299,697	524,489	192,453	256,604	354,377	648,000
Total Grounds Maintenance & Landscaping	204,842	392,950	301,375	401,833	372,050	724,400
Vehicle Repairs	90,322	129,500	42,976	57,301	149,600	251,400
Interceptor Sewer Maintenance	327,324	315,500	26,468	35,291	335,500	105,500
Maintenance Safety Equipment	26,891	35,500	8,569	11,425	38,000	38,000
Misc. Maintenance Expense	103,060	16,000	63,167	84,223	-	41,500
	<u>\$ 1,598,924</u>	<u>\$ 1,807,589</u>	<u>\$ 970,219</u>	<u>\$ 1,293,625</u>	<u>\$ 1,833,784</u>	<u>\$ 2,919,360</u>
Operations Expenses						
Process Chemicals	\$ 338,078	\$ 242,892	\$ 209,799	\$ 251,759	\$ 558,970	\$ 370,540
Utilities	1,364,865	1,187,200	531,806	638,167	1,326,423	1,557,423
Trash and Sludge	106,532	131,780	85,208	102,250	124,600	148,000
Fuel and Lubricants	75,853	113,000	55,352	66,422	138,500	159,000
Lab Supplies and Services	102,902	147,040	130,507	156,608	399,813	115,100
Outside Lab Services	180,920	219,475	201,952	242,342	351,650	450,500
Safety Equipment	53,908	83,429	52,573	63,088	95,474	66,422
Custodial Services and Supplies	37,156	55,222	30,117	36,140	52,000	45,500
Equipment Rental	25,561	44,553	27,607	33,128	44,000	55,000
Uniforms	22,243	20,000	19,027	22,832	21,000	21,000
Security	6,020	18,500	5,235	6,282	18,500	18,500
Permits	24,859	60,000	33,342	40,010	60,000	60,000
Misc. Operating Expense	4,336	-	-	-	-	-
	<u>\$ 2,343,233</u>	<u>\$ 2,323,091</u>	<u>\$ 1,382,525</u>	<u>\$ 1,659,028</u>	<u>\$ 3,190,930</u>	<u>\$ 3,066,985</u>
Administrations Expenses						
Telephone and Communications	\$ 160,596	\$ 143,500	\$ 172,907	\$ 207,488	\$ 277,220	\$ 278,220
Computer Supplies	84,835	99,825	93,986	112,783	92,252	77,000
Office Supplies	88,081	111,764	44,822	53,786	122,450	109,450
Travel, Meeting, Training	132,326	168,270	70,645	84,774	199,000	188,750
Employee and Community Events	22,088	23,445	11,766	14,119	26,200	28,700
Membership, Fees, Licenses	56,695	28,564	39,051	46,861	50,855	41,705
Professional Services	219,873	477,275	180,653	216,784	561,855	729,765
Legal Services and Fees	602,798	250,000	540,442	648,530	360,000	360,000
Temporary Labor	10,337	70,000	8,356	10,027	45,000	133,294
Bond & Liability Insurance	184,894	105,000	140,114	168,137	120,000	125,000
Finance Fees	105	-	510	612	-	-
Misc. Administration Expense	26,917	-	2,324	2,789	-	-
Permit Fees	119,512	212,000	141,894	170,273	203,000	199,000
Interest Accrual	-	-	-	-	-	-
Supplemental Environmental Project Payment	-	-	-	-	-	-
	<u>\$ 1,709,057</u>	<u>\$ 1,689,643</u>	<u>\$ 1,447,470</u>	<u>\$ 1,736,963</u>	<u>\$ 2,057,832</u>	<u>\$ 2,270,884</u>
Construction Expenses	<u>\$ 22,085</u>	<u>\$ -</u>	<u>\$ 108,860</u>	<u>\$ 130,632</u>	<u>\$ -</u>	<u>\$ 2,389,065</u>
Total Operations and Maintenance Fund Expenses Before Emergency	<u>\$ 10,356,876</u>	<u>\$ 10,655,974</u>	<u>\$ 7,423,067</u>	<u>\$ 9,037,040</u>	<u>\$ 12,050,257</u>	<u>\$ 14,732,897</u>

ⓘ Please see Allocations of Personnel Expenses at page 36.

Victor Valley Wastewater Reclamation Authority
Budget Statement of Repairs and Replacements Fund
Fiscal Year 2017-2018

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Repairs and Replacements Financing Sources						
Transferred from Operations & Maintenance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,500
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,500
Expenses ①						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	305,377	1,215,940	440,720	528,864	808,200	242,500
Operations	16,659	136,650	-	-	20,700	-
Administration	-	24,600	-	-	-	5,000
Construction	41,996	1,625,000	49,226	65,635	-	-
	\$ 364,032	\$ 3,002,190	\$ 489,946	\$ 594,499	\$ 828,900	\$ 247,500
Emergency Expenses						
Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	-	-	-	-	-	-
FEMA OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expected FEMA/Cal-EMA Grants	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Services						
SRF Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SRF Interest	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Repairs and Replacements Expenses with Debt Services	\$ 364,032	\$ 3,002,190	\$ 489,946	\$ 594,499	\$ 828,900	\$ 247,500
Repairs and Replacements Net Surplus or (Deficit)	\$ (364,032)	\$ (3,002,190)	\$ (489,946)	\$ (594,499)	\$ (828,900)	\$ -

This Repairs and Replacement (R&R) Fund has been a part of Operations and Maintenance (O&M) Fund in the past-year budget presentations. For FY 2017 and FY 2018, we have presented the R&R Fund separately, as we strongly believe that such presentation better describes the normal operations and maintenance results without skewing them with periodical high repairs and replacement costs. With the predicted beginning fund and excess O&M revenues, we estimate the positive ending balance for the R&R fund. See page 47 for further analysis of funds.

Victor Valley Wastewater Reclamation Authority
Repairs and Replacements Fund Expenses
Fiscal Year 2017-2018

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Personnel Expenses Allocations						
Allocation to Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allocation to Operations	-	-	-	-	-	-
Allocation to Administrations	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Maintenance Expenses						
Maintenance Equipment	\$ 194,285	\$ 601,000	\$ 352,042	\$ 422,450	\$ 476,000	\$ 153,000
Instrumentation	104,534	464,940	51,285	61,542	332,200	37,000
Total Grounds Maintenance & Landscaping	-	150,000	37,393	44,872	-	32,500
Vehicle Repairs	-	-	-	-	-	-
Interceptor Sewer Maintenance	6,558	-	-	-	-	-
Maintenance Safety Equipment	-	-	-	-	-	-
Misc. Maintenance Expense	-	-	-	-	-	20,000
	<u>\$ 305,377</u>	<u>\$ 1,215,940</u>	<u>\$ 440,720</u>	<u>\$ 528,864</u>	<u>\$ 808,200</u>	<u>\$ 242,500</u>
Operations Expenses						
Process Chemicals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	-	-	-	-	-	-
Trash and Sludge	-	-	-	-	-	-
Fuel and Lubricants	-	-	-	-	-	-
Lab Supplies and Services	16,659	26,650	-	-	20,700	-
Outside Lab Services	-	-	-	-	-	-
Safety Equipment	-	-	-	-	-	-
Custodial Services and Supplies	-	-	-	-	-	-
Equipment Rental	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-
Security	-	50,000	-	-	-	-
Permits	-	-	-	-	-	-
Misc. Operating Expense	-	60,000	-	-	-	-
	<u>\$ 16,659</u>	<u>\$ 136,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,700</u>	<u>\$ -</u>
Administrations Expenses						
Telephone and Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Computer Supplies	-	24,600	-	-	-	-
Office Supplies	-	-	-	-	-	5,000
Travel, Meeting, Training	-	-	-	-	-	-
Employee and Community Events	-	-	-	-	-	-
Membership, Fees, Licenses	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-
Legal Services and Fees	-	-	-	-	-	-
Temporary Labor	-	-	-	-	-	-
Bond & Liability Insurance	-	-	-	-	-	-
Finance Fees	-	-	-	-	-	-
Misc. Administration Expense	-	-	-	-	-	-
Permit Fees	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Supplemental Environmental Project Payment	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 24,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Construction Expenses						
	<u>\$ 41,996</u>	<u>\$ 1,625,000</u>	<u>\$ 49,226</u>	<u>\$ 65,635</u>	<u>\$ -</u>	<u>\$ -</u>
Total Repairs and Replacements Fund Expenses	\$ 364,032	\$ 3,002,190	\$ 489,946	\$ 594,499	\$ 828,900	\$ 247,500

Victor Valley Wastewater Reclamation Authority
Budget Statement of Capital Fund
Fiscal Year 2017-2018

	2016 Actual \$4,000/EDU (1)	2016 Budget \$4,000/EDU (1)	2017 Actual as of 4/30/17	2017 Projected to the Year End	2017 Budget \$4,000/EDU (1)	2018 Budget \$4,000/EDU (1)
Revenues						
Connection Fees	\$ 1,146,089	\$ 1,100,000	\$ 2,266,509	\$ 2,719,811	\$ 700,000	\$ 878,900
Interest	35,772	10,000	31,788	38,146	10,000	38,000
Grant - FEMA/Cal-EMA	2,150,333	6,566,688	978,765	978,765	4,503,400	3,105,375
Grant - Water Recycling	1,714,652	-	968,635	1,162,362	1,267,000	157,577
Grant - Proposition 1	4,189,343	-	2,152,410	2,582,892	3,500,000	293,010
Grant - Proposition 84	3,000,000	-	-	-	-	-
Grant - Title 16	1,899,930	3,541,480	-	-	-	-
	<u>\$ 14,136,119</u>	<u>\$ 11,218,168</u>	<u>\$ 6,398,107</u>	<u>\$ 7,481,976</u>	<u>\$ 9,980,400</u>	<u>\$ 4,472,862</u>
Other Financing Sources						
SRF Loan Funding	\$ 23,517,063	\$ 44,984,109	\$ 25,637,291	\$ 30,764,749	\$ 44,750,140	\$ 593,349
	<u>\$ 23,517,063</u>	<u>\$ 44,984,109</u>	<u>\$ 25,637,291</u>	<u>\$ 30,764,749</u>	<u>\$ 44,750,140</u>	<u>\$ 593,349</u>
Total Capital Revenues and Other Financing Sources	<u>\$ 37,653,182</u>	<u>\$ 56,202,277</u>	<u>\$ 32,035,398</u>	<u>\$ 38,246,725</u>	<u>\$ 54,730,540</u>	<u>\$ 5,066,211</u>
Expenses						
Personnel and Benefits	\$ 407,267	\$ 399,194	\$ 305,565	\$ 366,678	\$ 400,477	\$ 416,716
Maintenance	41,938	-	3,541	4,249	-	40,000
Operations	-	171	12,068	14,482	171	170
Administration	146,512	-	20,207	24,248	-	140,000
Construction	53,795	51,790,556	28,151,590	33,781,908	48,111,352 (2)	2,482,435 (2)
	<u>\$ 649,512</u>	<u>\$ 52,189,921</u>	<u>\$ 28,492,971</u>	<u>\$ 34,191,565</u>	<u>\$ 48,512,000</u>	<u>\$ 3,079,321</u>
Debt Services						
SRF Principal	\$ 1,103,145	\$ 1,103,145	\$ 960,217	\$ 1,127,959	\$ 1,127,959	\$ 1,198,884
SRF Interest	245,431	245,431	132,569	220,617	220,617	209,281
	<u>\$ 1,348,576</u>	<u>\$ 1,348,576</u>	<u>\$ 1,092,786</u>	<u>\$ 1,348,576</u>	<u>\$ 1,348,576</u>	<u>\$ 1,408,165</u>
Total Capital Expenses with Debt Services	<u>\$ 1,998,088</u>	<u>\$ 53,538,497</u>	<u>\$ 29,585,757</u>	<u>\$ 35,540,141</u>	<u>\$ 49,860,576</u>	<u>\$ 4,487,486</u>
Capital Net Surplus or (Deficit)	<u>\$ 35,655,094</u>	<u>\$ 2,663,780</u>	<u>\$ 2,449,641</u>	<u>\$ 2,706,584</u>	<u>\$ 4,869,964</u>	<u>\$ 578,725</u>

(1) EDU = Equivalent Dwelling Unit (245 gallons/day or 20 fixture units)

Capital Projects	FY 2017	FY 2018
Golf Cart Recharging Station	-	15,000
Microgrid Project	-	80,000
Naticoke Interceptor	3,990,000	-
Upper Narrows Replacement	1,191,000	-
DIMS Operations Automation	-	150,000
Hesperia Subregional	20,305,176	615,500
Apple Valley Subregional	20,305,176	3,301,000
Operations Building Extension	-	205,000
Desert Knolls Wash	-	240,000
Misc Projects	200,000	265,000
Construction Total	<u>45,991,352</u>	<u>4,871,500</u>
Engineering Services	2,120,000	-
Construction in OM Fund	-	(2,389,065)
Total	<u>\$ 48,111,352 (2)</u>	<u>\$ 2,482,435 (2)</u>

Among the various capital projects listed above, VVWRA has begun the construction of sub-regional water reclamation plants in the City of Hesperia and the Town of Apple Valley during FY 2015. The construction costs of these plants are estimated as \$41.2 million and \$41.1 million, respectively. These projects are funded mostly by Clean Water State Revolving Fund (SRF) loans from the California State Water Resources Control Board (SWRCB) and the remaining by Title 16 Grant from the Federal Bureau of Reclamation, by Proposition One Water Quality, Supply, and Infrastructure Improvement Act of 2014 and Proposition 84 Round Two Integrated Regional Water Management Implementation Grant from the California State Department of Water Resources, and by Proposition 13 under Water Recycling Grant Program from the SWRCB. These SRF loan repayments for the sub-regional projects will not impact the

**Victor Valley Wastewater Reclamation Authority
Budget Statement of Capital Fund
Fiscal Year 2016-2017**

FY 2018 operating and maintenance budget do affect FY 2019 as the loan repayment process begins one year after the completion of the plant construction. We predict the construction will complete at the end of December 2017. As explained at the page 19, the member agencies have discussed the long-term solution how to repay the SRF loans for the Sub-regional projects. With the daily loss of 1.7 million gallons of flow from the Victorville, their consensus is to have proper rate adjustment to either operate these two plants and/or pay back the loans as they become due. The FY 2018 budget is based on only the three-month test run of the Apple Valley and Hesperia plants per the Finance Committee recommendation. The real challenge is for FY 2019 when we may not be able to pay back the SRF loans for the Sub-regional projects timely without such a remedy.

Please refer to pages 50 and 51 for the SRF loan payments that impact both Operations & Maintenance (O&M) and Capital fund activities.

The long-range financial impact of these capital projects on the O&M and Capital budget is significant, as the loan repayment liability will increase from \$2.1 million in FY 2016 to \$5.1 million in FY 2019 and still impact the years after during the loan terms. In order to maintain the required debt payment reserve level, VVWRA has raised the user charge and connection fee rates in FY 2015. Comparatively, the connection fee will remain from FY 2015 through FY 2018. The following rates were approved by the Board of Commissioners in FY 2014. As the City of Victorville announced a portion (1.04 million gallons per day) of its flow will be diverted to its own reclamation facility and the city has stopped sending any connection fees to VVWRA, it is uncertain whether VVWRA could maintain this reserve level that could have enabled us to comply with the SWRCB's debt reserve and net revenue requirements. Although the user charge will be gradually increased by 9% per year from FY 2015 through 2017 and by 7% in FY 2018, the loss of diverted flow income and connection fee revenue may lead us to financially unsustainable condition. Without user fee and connection fee revenues as predicted in the 2014 financial plan, these rates may not be able to absorb the additional operation and maintenance costs at the water reclamation plants in future years. Although the long-term financial plan is underway, the agency does not have such plans as of issuing this budget.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
User Charge (\$/MG)	\$2,528.00	\$2,756.00	\$3,004.00	\$3,274.00	\$3,503.00
Connection Fee (\$/EDU)	\$3,750.00	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00

Victor Valley Wastewater Reclamation Authority
Allocations of Personnel Expenses
Fiscal Year 2017-2018

	2016 Actual \$3,004/MG	2016 Budget \$3,004/MG	2017 Actual as of 4/30/2017	2017 Projected to the Year End	2017 Budget \$3,274/MG	2018 Budget \$3,503/MG
Operations and Maintenance Salary Expenses						
Regular Salaries	\$ 3,752,905	\$ 3,298,868	\$ 2,587,143	\$ 3,104,572	\$ 3,442,789	\$ 2,850,355
Overtime	130,278	131,250	99,176	119,011	145,100	133,400
Call-Out Pay	44,681	33,400	50,763	60,916	49,800	66,120
Salaries Expense - Capital	(314,229)	-	(218,967)	(262,760)	-	-
	<u>\$ 3,613,635</u>	<u>\$ 3,463,518</u>	<u>\$ 2,518,115</u>	<u>\$ 3,021,739</u>	<u>\$ 3,637,689</u>	<u>\$ 3,049,875</u>
Operations and Maintenance Benefit Expenses						
Longevity	\$ 27,029	\$ 28,255	\$ 27,863	\$ 33,436	\$ 31,984	\$ 30,895
Vehicle Allowance	-	12,092	-	-	18,069	18,000
Sick Leave Buy Back	-	35,000	-	-	25,000	-
Medicare	55,896	48,087	37,430	44,916	50,134	41,504
Social Security Expense	17,262	-	17	20	-	-
PERS / Health Insurance	357,843	409,139	280,856	337,027	408,579	232,969
Dental / Vision Insurance	28,126	30,510	26,470	31,764	31,134	22,436
Workers Comp Insurance	62,568	101,143	92,901	111,481	105,376	87,133
PERS / Retirement	742,959	488,335	572,244	686,693	500,624	420,942
PERS / Retirement - GASB 68	(324,466)	-	-	-	-	-
PERS / Retirement-EUL	-	236,999	-	-	266,502	308,170
Life Insurance	16,346	17,607	10,640	12,768	18,344	15,168
Unemployment Insurance	32,707	17,658	15,728	18,874	15,134	10,948
Disability Insurance	22,315	23,290	13,205	15,846	24,265	20,064
Misc Personnel Expense	9,931	9,140	5,122	6,146	9,500	9,500
OPEB Expense	114,464	176,500	-	-	85,294	85,000
Benefits Expense - Capital	(93,038)	-	(86,598)	(103,918)	-	-
	<u>\$ 1,069,942</u>	<u>\$ 1,633,755</u>	<u>\$ 995,878</u>	<u>\$ 1,195,053</u>	<u>\$ 1,589,939</u>	<u>\$ 1,302,729</u>
Capital Salary and Benefits Expenses						
Salaries	\$ 314,229	\$ 116,137	\$ 218,967	\$ 262,760	\$ 118,512	\$ 127,607
Benefits	93,038	21,435	86,598	103,918	22,048	23,108
	<u>\$ 407,267</u>	<u>\$ 137,572</u>	<u>\$ 305,565</u>	<u>\$ 366,678</u>	<u>\$ 140,560</u>	<u>\$ 150,715</u>
Total Personnel Expenses	\$ 5,090,844	\$ 5,234,845	\$ 3,819,558	\$ 4,583,470	\$ 5,368,188	\$ 4,503,319
Allocations of Personnel Expenses						
<i>1. Allocations to Operations and Maintenance Fund</i>						
To Maintenance Department	\$ (1,221,803)	\$ (1,270,355)	\$ (916,694)	\$ (1,100,032)	\$ (1,267,716)	\$ (970,585)
To Operations Department	(2,239,971)	(2,306,437)	(1,413,236)	(1,695,884)	(2,009,414)	(1,661,723)
To Administration (other departments except Construction)	(1,221,803)	(1,258,859)	(1,184,063)	(1,420,876)	(1,690,581)	(1,454,295)
	<u>\$ (4,683,577)</u>	<u>\$ (4,835,651)</u>	<u>\$ (3,513,993)</u>	<u>\$ (4,216,792)</u>	<u>\$ (4,967,711)</u>	<u>\$ (4,086,603)</u>
<i>2. Allocation To Capital Fund</i>						
To Construction Department	\$ (407,267)	\$ (399,194)	\$ (305,565)	\$ (366,678)	\$ (400,477)	\$ (416,716)
Personnel Expenses After Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Victor Valley Wastewater Reclamation Authority
High Strength Surcharge
Fiscal Year 2017-2018**

User Charges from Member Agencies	\$ 13,661,700
Unit User Charge per MG	\$3,503.00
Estimated Treatment Flow (MG)	3,900

	① Influent mg/l	Influent lbs/day	① Effluent mg/l	Effluent lbs/day	Removal lbs/day	Removal lbs/year	Percent of Cost	Removal Cost/lb	Unit Cost \$
BOD	446.70	39,806	4.29	382	39,424	14,389,828	35.0%	\$4,781,595	\$0.3323
TSS	466.90	41,607	2.67	238	41,369	15,099,545	25.0%	\$3,415,425	\$0.2262
NH3	31.90	2,843	0.24	21	2,821	1,029,773	30.0%	\$4,098,510	\$3.9800
Annual Flow - MG per Day									
3,900 MG / 365 days		10.68					10.0%	\$1,366,170	
							100.0%	\$13,661,700	

	BOD \$/lb	TSS \$/lb	NH3 \$/lb
Surcharge Rates:	\$0.3323	\$0.2262	\$3.9800
Applied to Concentrations Above:	200 mg/l	250 mg/l	20 mg/l

FORMULAS

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

BOD

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

TSS

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

NH3

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

REMOVAL

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

REMOVAL COST

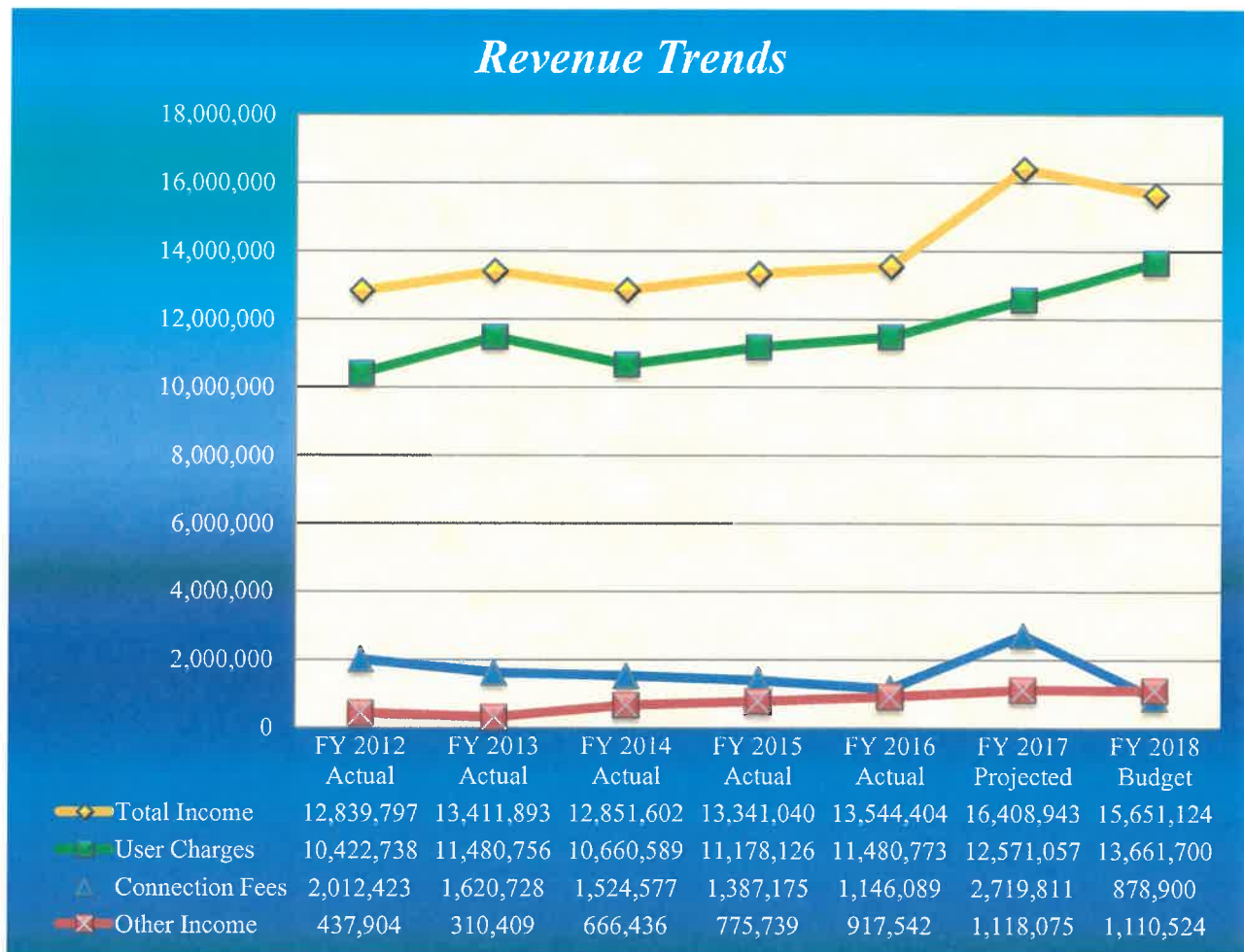
Per lb: Total user cost x 35% = Removal cost/lb
Per unit: Removal cost/lb / Removal lb/year

① From 2016 Annual Discharge Monitoring Report.

Victor Valley Wastewater Reclamation Authority
Revenue Trend Analysis
Fiscal Year 2017-2018

Revenue Analysis

Although Victor Valley Wastewater Reclamation Authority (VWVRA) has been recovering from the decrease of operating revenues since FY 2012, the 6.5% user fee rate increase at the beginning of the FY 2018 cannot absorb the lost user fee revenue from the City of Victorville (Victorville). Further, connection fee revenue is also decreased from \$2.0 million in FY 2012 to \$878,900 budgeted for FY 2018. These decreases reflect the Victorville's 1.04 MGD diverted wastewater flow and no connection fees from Victorville on top of the overall fewer new housing developments in the service areas. Despite the hardship, the overall revenues are expected to increase from \$12.8 million in FY 2012 to \$15.7 million in FY 2018 helped with other income, such as sludge flow and septage processing fee revenues.



Source: VWVRA FY = Fiscal Year ended June 30

Other income also includes high strength surcharges, reclaimed water sales, industrial pretreatment permits, and interest income. Grants are excluded in this revenue analysis for the period from FY 2012 to FY 2018.

Due to an overall decrease of the net income (net position) in coming years, how to handle such a substantial decline of income is the hurdle to face in near future.

