

AGENDA

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

**MEETING DATE: Thursday, October 26, 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-LABOR NEGOTIATION (Gov. Code Sections 54957/54957.6/ 54954.5 (f)):

- 1. Discussion of Employee Reorganization- Public Employment – Public Employee Release:**
 - 1. Director of Operations**
 - 2. Director of Finance**

CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION (Gov. Code Sec. 54956.9 (d)(2), Gov. Code Sec. 549569 (d) (5)):

- 2. Threatened or Pending Litigation – Alleged Brown Act Violation-Employee Reorganization**

CONFERENCE WITH LEGAL COUNSEL-POTENTIAL LITIGATION (Gov. Code Sec. 54956.9(d) (2)):

- 3. Threatened or Pending Litigation – Flow Diversion**
- 4. Threatened or Pending Litigation- Upper Narrows Project**

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

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

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

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

- 7. Possible conflict of interest issues**
- 8. VVWRA Receives EPA Green Power Leadership Award**
- 9. Article: Senate Passes Bipartisan Integrated Planning Bill**
- 10. Notice: Proposed Emergency Rulemaking – State Water Resource Control Board**
- 11. Draft Final Cannabis Cultivation Policy and Cannabis General Order**
- 12. General Managers Report**

CONSENT CALENDAR:

- 13. Approve September 2017 Disbursement Registers**
- 14. Approve Minutes from the September 21, 2017 Regular Meeting**
- 15. Recommendation to Ratify Low Voltage Power Emergency Purchases**
- 16. Recommendation to Approve Fedak & Brown LLP as an Auditor for Both
Financial and Single Audits For Years Ending June 30, 2018 and 2019**

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PRESENTATIONS:

17. Update on Odor Issues at the Apple Valley WRP (Laari)

ACTION & DISCUSSION ITEMS:

18. Employee Reorganization

19. Discussion: Current Status of CalOES and FEMA Close Out Process

20. Recommendation to Revise Microgrid and Battery Storage Project to Include a Load Bank Design

21. Discussion: Oro Grande Interceptor Project Funding

22. VVWRA Claim Against the City of Hesperia

STAFF/PROFESSIONAL SERVICES REPORTS:

23. Financial and Investment Report –September 2017

24. Operations & Maintenance Report – September 2017

25. Environmental Compliance Department Reports – September 2017

26. Septage Receiving Facility Reports – September 2017

27. Safety & Communications Report – September 2017

NEXT VVWRA BOARD MEETING:

Thursday, November 16, 2017– Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Leave Policy

Ordinance 001

COMMISSIONER COMMENTS

ADJOURNMENT

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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.



For More Information

Victor Valley Wastewater Reclamation Authority

Name: David Wylie

Phone Number: (760) 523-1781

Email: dwylic@vwwra.com

Embargoed until 12 p.m. EDT on Monday, October 23, 2017

VWRA RECEIVES EPA GREEN POWER LEADERSHIP AWARD

ONE OF ONLY EIGHT ORGANIZATIONS NATIONWIDE TO RECEIVE HONOR

Victorville, CA, Oct. 23, 2017 – Victor Valley Wastewater Reclamation Authority (VWRA) announced today that it has received a 2017 Green Power Leadership Award from the U.S. Environmental Protection Agency (EPA). EPA's annual Green Power Leadership Awards recognize America's leading green power users for their commitment and contribution to helping advance the development of the nation's voluntary green power market. EPA presented VWRA with an award for Direct Project Engagement at the 2017 Renewable Energy Markets Conference in New York, New York on October 23, 2017.

Victor Valley Wastewater Reclamation Authority was one of only eight organizations nationwide to receive a Leadership Award for direct project engagement. The program recognizes EPA Green Power Partners that distinguish themselves through direct project engagement with on- and off-site projects using a variety of financing structures to access renewable energy certificate (REC)-based green power. VWRA is currently generating nearly 7.5 million kilowatt-hours (kWh) of green power annually from biogas energy systems, which is enough green power to meet 74 percent of its electricity use. It is VWRA's goal to produce 100 percent of its power needs in the future and be a power exporter in the coming years.

"We are proud to receive this prestigious award from the U.S. Environmental Protection Agency," said Logan Olds, VWRA General Manager. "Installing green power on-site is a highly-visible demonstration of our commitment to help reduce air pollution and other emissions."

Green power is electricity that is generated from environmentally preferable renewable resources, such as wind, solar, geothermal, biogas, biomass, and low-impact hydro. Using green power helps accelerate the development of those sources in the United States and advance the American green power market.

According to the EPA, VWRA's current green power use of nearly 7.5 million kWh is equivalent to the electricity use of nearly 700 average American homes annually.

In addition to generating green energy, VWRA is a leading producer of recycled water. Millions of gallons of water are recycled every day at its plant in Victorville and returned to the Mojave River aquifer. Two additional water recycling facilities are being completed in Hesperia and Apple Valley. Each will be capable of producing one million gallons of recycled water per day to be used for irrigation at golf courses, parks and civic centers.

About EPA's Green Power Partnership

The Green Power Partnership is a voluntary program that helps increase green power use among U.S. organizations to advance the American market for green power and development of those sources as a way to reduce air pollution and other environmental impacts associated with electricity use. The Partnership currently has more than 1,400 Partners voluntarily using more than 43 billion kilowatt-hours of green power annually. Partners include a wide variety of leading organizations such as Fortune 500® companies; small and medium sized businesses; local, state, and federal governments; and colleges and universities. For additional information, please visit www.epa.gov/greenpower.

About the Green Power Leadership Awards

The U.S. Environmental Protection Agency (EPA) co-sponsors the annual Green Power Leadership Awards with the Center for Resource Solutions. EPA recognizes winners in the following awards categories: Green Power Partner of the Year; Sustained Excellence in Green Power; Direct Project Engagement; Excellence in Green Power Use; and Green Power Community of the Year. This program recognizes the exceptional achievement among EPA Green Power

Partners who distinguish themselves through green power procurement, market leadership, overall green power strategy, and overall impact on the green power market. The ceremony takes place at the Renewable Energy Markets Conference. This year's 19 recipients are using more than 13.4 billion kWh of green power—enough to power more than 1.2 million average American homes for a year. For additional information please visit www.epa.gov/greenpower/green-power-leadership-awards.



Senate Passes Bipartisan Integrated Planning Bill



(October 10, 2017) – NACWA is pleased to report that the Senate passed the bipartisan *Water Infrastructure Flexibility Act* ([S.692](#)) by unanimous consent on October 5. This legislation has been a top NACWA legislative priority and contains several provisions which will benefit Association members, including:

- Codifying the EPA's Integrated Planning process as an option for municipalities to meet their wastewater and stormwater management obligations;
- Encouraging flexibility for municipalities in considering alternative approaches such as green infrastructure to comply with water quality standards;
- Clarifying and improving the ability of EPA and the States to issue compliance schedules to meet water quality standards;
- Establishing an Office of Municipal Ombudsman at EPA to provide technical assistance to municipalities in complying with CWA and SDWA obligations; and
- Requiring EPA to update its 1997 Financial Capability Assessment Guidance and moving away from a one-size-fits-all, national affordability standard set by EPA to one tailored for individual community needs.

[The bill](#) passed the full Senate after awaiting floor time since May, when it was voted out of the Senate Environment & Public Works Committee on a unanimous bipartisan



vote. Lead sponsors for the bill are Sen. Fischer (R-NE), Sen. Brown (D-OH), and Sen. Cardin (D-MD).

Legislative efforts around Integrated Planning now shift to the House of Representatives, where two related bills are already under consideration by Transportation & Infrastructure Committee: [H.R. 465](#), the Water Quality Improvement Act sponsored by Rep. Gibbs (R-OH), and [H.R. 2355](#), a bipartisan bill introduced by Rep. Latta (R-OH) which is nearly identical to the Senate-passed bill. The House Water Resources & Environment Subcommittee held a hearing focused on Integrated Planning [earlier this year](#), and these issues were also addressed at a recent water infrastructure hearing in which NACWA Vice President David St. Pierre of Chicago MRWD [testified](#).

NACWA looks forward to continued bipartisan efforts in the House to advance Integrated Planning legislation, including work to clarify a few key elements in the Senate bill.

Contact [Kristina Surfus](#), NACWA's Legislative Affairs Director, with any questions or to discuss further.



EDMUND G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

NOTICE OF PROPOSED EMERGENCY RULEMAKING

Annual Waste Discharge Permit Fees

Amendments to Division 3 of Title 23 of the California Code of Regulations

Required Notice of Proposed Emergency Action

Government Code section 11346.1, subdivision (a)(2) requires that, at least five working days prior to submission of a proposed emergency action to the Office of Administrative Law (OAL), the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to OAL, the OAL shall allow interested persons five calendar days to submit comments on the proposed emergency regulations as set forth in Government Code section 11349.6.