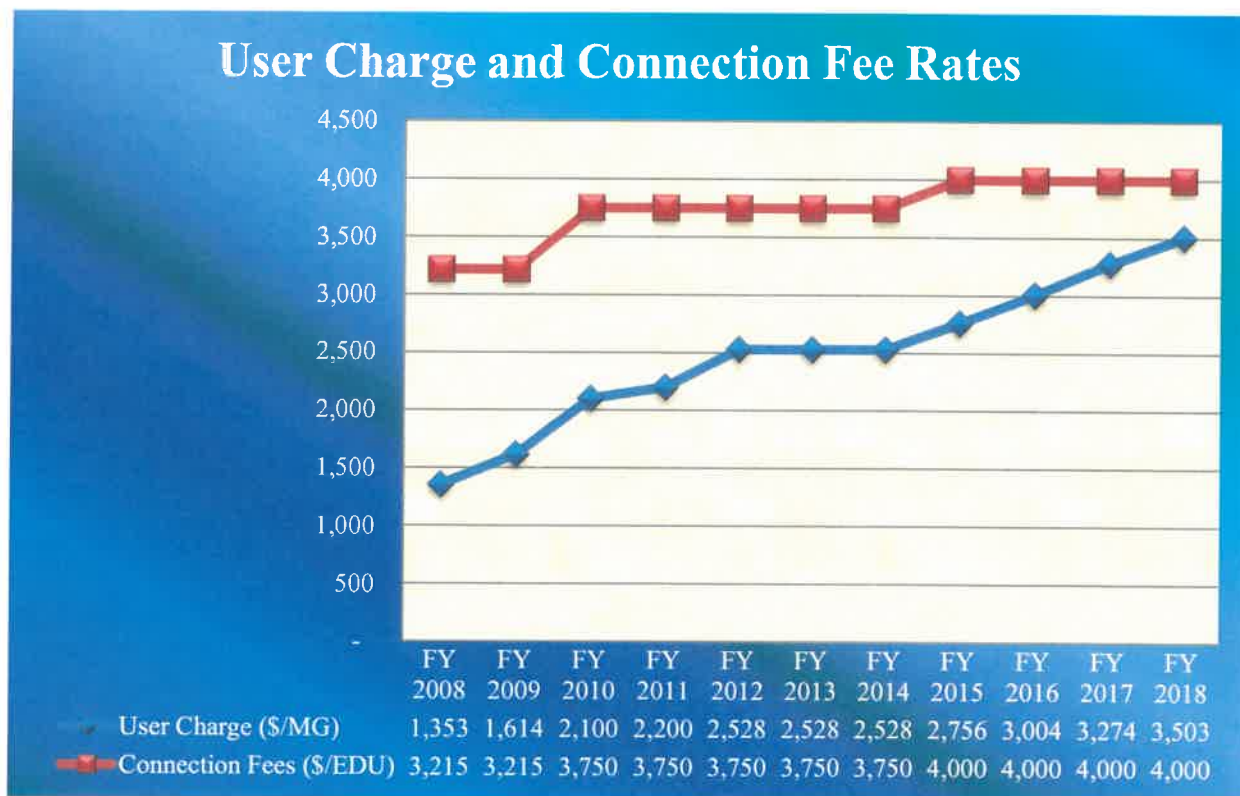
**Victor Valley Wastewater Reclamation Authority
Revenue Trend Analysis
Fiscal Year 2017-2018**

Revenue Analysis (Continued)

Both user charges and connection fees are determined multiplying quantity received by unit prices. The graph below shows rate changes up to FY 2018 based on the five-year financial plan.

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

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



Source: VVWRA FY = Fiscal Year ended June 30

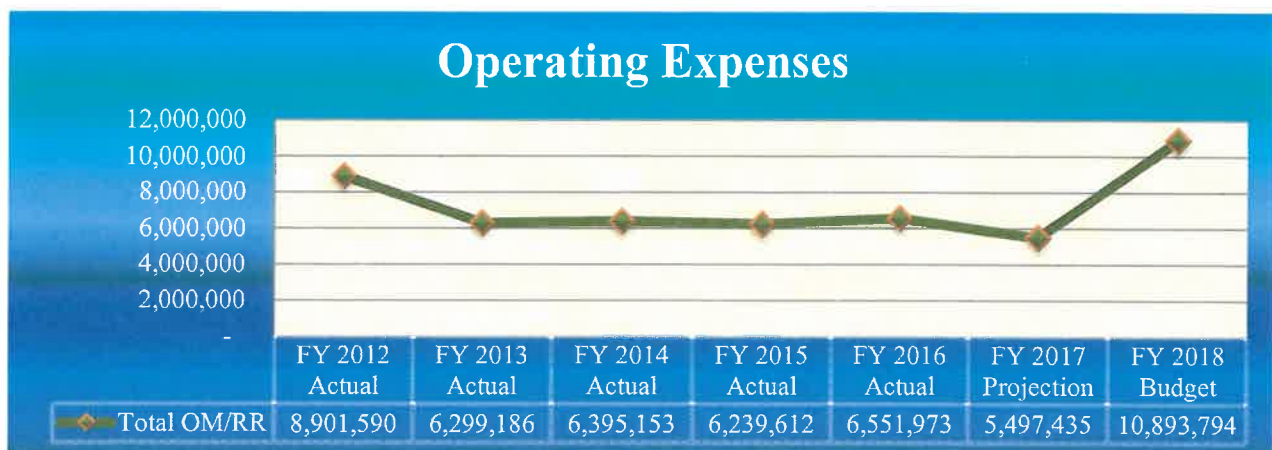
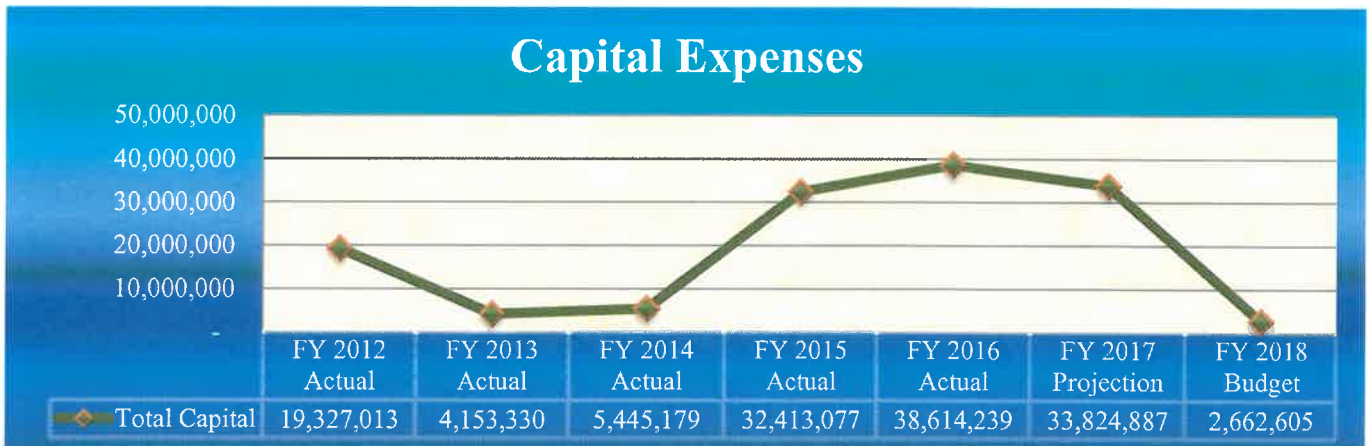
In order to fund various construction projects, VVWRA utilizes Clean Water State Revolving Fund (SRF) loans. The SRF loans are to be paid back over 20 to 30 years with a relatively low interest rate. We have budgeted anticipated SRF loans of \$2.3 million (page 48) for FY 2018 for the continuing construction of two Sub-regional plants, and Nanticoke project.

**Victor Valley Wastewater Reclamation Authority
Expense Trend Analysis
Fiscal Year 2017-2018**

Expense Analysis

Capital Expenses: Capital expenditures have risen during FY 2012, as the FY 2012 includes the construction costs of the Mojave River emergency temporary pipeline to remedy the damaged pipeline during the December 2010 storm. The expenses below reflect the actual expenses per CAFR adjusted by adding the portion reimbursed by the grants from Federal Emergency Management Agency and California Office of Emergency Services. The capital expenditures in FY 2012 also include the construction of an ultraviolet light disinfection facility (UV system) for the regulatory compliance upgrade project called Phase III-A. The FY 2013 and FY 2014 capital expenditures came down to the level of 2011. The FY 2015 and FY 2016 include Sub-regional plant construction. We have projected \$21.1 million for construction of Upper Narrow Replacement and Sub-regional projects for FY 2016. For FY 2017 and FY 2018, we have budgeted \$48.1 million and \$2.7 million (page 48) for the construction of the Nanticoke interceptor, Sub-regional plants and other miscellaneous construction projects.

Operating Expenses: The FY 2012 operating expense reflects emergency operation costs without offsetting it by grants. The operating expenses continue to show the high electricity costs for the UV system during FY 2012 through FY 2018.



Source: VVWRA - The graphs excludes personnel costs.

FY = Fiscal Year ended June 30

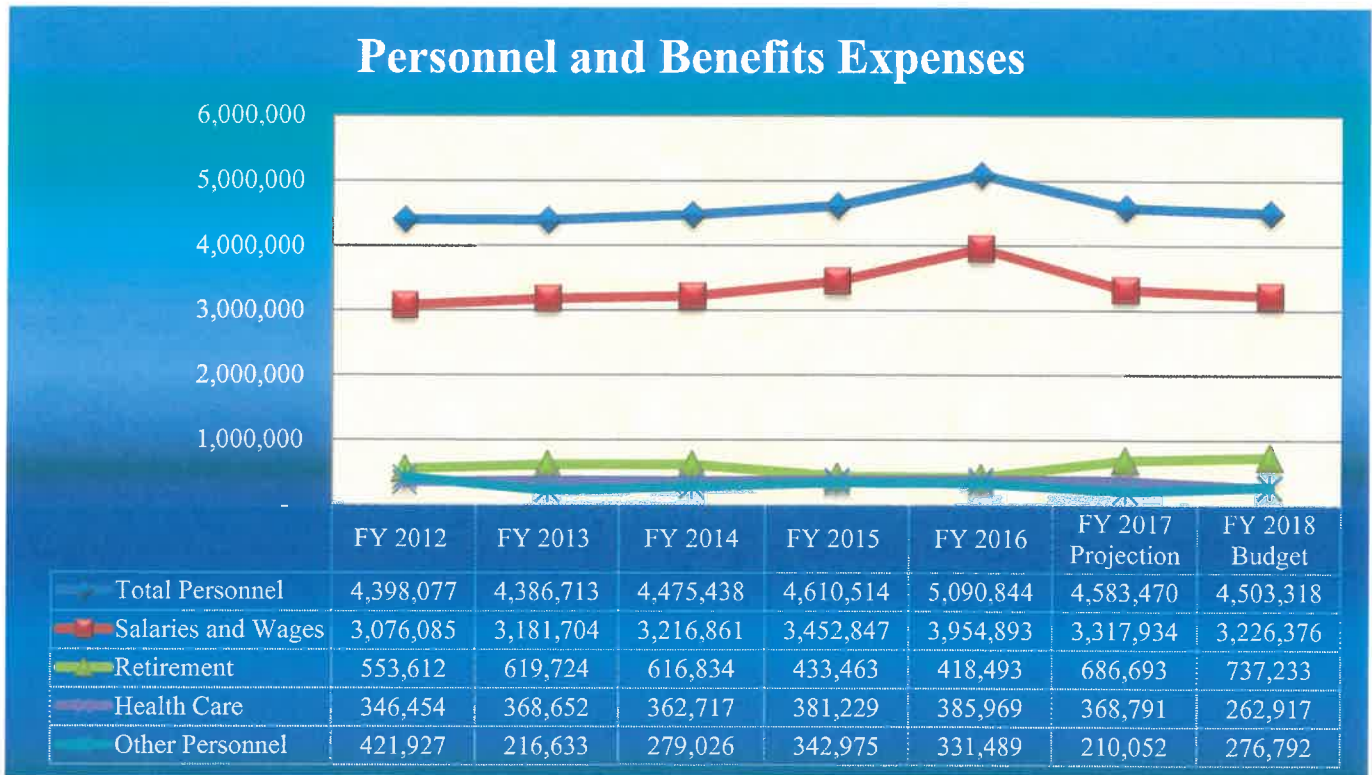
**Victor Valley Wastewater Reclamation Authority
Expense Trend Analysis
Fiscal Year 2017-2018**

Expense Analysis (Continued)

Although personnel costs have remained relatively stable from FY 2012 through FY 2017, they are predicted to remain the same in FY 2018.

The health care cost has been kept at about the same level throughout the period from FY 2012 to FY 2018.

Other personnel costs include OPEB costs, Medicare, workers comp insurance, life insurance, unemployment insurance, disability insurance and miscellaneous personnel expense, such as payroll processing fees.

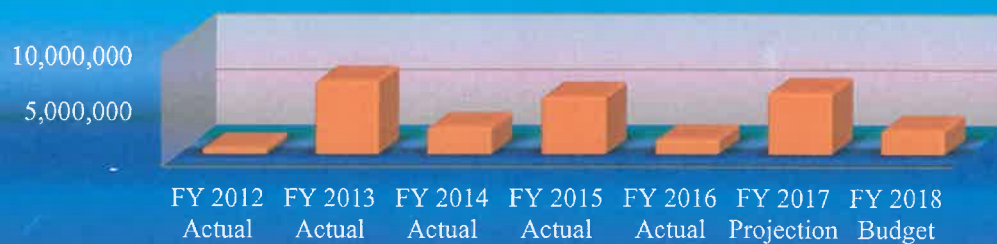


Source: VVWRA. FY = Fiscal Year ended June 30

Victor Valley Wastewater Reclamation Authority
History of Change in Net Position
Fiscal Year 2017-2018

FY = Fiscal Year	Beginning Net Position	Change in Net Position per CAFR *=-Per Budget	Ending Net Position	Grants CIP/Interest Amortization and Depreciations Expense	Adjusted Change in Net Position	Adjusted Ending Net Position
FY 2012 Actual	104,672,999	(4,456,740)	100,216,259	5,064,886	608,146	105,281,145
FY 2013 Actual	100,216,259	520,654	100,736,913	6,124,656	6,645,310	106,861,569
FY 2014 Actual	100,736,913	(2,228,708)	98,508,205	4,699,735	2,471,027	103,207,940
FY 2015 Actual	98,508,205	21,424,125	119,932,330	(16,212,939)	5,211,186	103,719,391
FY 2016 Actual	119,932,330	7,686,678	127,619,008	(6,308,679)	1,377,999	121,310,329
FY 2017 Projection	127,619,008	5,602,004 *	133,221,012	-	5,602,004	133,221,012
FY 2018 Budget	133,221,012	2,250,039 *	135,471,051	-	2,250,039	135,471,051

Adjusted Change in Net Position FY 2017 - 2018



Source: VVWRA FY = Fiscal Year ended June 30

History of change in net position

The above graph shows 'adjusted change in net position' whose amounts are highlighted in navy blue. VVWRA's change in net position, or the total revenues over total expenses, has decreased dramatically from FY 2013 to FY 2016. The decrease is due to the sharp decline of connection fee revenues from member agencies. The connection fee revenues are directly related to the housing market growth in the service areas as shown by a 43% decrease from \$2,012,423 in FY 2012 to \$1,146,089 in FY 2016. In contrast, the operating expenses have decreased by 7%, from \$12,057,130[Ⓢ] in FY 2012 to \$11,174,660[Ⓢ] in FY 2016. Grant revenues are recorded in CAFR but most of related construction costs are recorded in an asset group, excluded from an expense group. For fair comparison purpose, the above actual net positions from FY 2012 to 2016 are adjusted by adding back the grant related capitalized expenses for the Upper Narrows Replacement and Emergency projects and also adding non-cash depreciation and amortized interest expenses. The FY 2016 reflects a fewer repair-construction projects, not using the entire budgeted amount. Please see detailed discussions on capital improvement projects anticipated during FY 2018 and beyond at pages 48 and 49 and also Projected Cash Allocation per Fund at page 47. The FY 2018 net position includes a one-time receipt of retention revenue from FEMA and Cal OES upon the completion of the Upper Narrows Replacement and Emergency projects.

[Ⓢ] CAFR operating expenses without depreciation expense

Section V: Capital Projects and Debts

Victor Valley Wastewater Reclamation Authority
Capital Improvement Programs – Overview and Project Descriptions
Fiscal Year 2017-2018

Overview

The Capital Improvement Programs (CIP) on pages 46 start with the new and continued capital projects funded in fiscal year (FY) 2018 budget. The presented budget includes a format for the presentation of the CIP that more accurately allocates resources and prioritizes the projects in four categories. These project categories include Wastewater Treatment, Interceptor, Energy Efficiency, and Information Technology.

These pages include all the project details and cash outflows for five years starting FY 2018. These pages focus on the Projects, the Funds and the type of Project Financing. To further clarify the cash resources of VVWRA, the Cash Allocation on page 47 was developed based on the prior year cash balance from Comprehensive Annual Financial Report (CAFR). This sheet details the available cash in the capital and operating funds. The following pages 48 and 49 summarize all the capital projects and related monthly cash flows for the projected years. Finally, the pages 50 and 51 show when our existing State Revolving Fund loans mature with annual payment amounts and the page 52 describes how the funding will be applied during FY 2018 and FY 2019.

The capital expenditures include the CIP's, such as construction projects that have an extended life of over five years. In some instances, these costs also include studies undertaken related to anticipated future capital projects. Generally, the capital expenditures include capital replacement projects that repair, replace or enhance existing facilities, equipment, or infrastructure, thus significantly expanding the life of or adding more capacity to the facilities that VVWRA owns.

In this budget, the term CIP is used to describe capital expenditures including projects that are in fact construction in progress. Capital expenditures for the CIP are separate from operating expenses. The operating expenses relate to the operations to provide wastewater services that are usually under \$5,000 with less than one year of useful life.

To accomplish multiple goals in parallel, the prospective projects as listed below are ranked by priorities for each category. The level of priority of each project is determined by the individual timing of the project.

**Victor Valley Wastewater Reclamation Authority
Capital Improvement Programs – Overview and Project Descriptions
Fiscal Year 2017-2018**

Project Descriptions

Wastewater Treatment

- 1 Operations Building Extension; Replacement of obsolete laboratory and former administration building. Construction delayed due to cash flow issues associated with the Upper Narrows Emergency and completion of Phase IIIA.
- 2 Digesters 4 & 5 Supernatant Line; Digesters 4 & 5 currently require pumping to withdraw solids that has to be timed with influent pumping and gas production/withdrawal. Replacement with a gravity system will reduce costs and improve operational reliability.
- 3 Golf Cart Recharging Station; Provides a stable location to charge golf cart batteries.
- 4 Westside Plant Spill Containment System; Several instances have occurred which allowed partially treated wastewater to inadvertently enter the storm drain system. Not all of it was able to be returned to the headworks thus reportable spills occurred. This project will create a valve and a pipeline to redirect flows from the storm water system to the backwash basin.
- 5 Hesperia Subregional Water Reclamation Plant; Construction of a new water reclamation plant in the City of Hesperia.
- 6 Town of Apple Valley Water Reclamation Plant; Construction of a new water reclamation plant in the Town of Apple Valley.
- 7 Tertiary Filter Enclosure; The enclosure to reduce the amount of filter flies, dust and debris that accumulate in the tertiary filters.
- 8 Eastside WWTP (Serving Northern Triangle, VV-TOAV); Possible construction depending on how situations develop.

Interceptor

- 9 Ossum Wash; The double barrel interceptor that crosses Ossum Wash requires lining to ensure its structural integrity.
- 10 Oro Grande Interceptor; The line will replace the existing Oro Grande interceptor.
- 11 Apple Valley Odor Control; An odor study was performed by V&A engineering in 2009. Before it could be acted upon the Upper Narrows Emergency occurred. Due to FEMA requirements it is necessary to delay all activities with this project until the Upper Narrows Interceptor Replacement Project is completed.
- 12 Apple Valley Interceptor Realignment, Desert Knolls Wash; San Bernardino County Flood Control intends to reconstruct desert knolls wash which will require VVWRA to realign its manholes in that area. It is anticipated that this project will coincide with the odor control project since they occur in the same vicinity.
- 13 North Hesperia Relief Interceptor; If the Board chooses not to pursue construction of the Hesperia Subregional then VVWRA would construct this interceptor. The minimal funds allocated would be to initiate the environmental process. The design was completed as part of a settlement agreement with RBF Engineering. Planning costs would be paid for with Capital Cash Reserves and construction with an SRF loan. If the Hesperia Subregional is constructed it is not anticipated that this project would be built within the next ten years.
- 14 Spring Valley Lake Relief Interceptor; If the Board chooses not to pursue construction of the Hesperia Subregional then VVWRA would construct this interceptor. The minimal funds allocated would be to initiate the environmental process. The design was completed as part of a settlement agreement with RBF Engineering. Planning costs would be paid for with Capital Cash Reserves and construction with an SRF loan. If the Hesperia Subregional is constructed it is not anticipated that this project would be built within the next ten years.

**Victor Valley Wastewater Reclamation Authority
Capital Improvement Programs – Overview and Project Descriptions
Fiscal Year 2017-2018**



Apple Valley Sub-regional Water Reclamation Plant Project

Victor Valley Wastewater Reclamation Authority
Capital Improvement Programs - Expenditures by Projects
Fiscal Year 2017-2018

VVWRA's capital improvement programs in the five year range allow VVWRA to utilize cutting-edge technologies to continue providing quality wastewater treatment services to the service areas. The anticipated capital projects can be classified into four general areas: Wastewater Treatment, Interceptor, Energy Efficiency, and Information Technology. This "Capital Improvement Programs - Expenditures by Projects" shows the projects in a priority order for each category. These projects are or will be funded through one or combination of the following sources: operating cash reserve; capital cash reserve; State Revolving Fund; and federal and California grants.

Capital Improvement Programs - Expenditures by Projects					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Project Title	Budget	Budget	Budget	Budget	Budget
Operations Building Extension	-	-	205,000	-	-
Golf Cart Recharging Station	-	-	15,000	-	-
Microgrid/Battery Storage Project	-	-	80,000	-	-
Digital Information Management System (DIMS) Operations Automation	-	-	150,000	-	-
Digesters 4 and 5 Supernatant Line	75,000	-	-	75,000	-
Drying Beds Repair and Drainage Improvements	150,000	-	-	-	-
Westside Plant Spill Containment System	-	-	265,000	-	-
Hesperia Sub-regional Water Reclamation Plant	21,684,959	21,365,176	615,500	-	-
TOAV Sub-regional Water Reclamation Plant	21,684,959	21,365,176	3,301,000	-	-
Tertiary Filter Enclosure Eastside WWTP (Serving Northern Triangle, VV-TOAV)	50,000	-	-	50,000	-
Total Wastewater Treatment Projects	\$ 43,644,918	\$ 42,730,352	\$ 4,631,500	\$ 125,000	\$ -
Upper Narrows Interceptor Replacement Project	2,490,738	1,191,000	-	-	-
Nanticoke PS Bypass Sewer	5,000,000	3,990,000	-	-	-
Ossum Wash	650,000	-	-	650,000	-
Oro Grande Interceptor	-	-	-	5,700,000	-
Yates Road Sampling Station	84,900	-	-	-	-
Apple Valley Odor Control	100,000	100,000	-	-	-
Apple Valley Interceptor Realignment	-	-	-	-	-
Desert Knolls Wash	100,000	100,000	240,000	1,080,000	-
North Hesperia Relief Interceptor	-	-	-	-	-
Spring Valley Lake Relief Interceptor	-	-	-	-	-
Shay Road Diversion Structure	75,000	-	-	-	-
Total Interceptor Projects	\$ 8,500,638	\$ 5,381,000	\$ 240,000	\$ 7,430,000	\$ -
Aeration Energy Efficiency Project	900,000	-	-	-	-
Biogas Solids Project	500,000	-	-	-	-
Total Energy Efficiency Projects	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -
Document Management System	100,000	-	-	-	-
Total Information Technology Projects	\$ 100,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 53,645,556	\$ 48,111,352	\$ 4,871,500	\$ 7,555,000	\$ -