The State Water Resources Control Board (State Water Board) sent out to interested parties via electronic mail on September 12, 2017 the proposed changes to Title 23, Division 3, Chapter 9, Article 1, Sections 2200, 2200.5, 2200.6, and 2200.7 of the California Code of Regulations on September 19, 2017. This notification satisfies the notification requirements of Government Code section 11346.1(a)(2).

Proposed Emergency Action

Water Code section 13260(f) requires the State Water Board to adopt emergency regulations revising and establishing fees to be deposited in the Waste Discharge Permit Fund in the State Treasury. Water Code section 13260(f)(1) requires the State Water Board to adjust the fee schedule each fiscal year to conform to the revenue levels set forth in the annual Budget Act. At its September 19, 2017 meeting, the State Water Board will consider adopting emergency regulations that adjust waste discharge permit fees to conform to the revenue levels set forth in the Budget Act for Fiscal Year (FY) 2017-18.

Proposed Text of Emergency Regulations

The proposed text of the emergency regulations is attached. The State Water Board may revise the proposed emergency regulations based on comments received prior to and during its September 19 board meeting. The State Water Board is not required to provide any additional public notice prior to adopting revisions to the proposed emergency regulations.

Finding of Emergency (Gov. Code, § 11346.1, subd. (b))

The State Water Board has a mandatory legal duty to adopt emergency regulations revising the fees as necessary each fiscal year pursuant to Water Code section 13260(f). Water Code section 13260(f)(2) states that "[t]he adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of

FELIX MARCOS, CHAIR | EILEEN SOBIECK, EXECUTIVE DIRECTOR

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the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulations . . . shall remain in effect until revised by the State Water Board.”

Authority and Reference (Gov. Code, § 11346.5, subd. (a)(2))
Water Code section 13260(f).

Informative Digest (Gov. Code, § 11346.5, subd. (a)(3))

Under Water Code section 13260(d)(1)(A), any person discharging waste, or proposing to discharge waste, that could affect the quality of the waters of the state must pay an annual fee in accordance with the fee schedule adopted by the State Water Board.

The proposed emergency regulations will maintain fees for waste discharge permit holders at the FY 2016-17 amounts with the following exceptions:

Land Disposal – section 2200(a) – As a result of a reduction in staff costs and program expenditures, a one-time fee reduction of 12.6 percent will be applied to all Land Disposal fee categories.

Oil and Gas Surcharge – section 2200(a) – Modify the fee schedule to move from a surcharge based on the actual number of barrels of waste water discharged to a structure based on threat to water quality (TTWQ) and complexity (CPLX) rating with a factor for barrels of waste water produced.

Water Quality Certification (WQC) – section 2200(a)(3) – Based on budgeted expenditures and forecasted revenue, a net fee increase of approximately 20 percent will be applied along with the following changes:

- 2200(a)(3)(A) – Fill and Excavation Discharges
 - As a result of stakeholder and staff concern over the disparity between the existing linear and acre fee calculations, eliminate the linear fee calculation
 - Increase the minimum application fee from \$720 to \$1,500
 - Combine the Annual Active Discharge Fee and Annual Post-Discharge Monitoring Fee into one annual fee category and increasing the annual fee from \$720 to \$1,500
 - Increase the per acre fee multiplier by 30 percent from \$10,206 to \$13,268
 - Increase the project maximum by 8 percent from \$120,000 to \$130,000
- 2200(a)(3)(B) – Dredging Discharges
 - Increase the minimum application fee from \$720 to \$1,500
 - Increase the per cubic yard multiplier by 30 percent from \$0.252 to \$0.328
 - Increase the project maximum by 8 percent from \$120,000 to \$130,000
 - Combine the Annual Active Discharge Fee and Annual Post-Discharge Monitoring Fee into one annual fee category and increase the minimum annual fee from \$720 to \$1,500, equal to the application fee.
- 2200(a)(3)(C) – Sand Mining Dredging Discharges
 - Increase the minimum application fee from \$720 to \$1,500
 - Combine the Annual Active Discharge Fee and Annual Post-Discharge Monitoring Fee into one annual fee category and leaving the annual fee at \$720

- 2200(a)(3)(D) – Ecological Restoration and Enhancement Projects
 - Increase the minimum application fee from \$200 to \$400.
 - Combine the Annual Active Discharge Fee and Annual Post-Discharge Monitoring Fee into one annual fee category and leaving the annual fee at \$200
- 2200(a)(3)(E) – Low Impact Discharges
 - Increase the minimum application fee from \$720 to \$1,500
 - Combine the Annual Active Discharge Fee and Annual Post-Discharge Monitoring Fee into one annual fee category and leaving the annual fee at \$200
- 2200(a)(3)(F) – Emergency Projects Authorized by a Water Board General Order
 - Increase the minimum application fee from \$720 to \$1,500.
 - Implement an annual fee component of \$200

Storm Water – section 2200(b) – To bring revenue and expenditures into alignment with each other, lower fees across all segments of the Storm Water program as follows: Municipal – lower by 11.0 percent, Industrial – lower by 21.8 percent, and Construction – lower by an average of 15.5 percent. Raise the cap on construction fees from 100 to 150 acres to reflect the staff time spent on large project. Reduce the No Exposure Certification (NEC) fees from \$200 to \$150 to reflect staff time spent on these certifications.

Confined Animal Facilities (CAF) – section 2200(c) – Implement a new fee methodology for poultry facilities that will move from a per-animal count to an animal equivalent unit (AEU). Increase the maximum animal count for feedlot tiers that do not pay an annual fee. Both changes are being made to correspond to the new Poultry and Bovine general orders adopted by the Central Valley Regional Water Quality Control Board.

Agricultural (Ag) Lands – section 2200.6 – Increase fees by approximately 16 percent, from \$0.75 to \$0.87 per acre, to cover the \$1.0 million increase resulting from a budget change proposal in the Governor’s Budget.

Cannabis Cultivation – section 2200.7 – Implement a new fee schedule for dischargers that will be enrolling in a new statewide general order for cannabis cultivation that is scheduled to be adopted in FY 2017-18.

There is no comparable federal statute or regulation.

Other Matters Prescribed by Statute (Gov. Code, § 11346.5, subd. (a)(4))

No other matters are prescribed by statute or regulation applicable to the State Water Board.


Local Mandate (Gov. Code, § 11346.5, subd. (a)(5))

The proposed emergency regulations do not impose a mandate on local agencies or school districts because they do not mandate a new program or a higher level of service of an existing program. The fee schedule applies equally to public and private entities and is not unique to local government. No state reimbursement is required by part 7 (commencing with section 17500) of division 4 of the Government Code.

Estimate of Cost or Savings (Gov. Code, § 11346.5, subd. (a)(6))

Under the proposed emergency regulations for this fiscal year, most local and state agencies will pay increased fees over last year. The amended fee schedule will result in a total estimated decrease to state agencies of about \$123,404. There is no cost to any local agency or school district for which reimbursement is required or other nondiscretionary cost of savings imposed on local agencies. There is no cost or savings in federal funding to the state.

September 12, 2017
Date


Jeanine Townsend
Clerk to the Board



STATE WATER RESOURCES CONTROL BOARD

ORDER WQ 2017-00XX-DWQ

DRAFT

**GENERAL WASTE DISCHARGE REQUIREMENTS AND
WAIVER OF WASTE DISCHARGE REQUIREMENTS
FOR DISCHARGES OF WASTE ASSOCIATED WITH
CANNABIS CULTIVATION ACTIVITIES**



STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

STATE WATER RESOURCES CONTROL BOARD
 ORDER WQ 2017-00XX-DWQ
 DRAFT GENERAL WASTE DISCHARGE REQUIREMENTS AND
 WAIVER OF WASTE DISCHARGE REQUIREMENTS FOR DISCHARGES OF WASTE
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ACRONYMS AND ABBREVIATIONS	
Antidegradation Policy	State Water Board Resolution 68-16, the Statement of Policy with Respect to Maintaining High Quality of Waters in California
ARMY Corps	United States Army Corps of Engineers
AUMA	Adult Use of Marijuana Act of 2016
Basin Plan	Water Quality Control Plan
BOF	Board of Forestry
BPTC	Best Practicable Treatment or Control
CAL FIRE	California Department of Forestry and Fire Protection
CDFA	California Department of Food and Agriculture
Cannabis Policy	Cannabis Cultivation Policy, Principles and Guidelines for Cannabis Cultivation
CDFW	California Department of Fish and Wildlife
CIWQS	California Integrated Water Quality System
CUA	Compassionate Use Act of 1996
CEQA	California Environmental Quality Act
CDFW	California Department of Fish and Wildlife
DPR	Department of Pesticides Regulation
e.g.	Latin <i>exempli gratia</i> (for example)
FPR	Forest Practice Rules
ILRP	Irrigated Lands Regulatory Program
MCRSA	Medical Cannabis Regulation and Safety Act
MMRSA	Medical Marijuana Regulation and Safety Act
NOA	Notice of Applicability
NOT	Notice of Termination
NPDES	National Pollutant Discharge Elimination System
NPS	Nonpoint Source Pollution Control Program
NTU	Nephelometric Turbidity Units
OWTS	Onsite Wastewater Treatment System
Regional Water Board	Regional Water Quality Control Board
Road Handbook	Handbook for Forest, Ranch, and Rural Roads
RWD	Report of Waste Discharge
State Water Board	State Water Resources Control Board
SB	Senate Bill
SIC	Standard Industrial Code
SW-CGP	Storm Water Construction General Permit
SW-IGP	Storm Water Industrial General Permit
THP	Timber Harvest Plan
TMDL	Total Maximum Daily Load
U.S. EPA	United States Environmental Protection Agency
Water Boards	State Water Board and Regional Water Boards
WDRs	Waste Discharge Requirements

STATE WATER RESOURCES CONTROL BOARD
ORDER WQ 2017-00XX-DWQ
DRAFT GENERAL WASTE DISCHARGE REQUIREMENTS AND
WAIVER OF WASTE DISCHARGE REQUIREMENTS FOR DISCHARGES OF WASTE
ASSOCIATED WITH CANNABIS CULTIVATION ACTIVITIES

FINDINGS

The State Water Resources Control Board (State Water Board) finds that:

BACKGROUND

1. Cannabis cultivation in California has grown exponentially in recent years and is often located in sensitive environmental areas where the activities create significant impacts to water quality. Waste discharges from cultivation sites include sediment, irrigation runoff, fertilizers, pesticides/herbicides, petroleum, agricultural related chemicals, cultivation related waste, refuse, and human waste. Construction of access roads has resulted in significant erosion and sediment discharges to water bodies.
2. Water Code section 13149 required the State Water Board to adopt principles and guidelines for diversion and use of water for cannabis cultivation in areas where cannabis cultivation may have the potential to substantially affect instream flows. The principles and guidelines may include, but are not limited to, instream flow objectives, limits on diversions, and requirements for screening of diversions and elimination of barriers to fish passage. The principles and guidelines may also include requirements that apply to groundwater extractions where the board determines those requirements are reasonably necessary. The principles and guidelines were developed as part of state policy for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7 and include measures to protect springs, wetlands, and aquatic habitats from negative impacts of cannabis cultivation. The principles and guidelines are included in the Cannabis Cultivation Policy – Principles and Guidelines for Cannabis Cultivation (Cannabis Policy). The Cannabis Policy describes the overarching water diversion and waste discharge requirements (WDRs) associated with cannabis cultivation activities. The State Water Board does not, in any way authorize, endorse, sanction, permit or approve the cultivation, use, sale or other activities associated with cannabis. Individuals engaging in cannabis cultivation and other activities risk prosecution under federal law.
3. Section 19332 (d) of the Business and Professions Code directs the State Water Board, in consultation with the California Department of Fish and Wildlife (CDFW) and the California Department of Food and Agriculture (CDFA), to ensure, pursuant to Section 13149 of the Water Code, that individual and cumulative effects of water diversions and discharges associated with cannabis cultivation do not affect the instream flows needed for fish spawning, migration, rearing, and the flows needed to maintain natural flow variability.
4. This General Order implements the Cannabis Policy requirements, specifically those requirements that address waste discharges associated with cannabis cultivation activities. Dischargers covered under this General Order are subject to the requirements of the Cannabis Policy in its entirety.
 - a. The Cannabis Policy describes the water quality control policy structure, requirements for cannabis cultivation activities to protect water quality and instream flows, implementation, means of compliance, and enforcement.
 - b. Attachment A of the Cannabis Policy, which is attached hereto as Attachment A of the General Order and is made part of this Order by reference, contains non-flow related requirements (Section 1 and Section 2) and flow requirements (Section 3,

State Water Resources Control Board

Cannabis Cultivation Policy

Staff Report

October 17, 2017

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State Water Resources Control Board