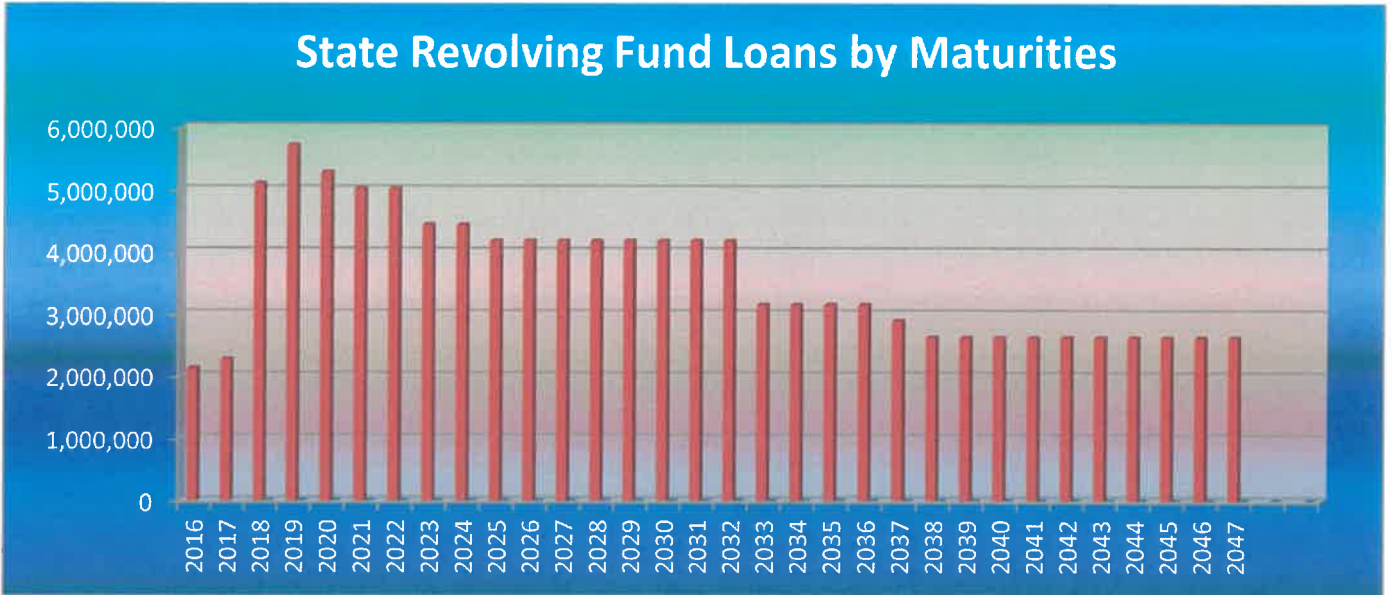
Priority Number	Project Title	Project Financing	Account Code	FY 18-19												Sum FY 18-19			
				July	August	September	October	November	December	January	February	March	April	May	June				
Wastewater Treatment Projects				Estimated Capital Cost															
				Total															
2	2	Golf Cart Recharging Station	09-02-80-9000, 9999	15,000	15,000														
1	3	Microgrid/Battery Storage Project	09-02-620-9050, C130	80,000	80,000														
1	4	Digital Information Management System (DIMS) Operations Automation	09-03-300-9025	150,000	150,000														
1	5	Operations Building Extension	09-03-82-9050, C130	205,000	205,000														
2	6	Digesters 4 and 5 Suppematant Line	09-02-152-9025/9000, 9999, R132	75,000	75,000		5,000	5,000	35,000	30,000									75,000
1	7	Westside Plant Spill Containment System	09-02-162-9025/9000, C016	265,000	265,000														
1	8	Hesperia Subregional Water Reclamation	09-54-80-9025/9110/9040/9000, C101	41,158,000	615,500														
1	9	TOAV Subregional Water Reclamation Plant- State Revolving Fund	09-55-80-9025/9110/9040/9000, C102	41,682,000	3,301,000														
2	10	Tertiary Filter Enclosure	09-02-121-9000, C130	50,000	50,000														50,000
3	11	Easidse WWTP (Serving Northern Triangle, VV-TOAV)	09-52-500-9000/9020/9022/9025/9030/9035/9040/911																
Interceptor Projects				Total Wastewater Treatment Projects	\$ 83,090,000	\$ 4,796,500													
2	12	Ossum Wash	09-05-20-9000/9025, C127	650,000	650,000		325,000	325,000											
2	13	Oro Granite Interceptor	09-27-05-9025/9000, C126	5,700,000	5,700,000		475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000	475,000
1	14	Desert Knolls Wash: Interceptor, pigging station, odor control, flow monitoring, grit removal	09-19-20-9025/9000, C113	1,320,000	1,320,000		90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
3	15	North Hesperia Relief Interceptor ³	09-21-20-9000				90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
3	16	Spring Valley Lake Relief Interceptor ³	09-23-20-9000				90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total Interceptor Projects				\$ 7,670,000	\$ 7,670,000														
TOTAL				\$ 90,760,000	\$ 12,466,500														
Notes:				Sub-total													Total FY 18-19		
1 Planning/Design includes Right of Way (ROW), Environmental, Design, and Legal Activities				State Total													Project Financing		
2 SRF Financing of 6.25% VVWRA share																	Capital Cash Reserve		
3 The timing of the construction of these facilities is dependent upon the decision to construct the subregionals.				Total													State Revolving Fund		
																	Total FY 18-19		
																	\$7,555,000		
																	1,855,000		
																	5,700,000		
																	\$7,555,000		

Victor Valley Wastewater Reclamation Authority
Existing State Revolving Fund Loan Payments by Maturities
Fiscal Year 2017-2018

The table below represents our debt service payments for the Clean Water State Revolving Fund (SRF) loans. In addition to \$4.0 million Water Recycling grant and \$9.2 million Proposition One grant, we have obtained a \$27.1 million SRF loan for Apple Valley Sub-regional plant and \$40.5 million SRF loan for Hesperia Sub-regional plant during FY 2015. In addition, we have added a \$4,286,380 SRF loan for the Upper Narrows Pipeline Replacement Project and a \$4,459,190 SRF loan for the Nanticoke Pump Station Bypass Sewer Project during FY 2016. Our debts consist of the SRF loans only, as listed below. As a special district, we are not required to maintain a legal debt limit but are required to adhere to the debt coverage clauses specified at page 16. Please also refer to page 51 for the impact of the debt repayments to the Operations & Maintenance and Capital Funds. Next page shows the annual repayments in a graph.

VVWRA Annual Debt Service									
Fiscal Year	9.5 MGD Capital Improvements	11 MGD Expansion	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement	Nanticoke Bypass	Apple Valley Sub-Regional	Hesperia Sub-Regional	Total
2016	265,049	579,870	258,151	1,027,610	-	-	-	-	2,130,680
2017	265,049	579,870	258,151	1,027,610	143,890	-	-	-	2,274,570
2018	265,049	579,870	258,151	1,027,610	113,846	238,351	1,050,521	1,574,511	5,107,909
2019	265,049	579,870	258,151	1,027,610	697,132	270,220	1,050,521	1,574,511	5,723,064
2020	265,049	579,870	258,151	1,027,610	257,745	270,220	1,050,521	1,574,511	5,283,677
2021	-	579,870	258,151	1,027,610	257,745	270,220	1,050,521	1,574,511	5,018,628
2022	-	579,870	258,151	1,027,610	257,745	270,220	1,050,521	1,574,511	5,018,628
2023	-	-	258,151	1,027,610	257,745	270,220	1,050,521	1,574,511	4,438,758
2024	-	-	258,151	1,027,610	257,745	270,220	1,050,521	1,574,511	4,438,758
2025	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2026	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2027	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2028	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2029	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2030	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2031	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2032	-	-	-	1,027,610	257,745	270,220	1,050,521	1,574,511	4,180,607
2033	-	-	-	-	257,745	270,220	1,050,521	1,574,511	3,152,997
2034	-	-	-	-	257,745	270,220	1,050,521	1,574,511	3,152,997
2035	-	-	-	-	257,745	270,220	1,050,521	1,574,511	3,152,997
2036	-	-	-	-	257,745	270,220	1,050,521	1,574,511	3,152,997
2037	-	-	-	-	-	270,220	1,050,521	1,574,511	2,895,252
2038	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2039	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2040	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2041	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2042	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2043	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2044	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2045	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2046	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
2047	-	-	-	-	-	-	1,050,521	1,574,511	2,625,032
Total	1,325,245	4,059,090	2,323,359	17,469,370	5,336,533	5,372,531	31,515,630	47,235,330	114,637,088

**Victor Valley Wastewater Reclamation Authority
Existing State Revolving Fund Loan Payments by Maturities
Fiscal Year 2017-2018**



This graph presents the annual SRF loan repayments. At peak years, the repayment amount exceeds \$5 million. During FY 2017 the impact on Operations and Maintenance (O&M) Fund is \$1,041,339, while the effect on Capital Fund is \$1,348,576. For FY 2018, the impact on O&M Fund is \$2,757,321 and effect on Capital Fund is \$2,375,756. Please refer to page 51 for the detail information.

Victor Valley Wastewater Reclamation Authority
State Revolving Fund Loans for FY 2018 and FY 2019
Fiscal Year 2017-2018

Summary: VVWRA has utilized State Revolving Fund (SRF) loans through California State Water Resources Control Board to fund most capital projects. The construction of the projects below was completed except the Subregional Project as of June 30, 2018. This page shows the next two years of principal and interest repayments per Operations & Maintenance and Capital Funds.

2018	9.5 MGD Capital Improvements	11 MGD Expansion	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Nanticoke Bypass Project	2018 Total
SRF Loan Amount	\$ 4,069,859	\$ 11,430,726	\$ 4,084,688	\$ 15,717,668	\$ 4,286,380	\$ 4,459,190	\$ 44,048,511
Annual Payment	\$ 265,050	\$ 579,870	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 238,351	\$ 2,626,777
1. Operations	4.30%	0.00%	0.00%	75.00%	100.00%	75.00%	
Original Loan	\$ 175,004	\$ -	\$ -	\$ 11,788,251	\$ 4,286,380	\$ 3,344,393	
Principal	\$ 10,552	\$ -	\$ -	\$ 516,812	\$ 193,498	\$ 136,613	\$ 857,475
Interest	\$ 845	\$ -	\$ -	\$ 253,895	\$ 64,247	\$ 42,151	\$ 361,138
Annual Payment	\$ 11,397	\$ -	\$ -	\$ 770,707	\$ 257,745	\$ 178,764	\$ 1,218,613
2. Capital	95.70%	100.00%	100.00%	25.00%	0.00%	25.00%	
Original Loan	\$ 3,894,855	\$ 11,430,726	\$ 4,084,688	\$ 3,929,417	\$ -	\$ 1,114,798	
Principal	\$ 234,854	\$ 529,047	\$ 217,174	\$ 172,271	\$ -	\$ 45,538	\$ 1,198,884
Interest	\$ 18,799	\$ 50,823	\$ 40,977	\$ 84,632	\$ -	\$ 14,050	\$ 209,281
Annual Payment	\$ 253,653	\$ 579,870	\$ 258,151	\$ 256,903	\$ -	\$ 59,588	\$ 1,408,165
Total Principal	\$ 245,406	\$ 529,047	\$ 217,174	\$ 689,083	\$ 193,498	\$ 182,150	\$ 2,056,358
Total Interest	\$ 19,644	\$ 50,823	\$ 40,977	\$ 338,527	\$ 64,247	\$ 56,201	\$ 570,419
Annual Payment	\$ 265,050	\$ 579,870	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 238,351	\$ 2,626,777

2019	9.5 MGD Capital Improvements	11 MGD Expansion	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Apple Valley Subregional Project	Hesperia Subregional Project	Nanticoke Bypass Project	2019 Total
SRF Loan Amount	\$ 4,069,859	\$ 11,430,726	\$ 4,084,688	\$ 15,717,668	\$ 4,286,380	\$ 27,129,023	\$ 40,658,810	\$ 4,459,190	\$ 111,836,344
Annual Payment	\$ 265,050	\$ 579,870	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 1,050,521	\$ 1,574,511	\$ 270,220	\$ 5,283,678
1. Operations	4.30%	0.00%	0.00%	75.00%	100.00%	61.00%	61.00%	75.00%	
Original Loan	\$ 175,004	\$ -	\$ -	\$ 11,788,251	\$ 4,286,380	\$ 16,548,704	\$ 24,801,874	\$ 3,344,393	
Principal	\$ 10,827	\$ -	\$ -	\$ 530,766	\$ 197,174	\$ 486,104	\$ 727,394	\$ 142,540	\$ 2,094,805
Interest	\$ 570	\$ -	\$ -	\$ 239,942	\$ 60,571	\$ 154,714	\$ 233,058	\$ 60,125	\$ 748,980
Annual Payment	\$ 11,397	\$ -	\$ -	\$ 770,708	\$ 257,745	\$ 640,818	\$ 960,452	\$ 202,665	\$ 2,843,785
2. Capital	95.70%	100.00%	100.00%	25.00%	0.00%	39.00%	39.00%	25.00%	
Original Loan	\$ 3,894,855	\$ 11,430,726	\$ 4,084,688	\$ 3,929,417	\$ -	\$ 10,580,319	\$ 15,856,936	\$ 1,114,798	
Principal	\$ 240,960	\$ 538,835	\$ 222,603	\$ 176,922	\$ -	\$ 310,787	\$ 465,055	\$ 47,513	\$ 2,002,675
Interest	\$ 12,693	\$ 41,035	\$ 35,548	\$ 79,981	\$ -	\$ 98,916	\$ 149,004	\$ 20,042	\$ 437,219
Annual Payment	\$ 253,653	\$ 579,870	\$ 258,151	\$ 256,903	\$ -	\$ 409,703	\$ 614,059	\$ 67,555	\$ 2,439,894
Total Principal	\$ 251,787	\$ 538,835	\$ 222,603	\$ 707,688	\$ 197,174	\$ 796,891	\$ 1,192,449	\$ 190,053	\$ 4,097,479
Total Interest	\$ 13,263	\$ 41,035	\$ 35,548	\$ 319,922	\$ 60,571	\$ 253,630	\$ 382,062	\$ 80,167	\$ 1,186,199
Annual Payment	\$ 265,050	\$ 579,870	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 1,050,521	\$ 1,574,511	\$ 270,220	\$ 5,283,678

Section VI: History and Demographics

**Victor Valley Wastewater Reclamation Authority
History and Demographics
Fiscal Year 2017-2018**

History

Victor Valley Wastewater Reclamation Authority (VWVRA) was originally formed by the Mojave Water Agency to help meet the requirements of the federal Clean Water Act and provide wastewater treatment for the growing area. Our original treatment plant, with supporting pipelines and infrastructure, began operating in 1981, providing tertiary level treatment for up to 4.5 million gallons per day. VWVRA is now a joint powers public agency of the state of California handling 12.05 million gallons a day.

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

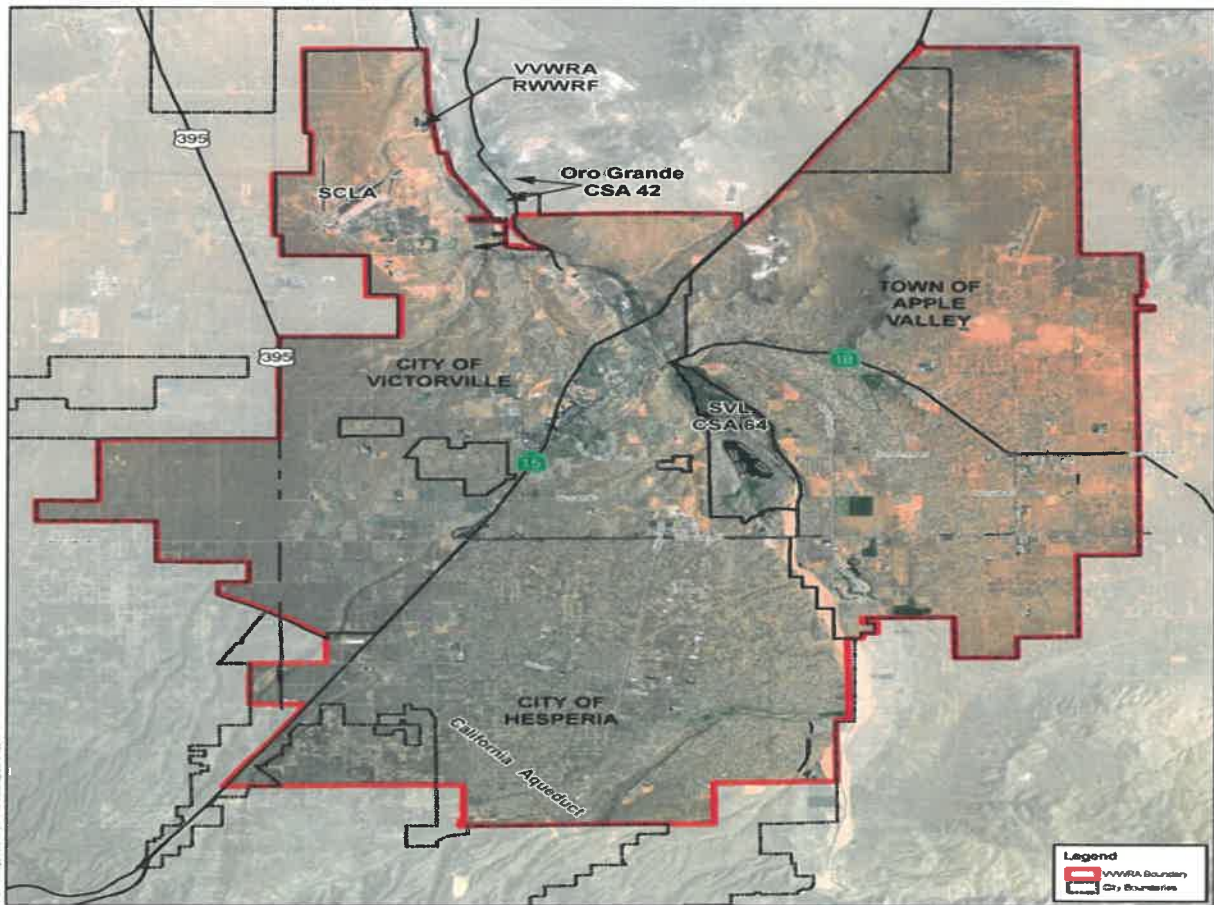


FIGURE 1
VWVRA Service Area
Development Activity
August 25, 2008

Provided by RBF Consulting, Inc.

**Victor Valley Wastewater Reclamation Authority
History and Demographics
Fiscal Year 2017-2018**

Governance

VVWRA is a quasi-governmental agency called a Special District of the State of California. It is not regulated by California Public Utilities Commission but governed by a Board of four Commissioners who are publicly elected for a four-year term from each member agency. Our affairs are bound by a joint powers agreement between VVWRA and member local government agencies consisting of City of Victorville, City of Hesperia, Town of Apple Valley and the County of San Bernardino Service Areas No. 42 (Oro Grande) and No. 64 (Spring Valley Lake) for the purpose of construction, operation, and maintenance of sewer collection, transmission and treatment facilities within the region. The General Manager is responsible for carrying out the policies and ordinances approved by the Board (and by the community residents) and for overseeing the day-to-day operations of VVWRA.

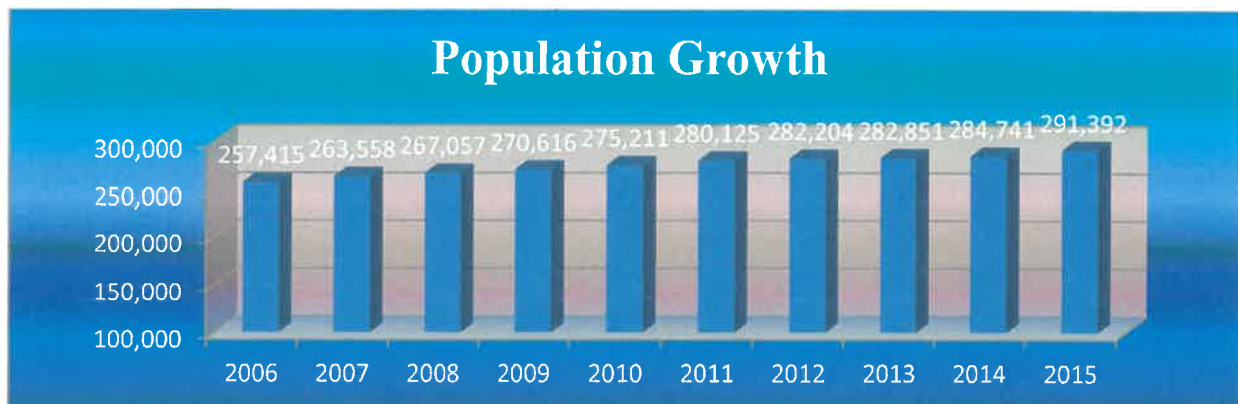
San Bernardino County

San Bernardino County is the largest county in the United States. According to the 2010 U.S. Census, the San Bernardino County has a population of 2,035,210. With an area of 20,160 square miles, the San Bernardino County is larger than the combined area of the four smallest states in the nation. Over 90% of this county is desert, while the remaining 10% is mountains and valleys that rest in the Inland Empire.

Demographics

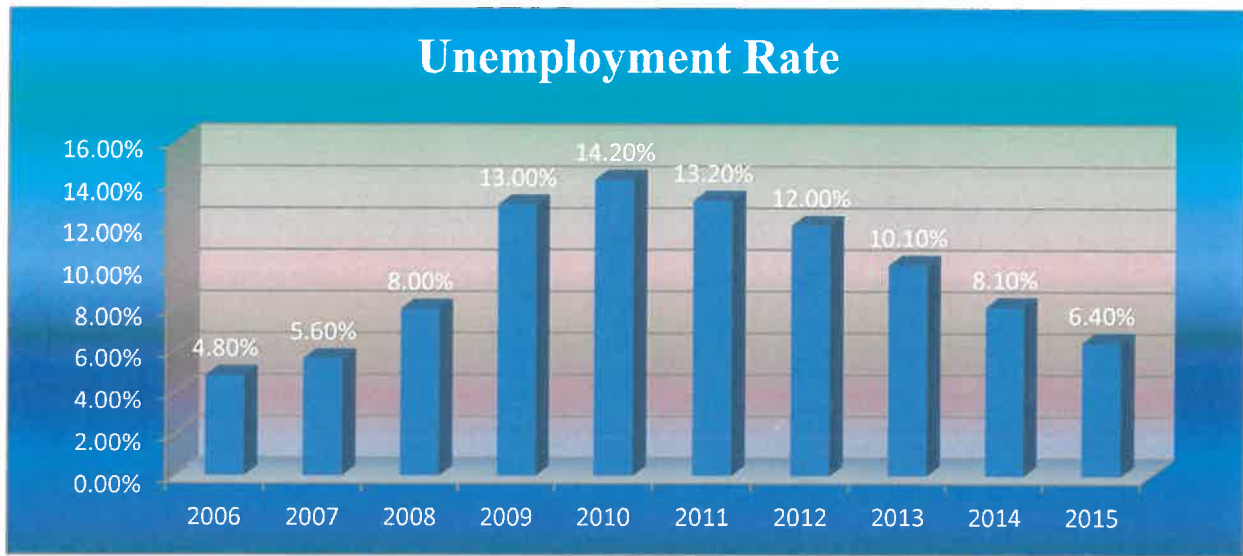
The service area has a population of 291,392 in 2015 with a slow and steady population growth from 2006 to 2015.

Unemployment in the San Bernardino County has risen from 8% in 2008 to 10.1% in 2013 due to the economic downturn that started in late 2008. The increased unemployment has also impacted the personal income per capita, which decreased from \$30,363 in 2008 to \$21,792 in 2009, then recovered to \$32,892 in 2014.



Source: California Department of Finance and U.S. Census Bureau. Years are calendar years.

**Victor Valley Wastewater Reclamation Authority
History and Demographics
Fiscal Year 2017-2018**



Source: State of California Employment Development Department (Data shown is for the County of San Bernardino.) Years are calendar years.



Source: State of California Employment Development Department (Data shown is for the County of San Bernardino.) Years are calendar years.

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

Sewer Overflow

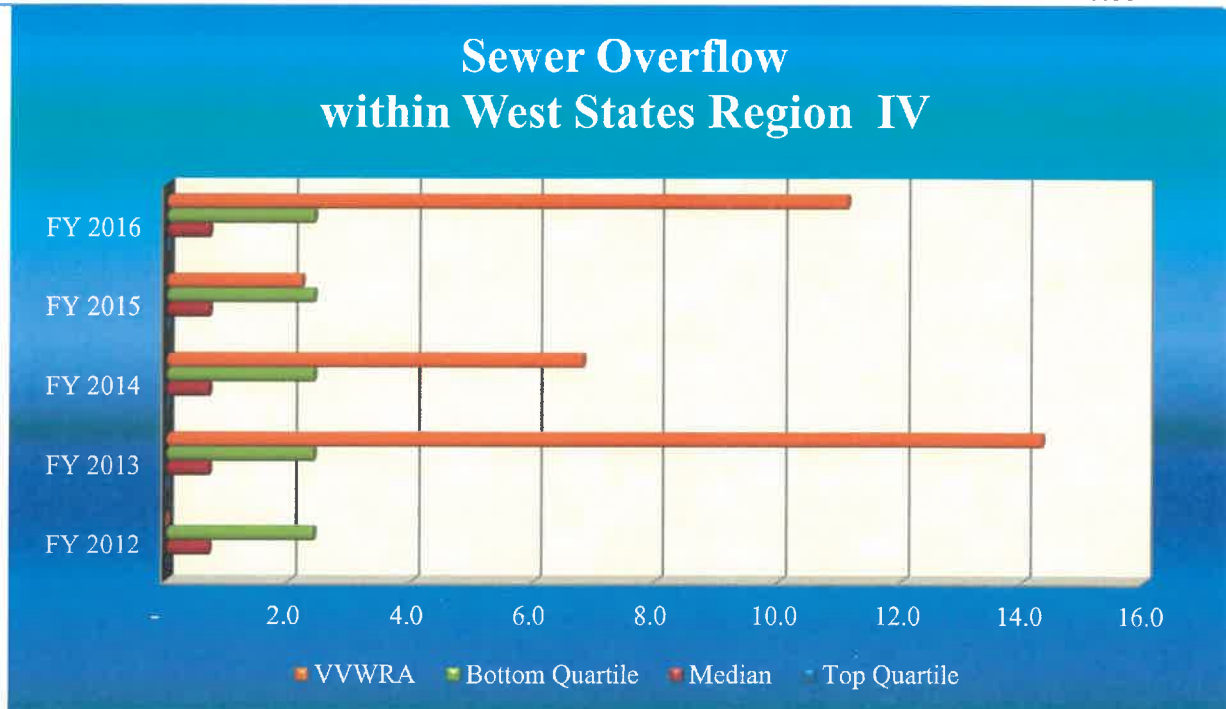
The sewer overflow rate is an indicator that tracks the condition and the effectiveness of the maintenance of the wastewater collection system.

San Bernardino County, including Upper and Lower Narrows of the Mojave River, experienced a severe rain storm during December 2010. President Obama declared this storm as a National Disaster on January 26, 2011. The flood and debris damaged pipelines that lead to an unexpectedly high sewer overflow rate of 12.2 for FY 2011. VVWRA installed an emergency temporary pipeline to divert the flow from the damaged pipeline. This rain storm caused unusual overflows including one at the "I" Avenue pipeline in the City of Hesperia. To remedy overflow in this area, VVWRA constructed the Santa Fe relief pipeline during FY 2012.

VVWRA had five reported spill at the Upper Narrows Emergency Bypass Sites during FY 2016 which resulted in a sewer overflow rate of 11.10. VVWRA has initiated the construction of a permanent interceptor during March of FY 2014 to replace the temporary bypass line.

Sewer Overflow-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	<i>Data Not Available</i>	0.70	2.40	11.10
FY 2015	<i>Data Not Available</i>	0.70	2.40	2.20
FY 2014	<i>Data Not Available</i>	0.70	2.40	6.80
FY 2013	<i>Data Not Available</i>	0.70	2.40	14.30
FY 2012	<i>Data Not Available</i>	0.70	2.40	0.00



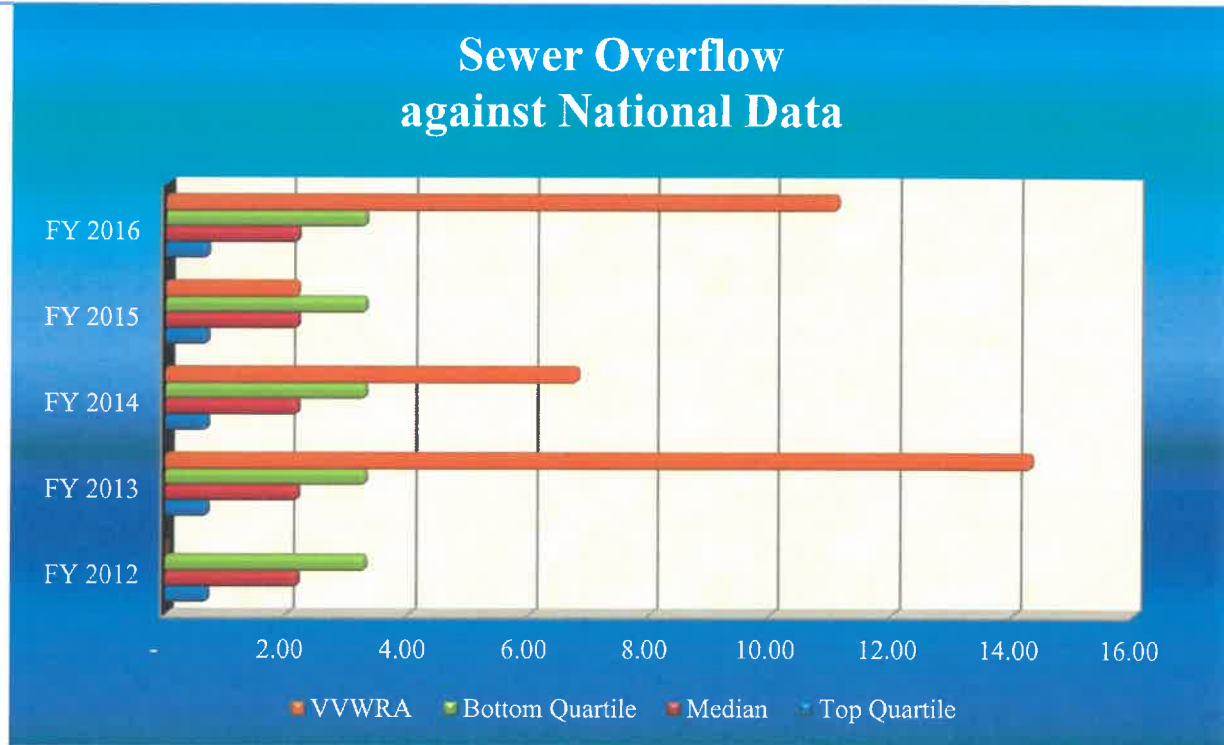
Source: 2012 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

Sewer Overflow-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	0.70	2.20	3.30	11.10
FY 2015	0.70	2.20	3.30	2.20
FY 2014	0.70	2.20	3.30	6.80
FY 2013	0.70	2.20	3.30	14.30
FY 2012	0.70	2.20	3.30	0.00



Source: 2012 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

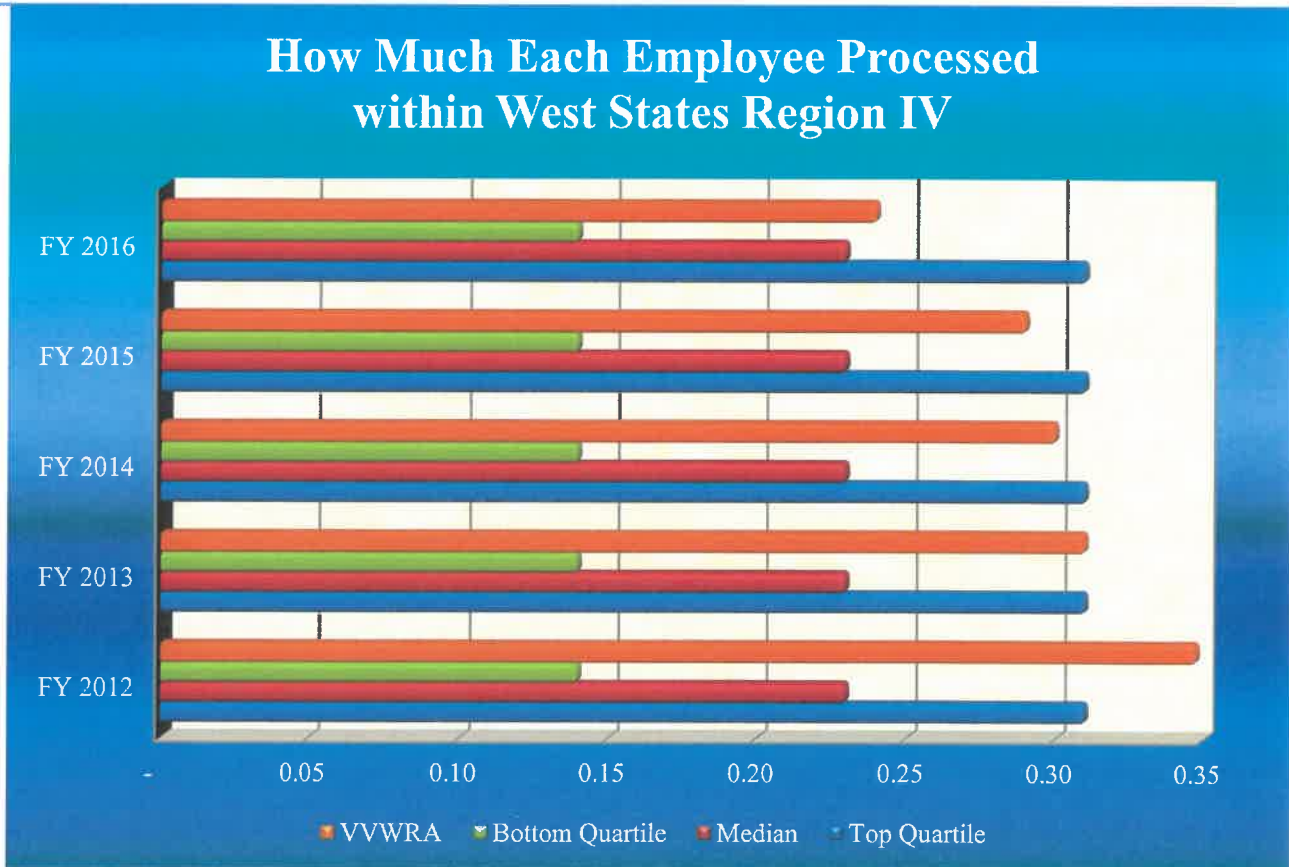
How Much Each Employee Processed

The quantity of wastewater processed by each employee has decreased from 0.35 million gallons per day (MGD) in FY 2012 to 0.24 MGD in FY 2016. This processed quantity decrease seems to come from the decrease of flow quantity itself. In fact, the FY 2012 daily flow average is 13.21 MGD (.35 MGD x 38 actual number of employees), while the FY 2016 daily flow average is 10.51 MGD (.24 MGD x 44 actual number of employees). The daily flow average was decreased by 2.70 MGD between these years.

Compared to West States Region IV, VVWRA has almost continuously remained at the top quartile during FY 2012 and FY 2013. Compared nationally, the quantity of wastewater processed by each employee has surpassed the median since FY 2012.

How Much Each Employee Processed-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	0.31	0.23	0.14	0.24
FY 2015	0.31	0.23	0.14	0.29
FY 2014	0.31	0.23	0.14	0.30
FY 2013	0.31	0.23	0.14	0.31
FY 2012	0.31	0.23	0.14	0.35



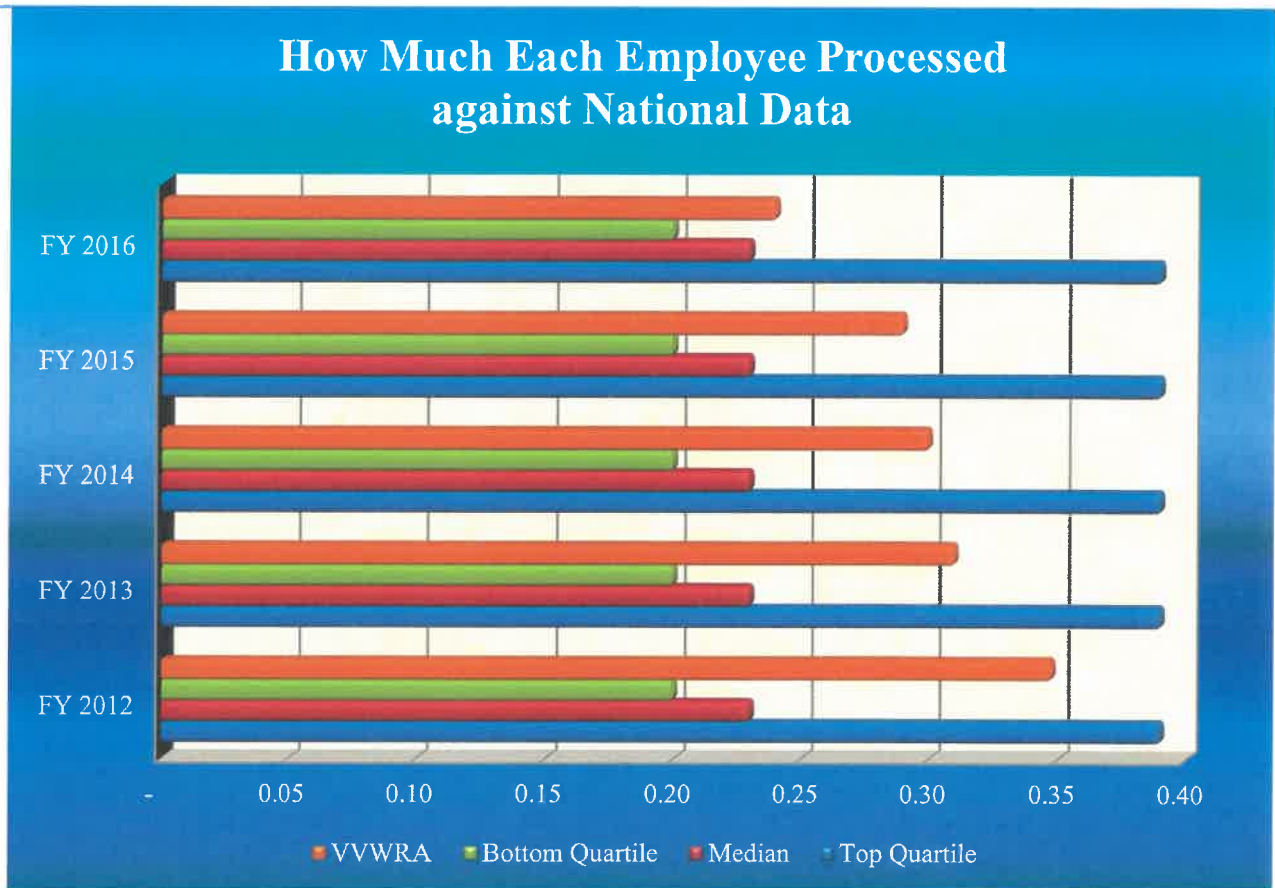
Source: 2012 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

How Much Each Employee Processed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	0.39	0.23	0.20	0.24
FY 2015	0.39	0.23	0.20	0.29
FY 2014	0.39	0.23	0.20	0.30
FY 2013	0.39	0.23	0.20	0.31
FY 2012	0.39	0.23	0.20	0.35



Source: 2012 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

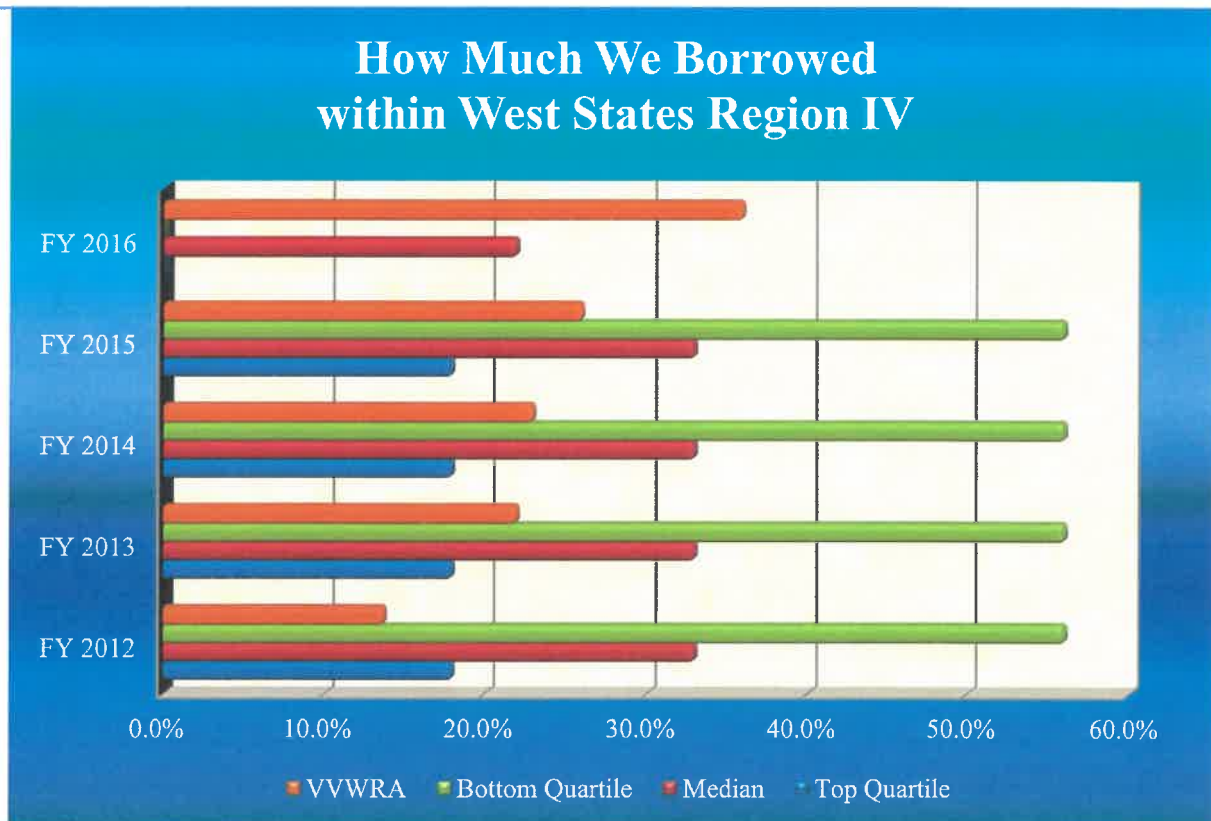
How Much We Borrowed

When you compare what you owe (liabilities) to what you have (assets), you will obtain a debt ratio. The debt ratio can be used to measure the health of a business. Lower value of debt ratio is favorable and a higher value indicates that a higher portion of the organization's assets are claimed by its creditors which means there is a higher risk in operation since the entity would find it difficult to obtain loans for new projects. VVWRA's debt ratio has increased from 13.73% in FY 2012 to 36.00% in FY 2016 due to the growth in the amount of State Revolving Fund loans for the construction projects.

VVWRA surpassed the top quartile in FY 2012 and performed better than the median quartile of the West States Region IV in later years. Compared nationally, VVWRA is ranked between median and top quartiles in FY 2012. The national data for later years is not available.

How Much We Borrowed-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	18.0%	33.0%	56.0%	36.00%
FY 2015	18.0%	33.0%	56.0%	26.00%
FY 2014	18.0%	33.0%	56.0%	23.00%
FY 2013	18.0%	33.0%	56.0%	22.00%
FY 2012	18.0%	33.0%	56.0%	13.73%



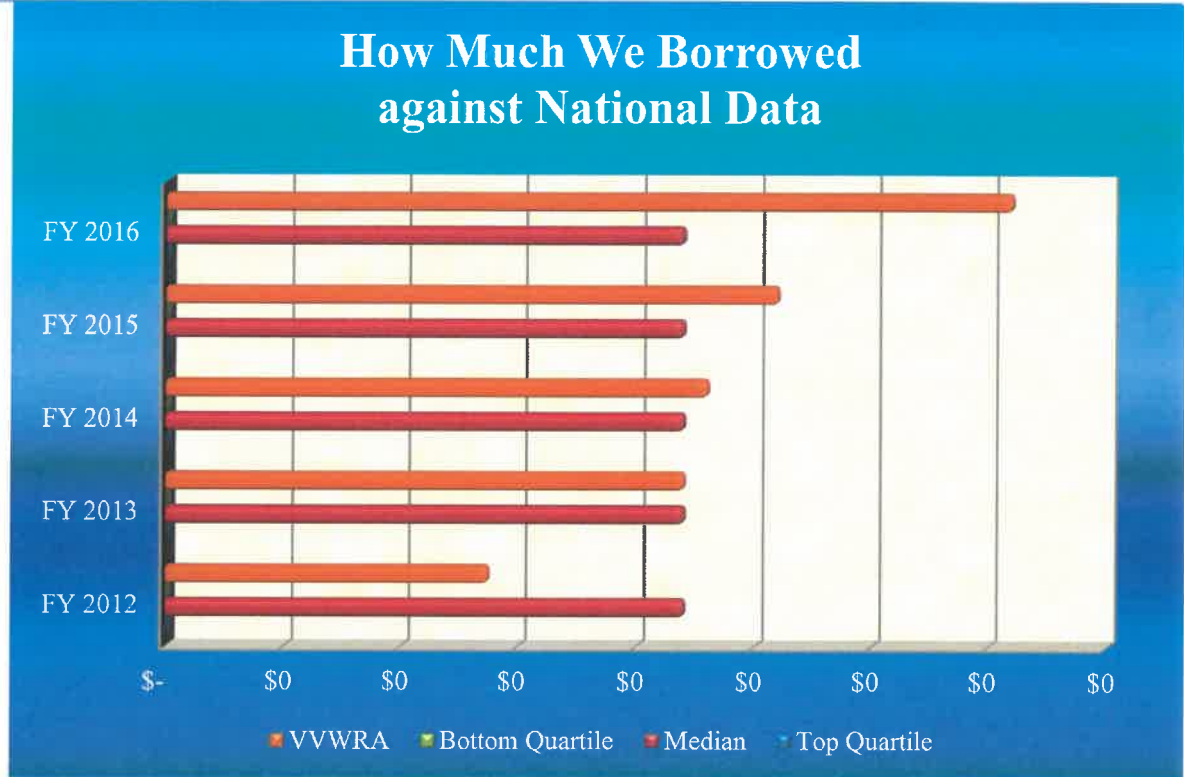
Source: 2012 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

How Much We Borrowed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2016	Data Not Available	22.0%	Data Not Available	36.00%
FY 2015	Data Not Available	22.0%	Data Not Available	26.00%
FY 2014	Data Not Available	22.0%	Data Not Available	23.00%
FY 2013	Data Not Available	22.0%	Data Not Available	22.00%
FY 2012	Data Not Available	22.0%	Data Not Available	13.73%



Source: 2012 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

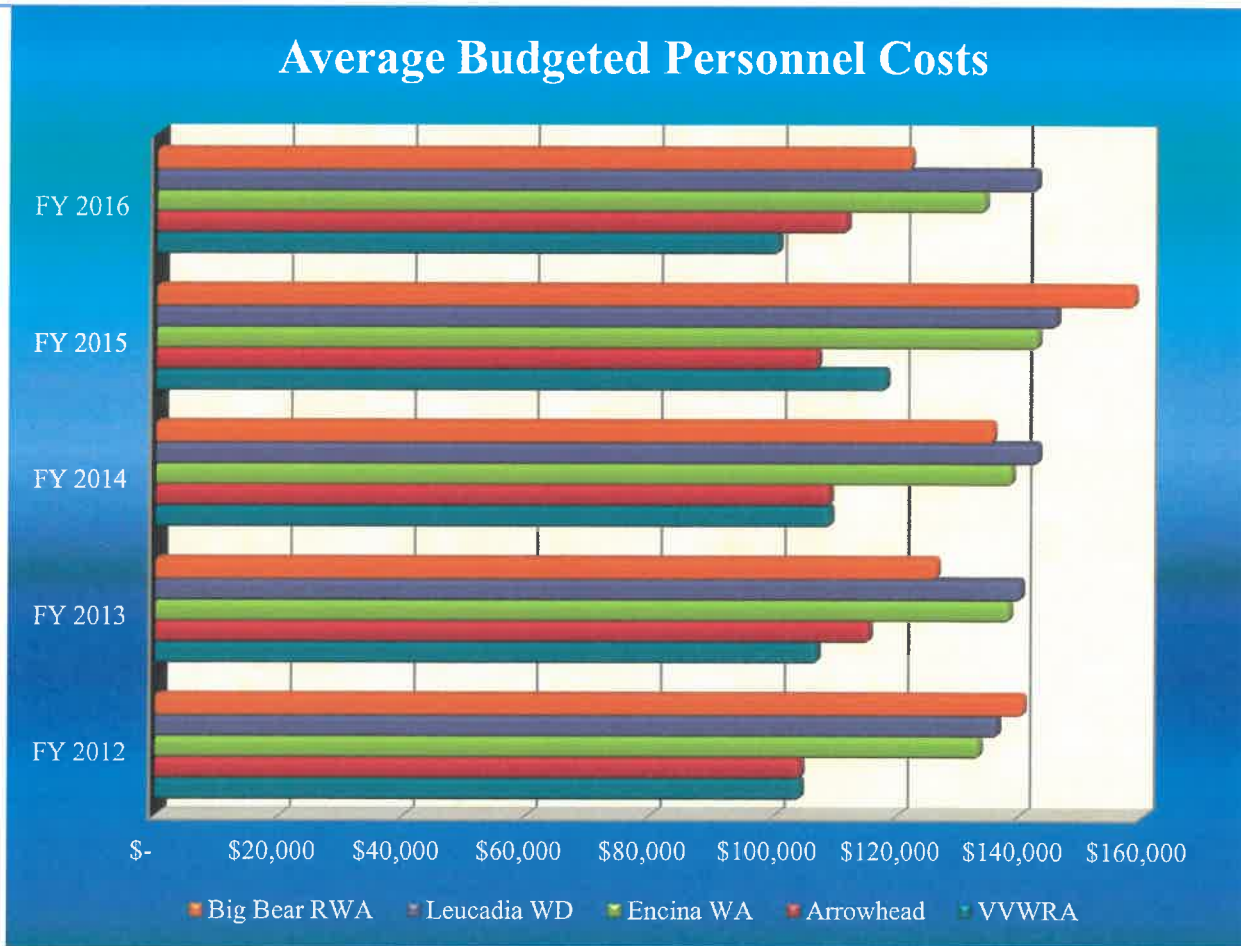
**Victor Valley Wastewater Reclamation Authority
Performance Benchmarked against Industry
Fiscal Year 2017-2018**

Average Budgeted Personnel Cost

Average budgeted personnel cost indicates the cost-effectiveness of an agency’s overall personnel budget. Such an indicator is calculated by dividing the total budgeted personnel costs by the total budgeted number of employees for a fiscal year. VVWRA’s average budgeted personnel costs have improved from median to the low end compared to other wastewater treatment agencies with similar size in the Southern California.

Average Budgeted Personnel Cost

	VVWRA	Arrowhead	Encina WA	Leucadia WD	Big Bear RWA
FY 2016	\$ 100,670	\$ 111,767	\$ 134,317	\$ 142,734	\$ 122,160
FY 2015	\$ 118,218	\$ 107,039	\$ 142,968	\$ 145,960	\$ 158,417
FY 2014	\$ 109,157	\$ 109,058	\$ 138,791	\$ 142,991	\$ 135,720
FY 2013	\$ 106,993	\$ 115,469	\$ 138,421	\$ 140,339	\$ 126,547
FY 2012	\$ 104,338	\$ 104,435	\$ 133,566	\$ 136,517	\$ 140,704



Source: 2012 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

Section VII: Glossary

Victor Valley Wastewater Reclamation Authority
Glossary
Fiscal Year 2017-2018

Glossary	
Ammonia Nitrogen	The soluble ionized and unionized ammonia nitrogen component in wastewater that can be measured using the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Biochemical oxygen demand (BOD)	The measure of decomposable organic material in wastewater as represented by the oxygen utilized as determined by the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Cal-OES	The California Governor’s Office of Emergency Services (Cal-OES) serves the public through effective collaboration in preparing for, protecting against, responding to, recovering from, and mitigating the impacts of all hazards and threats.
Cash Basis	Revenues and expenses are recognized when cash is received or paid out.
Connection Fee	A fee paid by a new discharger for the costs of capacity in the regional wastewater system.
Effluent	The liquid outflow discharged from the Publicly Owned Treatment Works (POTW) facility or the nondomestic wastewater discharged by industrial users to the POTW.
Enterprise accounting	Uses an accrual basis of accounting method to account for the activities of a government agency that provides goods or services to the public on a fee basis.
Enterprise Accounting System	An accrual accounting system that is similar to a regular business accounting method, where revenues and expenses are recorded when they incur. VVWRA employs two funds, (1) Operations and Maintenance Fund and (2) Capital Fund. Both of the funds employ the Enterprise Accounting System.
FEMA	The Federal Emergency Management Agency (FEMA) coordinates the federal government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
Interceptor	A pipeline that conveys wastewater from the sewer collection facilities of a Member Agency to the VVWRA’s wastewater treatment facilities.
Member Agencies	The four government agencies who participate in the joint power agreement with VVWRA. They are the City of Victorville; Town of Apple Valley; Hesperia Water District; and County of San Bernardino Service Areas, #42 Oro Grande and #64 Spring Valley Lake.
MG	Million Gallons.
MGD	Million Gallons per Day.
POTW	The Publicly Owned Treatment Works is sewage treatment plants that are owned and usually operated by local government agencies.
Pretreatment	The reduction and elimination of pollutants or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into the POTW.
Reclaimed Water	Water that, as a result of waste treatment, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
Septage	Any wastewater or sludge removed from cesspools, septic tanks, holding tanks, or chemical toilets that is trucked or hauled to the point of discharge.
SRF	State Revolving Fund.
Surcharge	An assessment, in addition to the service charge, which may be levied on those users whose waste are greater in strength than threshold concentration values established.
Total Suspended Solids	The insoluble solid matter suspended in wastewater that is separable by laboratory filtration in accordance with the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Ultraviolet Disinfection	A non-chemical process whereby a pathogen, contained within the wastewater, is exposed to a dosage of ultraviolet radiation, resulting in the deactivation of the pathogen’s DNA, such that the pathogen is unable to reproduce.
User	Any person who contributes, causes, or permits the contribution of wastewater into the POTW, including households, private residences, nonresidential users, and Member Agencies.
VVWRA	The Victor Valley Wastewater Reclamation Authority.
Wastewater	The domestic or nondomestic liquid wastes discharged from dwellings, or commercial buildings, industrial facilities, and institutions, together with any ground water, surface water, and storm water that may be present, whether treated or untreated, which is contributed into or permitted to enter the POTW.

EXHIBIT “B”

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
1	31,678.40	32,448.00	33,280.00	34,070.40	34,964.80	35,859.20	36,732.80	37,648.00	38,584.00	Annual
	2,639.87	2,704.00	2,773.33	2,839.20	2,913.73	2,988.27	3,061.07	3,137.33	3,215.33	Monthly
	15.23	15.60	16.00	16.38	16.81	17.24	17.66	18.10	18.55	Hourly
2	32,094.40	32,864.00	33,675.20	34,569.60	35,422.40	36,275.20	37,190.40	38,126.40	39,083.20	Annual
	2,674.53	2,738.67	2,806.27	2,880.80	2,951.87	3,022.93	3,099.20	3,177.20	3,256.93	Monthly
	15.43	15.80	16.19	16.62	17.03	17.44	17.88	18.33	18.79	Hourly
3	32,468.80	33,280.00	34,070.40	34,964.80	35,859.20	36,732.80	37,648.00	38,584.00	39,561.60	Annual
	2,705.73	2,773.33	2,839.20	2,913.73	2,988.27	3,061.07	3,137.33	3,215.33	3,296.80	Monthly
	15.61	16.00	16.38	16.81	17.24	17.66	18.10	18.55	19.02	Hourly
4	32,864.00	33,696.00	34,569.60	35,422.40	36,275.20	37,190.40	38,126.40	39,104.00	40,060.80	Annual
	2,738.67	2,808.00	2,880.80	2,951.87	3,022.93	3,099.20	3,177.20	3,258.67	3,338.40	Monthly
	15.80	16.20	16.62	17.03	17.44	17.88	18.33	18.80	19.26	Hourly
5	33,280.00	34,070.40	34,985.60	35,880.00	36,753.60	37,668.80	38,625.60	39,561.60	40,560.00	Annual
	2,773.33	2,839.20	2,915.47	2,990.00	3,062.80	3,139.07	3,218.80	3,296.80	3,380.00	Monthly
	16.00	16.38	16.82	17.25	17.67	18.11	18.57	19.02	19.50	Hourly
6	33,696.00	34,590.40	35,422.40	36,296.00	37,190.40	38,147.20	39,104.00	40,060.80	41,100.80	Annual
	2,808.00	2,882.53	2,951.87	3,024.67	3,099.20	3,178.93	3,258.67	3,338.40	3,425.07	Monthly
	16.20	16.63	17.03	17.45	17.88	18.34	18.80	19.26	19.76	Hourly
7	34,091.20	34,985.60	35,880.00	36,753.60	37,668.80	38,625.60	39,582.40	40,580.80	41,579.20	Annual
	2,840.93	2,915.47	2,990.00	3,062.80	3,139.07	3,218.80	3,298.53	3,381.73	3,464.93	Monthly
	16.39	16.82	17.25	17.67	18.11	18.57	19.03	19.51	19.99	Hourly
8	34,590.40	35,422.40	36,296.00	37,190.40	38,147.20	39,104.00	40,081.60	41,100.80	42,078.40	Annual
	2,882.53	2,951.87	3,024.67	3,099.20	3,178.93	3,258.67	3,340.13	3,425.07	3,506.53	Monthly
	16.63	17.03	17.45	17.88	18.34	18.80	19.27	19.76	20.23	Hourly
9	34,985.60	35,880.00	36,753.60	37,668.80	38,625.60	39,582.40	40,580.80	41,579.20	42,619.20	Annual
	2,915.47	2,990.00	3,062.80	3,139.07	3,218.80	3,298.53	3,381.73	3,464.93	3,551.60	Monthly
	16.82	17.25	17.67	18.11	18.57	19.03	19.51	19.99	20.49	Hourly
10	35,443.20	36,296.00	37,211.20	38,147.20	39,104.00	40,081.60	41,100.80	42,078.40	43,160.00	Annual
	2,953.60	3,024.67	3,100.93	3,178.93	3,258.67	3,340.13	3,425.07	3,506.53	3,596.67	Monthly
	17.04	17.45	17.89	18.34	18.80	19.27	19.76	20.23	20.75	Hourly
11	35,880.00	36,753.60	37,668.80	38,625.60	39,582.40	40,580.80	41,579.20	42,619.20	43,721.60	Annual
	2,990.00	3,062.80	3,139.07	3,218.80	3,298.53	3,381.73	3,464.93	3,551.60	3,643.47	Monthly
	17.25	17.67	18.11	18.57	19.03	19.51	19.99	20.49	21.02	Hourly
12	36,296.00	37,211.20	38,147.20	39,124.80	40,081.60	41,121.60	42,078.40	43,160.00	44,262.40	Annual
	3,024.67	3,100.93	3,178.93	3,260.40	3,340.13	3,426.80	3,506.53	3,596.67	3,688.53	Monthly
	17.45	17.89	18.34	18.81	19.27	19.77	20.23	20.75	21.28	Hourly
13	36,774.40	37,689.60	38,646.40	39,582.40	40,580.80	41,579.20	42,619.20	43,742.40	44,782.40	Annual
	3,064.53	3,140.80	3,220.53	3,298.53	3,381.73	3,464.93	3,551.60	3,645.20	3,731.87	Monthly
	17.68	18.12	18.58	19.03	19.51	19.99	20.49	21.03	21.53	Hourly
14	37,211.20	38,188.80	39,124.80	40,081.60	41,121.60	42,078.40	43,160.00	44,262.40	45,385.60	Annual
	3,100.93	3,182.40	3,260.40	3,340.13	3,426.80	3,506.53	3,596.67	3,688.53	3,782.13	Monthly
	17.89	18.36	18.81	19.27	19.77	20.23	20.75	21.28	21.82	Hourly
15	37,689.60	38,646.40	39,603.20	40,601.60	41,600.00	42,640.00	43,742.40	44,782.40	45,926.40	Annual
	3,140.80	3,220.53	3,300.27	3,383.47	3,466.67	3,553.33	3,645.20	3,731.87	3,827.20	Monthly
	18.12	18.58	19.04	19.52	20.00	20.50	21.03	21.53	22.08	Hourly
16	38,188.80	39,124.80	40,123.20	41,121.60	42,140.80	43,160.00	44,262.40	45,385.60	46,508.80	Annual
	3,182.40	3,260.40	3,343.60	3,426.80	3,511.73	3,596.67	3,688.53	3,782.13	3,875.73	Monthly
	18.36	18.81	19.29	19.77	20.26	20.75	21.28	21.82	22.36	Hourly
17	38,646.40	39,603.20	40,601.60	41,600.00	42,640.00	43,742.40	44,803.20	45,926.40	47,070.40	Annual
	3,220.53	3,300.27	3,383.47	3,466.67	3,553.33	3,645.20	3,733.60	3,827.20	3,922.53	Monthly
	18.58	19.04	19.52	20.00	20.50	21.03	21.54	22.08	22.63	Hourly
18	39,124.80	40,123.20	41,121.60	42,140.80	43,180.80	44,262.40	45,385.60	46,508.80	47,694.40	Annual
	3,260.40	3,343.60	3,426.80	3,511.73	3,598.40	3,688.53	3,782.13	3,875.73	3,974.53	Monthly
	18.81	19.29	19.77	20.26	20.76	21.28	21.82	22.36	22.93	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
19	39,603.20	40,601.60	41,600.00	42,640.00	43,763.20	44,803.20	45,926.40	47,070.40	48,276.80	Annual
	3,300.27	3,383.47	3,466.67	3,553.33	3,646.93	3,733.60	3,827.20	3,922.53	4,023.07	Monthly
	19.04	19.52	20.00	20.50	21.04	21.54	22.08	22.63	23.21	Hourly
20	40,123.20	41,142.40	42,140.80	43,180.80	44,283.20	45,406.40	46,529.60	47,694.40	48,921.60	Annual
	3,343.60	3,428.53	3,511.73	3,598.40	3,690.27	3,783.87	3,877.47	3,974.53	4,076.80	Monthly
	19.29	19.78	20.26	20.76	21.29	21.83	22.37	22.93	23.52	Hourly
21	40,601.60	41,600.00	42,660.80	43,763.20	44,803.20	45,947.20	47,070.40	48,276.80	49,462.40	Annual
	3,383.47	3,466.67	3,555.07	3,646.93	3,733.60	3,828.93	3,922.53	4,023.07	4,121.87	Monthly
	19.52	20.00	20.51	21.04	21.54	22.09	22.63	23.21	23.78	Hourly
22	41,142.40	42,161.60	43,180.80	44,283.20	45,406.40	46,529.60	47,694.40	48,921.60	50,128.00	Annual
	3,428.53	3,513.47	3,598.40	3,690.27	3,783.87	3,877.47	3,974.53	4,076.80	4,177.33	Monthly
	19.78	20.27	20.76	21.29	21.83	22.37	22.93	23.52	24.10	Hourly
23	41,620.80	42,660.80	43,763.20	44,803.20	45,947.20	47,091.20	48,297.60	49,483.20	50,710.40	Annual
	3,468.40	3,555.07	3,646.93	3,733.60	3,828.93	3,924.27	4,024.80	4,123.60	4,225.87	Monthly
	20.01	20.51	21.04	21.54	22.09	22.64	23.22	23.79	24.38	Hourly
24	42,161.60	43,180.80	44,283.20	45,406.40	46,529.60	47,715.20	48,921.60	50,128.00	51,355.20	Annual
	3,513.47	3,598.40	3,690.27	3,783.87	3,877.47	3,976.27	4,076.80	4,177.33	4,279.60	Monthly
	20.27	20.76	21.29	21.83	22.37	22.94	23.52	24.10	24.69	Hourly
25	42,660.80	43,763.20	44,824.00	45,947.20	47,091.20	48,297.60	49,483.20	50,731.20	51,979.20	Annual
	3,555.07	3,646.93	3,735.33	3,828.93	3,924.27	4,024.80	4,123.60	4,227.60	4,331.60	Monthly
	20.51	21.04	21.55	22.09	22.64	23.22	23.79	24.39	24.99	Hourly
26	43,201.60	44,304.00	45,406.40	46,550.40	47,715.20	48,921.60	50,128.00	51,355.20	52,665.60	Annual
	3,600.13	3,692.00	3,783.87	3,879.20	3,976.27	4,076.80	4,177.33	4,279.60	4,388.80	Monthly
	20.77	21.30	21.83	22.38	22.94	23.52	24.10	24.69	25.32	Hourly
27	43,784.00	44,824.00	45,968.00	47,091.20	48,297.60	49,483.20	50,731.20	52,000.00	53,331.20	Annual
	3,648.67	3,735.33	3,830.67	3,924.27	4,024.80	4,123.60	4,227.60	4,333.33	4,444.27	Monthly
	21.05	21.55	22.10	22.64	23.22	23.79	24.39	25.00	25.64	Hourly
28	44,304.00	45,427.20	46,550.40	47,715.20	48,942.40	50,148.80	51,376.00	52,665.60	53,955.20	Annual
	3,692.00	3,785.60	3,879.20	3,976.27	4,078.53	4,179.07	4,281.33	4,388.80	4,496.27	Monthly
	21.30	21.84	22.38	22.94	23.53	24.11	24.70	25.32	25.94	Hourly
29	44,824.00	45,968.00	47,112.00	48,318.40	49,504.00	50,731.20	52,000.00	53,331.20	54,683.20	Annual
	3,735.33	3,830.67	3,926.00	4,026.53	4,125.33	4,227.60	4,333.33	4,444.27	4,556.93	Monthly
	21.55	22.10	22.65	23.23	23.80	24.39	25.00	25.64	26.29	Hourly
30	45,427.20	46,550.40	47,736.00	48,942.40	50,148.80	51,376.00	52,686.40	53,955.20	55,328.00	Annual
	3,785.60	3,879.20	3,978.00	4,078.53	4,179.07	4,281.33	4,390.53	4,496.27	4,610.67	Monthly
	21.84	22.38	22.95	23.53	24.11	24.70	25.33	25.94	26.60	Hourly
31	45,968.00	47,112.00	48,318.40	49,504.00	50,731.20	52,000.00	53,331.20	54,683.20	56,014.40	Annual
	3,830.67	3,926.00	4,026.53	4,125.33	4,227.60	4,333.33	4,444.27	4,556.93	4,667.87	Monthly
	22.10	22.65	23.23	23.80	24.39	25.00	25.64	26.29	26.93	Hourly
32	46,571.20	47,736.00	48,942.40	50,148.80	51,376.00	52,686.40	53,976.00	55,328.00	56,742.40	Annual
	3,880.93	3,978.00	4,078.53	4,179.07	4,281.33	4,390.53	4,498.00	4,610.67	4,728.53	Monthly
	22.39	22.95	23.53	24.11	24.70	25.33	25.95	26.60	27.28	Hourly
33	47,112.00	48,318.40	49,504.00	50,752.00	52,041.60	53,352.00	54,683.20	56,014.40	57,449.60	Annual
	3,926.00	4,026.53	4,125.33	4,229.33	4,336.80	4,446.00	4,556.93	4,667.87	4,787.47	Monthly
	22.65	23.23	23.80	24.40	25.02	25.65	26.29	26.93	27.62	Hourly
34	47,736.00	48,963.20	50,169.60	51,396.80	52,686.40	53,976.00	55,328.00	56,742.40	58,156.80	Annual
	3,978.00	4,080.27	4,180.80	4,283.07	4,390.53	4,498.00	4,610.67	4,728.53	4,846.40	Monthly
	22.95	23.54	24.12	24.71	25.33	25.95	26.60	27.28	27.96	Hourly
35	48,318.40	49,524.80	50,752.00	52,041.60	53,352.00	54,704.00	56,035.20	57,449.60	58,884.80	Annual
	4,026.53	4,127.07	4,229.33	4,336.80	4,446.00	4,558.67	4,669.60	4,787.47	4,907.07	Monthly
	23.23	23.81	24.40	25.02	25.65	26.30	26.94	27.62	28.31	Hourly
36	48,963.20	50,169.60	51,396.80	52,707.20	53,976.00	55,348.80	56,742.40	58,156.80	59,612.80	Annual
	4,080.27	4,180.80	4,283.07	4,392.27	4,498.00	4,612.40	4,728.53	4,846.40	4,967.73	Monthly
	23.54	24.12	24.71	25.34	25.95	26.61	27.28	27.96	28.66	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
37	49,524.80	50,752.00	52,041.60	53,352.00	54,704.00	56,035.20	57,449.60	58,884.80	60,361.60	Annual
	4,127.07	4,229.33	4,336.80	4,446.00	4,558.67	4,669.60	4,787.47	4,907.07	5,030.13	Monthly
	23.81	24.40	25.02	25.65	26.30	26.94	27.62	28.31	29.02	Hourly
38	50,169.60	51,396.80	52,707.20	53,996.80	55,348.80	56,763.20	58,177.60	59,612.80	61,110.40	Annual
	4,180.80	4,283.07	4,392.27	4,499.73	4,612.40	4,730.27	4,848.13	4,967.73	5,092.53	Monthly
	24.12	24.71	25.34	25.96	26.61	27.29	27.97	28.66	29.38	Hourly
39	50,772.80	52,083.20	53,393.60	54,704.00	56,035.20	57,470.40	58,905.60	60,361.60	61,880.00	Annual
	4,231.07	4,340.27	4,449.47	4,558.67	4,669.60	4,789.20	4,908.80	5,030.13	5,156.67	Monthly
	24.41	25.04	25.67	26.30	26.94	27.63	28.32	29.02	29.75	Hourly
40	51,417.60	52,707.20	53,996.80	55,348.80	56,763.20	58,177.60	59,633.60	61,110.40	62,670.40	Annual
	4,284.80	4,392.27	4,499.73	4,612.40	4,730.27	4,848.13	4,969.47	5,092.53	5,222.53	Monthly
	24.72	25.34	25.96	26.61	27.29	27.97	28.67	29.38	30.13	Hourly
41	52,083.20	53,393.60	54,724.80	56,076.80	57,470.40	58,905.60	60,361.60	61,880.00	63,419.20	Annual
	4,340.27	4,449.47	4,560.40	4,673.07	4,789.20	4,908.80	5,030.13	5,156.67	5,284.93	Monthly
	25.04	25.67	26.31	26.96	27.63	28.32	29.02	29.75	30.49	Hourly
42	52,728.00	53,996.80	55,369.60	56,763.20	58,198.40	59,633.60	61,110.40	62,670.40	64,230.40	Annual
	4,394.00	4,499.73	4,614.13	4,730.27	4,849.87	4,969.47	5,092.53	5,222.53	5,352.53	Monthly
	25.35	25.96	26.62	27.29	27.98	28.67	29.38	30.13	30.88	Hourly
43	53,393.60	54,724.80	56,076.80	57,470.40	58,905.60	60,382.40	61,900.80	63,419.20	65,041.60	Annual
	4,449.47	4,560.40	4,673.07	4,789.20	4,908.80	5,031.87	5,158.40	5,284.93	5,420.13	Monthly
	25.67	26.31	26.96	27.63	28.32	29.03	29.76	30.49	31.27	Hourly
44	54,017.60	55,369.60	56,784.00	58,198.40	59,675.20	61,131.20	62,691.20	64,230.40	65,852.80	Annual
	4,501.47	4,614.13	4,732.00	4,849.87	4,972.93	5,094.27	5,224.27	5,352.53	5,487.73	Monthly
	25.97	26.62	27.30	27.98	28.69	29.39	30.14	30.88	31.66	Hourly
45	54,724.80	56,076.80	57,491.20	58,947.20	60,382.40	61,900.80	63,440.00	65,041.60	66,684.80	Annual
	4,560.40	4,673.07	4,790.93	4,912.27	5,031.87	5,158.40	5,286.67	5,420.13	5,557.07	Monthly
	26.31	26.96	27.64	28.34	29.03	29.76	30.50	31.27	32.06	Hourly
46	55,369.60	56,784.00	58,198.40	59,675.20	61,131.20	62,691.20	64,230.40	65,852.80	67,475.20	Annual
	4,614.13	4,732.00	4,849.87	4,972.93	5,094.27	5,224.27	5,352.53	5,487.73	5,622.93	Monthly
	26.62	27.30	27.98	28.69	29.39	30.14	30.88	31.66	32.44	Hourly
47	56,097.60	57,491.20	58,947.20	60,403.20	61,921.60	63,440.00	65,041.60	66,684.80	68,348.80	Annual
	4,674.80	4,790.93	4,912.27	5,033.60	5,160.13	5,286.67	5,420.13	5,557.07	5,695.73	Monthly
	26.97	27.64	28.34	29.04	29.77	30.50	31.27	32.06	32.86	Hourly
48	56,784.00	58,219.20	59,675.20	61,152.00	62,691.20	64,251.20	65,873.60	67,496.00	69,201.60	Annual
	4,732.00	4,851.60	4,972.93	5,096.00	5,224.27	5,354.27	5,489.47	5,624.67	5,766.80	Monthly
	27.30	27.99	28.69	29.40	30.14	30.89	31.67	32.45	33.27	Hourly
49	57,512.00	58,947.20	60,403.20	61,921.60	63,481.60	65,062.40	66,705.60	68,348.80	70,054.40	Annual
	4,792.67	4,912.27	5,033.60	5,160.13	5,290.13	5,421.87	5,558.80	5,695.73	5,837.87	Monthly
	27.65	28.34	29.04	29.77	30.52	31.28	32.07	32.86	33.68	Hourly
50	58,219.20	59,696.00	61,152.00	62,712.00	64,251.20	65,873.60	67,496.00	69,243.20	70,948.80	Annual
	4,851.60	4,974.67	5,096.00	5,226.00	5,354.27	5,489.47	5,624.67	5,770.27	5,912.40	Monthly
	27.99	28.70	29.40	30.15	30.89	31.67	32.45	33.29	34.11	Hourly
51	58,968.00	60,403.20	61,921.60	63,481.60	65,062.40	66,705.60	68,369.60	70,054.40	71,843.20	Annual
	4,914.00	5,033.60	5,160.13	5,290.13	5,421.87	5,558.80	5,697.47	5,837.87	5,986.93	Monthly
	28.35	29.04	29.77	30.52	31.28	32.07	32.87	33.68	34.54	Hourly
52	59,696.00	61,152.00	62,712.00	64,272.00	65,894.40	67,516.80	69,243.20	70,969.60	72,716.80	Annual
	4,974.67	5,096.00	5,226.00	5,356.00	5,491.20	5,626.40	5,770.27	5,914.13	6,059.73	Monthly
	28.70	29.40	30.15	30.90	31.68	32.46	33.29	34.12	34.96	Hourly
53	60,424.00	61,942.40	63,481.60	65,083.20	66,726.40	68,369.60	70,075.20	71,843.20	73,652.80	Annual
	5,035.33	5,161.87	5,290.13	5,423.60	5,560.53	5,697.47	5,839.60	5,986.93	6,137.73	Monthly
	29.05	29.78	30.52	31.29	32.08	32.87	33.69	34.54	35.41	Hourly
54	61,172.80	62,732.80	64,272.00	65,894.40	67,516.80	69,264.00	70,969.60	72,716.80	74,547.20	Annual
	5,097.73	5,227.73	5,356.00	5,491.20	5,626.40	5,772.00	5,914.13	6,059.73	6,212.27	Monthly
	29.41	30.16	30.90	31.68	32.46	33.30	34.12	34.96	35.84	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
55	61,942.40	63,502.40	65,083.20	66,726.40	68,390.40	70,075.20	71,864.00	73,673.60	75,483.20	Annual
	5,161.87	5,291.87	5,423.60	5,560.53	5,699.20	5,839.60	5,988.67	6,139.47	6,290.27	Monthly
	29.78	30.53	31.29	32.08	32.88	33.69	34.55	35.42	36.29	Hourly
56	62,732.80	64,272.00	65,915.20	67,516.80	69,264.00	70,969.60	72,737.60	74,568.00	76,440.00	Annual
	5,227.73	5,356.00	5,492.93	5,626.40	5,772.00	5,914.13	6,061.47	6,214.00	6,370.00	Monthly
	30.16	30.90	31.69	32.46	33.30	34.12	34.97	35.85	36.75	Hourly
57	63,502.40	65,104.00	66,747.20	68,390.40	70,096.00	71,864.00	73,673.60	75,483.20	77,376.00	Annual
	5,291.87	5,425.33	5,562.27	5,699.20	5,841.33	5,988.67	6,139.47	6,290.27	6,448.00	Monthly
	30.53	31.30	32.09	32.88	33.70	34.55	35.42	36.29	37.20	Hourly
58	64,292.80	65,915.20	67,537.60	69,264.00	70,990.40	72,737.60	74,568.00	76,440.00	78,353.60	Annual
	5,357.73	5,492.93	5,628.13	5,772.00	5,915.87	6,061.47	6,214.00	6,370.00	6,529.47	Monthly
	30.91	31.69	32.47	33.30	34.13	34.97	35.85	36.75	37.67	Hourly
59	65,104.00	66,747.20	68,411.20	70,096.00	71,864.00	73,694.00	75,504.00	77,417.60	79,331.20	Annual
	5,425.33	5,562.27	5,700.93	5,841.33	5,988.67	6,141.20	6,292.00	6,451.47	6,610.93	Monthly
	31.30	32.09	32.89	33.70	34.55	35.43	36.30	37.22	38.14	Hourly
60	65,915.20	67,537.60	69,284.80	70,990.40	72,779.20	74,588.80	76,460.80	78,374.40	80,350.40	Annual
	5,492.93	5,628.13	5,773.73	5,915.87	6,064.93	6,215.73	6,371.73	6,531.20	6,695.87	Monthly
	31.69	32.47	33.31	34.13	34.99	35.86	36.76	37.68	38.63	Hourly
61	66,747.20	68,411.20	70,116.80	71,884.80	73,694.40	75,504.00	77,417.60	79,331.20	81,328.00	Annual
	5,562.27	5,700.93	5,843.07	5,990.40	6,141.20	6,292.00	6,451.47	6,610.93	6,777.33	Monthly
	32.09	32.89	33.71	34.56	35.43	36.30	37.22	38.14	39.10	Hourly
62	67,558.40	69,284.80	71,011.20	72,779.20	74,588.80	76,460.80	78,374.40	80,350.40	82,326.40	Annual
	5,629.87	5,773.73	5,917.60	6,064.93	6,215.73	6,371.73	6,531.20	6,695.87	6,860.53	Monthly
	32.48	33.31	34.14	34.99	35.86	36.76	37.68	38.63	39.58	Hourly
63	68,452.80	70,116.80	71,884.80	73,715.20	75,545.60	77,438.40	79,352.00	81,348.80	83,345.60	Annual
	5,704.40	5,843.07	5,990.40	6,142.93	6,295.47	6,453.20	6,612.67	6,779.07	6,945.47	Monthly
	32.91	33.71	34.56	35.44	36.32	37.23	38.15	39.11	40.07	Hourly
64	69,305.60	71,011.20	72,800.00	74,609.60	76,481.60	78,416.00	80,371.20	82,368.00	84,406.40	Annual
	5,775.47	5,917.60	6,066.67	6,217.47	6,373.47	6,534.67	6,697.60	6,864.00	7,033.87	Monthly
	33.32	34.14	35.00	35.87	36.77	37.70	38.64	39.60	40.58	Hourly
65	70,137.60	71,905.60	73,715.20	75,545.60	77,438.40	79,352.00	81,348.80	83,387.20	85,467.20	Annual
	5,844.80	5,992.13	6,142.93	6,295.47	6,453.20	6,612.67	6,779.07	6,948.93	7,122.27	Monthly
	33.72	34.57	35.44	36.32	37.23	38.15	39.11	40.09	41.09	Hourly
66	71,032.00	72,800.00	74,609.60	76,481.60	78,416.00	80,371.20	82,409.60	84,427.20	86,528.00	Annual
	5,919.33	6,066.67	6,217.47	6,373.47	6,534.67	6,697.60	6,867.47	7,035.60	7,210.67	Monthly
	34.15	35.00	35.87	36.77	37.70	38.64	39.62	40.59	41.60	Hourly
67	71,905.60	73,736.00	75,566.40	77,459.20	79,372.80	81,369.60	83,387.20	85,488.00	87,609.60	Annual
	5,992.13	6,144.67	6,297.20	6,454.93	6,614.40	6,780.80	6,948.93	7,124.00	7,300.80	Monthly
	34.57	35.45	36.33	37.24	38.16	39.12	40.09	41.10	42.12	Hourly
68	72,800.00	74,630.40	76,502.40	78,436.80	80,412.80	82,409.60	84,427.20	86,548.80	88,691.20	Annual
	6,066.67	6,219.20	6,375.20	6,536.40	6,701.07	6,867.47	7,035.60	7,212.40	7,390.93	Monthly
	35.00	35.88	36.78	37.71	38.66	39.62	40.59	41.61	42.64	Hourly
69	73,736.00	75,566.40	77,459.20	79,372.80	81,369.60	83,408.00	85,488.00	87,630.40	89,835.20	Annual
	6,144.67	6,297.20	6,454.93	6,614.40	6,780.80	6,950.67	7,124.00	7,302.53	7,486.27	Monthly
	35.45	36.33	37.24	38.16	39.12	40.10	41.10	42.13	43.19	Hourly
70	74,630.40	76,502.40	78,436.80	80,412.80	82,430.40	84,448.00	86,548.80	88,691.20	90,937.60	Annual
	6,219.20	6,375.20	6,536.40	6,701.07	6,869.20	7,037.33	7,212.40	7,390.93	7,578.13	Monthly
	35.88	36.78	37.71	38.66	39.63	40.60	41.61	42.64	43.72	Hourly
71	75,587.20	77,480.00	79,393.60	81,390.40	83,408.00	85,508.80	87,630.40	89,835.20	92,081.60	Annual
	6,298.93	6,456.67	6,616.13	6,782.53	6,950.67	7,125.73	7,302.53	7,486.27	7,673.47	Monthly
	36.34	37.25	38.17	39.13	40.10	41.11	42.13	43.19	44.27	Hourly
72	76,523.20	78,457.60	80,433.60	82,430.40	84,448.00	86,569.60	88,712.00	90,958.40	93,225.60	Annual
	6,376.93	6,538.13	6,702.80	6,869.20	7,037.33	7,214.13	7,392.67	7,579.87	7,768.80	Monthly
	36.79	37.72	38.67	39.63	40.60	41.62	42.65	43.73	44.82	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
73	77,480.00	79,393.60	81,411.20	83,428.80	85,508.80	87,651.20	89,856.00	92,102.40	94,432.00	Annual
	6,456.67	6,616.13	6,784.27	6,952.40	7,125.73	7,304.27	7,488.00	7,675.20	7,869.33	Monthly
	37.25	38.17	39.14	40.11	41.11	42.14	43.20	44.28	45.40	Hourly
74	78,457.60	80,433.60	82,451.20	84,468.80	86,590.40	88,712.00	90,958.40	93,246.40	95,576.00	Annual
	6,538.13	6,702.80	6,870.93	7,039.07	7,215.87	7,392.67	7,579.87	7,770.53	7,964.67	Monthly
	37.72	38.67	39.64	40.61	41.63	42.65	43.73	44.83	45.95	Hourly
75	79,414.40	81,411.20	83,428.80	85,529.60	87,651.20	89,856.00	92,123.20	94,432.00	96,740.80	Annual
	6,617.87	6,784.27	6,952.40	7,127.47	7,304.27	7,488.00	7,676.93	7,869.33	8,061.73	Monthly
	38.18	39.14	40.11	41.12	42.14	43.20	44.29	45.40	46.51	Hourly
76	80,454.40	82,451.20	84,510.40	86,590.40	88,732.80	90,979.20	93,246.40	95,576.00	97,968.00	Annual
	6,704.53	6,870.93	7,042.53	7,215.87	7,394.40	7,581.60	7,770.53	7,964.67	8,164.00	Monthly
	38.68	39.64	40.63	41.63	42.66	43.74	44.83	45.95	47.10	Hourly
77	81,432.00	83,449.60	85,529.60	87,672.00	89,876.80	92,123.20	94,452.80	96,782.40	99,216.00	Annual
	6,786.00	6,954.13	7,127.47	7,306.00	7,489.73	7,676.93	7,871.07	8,065.20	8,268.00	Monthly
	39.15	40.12	41.12	42.15	43.21	44.29	45.41	46.53	47.70	Hourly
78	82,472.00	84,510.40	86,611.20	88,732.80	91,000.00	93,267.20	95,596.80	97,988.80	100,443.20	Annual
	6,872.67	7,042.53	7,217.60	7,394.40	7,583.33	7,772.27	7,966.40	8,165.73	8,370.27	Monthly
	39.65	40.63	41.64	42.66	43.75	44.84	45.96	47.11	48.29	Hourly
79	83,449.60	85,550.40	87,713.60	89,876.80	92,144.00	94,452.80	96,782.40	99,236.80	101,712.00	Annual
	6,954.13	7,129.20	7,309.47	7,489.73	7,678.67	7,871.07	8,065.20	8,269.73	8,476.00	Monthly
	40.12	41.13	42.17	43.21	44.30	45.41	46.53	47.71	48.90	Hourly
80	84,531.20	86,611.20	88,753.60	91,000.00	93,288.00	95,598.80	98,009.60	100,464.00	103,001.60	Annual
	7,044.27	7,217.60	7,396.13	7,583.33	7,774.00	7,966.40	8,167.47	8,372.00	8,583.47	Monthly
	40.64	41.64	42.67	43.75	44.85	45.96	47.12	48.30	49.52	Hourly
81	85,550.40	87,713.60	89,897.60	92,144.00	94,473.60	96,824.00	99,257.60	101,732.80	104,270.40	Annual
	7,129.20	7,309.47	7,491.47	7,678.67	7,872.80	8,068.67	8,271.47	8,477.73	8,689.20	Monthly
	41.13	42.17	43.22	44.30	45.42	46.55	47.72	48.91	50.13	Hourly
82	86,652.80	88,795.20	91,020.80	93,288.00	95,617.60	98,009.60	100,464.00	103,022.40	105,580.80	Annual
	7,221.07	7,399.60	7,585.07	7,774.00	7,968.13	8,167.47	8,372.00	8,585.20	8,798.40	Monthly
	41.66	42.69	43.76	44.85	45.97	47.12	48.30	49.53	50.76	Hourly
83	87,734.40	89,918.40	92,164.80	94,494.40	96,844.80	99,257.60	101,732.80	104,270.40	106,891.20	Annual
	7,311.20	7,493.20	7,680.40	7,874.53	8,070.40	8,271.47	8,477.73	8,689.20	8,907.60	Monthly
	42.18	43.23	44.31	45.43	46.56	47.72	48.91	50.13	51.39	Hourly
84	88,795.20	91,020.80	93,308.80	95,638.40	98,030.40	100,484.80	103,022.40	105,601.60	108,222.40	Annual
	7,399.60	7,585.07	7,775.73	7,969.87	8,169.20	8,373.73	8,585.20	8,800.13	9,018.53	Monthly
	42.69	43.76	44.86	45.98	47.13	48.31	49.53	50.77	52.03	Hourly
85	89,918.40	92,185.60	94,494.40	96,844.80	99,278.40	101,753.60	104,291.20	106,912.00	109,595.20	Annual
	7,493.20	7,682.13	7,874.53	8,070.40	8,273.20	8,479.47	8,690.93	8,909.33	9,132.93	Monthly
	43.23	44.32	45.43	46.56	47.73	48.92	50.14	51.40	52.69	Hourly
86	91,041.60	93,308.80	95,638.40	98,051.20	100,526.40	103,043.20	105,601.60	108,243.20	110,947.20	Annual
	7,586.80	7,775.73	7,969.87	8,170.93	8,377.20	8,586.93	8,800.13	9,020.27	9,245.60	Monthly
	43.77	44.86	45.98	47.14	48.33	49.54	50.77	52.04	53.34	Hourly
87	92,185.60	94,515.20	96,865.60	99,299.20	101,774.40	104,312.00	106,912.00	109,616.00	112,361.60	Annual
	7,682.13	7,876.27	8,072.13	8,274.93	8,481.20	8,692.67	8,909.33	9,134.67	9,363.47	Monthly
	44.32	45.44	46.57	47.74	48.93	50.15	51.40	52.70	54.02	Hourly
88	93,329.60	95,659.20	98,051.20	100,526.40	103,064.00	105,622.40	108,264.00	110,968.00	113,734.40	Annual
	7,777.47	7,971.60	8,170.93	8,377.20	8,588.67	8,801.87	9,022.00	9,247.33	9,477.87	Monthly
	44.87	45.99	47.14	48.33	49.55	50.78	52.05	53.35	54.68	Hourly
89	94,515.20	96,886.40	99,299.20	101,774.40	104,312.00	106,932.80	109,616.00	112,361.60	115,169.60	Annual
	7,876.27	8,073.87	8,274.93	8,481.20	8,692.67	8,911.07	9,134.67	9,363.47	9,597.47	Monthly
	45.44	46.58	47.74	48.93	50.15	51.41	52.70	54.02	55.37	Hourly
90	95,659.20	98,072.00	100,568.00	103,064.00	105,643.20	108,284.80	110,968.00	113,755.20	116,563.20	Annual
	7,971.60	8,172.67	8,380.67	8,588.67	8,803.60	9,023.73	9,247.33	9,479.60	9,713.60	Monthly
	45.99	47.15	48.35	49.55	50.79	52.06	53.35	54.69	56.04	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

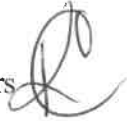
Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
91	96,886.40	99,320.00	101,795.20	104,353.60	106,953.60	109,636.80	112,382.40	115,190.40	118,040.00	Annual
	8,073.87	8,276.67	8,482.93	8,696.13	8,912.80	9,136.40	9,365.20	9,599.20	9,836.67	Monthly
	46.58	47.75	48.94	50.17	51.42	52.71	54.03	55.38	56.75	Hourly
92	98,092.80	100,588.80	103,084.80	105,643.20	108,284.80	110,988.80	113,776.00	116,584.00	119,537.60	Annual
	8,174.40	8,382.40	8,590.40	8,803.60	9,023.73	9,249.07	9,481.33	9,715.33	9,961.47	Monthly
	47.16	48.36	49.56	50.79	52.06	53.36	54.70	56.05	57.47	Hourly
93	99,340.80	101,816.00	104,374.40	106,953.60	109,657.60	112,403.20	115,211.20	118,081.60	120,993.60	Annual
	8,278.40	8,484.67	8,697.87	8,912.80	9,138.13	9,366.93	9,600.93	9,840.13	10,082.80	Monthly
	47.76	48.95	50.18	51.42	52.72	54.04	55.39	56.77	58.17	Hourly
94	100,588.80	103,105.60	105,664.00	108,305.60	111,009.60	113,776.00	116,604.80	119,558.40	122,553.60	Annual
	8,382.40	8,592.13	8,805.33	9,025.47	9,250.80	9,481.33	9,717.07	9,963.20	10,212.80	Monthly
	48.36	49.57	50.80	52.07	53.37	54.70	56.06	57.48	58.92	Hourly
95	101,816.00	104,374.40	106,974.40	109,657.60	112,424.00	115,232.00	118,102.40	121,014.40	124,072.00	Annual
	8,484.67	8,697.87	8,914.53	9,138.13	9,368.67	9,602.67	9,841.87	10,084.53	10,339.33	Monthly
	48.95	50.18	51.43	52.72	54.05	55.40	56.78	58.18	59.65	Hourly
96	103,105.60	105,684.80	108,347.20	111,009.60	113,796.80	116,625.60	119,558.40	122,574.40	125,611.20	Annual
	8,592.13	8,807.07	9,028.93	9,250.80	9,483.07	9,718.80	9,963.20	10,214.53	10,467.60	Monthly
	49.57	50.81	52.09	53.37	54.71	56.07	57.48	58.93	60.39	Hourly
97	104,395.20	106,995.20	109,678.40	112,424.00	115,232.00	118,123.20	121,035.20	124,092.80	127,192.00	Annual
	8,699.60	8,916.27	9,139.87	9,368.67	9,602.67	9,843.60	10,086.27	10,341.07	10,599.33	Monthly
	50.19	51.44	52.73	54.05	55.40	56.79	58.19	59.66	61.15	Hourly
98	105,684.80	108,347.20	111,030.40	113,817.60	116,625.60	119,579.20	122,595.20	125,632.00	128,793.60	Annual
	8,807.07	9,028.93	9,252.53	9,484.80	9,718.80	9,964.93	10,216.27	10,469.33	10,732.80	Monthly
	50.81	52.09	53.38	54.72	56.07	57.49	58.94	60.40	61.92	Hourly
99	106,995.20	109,699.20	112,444.80	115,252.80	118,123.20	121,035.20	124,113.60	127,212.80	130,353.60	Annual
	8,916.27	9,141.60	9,370.40	9,604.40	9,843.60	10,086.27	10,342.80	10,601.07	10,862.80	Monthly
	51.44	52.74	54.06	55.41	56.79	58.19	59.67	61.16	62.67	Hourly
100	108,368.00	111,051.20	113,838.40	116,688.00	119,600.00	122,616.00	125,652.80	128,814.40	132,038.40	Annual
	9,030.67	9,254.27	9,486.53	9,724.00	9,966.67	10,218.00	10,471.07	10,734.53	11,003.20	Monthly
	52.10	53.39	54.73	56.10	57.50	58.95	60.41	61.93	63.48	Hourly
101	109,699.20	112,486.40	115,273.60	118,144.00	121,056.00	124,155.20	127,233.60	130,416.00	133,660.80	Annual
	9,141.60	9,373.87	9,606.13	9,845.33	10,088.00	10,346.27	10,602.80	10,868.00	11,138.40	Monthly
	52.74	54.08	55.42	56.80	58.20	59.69	61.17	62.70	64.26	Hourly
102	111,072.00	113,838.40	116,729.60	119,620.80	122,616.00	125,652.80	128,835.20	132,059.20	135,345.60	Annual
	9,256.00	9,486.53	9,727.47	9,968.40	10,218.00	10,471.07	10,736.27	11,004.93	11,278.80	Monthly
	53.40	54.73	56.12	57.51	58.95	60.41	61.94	63.49	65.07	Hourly
103	112,486.40	115,294.40	118,164.80	121,076.80	124,155.20	127,254.40	130,436.80	133,681.60	137,009.60	Annual
	9,373.87	9,607.87	9,847.07	10,089.73	10,346.27	10,604.53	10,869.73	11,140.13	11,417.47	Monthly
	54.08	55.43	56.81	58.21	59.69	61.18	62.71	64.27	65.87	Hourly
104	113,859.20	116,750.40	119,620.80	122,636.80	125,673.60	128,835.20	132,080.00	135,366.40	138,756.80	Annual
	9,488.27	9,729.20	9,968.40	10,219.73	10,472.80	10,736.27	11,006.67	11,280.53	11,563.07	Monthly
	54.74	56.13	57.51	58.96	60.42	61.94	63.50	65.08	66.71	Hourly
105	115,294.40	118,185.60	121,118.40	124,176.00	127,275.20	130,457.60	133,702.40	137,030.40	140,504.00	Annual
	9,607.87	9,848.80	10,093.20	10,348.00	10,606.27	10,871.47	11,141.87	11,419.20	11,708.67	Monthly
	55.43	56.82	58.23	59.70	61.19	62.72	64.28	65.88	67.55	Hourly
106	116,750.40	119,662.40	122,657.60	125,694.40	128,856.00	132,100.80	135,408.00	138,777.60	142,251.20	Annual
	9,729.20	9,971.87	10,221.47	10,474.53	10,738.00	11,008.40	11,284.00	11,564.80	11,854.27	Monthly
	56.13	57.53	58.97	60.43	61.95	63.51	65.10	66.72	68.39	Hourly
107	118,185.60	121,139.20	124,196.80	127,296.00	130,457.60	133,744.00	137,030.40	140,524.80	144,019.20	Annual
	9,848.80	10,094.93	10,349.73	10,608.00	10,871.47	11,145.33	11,419.20	11,710.40	12,001.60	Monthly
	56.82	58.24	59.71	61.20	62.72	64.30	65.88	67.56	69.24	Hourly
108	119,683.20	122,699.20	125,715.20	128,876.80	132,121.60	135,428.80	138,798.40	142,272.00	145,808.00	Annual
	9,973.60	10,224.93	10,476.27	10,739.73	11,010.13	11,285.73	11,566.53	11,856.00	12,150.67	Monthly
	57.54	58.99	60.44	61.96	63.52	65.11	66.73	68.40	70.10	Hourly

VICTOR VALLEY WASTEWATER RECLATION AUTHORITY
 SALARY SCHEDULE WITH CPI 2.50% AND CALPERS 3.00%
 FY 2017-2018

Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
109	121,139.20	124,217.60	127,296.00	130,478.40	133,764.80	137,072.00	140,545.60	144,040.00	147,617.60	Annual
	10,094.93	10,351.47	10,608.00	10,873.20	11,147.07	11,422.67	11,712.13	12,003.33	12,301.47	Monthly
	58.24	59.72	61.20	62.73	64.31	65.90	67.57	69.25	70.97	Hourly
110	122,720.00	125,736.00	128,897.60	132,121.60	135,428.80	138,819.20	142,292.80	145,849.60	149,510.40	Annual
	10,226.67	10,478.00	10,741.47	11,010.13	11,285.73	11,568.27	11,857.73	12,154.13	12,459.20	Monthly
	59.00	60.45	61.97	63.52	65.11	66.74	68.41	70.12	71.88	Hourly
111	124,238.40	127,316.80	130,499.20	133,764.80	137,113.60	140,566.40	144,040.00	147,638.40	151,361.60	Annual
	10,353.20	10,609.73	10,874.93	11,147.07	11,426.13	11,713.87	12,003.33	12,303.20	12,613.47	Monthly
	59.73	61.21	62.74	64.31	65.92	67.58	69.25	70.98	72.77	Hourly
112	125,736.00	128,918.40	132,142.40	135,470.40	138,840.00	142,313.60	145,870.40	149,531.20	153,212.80	Annual
	10,478.00	10,743.20	11,011.87	11,289.20	11,570.00	11,859.47	12,155.87	12,460.93	12,767.73	Monthly
	60.45	61.98	63.53	65.13	66.75	68.42	70.13	71.89	73.66	Hourly
113	127,337.60	130,520.00	133,785.60	137,134.40	140,566.40	144,060.80	147,659.20	151,382.40	155,168.00	Annual
	10,611.47	10,876.67	11,148.80	11,427.87	11,713.87	12,005.07	12,304.93	12,615.20	12,930.67	Monthly
	61.22	62.75	64.32	65.93	67.58	69.26	70.99	72.78	74.60	Hourly
114	128,939.20	132,163.20	135,491.20	138,860.80	142,334.40	145,891.20	149,552.00	153,233.60	157,081.60	Annual
	10,744.93	11,013.60	11,290.93	11,571.73	11,861.20	12,157.60	12,462.67	12,769.47	13,090.13	Monthly
	61.99	63.54	65.14	66.76	68.43	70.14	71.90	73.67	75.52	Hourly
115	130,582.40	133,806.40	137,155.20	140,587.20	144,081.60	147,680.00	151,424.00	155,188.80	159,078.40	Annual
	10,881.87	11,150.53	11,429.60	11,715.60	12,006.80	12,306.67	12,618.67	12,932.40	13,256.53	Monthly
	62.78	64.33	65.94	67.59	69.27	71.00	72.80	74.61	76.48	Hourly
116	132,184.00	135,512.00	138,881.60	142,355.20	145,912.00	149,572.80	153,275.20	157,102.40	161,054.40	Annual
	11,015.33	11,292.67	11,573.47	11,862.93	12,159.33	12,464.40	12,772.93	13,091.87	13,421.20	Monthly
	63.55	65.15	66.77	68.44	70.15	71.91	73.69	75.53	77.43	Hourly
117	133,827.20	137,176.00	140,608.00	144,102.40	147,721.60	151,444.80	155,209.60	159,099.20	163,092.80	Annual
	11,152.27	11,431.33	11,717.33	12,008.53	12,310.13	12,620.40	12,934.13	13,258.27	13,591.07	Monthly
	64.34	65.95	67.60	69.28	71.02	72.81	74.62	76.49	78.41	Hourly
118	135,532.80	138,902.40	142,376.00	145,932.80	149,593.60	153,296.00	157,123.20	161,075.20	165,089.60	Annual
	11,294.40	11,575.20	11,864.67	12,161.07	12,466.13	12,774.67	13,093.60	13,422.93	13,757.47	Monthly
	65.16	66.78	68.45	70.16	71.92	73.70	75.54	77.44	79.37	Hourly
119	137,196.80	140,628.80	144,144.00	147,742.40	151,465.60	155,230.40	159,140.80	163,113.60	167,169.60	Annual
	11,433.07	11,719.07	12,012.00	12,311.87	12,622.13	12,935.87	13,261.73	13,592.80	13,930.80	Monthly
	65.96	67.61	69.30	71.03	72.82	74.63	76.51	78.42	80.37	Hourly
120	138,902.40	142,396.80	145,953.60	149,614.40	153,358.40	157,144.00	161,096.00	165,131.20	169,249.60	Annual
	11,575.20	11,866.40	12,162.80	12,467.87	12,779.87	13,095.33	13,424.67	13,760.93	14,104.13	Monthly
	66.78	68.46	70.17	71.93	73.73	75.55	77.45	79.39	81.37	Hourly



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Report/Recommendation to the Board of Commissioners
 June 15, 2017

FROM: Kristi Casteel, Secretary to the General Manager and Board of Commissioners 

TO: Logan Olds, General Manager

SUBJECT: Recommendation to Approve Resolution No. 2017-10: FY 2017-2018 Holiday Calendar

RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2017-10 to establish the paid holidays for VVWRA employees during fiscal year 2017-2018 which is consistent with the MOU with the Employees Association adopted on December 8, 2016.

REVIEWED BY

This recommendation was reviewed by Logan Olds

BACKGROUND INFORMATION

Each year, the Board of Commissioners approves and adopts a schedule of paid holidays for VVWRA employees. There have been no changes to the holiday calendar since it was last adopted under Resolution No. 2013-12 on May 16, 2013. The holiday calendar was not revised as part of the MOU negotiations with the Employees Association. It is recommended that the Holiday Calendar for FY 2017-2018 be approved and adopted as shown under Resolution 2017-10.

FINANCIAL IMPACT

None.

RELATED IMPACTS

None.

RESOLUTION 2017- 10

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE AND ADOPT A SCHEDULE OF PAID HOLIDAYS FOR FISCAL YEAR 2017-2018

FY 2017-2018 HOLIDAY CALENDAR

Holiday:	Non-Operations Staff:	Operations Staff:
Independence Day	July 4, 2017 (Tuesday)	July 4, 2017 (Tuesday)
Labor Day	September 4, 2017 (Monday)	September 4, 2017 (Monday)
Veterans Day	November 10, 2017 (Friday)	November 11, 2017 (Saturday)
Thanksgiving Day	November 23, 2017 (Thursday)	November 23, 2017 (Thursday)
Day after Thanksgiving	November 24, 2017 (Friday)	November 24, 2017 (Friday)
Christmas Eve	December 25, 2017 (Monday)	December 24, 2017 (Sunday)
Christmas Day	December 26, 2017 (Tuesday)	December 25, 2017 (Monday)
New Year's Eve	January 1, 2018 (Monday)	December 31, 2017 (Sunday)
New Year's Day	January 2, 2018 (Tuesday)	January 1, 2018 (Monday)
Martin Luther King Day	January 15, 2018 (Monday)	January 15, 2018 (Monday)
President's Day	February 19, 2018 (Monday)	February 19, 2018 (Monday)
Memorial Day	May 28, 2018 (Monday)	May 28, 2018 (Monday)
Floating Holiday (1)		

ADOPTED and APPROVED by the Board of Commissioners on this 15th day of June, 2017.

James Jennedy , Chair
VWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Jeff Rigney, Secretary
VWRA Board of Commissioners

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



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

15 June 2017

FROM: Logan Olds, General Manager *LO*
TO: Board of Commissioners
SUBJECT: Low Voltage Power and Failure of Backup Generators 1 & 2

RECOMMENDATION

Per Board direction in response to two low voltage power failure emergencies which damaged backup generators 1 & 2 staff is bringing expenses before the Board for ratification in the amount of \$9,847.09, nine thousand four hundred and eighty seven dollars and nine cents.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

Please review the attached invoices for details regarding these initial expenditures. Currently it is anticipated that work will continue through July of 2017.

Payments Made for the Low Voltage Emergency
 07/01/17 - 06/30/17

Big Bear Electric, In.	720.00
Trimax Systems	5,655.69
Pacific Parts and Controls, Inc.	1,981.96
Morrow Meadows Corporation	1,129.44
	<u>9,487.09</u>

FINANCIAL IMPACT

Please refer to attached invoices.

RELATED IMPACTS

Continued progress towards resolving the damages caused by low voltage power to VVWRA equipment and ensuring that backup power is available in the future if both generators are damaged.

BIG BEAR



PO Box 3001
 644 W. Fairway Blvd. #6
 Big Bear City, CA 92314
 Ph: 909-547-6363
 License #: 972582

Invoice

Date	Invoice #
5/23/2017	587

ELECTRIC

Bill To
VVWRA 20111 Shay Rd Victorville, Ca 92394

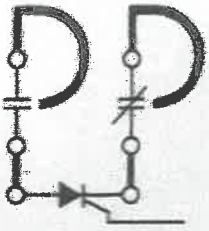
MAY 23 2017
 JALC

P.O. No.	Project	Terms
14833		Net 30

Quantity	Description	Rate	Amount
4	Emergency service call for assistance with plant electrician on Wednesday May 17th between the hours of 11pm to 3am.	180.00	720.00
	I agree that the seller retains title to equipment/materials furnished until final payment is made, payment is due upon completion unless otherwise stated in writing. Payment is not made as agreed, seller can remove said equipment/materials at sellers expense and any damage resulting from said removal shall not be the responsibility of the seller. All materials, parts and equipment are warranted by the manufactures or suppliers written warranty only. All labor performed by Big Bear Electric is warranted for 1 year from completion or otherwise indicated in writing. Credit card payments are subject to 4% surcharge. By signing below, you are authorizing Big Bear Electric's employees legal access to the property described to perform the stated repair and or installation work. Owner/Buyer Acceptance Signature _____	0.00	0.00

APPROVED TO PAY						
F	LO	CC	ACCT	PROJ	DEBIT	CREDIT
011	02	80	6035	E605	720.00	

REMIT ALL PAYMENTS TO: Big Bear Electric, Inc. P.O. Box 3001 Big Bear City, Ca. 92314	Total	\$720.00
	Payments/Credits	\$0.00
	Balance Due	\$720.00



Pacific Parts & Controls, Inc.

6255 Prescott Court
Chino, CA 91710

Ph: 909-465-1174 Fax: 909-465-1178

www.pacificparts.com

VWRA

MAY 25 2017

INVOICE 21

Number: **I413398**

Date: 05/19/17 Page: 1

Cust P/O no: 14803

Ordered by: KYLE PARKER

Billing terms: NET 30 DAYS

Order no: S211399

Order date: 05/19/17

Bill-to:	Account#	Ship-to:	No:
VICTOR VALLEY WASTEWATER 20111 SHAY ROAD VICTORVILLE, CA 92394	VI0175	VICTOR VALLEY WASTEWATER 20111 SHAY ROAD VICTORVILLE, CA 92394 MK#14803	VI0175

Product no	Description	Ordered	Shipped	Backord	Unit Price	Extension
CAN19DN0A5E020 CHL AN19DN0A5E020 4-20A STR		6 E	6		185.00 E	1,110.00

APPROVED TO PAY						
F	LO	CC	ACCT	PROJ	DEBIT	CREDIT
01	02	535	7350	9999 6005	1,196.03	
BY					DATE	PO

Shipped via: BEST WAY
Frt terms: PPD&CHG
F.O.B.: SOURCE
Date shipped: 05/19/17
Tracking no:
Salesperson: NELSON, GREG
Taken by: TEEPLES, JEFF

TERMS: This invoice is due on presentation. If paid by 10th prox. you may deduct the cash discount. A service charge in the amount of 1.5% per month will be charged on accounts 30 days overdue. Merchandise is not returnable without our written permission. We hereby certify that goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and orders of the United States Department of Labor issued under Section 14 thereof.

Net Sales 1,110.00
Freight .00
Misc .00
Sales Tax 7.75 % 86.03
Less Deposit .00

PLEASE PAY \$ 1,196.03

CUSTOMER
21-5

Morrow Meadows Corp

231 Benton Court
City of Industry, Ca 91789
Phone: (909) 598-7700
State License #: C-10 230813

Invoice

Invoice Number: 58225
Invoice Date: 5/24/2017
Page: 1 of 1

Bill To: 002233
Victor Valley Wastewater
20111 Shay Rd.
Victorville, CA 92394

Service 8085
Location: Victor Valley Wastewater
20111 Shay Rd.
Victorville, CA 92394

Work Order ID	Complete Date	PO Number	Terms	Called In By
170518-001	05/18/2017	14832	Net 30 Days	Maurcio Marin

Description of Work

Replace VFD for internal recycle. Replace starter back wash pump #5. All material F.B.O.

Qty	Item ID	Description	Date	Unit Price	Disc %	Amount
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Labor

6:00	REGSRV	Lucky Chaney	5/18/2017	188.24		1,129.44
				SubTotal		<u>1,129.44</u>

MAY 23 2017

APPROVED TO PAY						
F	LO	CC	ACCT	PROJ	DEBIT	CREDIT
01	02	80	6035	EC05	1,129.44	
BY	DATE			PO		

We appreciate your business.

Invoice Subtotal	1,129.44
Sales Tax	0.00
Invoice Total	1,129.44
Payment Received	0.00
Balance Due	<u>1,129.44</u>

RESOLUTION NO. 2017-11

**A RESOLUTION OF THE VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY IN RECOGNITION AND APPRECIATION
OF DEDICATED SERVICE TO FRANK ROBINSON**

WHEREAS, Frank Robinson served as Town Manager for the Town of Apple Valley and provided valuable knowledge and guidance to the Board of Commissioners (“Commission”) for the Victor Valley Wastewater Reclamation Authority (“Authority”); and

WHEREAS, Mr. Robinsons background, knowledge, and experience while serving as Town Manager for the Town of Apple Valley were invaluable not only to the Apple Valley community but his service has impacted the entire High Desert Community; and

WHEREAS, Mr. Robinson performed his duties with the utmost diligence and distinction and with perceptive insight of community issues; and

WHEREAS, Mr. Robinson’s accomplishments and guidance have created significant positive and lasting impacts upon the Town of Apple Valley, the residents, and the entire High Desert Community.

NOW THEREFORE, BE IT RESOLVED that this Commission does hereby recognize and extend sincere gratitude and appreciation to Frank Robinson for his dedicated service and commitment to the Town of Apple Valley for his concern for the residents and the environment including construction of the Yucca Loma Bridge and passage of Measure F.

ADOPTED this 15th day of June 2017.

APPROVED AS TO FORM:

James Kennedy, Chair
VVWRA Board of Commissioners

Piero C. Dallarda of
Best Best & Krieger LLP

Jeff Rigney, Secretary
VVWRA Board of Commissioners

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. 2017-04, adopted by the Board of Commissioners of said Authority at its meeting of June 15, 2017.

Kristi Casteel
Secretary to the Board of Commissioners



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

15 June 2017

FROM: Logan Olds, General Manager *LO*
TO: Board of Commissioners
SUBJECT: Cancellation of June 29, 2017 Board Meeting

RECOMMENDATION

It is recommended that the Board cancel the regularly scheduled June 29, 2017 Board Meeting if the Board adopts the FY 2017-18 Budget at the regular meeting held on June 15, 2017.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel

BACKGROUND INFORMATION

VWVRA schedules two Board meetings in June to allow for any last minute changes to the Budget for the next fiscal year. If the Board adopts the fiscal year 2017-18 budget on June 15, 2017 staff recommends cancelling the June 29, 2017 Board meeting.

FINANCIAL IMPACT

None

Victor Valley Wastewater Reclamation Authority



Financial and Cash Report

May 2017

Victor Valley Wastewater Reclamation Authority
CASH AND RESERVE SUMMARY
 May 31, 2017

G/L Account	Description	Balance
1000	DCB Checking Account	\$ 1,113,000
1030	DCB Sweep Account	1,037,230
1010	CBB Checking Account	-
1016	CBB Sweep Account	-
1017	CBB Money Market Account	-
1075	Cal TRUST by Wells Fargo	3,061,164
1070	LAIF	2,522,023
	Total Cash	\$ 7,733,417

\$65 mil Max

Reserves:	Current Balance	Restricted	Assigned	Not Assigned
Targeted Capital Reserve	\$ -	\$ -	\$ -	\$ -
O&M Reserve: 10% of Prior Year Budgeted Operating Expenses	400,000		1,081,523	
R&R Reserve: 1% of Land Improvements/Plants/Interceptors PY CAFR	1,670,006		1,670,006	
Reserve for SRF Payments (P&I) - Operating	2,707,580	2,707,580		
Reserve for SRF Payments (P&I) - Capital	2,359,174	2,359,174		
Available for O&M	596,657	-		
Total Cash	\$ 7,733,417	\$ 5,066,754	\$ 2,751,529	\$ -

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	259,235	178,764	587,653	899,824	2,707,580
Reserve for SRF Payments (P&I) - Capital	1,348,576	-	59,588	375,713	575,297	2,359,174
	\$ 2,130,680	259,235	238,352	963,366	1,475,121	5,066,754

2,389,915

Note 2: PROJECTS AND FUNDING:

a. Construction and Change Orders for Sub-Regional Plants	Bureau of Reclamation - Title 16 Grant	Dept. of Water Resources - Proposition 84 Grant	SWRCB SRF Loan - Hesperia	SWRCB SRF Loan - Apple Valley	SWRCB - Proposition One Grant - A.V.	SWRCB - Water Recycling Prop 13 Grant - A.V.	Total
Completion (or Termination) Dates	05/31/16	12/31/17	06/30/17	06/30/17	06/30/17	03/31/17	
Agreement Amounts	\$ 3,242,523	\$ 3,000,000	\$ 35,442,795	\$ 22,537,632	\$ 8,135,648	\$ 4,000,000	\$ 76,358,598
Claimed	(3,242,523)	(3,000,000)	(29,189,225)	(16,676,867)	(5,449,893)	(3,352,665)	(61,911,173)
Grant and Loan Balance Remaining	\$ -	\$ -	\$ 6,253,570	\$ 5,860,765	\$ 1,685,755	\$ 647,335	\$ 14,447,425

b. Planning and Design for Sub-Regional Plants	Bureau of Reclamation - Title 16 Grant	Dept. of Water Resources - Proposition 84 Grant	SWRCB SRF Loan - Hesperia	SWRCB SRF Loan - Apple Valley	SWRCB - Proposition One Grant - A.V.	SWRCB - Water Recycling Prop 13 Grant - A.V.	Total
Completion (or Termination) Dates	05/31/16	not applicable	06/30/17	06/30/17	06/30/17	not applicable	
Agreement Amounts	\$ 1,607,477	\$ -	\$ 5,107,160	\$ 4,535,127	\$ 1,046,193	\$ -	\$ 12,295,957
Claimed	(1,607,477)	-	(3,134,436)	(4,413,807)	(1,167,514)	-	(10,323,233)
Grant and Loan Balance Remaining	\$ -	\$ -	\$ 1,972,724	\$ 132,272	(121,321)	\$ -	\$ 1,972,724

c. Upper Narrows Emergency

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

d. Upper Narrows Replacement

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

Victor Valley Wastewater Reclamation Authority
Flow Study
For the Month Ended April 30, 2017

Measured by ADS	Percentage of Total %	April Monthly MG
VSD 1 (less North Apple Valley)	5.1736%	17.9450
VSD 2	13.5874%	47.1290
VSD 3	25.9623%	90.0520
VSD 4	7.1880%	24.9320
VSD 5	0.5688%	1.9730
VSD 6	7.2226%	25.0520
VSD Total	59.7027%	207.0830
Apple Valley 01	10.6188%	36.8320
Apple Valley 02	5.8941%	20.4440
Apple Valley North	0.1090%	0.3780
Apple Total	16.6219%	57.6540
Hesperia	18.1181%	62.8440
CSA 64 SVL	4.7956%	16.6340
CSA 42 Oro Grande	0.7618%	2.6420
CSA Total	5.5574%	19.2760
Total Apportioned Flow	100.0000%	346.8570
Mojave Narrows Regional Park		0.1000
Total Study Flow		346.9570

Subregional Water Reclamation Plant Projects
5/31/2017
Hesperia

Costs Incurred Up to 5/31/2017		Expended to Date	Contract Amount	Total Remaining
Planning/Design/Construction Management				
	Planning	895,080	624,264	(270,816)
	(Carollo/HDR) Design	3,106,096	3,580,792	474,696
	(MWH) Construction Management	2,046,109	1,479,914	(566,195)
	(Carollo/HDR) Engineering Services During Construction	1,251,025	1,687,052	436,027
	Sub-Total	7,298,310	7,372,022	73,712
Construction				
	Construction	30,617,664	33,220,000	2,602,336
Change Order (Contingency)		Expended to Date	Contract Amount	
	Planning/Design/Construction Management	-	SRF Loan	Lyles
	Construction - Cascade Drilling	463,231	1,111,398	-
	Construction - Lyles	64,525	383,334	-
	Sub-Total	527,756	728,063	500,000
Total		38,443,730	43,314,817	4,871,087

Eligible for Reimbursements		Claimed	Contract Amount	Total Remaining
	Title 16	2,445,244	2,460,369	15,125
	Proposition 84-HES Construction Cost	2,227,586	1,512,522	(715,064)
	Total Grants	4,672,830	3,972,891	(699,939)
	<i>% of Total Project</i>		9%	
	SRF-HES Planning/Design/Construction Management	5,107,160	7,329,955	2,222,795
	SRF-HES Construction Cost	28,663,740	33,220,000	4,556,260
Total		38,443,730	44,522,846	6,079,116

Claims Made as of 5/31/2017		Requested	Contract Amount	Total Remaining
	Title 16	2,445,244	2,460,369	15,125
	Proposition 84-HES Construction Cost	2,227,586	1,512,522	(715,064)
	Total Grants	4,672,830	3,972,891	(699,939)
	SRF-HES Planning/Design/Construction Management	3,134,436	7,329,955	4,195,519
	SRF-HES Construction Cost	27,574,554	33,220,000	5,645,446
Total		35,381,820	44,522,846	9,141,026

Subregional Water Reclamation Plant Projects

5/31/2017

Apple Valley

Costs Incurred Up to 5/31/2017

		Expended to Date	Contract Amount	Total Remaining
Planning/Design/Construction Management				
	Planning	1,278,710	970,271	(308,439)
	(Carollo/HDR) Design	2,552,681	3,117,326	564,645
	(MWH) Construction Management	1,664,377	1,455,410	(208,967)
	(Carollo/HDR) Engineering Services During Construction	1,447,602	1,610,418	162,816
	Sub-Total	6,943,370	7,153,425	210,055
Construction				
	Construction	28,160,652	32,670,000	4,509,348
		Expended to Date	Contract Amount	
			SRF Loan	Lyles
Change Order (Contingency)				
	Planning/Design/Construction Management	-	1,001,640	-
	Construction - Cascade Drilling	252,951	376,986	-
	Construction - Lyles	274,291	624,654	500,000
	Sub-Total	527,242	2,003,280	500,000
Total		35,631,264	42,326,705	7,222,683

Eligible for Reimbursements

		Claimed	Contract Amount	Total Remaining
	Title 16	2,404,756	2,419,631	14,875
	Proposition 13 - Recycling Grant	2,710,366	4,000,000	1,289,634
	Proposition 84-AV Construction Cost	772,414	1,487,478	715,064
	Proposition 01-AV Planning/Design/Construction Management	561,064	1,046,193	485,129
	Proposition 01-AV Construction Cost	5,013,483	8,135,648	3,122,165
	Total Grants	11,462,083	17,088,950	5,626,867
	<i>% of Total Project</i>		39%	
	SRF-AV Planning/Design/Construction Management	4,449,477	4,535,127	85,650
	SRF-AV Construction Cost	19,719,704	22,537,632	2,817,928
Total		35,631,264	44,161,709	8,530,445

Claims Made as of 5/31/2017

		Requested	Contract Amount	Total Remaining
	Title 16	2,404,756	2,419,631	14,875
	Proposition 13 - Recycling Grant	3,105,554	4,000,000	894,446
	Proposition 84-AV Construction Cost	772,414	1,487,478	715,064
	Proposition 01-AV Planning/Design/Construction Management	1,167,514	1,046,193	(121,321)
	Proposition 01-AV Construction Cost	5,990,606	8,135,648	2,145,042
	Total Grants	13,440,844	17,088,950	3,648,106
	SRF-AV Planning/Design/Construction Management	4,413,807	4,535,127 *	121,320
	SRF-AV Construction Cost	15,364,988	22,537,632	7,172,644
Total		33,219,639	44,161,709	10,942,070

*Note: Proposition 01 grant of \$9.2M reduces AV SRF loan to \$4.5M.

Nanticoke Interceptor
5/31/2017

Costs Incurred Up to 5/31/2017		Expended to Date	Contract Amount	Total Remaining
Planning/Design/Construction Management				
	Planning		342,397	342,397
	Design		101,524	101,524
	Construction Management	372,718	407,373	34,655
	Engineering Services During Construction			-
	Sub-Total	372,718	851,294	478,576
Construction				
	Construction - Christensen Brothers GE Inc.	3,192,465	3,207,896	15,431
		Expended to Date	Contract Amount	
			SRF Loan	
Change Order (Contingency)				
	Planning/Design/Construction Management			-
	Construction	400,000	400,000	-
	Sub-Total	400,000	400,000	-
Total		3,965,183	4,459,190	494,007

Eligible for Reimbursements		Claimed	Contract Amount	Total Remaining
	SRF-Planning/Design/Construction Management	372,718	851,294	478,576
	SRF-Construction Cost	3,592,465	3,607,896	15,431
Total		3,965,183	4,459,190	494,007

Claims Made as of 5/31/2017		Requested	Contract Amount	Total Remaining
	SRF-Planning/Design/Construction Management	372,718	851,294	478,576
	SRF-Construction Cost	3,410,129	3,607,896	197,767
Total		3,782,847	4,459,190	676,343

VVWRA
Upper Narrows Interceptor and Emergency Projects
5/31/2017

Upper Narrows Interceptor and Emergency Projects
5/31/2017

Upper Narrows Interceptor (E004)

<u>Planning/Design/Construction Management</u>		Expended to Date	Contract Amount	Total Remaining
Planning		449,368	277,990	(171,378)
(Tetra Tech) Design		737,952	783,481	45,529
(URS/AECOM) Construction Management		1,642,759	993,673	(649,086)
(TetraTech) Engineering Services During Construction		531,269	348,290	(182,979)
Total		3,361,348	2,403,434	(957,914)
<u>Construction</u>				
Construction - J.W. Fowler		26,136,908	26,482,075	345,167
Construction - AV Construction		1,525,267	863,371	(661,896)
<u>Contingency</u>		Expended to Date	Contract Amount	
(Tetra Tech) Design		-	-	-
(URS/AECOM) Construction Management		271,346	325,612	54,266
(TetraTech) Engineering Services During Construction		-	-	-
Construction - J.W. Fowler		3,536,620	3,536,620	
Construction - AV Construction		214,287	214,287	-
Total		35,045,776	33,825,399	(1,220,377)

Claimed to Date

FEMA/CalOES	27,948,377	29,811,603	1,863,226
FEMA/CalOES 10% Retention	3,105,375	3,312,400	207,025
UNR SRF Loan	3,515,952		
Total	34,569,704	33,124,003	2,070,251

Upper Narrows Emergency (E003)

Spent to Date 5/31/2017

<u>Planning/Design/Construction Management</u>	Expended to Date
Materials	811,401
Rented Equipment	3,226,387
Contracts	3,899,051
Force Account OT	42,805
Force Equipment	274,341
Total	8,253,985

Received to Date

FEMA/CalOES	6,539,338
FEMA/CalOES 10% Retention	726,593
Total Grants to Date	7,265,931
VVWRA 6.25% Unreimbursable Cost	484,395
Total	7,750,326

Victor Valley Wastewater Reclamation Authority
Statement of Net Position
May 31, 2017

<i>Assets and Deferred Outflows of Resources</i>	2017
Current assets:	
Cash and cash equivalents	\$ 12,923,504
Interest receivable	4,494
Accounts receivable	3,281,434
Receivable from FEMA Grants	4,241,663
Accounts receivable - Other	4,850
Allowance for Doubtful Accounts	(48,990)
Materials and supplies inventory	86,516
Prepaid expenses and other deposits	149,191
Total current assets	20,642,662
Fixed assets:	
Capital assets not being depreciated	82,865,285
Capital assets being depreciated	85,077,471
Total capital assets	167,942,756
Total assets	188,585,418
Deferred outflows of resources	
Deferred outflows of resources - pension	\$ 1,160,894
Total	189,746,312
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 257,938
Accrued interest on long-term debt	52,498
Long-term liabilities - due within one year:	
Compensated absences	48,647
Loans payables	1,831,033
Other payables	5,396,677
Total current liabilities	7,586,793
Non-current liabilities:	
Long-term liabilities - due in more than one year:	
Compensated absences	268,652
Other post employment benefits payable	1,332,084
Loans payable	73,100,926
Net Pension Liability	4,169,063
Other payables	22,805
Total non-current liabilities:	78,893,530
Total liabilities	86,480,323
Deferred inflows of resources	
Deferred inflows of resources - pension	441,731
Net position:	
Net position as of 6/30/16	125,121,717
Restricted for SRF loan covenant	2,649,149
Decrease in net position FY 17	(24,687,374)
Total net position	\$ 102,824,258
Total	189,746,312

Victor Valley Wastewater Reclamation Authority
Revenues and Expenses
Operations and Maintenance
For the Month Ended May 31, 2017

	Actual May 2017	YTD Actual FY 16-17	YTD Budget FY 16-17	APPROVED BUDGET FY 16-17
Revenues				
User Charges	\$ 1,065,245	\$ 11,541,126	\$ 11,704,550	\$ 12,768,600
Sludge Flow Charge	-	104,226	100,833	110,000
High Strength Waste Surcharges	-	18,273	18,333	20,000
ADM FOG Tipping Fee Revenue	-	186,866	-	-
Septage Receiving Facility Charges	20,002	531,540	458,333	500,000
Reclaimed Water Sales	-	29,648	55,000	60,000
Potable Well Water Sales	-	523	458	500
Leased Property Income	-	500	550	600
Interest	118	128	-	-
Pretreatment Fees	2,300	48,479	41,250	45,000
Finance Charge	-	-	-	-
Sale of Assets, Scrap, & Misc Income	-	2,176	-	-
Total Revenues	\$ 1,087,665	\$ 12,463,485	\$ 12,379,308	\$ 13,504,700
Other Financing Sources				
SRF Loan Proceeds	-	-	-	-
Total Other Financing Sources	\$ -	\$ -	\$ -	\$ -
Total Revenues and Other Financing Sources	\$ 1,087,665	\$ 12,463,485	\$ 12,379,308	\$ 13,504,700
Expenses				
Personnel	\$ 285,395	\$ 4,104,954	\$ 4,553,735	\$ 4,967,711
Maintenance	75,195	1,047,413	1,680,969	1,833,784
Operations	167,865	1,617,941	2,925,019	3,190,930
Administrative	40,026	1,518,306	1,886,346	2,057,832
Construction	-	108,860	-	-
Total Expenses	\$ 568,481	\$ 8,397,474	\$ 11,046,069	\$ 12,050,257
Emergency Operating Expense				
Total Maintenance	\$ -	\$ 68,907	\$ 61,417	\$ 67,000
Total Operations	-	47	76,083	83,000
FEMA OPERATING EXPENSES	-	68,954	137,500	150,000
FEMA/Cal-EMA Grants	-	-	(839,185)	(915,474)
Total Emergency Operating Expense	\$ -	\$ 68,954	\$ (701,685)	\$ (765,474)
Revenues over Expenses before Debt Service and Transfers	\$ 519,184	\$ 3,997,057	\$ 2,034,924	\$ 2,219,917
Debt Service				
SRF Principal	\$ -	\$ 114,582	\$ 639,605	\$ 697,751
SRF Interest	-	40,715	314,956	343,588
Total Debt Service	\$ -	\$ 155,297	\$ 954,561	\$ 1,041,339
Fund Transfer Out				
Inter-fund loan payment to Capital	1,682	19,704	-	-
Total Fund Transfer Out	\$ 1,682	\$ 19,704	\$ -	\$ -
Excess Revenues Over Expenses	\$ 517,502	\$ 3,822,056	\$ 1,080,363	\$ 1,178,578

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
Repairs and Replacement
For the Month Ended May 31, 2017

	Actual May 2017	YTD Actual FY 16-17	YTD Budget FY 16-17	APPROVED BUDGET FY 16-17
Revenues				
R&R Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing Sources				
SRF Loan Proceeds	\$ -	\$ -	\$ -	\$ -
Total Revenues and Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Expenses				
Personnel	\$ -	\$ -	\$ -	\$ -
Maintenance	44,957	485,677	740,850	808,200
Operations	-	-	18,975	20,700
Administrative	-	-	-	-
Construction	-	49,226	-	-
Total Capital Expenses	<u>\$ 44,957</u>	<u>\$ 534,903</u>	<u>\$ 759,825</u>	<u>\$ 828,900</u>
Revenues over Expenses before Debt Service and Transfers	<u>\$ (44,957)</u>	<u>\$ (534,903)</u>	<u>\$ (759,825)</u>	<u>\$ (828,900)</u>
Debt Service				
SRF Principal	\$ -	\$ -	\$ -	\$ -
SRF Interest	-	-	-	-
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Transfer In				
Interfund Loan Payment from O&M	\$ -	\$ -	\$ -	\$ -
Total Fund Transfer In	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenues Over Expenses	<u>\$ (44,957)</u>	<u>\$ (534,903)</u>	<u>\$ (759,825)</u>	<u>\$ (828,900)</u>

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
Capital
For the Month Ended May 31, 2017

	Actual May 2017	YTD Actual FY 16-17	YTD Budget FY 16-17	APPROVED BUDGET FY 16-17
Revenues				
Connection Fees	\$ -	\$ 2,266,509	\$ 641,667	\$ 700,000
Title 16 Grant - Subregional	-	-	-	-
Grant- Water Recycling	-	1,196,647	1,161,417	1,267,000
Sale of Assets, Scrap, & Misc Income	-	-	-	-
Interest	3,873	39,643	9,167	10,000
Proposition 1 Grant	-	2,695,386	3,208,333	3,500,000
Proposition 84 Grant	-	-	-	-
LAIF FMV Adjustment	-	-	-	-
Grant - FEMA/Cal-EMA	-	978,765	4,128,117	4,503,400
Total Revenues	\$ 3,873	\$ 7,176,950	\$ 9,148,700	\$ 9,980,400
Other Financing Sources				
SRF Loan Proceeds	\$ -	\$ 30,211,595	\$ 41,020,962	\$ 44,750,140
Total Revenues and Other Financing Sources	\$ 3,873	\$ 37,388,545	\$ 50,169,662	\$ 54,730,540
Capital Expenses				
Personnel	\$ -	\$ -	\$ 367,104	\$ 400,477
Maintenance	-	3,541	-	-
Operations	-	12,068	157	171
Administrative	-	21,320	-	-
Construction	-	28,151,590	44,102,073	48,111,352
Total Capital Expenses	\$ -	\$ 28,188,519	\$ 44,469,333	\$ 48,512,000
Revenues over Expenses before Debt Service and Transfers	\$ 3,873	\$ 9,200,026	\$ 5,700,328	\$ 6,218,540
Debt Service				
SRF Principal	\$ -	\$ 960,217	\$ 1,033,962	\$ 1,127,959
SRF Interest	-	131,456	202,232	220,617
Total Debt Service	\$ -	\$ 1,091,673	\$ 1,236,195	\$ 1,348,576
Fund Transfer In				
Interfund Loan Payment from O&M	\$ 1,682	\$ 19,704	\$ -	\$ -
Total Fund Transfer In	\$ 1,682	\$ 19,704	\$ -	\$ -
Excess Revenues Over Expenses	\$ 5,555	\$ 8,128,057	\$ 4,464,134	\$ 4,869,964

VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
 SRF LOAN SUMMARY
 May 31, 2017

Existing	Existing	Existing	Existing	In Progress	In Progress	In Progress	In Progress	In Progress	Total Agreed
9.5 MGD	11 MGD	North Apple	Phase IIIA	UN	Nanticoke	Hesperia	Apple Valley		SRF Loans
Capital	Expansion	Valley	Regulatory	Replacement	Pump Station	Subregional	Subregional		
Improvements		Interceptor	Upgrades	Project	Bypass				

SRF LOANS

Original Amount Financed	\$ 4,069,859.00	\$ 11,430,726.00	\$ 4,084,688.00	\$ 18,581,561.00	\$ 4,286,380.00	\$ 4,459,190.00	\$ 40,658,809.92	\$ 27,129,023.47	\$ 114,700,237.39
SRF Interest Rate (fixed)	2.60%	0.00%	2.50%	2.70%	1.90%	1.90%	1.00%	1.00%	Varies
Local Match Amount	-	1,905,159.00	-	-	-	-	-	-	1,905,159.00
Principal Forgiveness	n/a	n/a	n/a	3,000,000.00	n/a	n/a	n/a	n/a	3,000,000.00
SRF Amount Borrowed	4,069,859.00	9,525,567.00	4,084,688.00	15,717,667.66	4,286,380.00	4,459,190.00	40,658,809.92	27,129,023.47	109,931,185.05
Annual Payment Amount	265,049.56	579,869.96	258,151.05	1,027,609.73	259,234.79	238,350.61	1,574,511.25	1,050,520.94	5,253,297.89
Annual Payment Due Date	September 15	April 3	February 13	June 30	December 31	30-Jun	June 30	June 30	Varies
Loan Term (years)	20	20	20	20	20	20	30	30	Varies
Years remaining	4	6	8	17	19	20	30	30	Varies
DEBT SERVICE									
Loan Outstanding Balance	755,525.18	2,899,349.82	1,639,101.83	13,208,992.89	4,182,082.93	4,459,190.00	40,658,809.92	27,129,023.47	94,932,076.04
Principal Paid to Date	3,314,333.82	8,531,376.18	2,445,586.17	2,508,674.77	104,297.07	-	-	-	16,904,268.01
Interest Paid to Date	1,134,570.35	-	910,377.48	1,543,989.02	39,603.00	-	-	-	3,628,539.85
First Payment Date	Sept. 15, 2000	April 3, 2003	Feb. 13, 2005	June 30, 2013	Dec. 31, 2016	Jun 30, 2018	February 28, 2019	February 28, 2019	Varies
Final Payment Date	Sept. 15, 2019	April 3, 2022	Feb. 13, 2024	June 30, 2032	Dec. 31, 2035	Jun. 30, 2037	February 28, 2048	February 28, 2048	Varies
Effective interest rate	2.544%	1.707%	2.499%	2.700%	1.900%	1.900%	1.00%	1.00%	Varies

* An imputed interest rate is 1.707% per annum.

Victor Valley Wastewater Reclamation Authority



Operations and Maintenance Report

May 2017

VWRA O&M Monthly Report – May 2017

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**Victor Valley Wastewater Reclamation Authority
Operations and Maintenance Report
May 2017**

TO: Logan Olds, General Manager
FROM: Operations & Maintenance Staff
SUBJECT: OPERATIONS/MAINTENANCE REPORT
DATE: June 7, 2017

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 May 2017.

	Total	Average
Effluent to Mojave	289.233	9.3301
Effluent to Ponds	52.377	1.6896

		Limit
Biochemical Oxygen Demand (BOD)		10 mg/l
Effluent to Mojave	2.73	
Percent Removal	99.31%	

		Limit
Total Suspended Solids (TSS)		10 mg/l
Effluent to Mojave	<2.0	
Percent Removal	>99.53	

		Limit
Turbidity		2.0 ntu
30 Day Average	0.5	

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 40.83% removal of influent BOD and 64.39% 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 3.22% total solids at 81,260.2 gallons per day.

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

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

Staff continues to add ADM/ Grease to Daft #3 from Primaries and truck deliveries where it is 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.

Piller #1 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 1.47 (NTU) during the month of May 2017

The 30 minute settleometer test averaged 239.0 mL/L.

The average "pop time" of the MLSS was >88 min.

Percolation Ponds

South percolation ponds #7, #10, #12 and #13 were used and rotated during the month.

Percolation Ponds #8 and #11 are offline in preparation for maintenance.

All Percolation Pond freeboard level requirements have been met during the month. All ponds are being rotated on a daily basis. Percolation Pond #6 remains off line and drained to minimal levels. No flow seepage has been observed. The north percolation ponds were used sparingly during the month.

Tertiary Filters

Aqua Diamond Filters #1 and #2 were utilized for the month of May. Filter Effluent average Turbidity of 0.67 NTU.

Solids

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

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

VVWRA received 593,155 gallons of ADM (Anaerobically Digestible Material) and FOG (Fats Oil and Grease). Total is comprised of 528,660 gallons of ADM and 64,495 gallons of FOG.

A Total 27,011,602 cf/day of gas was created by digesters #4 and 5 for the month of May 2017. That is an average gas production of 871,342cf/day.

Digester #4 averaged 453,099cf/day.

Digester #5 averaged 418,243cf/day.

Digester Volatile Acid/Alkalinity averaged 0.015 for the month.

Ultra Violet Disinfection (UV)

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

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

Permit Continuous Monitoring Requirements and Permit Violations

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

Date of last reportable incident: March 10, 2015

Days since last reportable incident: 808 days

Discharge Sampling

All required samples during the month of May 2017 were collected and processed as scheduled.

Miscellaneous

Apple Valley Pump Station wet well was cleaned out twice in May 2017. Grease removed was transferred to facility scum wet well. AVPS grease continues to be pumped to the anaerobic Digesters #4 and #5.

Maintenance Activities**CMMS Work Order Activity****VVWRA KPI Report**

5/7/2017

2:39 PM

5/1/2017 - 5/31/2017

KPI	Count	Percent
Planned Work Total	147	
Planned Work Completed	147	100.00%
Planned Work Completed On-Time	113	76.87%
Planned Work Incomplete	0	0 %
Planned Work Completed Late	34	23.13%
Total Work Completed	518	
Reactive Work Completed	87	16.80%
PM Work Completed	391	75.48%

Safety

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

 VVWRA O&M Monthly Report – May 2017

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Preliminary Process

1. Aqua Guard pre-treatment screen inspected and serviced.
2. Headwork's Conveyor Belt Lube & Inspect.
3. Grit pump 1-4 repacks.

Primary Process

1. All PH and conductivity probes cleaned and calibrated.
2. Influent PH and conductivity probe calibrations complete.
3. Replaced grating on primary clarifier 5-8
4. Primary #3 Shear pin replacement.

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. Anoxic mixer electrical repairs.
6. Internal recycle pumps for Aeration Basins 3/4 and 5/6 electrical repairs.

Tertiary

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

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 #1 repair.

Miscellaneous Plant

1. Serviced Air Handling units for Blower Buildings completed.
2. O&M AC units repair.
3. Lab AC condenser unit replacement.
4. MSB AC unit repair.
5. Reclaim water station MCC AC repair.
6. EQ basin MCC Ac repair.
7. Blower building #1 AC MCC repair.
8. Backwash Basin MCC transformer replacement.
9. Emergency plant generator #2 repairs.
10. Emergency generator #1 10 cylinder heads replacement.

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

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

Gas Conditioning Skid

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

OGPS

1. Monthly Generator Test completed

AVPS

1. Grease pump out.
2. Monthly Generator test completed.
3. Pump#2 deragg.

OFFROAD EQUIPMENT

1. Brown Bear weekly PM's completed.
2. JCB front loader weekly PM's complete.
3. JCB AC repairs and seat replacement.

FLEET

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

Victor Valley Wastewater Reclamation Authority



Environmental Compliance Department Report

May 2017

VWRA Environmental Compliance Department
Industrial Pretreatment Program

I. Interceptors Operation and Maintenance:

1. Interceptors cleaning & CCTV:

- ✓ No Cleaning occurred in May 2017
- ✓ In June 2017 cleaning of Hesperia & CSA64 Interceptors have been scheduled

2. Interceptors Inspections:

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

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

3. Damage and repair summary:

- ✓ No Damage reported

4. Sanitary sewer overflows (SSO) summary:

- ✓ Date of last reportable SSO: November 18th 2016

5. Interceptors maintenance budget remaining:

- ✓ The fiscal year 2016-2017 Interceptor sewer maintenance amount remaining for sewer cleaning and inspection services is \$62287

6. Dig Alert Underground tickets processed:

- ✓ A total of One hundred and thirteen (113) USA Tickets were received and processed in May 2017.

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:**
 - ✓ Four (4) New Business Questionnaires were processed in the month of May 2017.
 - ✓ Zero (0) New Business Inspections were conducted in the month of May 2017.
2. **New permits issued:**
 - ✓ Zero (0) New Class III permits were issued in the month of May 2017.
3. **Permit renewals issued:**
 - ✓ Five (5) Class III permit renewals were issued in the month of May 2017.
4. **Work Orders:**
 - ✓ 62 Work Orders were completed in May 2017
5. **Monthly revenues collected and invoices issued:**
 - ✓ Revenues: \$2,400
 - ✓ Invoiced: \$2,300
6. **Lucity CMMS Software implementation:**
 - ✓ The implementation of Lucity CMMS software for the industrial pretreatment program and the operations and maintenance of interceptors including GIS is ongoing.

III. Industrial Pretreatment Activities (continued)

1. Current enforcement actions:

- ✓ Zero (0) Notice of Violation was issued in May 2017.

2. Current active industrial pretreatment permits:

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

1	Class I	Categorical Industrial User
10	Class II	Non-Categorical Significant Industrial User
411	Class III	Non-Significant Industrial User
2	Class IV	Zero Discharge Industrial User
9	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
4	Coffee Shop
9	Dry Cleaner
3	FSE
22	Grocery Store
3	Hospital
3	Misc. Food
3	Misc. Industrial
6	Other
1	Photographic
1	Print Shop
1	Prison
4	School
4	Water Retail
9	Waste Haulers

- ✓ Permitted businesses are distributed among member entities as follows: 171 in Victorville, 116 in Apple Valley, 123 in Hesperia and 1 in Oro Grande.

Victor Valley Wastewater Reclamation Authority



Environmental Compliance Department

Septage/FOG/ADM Monthly Report

May 2017

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

Payments and Invoices period: May 1st thru May 31th – Septage rate per Gallon: \$ 0.0936
FOG/ADM rate per Gallon: \$ 0.04

Receiving invoices

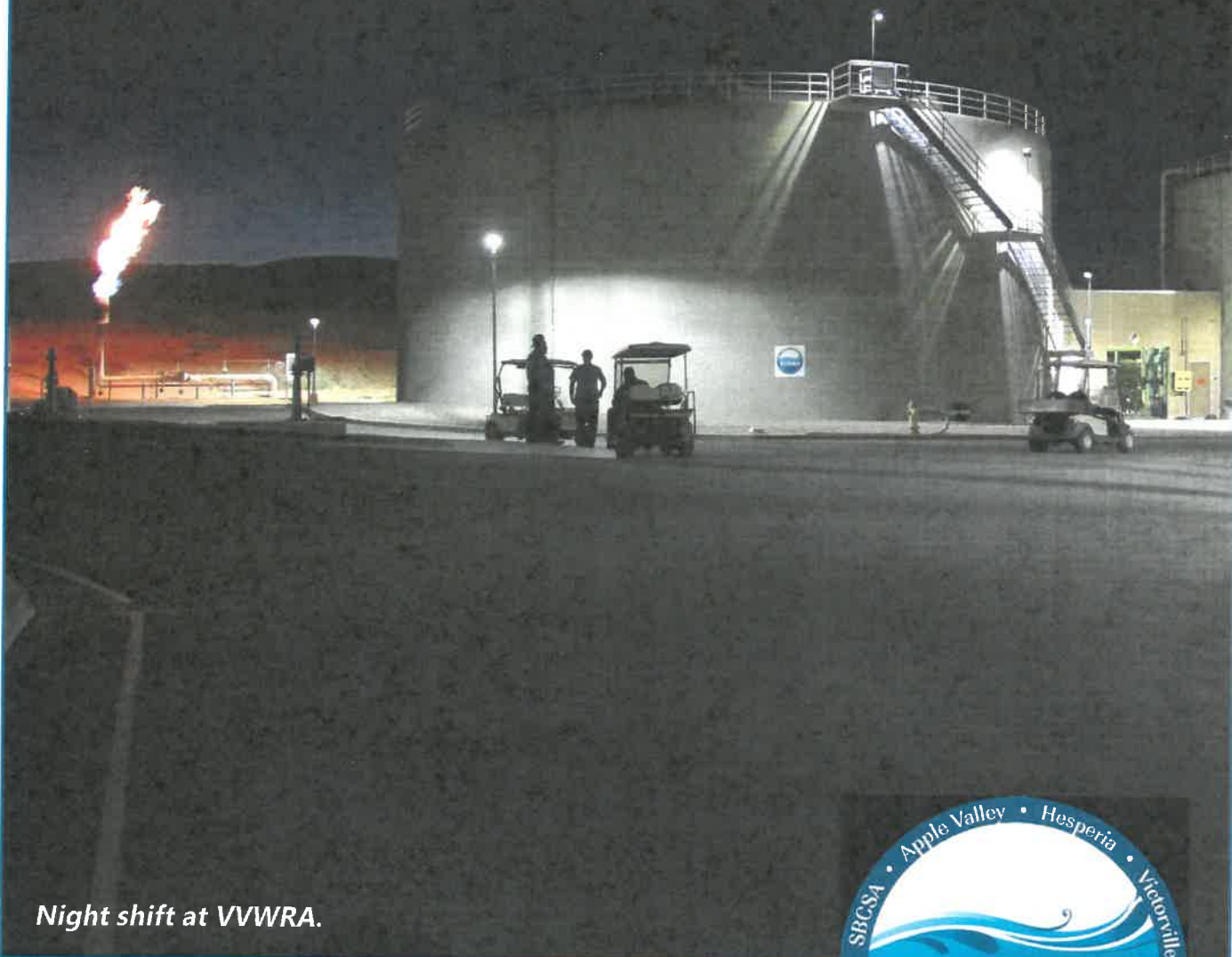
ID No	Septage Hauler	Invoice Date	Total Gallons	Invoice Amount
ABS000	Absolute Pumping	5/29/2017	44,277	\$4,144.33
ALP000	Alpha Omega Septic Service	5/29/2017	299,629	\$26,948.38
BUR000	Burns Septic	5/29/2017	120,000	\$11,232.00
HON001	Honest Johns Septic Service, Inc	5/29/2017	70,468	\$6,595.80
ROT001	T.R. Stewart Corp. dba Roto Rooter	5/29/2017	112,416	\$11,619.04
USA000	USA Septic	5/29/2017	101,480	\$9,498.53
ALP000	Alpha Omega Septic Service (Nutro)	5/29/2017	103,155	\$4,126.20
COW000	Co-West Commodities	5/29/2017	200,000	\$8,000
LIQ000	Liquid Environmental Solutions of CA	5/29/2017	0	\$0
SMC000	SMC Grease Specialist, Inc.	5/29/2017	290,000	\$11,6000
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	5/29/2017	0	\$0
Grand Totals			1,341,425	\$93,764.28

Septage/FOG/ADM receiving payments:

ID No	Business Name	Payments Received
ABS000	Absolute Pumping	\$0
ALP000	Alpha Omega Septic Service	\$15,336.08
BUR000	Burns Septic	\$11,606.40
HON001	Honest Johns Septic Service, Inc	\$8,510.58
ROT001	T.R. Stewart Corp. dba Roto Rooter	\$7,264.02
USA000	USA Septic	\$6,271.20
ALP000	Alpha Omega Septic Service (Nutro)	\$0
COW000	Co-West Commodities	\$0
LIQ000	Liquid Environmental Solutions of CA	\$0
SMC000	SMC Grease Specialist, Inc.	\$0
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	\$0
Grand Total		\$48,988.28



Safety & Communications Report



Night shift at VWVRA.



May 2017



Safety

STAFF SAFETY TAILGATE/ORIENTATION

- May 4--Golf cart safety



- May 11---plant maintenance = safety



- May 18--Slips, trips and falls



- May 25 Lock out, tag out



- May 30--heat illness





Safety

SAFETY POLICY REVIEWS/ REVISIONS

- Injury and Illness Prevention Program

SAFETY EVENTS/ TRAINING

- Forklift training initial
- sexual harassment training (managers)
- Fire extinguisher training
- Front end loader refresher
- Safety Committee

UNSAFE CONDITIONS REPORTED/RESOLVED

- Head works grating finished
- Acid wash barrier
- UV generator stairs

DATE OF LAST REPORTABLE ILLNESS/INJURY:
DEC 11TH, 2014

DAYS SINCE LAST REPORTABLE ILLNESS/INJURY:
867 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.

Communications TOURS

- Facilitated and assisted with tour of main plant for VV Chamber Leadership program
- Gave tour for VVC natural resources program





Communications

ACTIVITIES

- Continued work on updating new website including work on internal pages
- Maintained current website and social media sites including Facebook & Twitter.
- Facilitated tour of UCR for Granite Hills High School students
- attended PR Coalition meeting



MEDIA COVERAGE

AWARDS

- VWVRA won 2017 Better Project Award from US Dept. of Energy for installing 2G generators that achieved \$473,000 annual savings



Victor Valley Wastewater Reclamation Authority



CONSTRUCTION DEPARTMENT REPORT

Feb - May 2017

SubRegionals TOAV Change Order Summary

May 2017

Bids Opened – November 7, 2014

Contractor: W.M. Lyles Co., Temecula, CA

Notice To Proceed Date:	2/27/2015
Original Contract Days:	821
Original Contract Completion Date:	6/7/2017
Additional Contract Days:	
Revised Contract Completion Date:	
Original Contract Amount:	\$32,670,000.00
Revised Contract Amount:	\$33,395,504.93
Change Order Value to Original:	2.221%

Change Order #	Change Order Date	Change Amount	Contract Amount
1	July 16, 2015	0	-
2	Feb 18, 2016	\$288,062.22	\$32,958,062.22
3	Feb 18, 2016	(\$48,730.95)	\$32,621,269.05
4	April 26, 2016	\$205,409.03	\$33,114,740.30
5	Dec 8, 2016	\$230,957.75	\$33,345,698.05
6	May 18, 2017	\$49,806.88	\$33,395,504.93
Net Change		\$725,504.93	\$33,395,504.93

Note: CO #1 was only to incorporate the proper Davis-Bacon wage listing

Processed Pay Requests

Lyles Total to Date	\$25,709,284.00
MWH Total to Date	\$1,583,100.01

SubRegionals HESP Change Order Summary

May 2016

Bids Opened – November 7, 2014

Contractor: W.M. Lyles Co., Temecula, CA

Notice To Proceed Date:	2/27/2015
Original Contract Days:	821
Original Contract Completion Date:	6/7/2017
Additional Contract Days:	
Revised Contract Completion Date:	
Original Contract Amount:	\$33,220,000.00
Revised Contract Amount:	\$33,928,198.21
Change Order Value to Original:	2.132%

Change Order #	Change Order Date	Change Amount	Contract Amount
1	July 16, 2015	0	-
2	Feb 18, 2016	(\$82,532.28)	\$33,137,467.72
3	April 26, 2016	\$201,010.27	\$33,338,477.99
4	Dec 8, 2016	\$154,027.13	\$33,492,505.12
5	May 18, 2017	\$435,693.09	\$33,928,198.21
Net Change		\$708,198.21	\$33,928,198.21

Note: CO #1 was only to incorporate the proper Davis-Bacon wage listing

Processed Pay Requests

Lyles Total to Date	\$30,134,667.00
MWH Total to Date	\$1,603,106.00

*Nanticoke Bypass**Change Order Summary*

May 2017

Bids Opened – September 24, 2015

Contractor: Christensen Brothers

Notice To Proceed Date:	4/4/2016
Original Contract Days:	270
Original Contract Completion Date:	12/30/2016
Additional Contract Days:	147
Revised Contract Completion Date:	5/26/2017
Original Contract Amount:	\$3,207,896.00
Revised Contract Amount:	\$3,868,847.05
Change Order Value to Original:	20.60%

Change Order #	Change Order Date	Change Amount	Contract Amount
1	Dec 8, 2016	\$454,252.60	\$3,207,896.00
2	May 18, 2017	\$206,698.45	\$3,868,847.05
Net Change		\$660,951.05	\$3,868,847.05

Processed Pay Requests

CB Total to Date	\$3,464,381.71
AECOM to Date	\$300,716.96

Monthly Construction Department Report February – May 2017

SUMMARY OF WORK:

Subregional WRPs

- Continuing construction on Hesperia WRP
- Work with CM reviewing possible change orders
- Started equipment testing and Staff training
- Weekly progress meeting with CM and Contractor
- Receiving submittals and RFI's
- Continuing construction at Apple Valley WRP
- Working on Hesperia Lift Station
- Prepared AV CO 6 for Board approval May 18
- Prepared COH CO 5 for Board approval May 18
- Prepared increase in PSA amendment 3 for MWH for Board approval May 18
- Met with consultant on electronic O&M
- Met with Engineering Committee on CO's April 27
- Began Staff training on Hesperia WRP April 6

Laboratory Building

- Put on Hold

Westside Plant Spill Containment

- Design agreement with Michael Baker International

Digesters 4 & 5 Supernatant Line

- Put on Hold

Oro Grande Crossing the Mojave River

- Continuing environmental clearance

Nanticoke Pump Station Bypass Sewer

- Submittal review
- RFI response
- Working at Otoe LS
- Prepared CO 2 for Board approval May 18
- Met with Engineering Committee to discuss potential CO's April 27
- Agreement with Town on transfer of Otoe Lift Station

UPCOMING WORK IN JUNE:

Subregionals

- Continue Apple Valley WRP construction
- Continue Hesperia WRP construction

- Coordinate SCE work to sites
- Hesperia equipment startup, 8-hour test, 7-day test

Laboratory Building

- On Hold

Westside Plant Spill Containment

- Continue design

Digesters 4 & 5 Supernatant Line

- On Hold

Ossum Wash

- Hold for FY 17/18

Oro Grande Crossing the Mojave River

- Complete design and prepare for bid

Nanticoke Pump Station Bypass Sewer

- Continue pipe installation
- Complete construction at Otoe Lift Station
- Complete manhole epoxy coating
- Final paving
- Agreement with Town on transfer of Otoe Lift Station
- Complete construction June 30

**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
MONTHLY ACTIVE CAPITAL PROJECTS CONSTRUCTION MANAGEMENT**

May-2017

Prepared By: A. Anderson, Construction Manager

No.	Project Name	Funding Source ¹	Board Approval			Project Phase			Project Status
			Plan	CMS	Const.	Started	Design	Const	
Wastewater Treatment Projects									
1	Subregional Water Reclamation Plants	SRF ²	Y	Y	Y	X	X	85%	Continue construction on Hesperia WRP. Lift Station completed. Apple Valley WRP construction continuing. WAS line installed to Standing Rock. Pipe in Rancherias and Tomohawk complete. Both pipeline trenches paved. Golf Course percolation ponds completed. Began equipment testing and staff training at Hesperia.
2	Laboratory Building Replacement Project	Capital	Y	Y	Y	X	X		On HOLD
3	Westside Plant Spill Containment System	O&M	Y		Y	X	5%		New design agreement in negotiations with Michael Baker
4	Drying Beds Repair and Drainage Improvements	O&M	Y		Y	X	X	90%	Urgent repairs complete, finalize project spring 2016. Staff completing repairs
6	WAS Line to Decant Tank	Capital	Y		N	X	90%		On HOLD
7	Digesters 4 and 5 Supernatant Line	TBD	Y		N	X	5%		On HOLD
8	Membrane Media Pilot Study	Anaergia	Y		Y	X	X	X	Completed
Interceptor Projects									
9	Upper Narrows Pipeline Replacement Project	FEMA/SRF/ Capital ²	Y	Y	Y	X	X	100%	Project Compete
9A	Alternate BNSF Crossing	FEMA/SRF/ Capital ²	Y	Y	Y	X	X	100%	Complete
9B	Alternate BNSF Crossing, Phase 2	FEMA/SRF/ Capital ²	Y	Y	Y	X	X	100%	Complete

No.	Project Name	Funding Source ¹	Board Approval			Project Phase			Project Status
			Plan	CMS	Const.	Started	Design	Const	
10	Nanticoke PS Bypass Sewer	SRF ²	Y	Y	Y	X	X	95%	All work complete except tie in at Nanticoke. Waiting on transfer agreement with Town
11	<i>Miscellaneous Interceptor Repair Projects</i>								
A	Ossum Wash		Y		N	X	100%		Design completed, holding to FY 17/18
B	Oro Grande Crossing of Mojave River		Y		N	X	100%		Environmental, funding
C	Apple Valley Interceptor Realignment - Tao Road		Y	Y	Y	X	X	X	Complete
D	Apple Valley Interceptor Realignment - Desert Knolls Wash		Y		N				RFP issued for design
E	Apple Valley Odor Control		Y		N	X			to be included in Desert Knolls Project
12	North Hesperia Relief Interceptor	SRF	Y		N	X	X		Design Completed -- HOLD
13	Spring Valley Lake Relief Interceptor	SRF	Y		N	X	X		Design Completed -- HOLD
14	Yates Road Sampling Station	Capital	Y		Y	X	X	100%	Complete
15	2013-2014 FY Manhole Rehabilitation Project		Y		Y	X	-	100%	Complete
Energy Projects									
17	Aeration Energy Efficiency Project	O&M	Y		Y	X	X	100%	Complete
18	Digesters Biogas to Energy Project	Capital O&M	Y		Y	X	X	100%	Complete
22	Omnivore Pilot Study		Y		Y	X	X	X	Complete

Subregionals Project - Final Approved Budget

Remaining Funding Contingency

18-May-17

		Hesperia		Apple Valley	
<i>Construction Bid</i>		\$33,220,000		\$32,670,000	
<i>Change Order Contingency</i>		\$2,222,795		\$2,003,280	
	CO #1		0		0
	CO #2		-82,532		288,062
	CO #3		201,010		-48,731
	CO #4		154,027		205,409
	CO #5		435,693		230,958
	CO #5				49,807
Total Construction COs			708,198		725,505
<i>Allowances</i>					
	Design	\$1,824,140		\$2,392,198	
	Construction Management	\$3,083,020		\$2,989,122	
	Carollo/HDR ESDC Original	\$1,521,228		\$1,496,042	
	Amendment #1 Otoe LS Design				280,200
	Amendment #2 - Request		246,155		341,045
	MWH CM Services Original	\$1,464,502		\$1,470,822	
	Amendment #1 - SubConsultants		102,830		101,127
	Amendment #2 - Request		291,406		286,581
	Amendment #3 - Request		343,464		126,353
Total Consultant COs			983,855		1,135,306
	Administration	\$200,000		\$200,000	
	Subtotal Allowances	\$5,107,160		\$5,581,320	
	Total Contingency Used		1,692,053		1,860,811
	Total Contingency Remaining		\$530,742		\$142,469
Total Project Budget		\$40,549,955		\$40,254,600	

Change Order %, Project	<u>4.17%</u>	<u>4.62%</u>
Change Order %, Construction	<u>2.13%</u>	<u>2.22%</u>
Project % Complete	<u>92.00%</u>	<u>84.00%</u>