Cannabis Cultivation Policy

Principles and Guidelines for Cannabis Cultivation

October 17, 2017

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Attachments

Attachment A: Definitions and Requirements for Cannabis Cultivation

Acronyms and Abbreviations

ACL	Administrative Civil Liability
Antidegradation Policy	State Water Board Resolution 68-16, the Statement of Policy with Respect to Maintaining High Quality of Waters in California
Army Corps	United States Army Corps of Engineers
AUMA	Adult Use of Marijuana Act of 2016
Basin Plan	Water Quality Control Plan
BOF	Board of Forestry
BPTC	Best Practicable Treatment or Control
BPC	California Business and Professions Code
CAL FIRE	California Department of Forestry and Fire Protection
CAO	Cleanup and Abatement Orders
CDFA	California Department of Food and Agriculture
Cannabis Policy	Cannabis Cultivation Policy, Principles and Guidelines for Cannabis Cultivation
CIWQS	California Integrated Water Quality System
CUA	Compassionate Use Act of 1996
CEQA	California Environmental Quality Act
CDEC	California Data Exchange Center
CDFA	California Department of Food and Agriculture
CDFW	California Department of Fish and Wildlife
CDO	Cease and Desist Order
CHRIS	California Historical Resources Information System
CWA	Clean Water Act
Deputy Director	Deputy Director for the Division of Water Rights
DPR	Department of Pesticides Regulation
DPS	Distinct Population Segments
DTE	Distinct Taxonomic Entities
DWR	California Department of Water Resources
e.g.	Latin <i>exempli gratia</i> (for example)
ESA	Federal Endangered Species Act
ESU	Evolutionary Significant Unit
Executive Officer	Executive Officer of the Regional Water Quality Control Board
FER	Flashy, Ephemeral Rain hydrologic regime
FPR	Forest Practice Rules
General Order	General Waste Discharge Requirements for Discharges of Waste associated with Cannabis Cultivation Activity
GW	Groundwater hydrologic regime
HELP	High Elevation and Low Precipitation hydrologic regime
HSR	High-Volume Snowmelt and Rain hydrologic regime
HUC	Hydrologic Unit Code
HSC	Health and Safety Code
ILRP	Irrigated Lands Regulatory Program
LSA Agreement	Lake and Streambed Alteration Agreement
LSR	Low-Volume Snowmelt and Rain hydrologic regime
LTO	Licensed Timber Operator
MCRSA	Medical Cannabis Regulation and Safety Act
MMRSA	Medical Marijuana Regulation and Safety Act

NCRO	Department of Water Resources, North Central Region Office
NHD	National Hydrography Database
NHDPlusV2	National Hydrography Database Plus Version 2
NMP	Nitrogen Management Plan
NOA	Notice of Applicability
NONA	Notice of Non-Applicability
NOT	Notice of Termination
NOV	Notice of Violation
NPDES	National Pollutant Discharge Elimination System
NPS	Nonpoint Source Pollution Control Program
NRO	Department of Water Resources, North Region Office
NTU	Nephelometric Turbidity Units
OWTS	Onsite Wastewater Treatment System
PGR	Perennial Groundwater and Rain hydrologic regime
RSG	Rain and Seasonal Groundwater hydrologic regime
Regional Water Board	Regional Water Quality Control Board
Road Handbook	Handbook for Forest, Ranch, and Rural Roads
RPF	California Registered Professional Forester
RWD	Report of Waste Discharge
State Water Board	State Water Resources Control Board
SB	Senate Bill
SCCWRP	Southern California Coastal Water Research Project
SCR	Site Closure Report
SIC	Standard Industrial Code
SDR	Small Domestic Registrations
SEPs	Supplemental Environmental Projects
SIUR	Small Irrigation Use Registrations
SM	Snowmelt hydrologic regime
SW-CGP	Storm Water Construction General Permit
SW-IGP	Storm Water Industrial General Permit
SWPPP	Storm Water Pollution Prevention Plan
THP	Timber Harvest Plan
TMDL	Total Maximum Daily Load
UC Davis	University of California, Davis
US	United States
USBR	United States Bureau of Reclamation
U.S. EPA	United States Environmental Protection Agency
USGS	United States Geological Survey
Water Boards	State Water Board and Regional Water Boards

POLICY OVERVIEW

The purpose of this Cannabis Cultivation Policy (Policy) is to ensure that the diversion of water and discharge of waste associated with cannabis cultivation does not have a negative impact on water quality, aquatic habitat, riparian habitat, wetlands, and springs. This Policy applies to the following cannabis cultivation activities throughout California:

- Commercial Recreational
- Commercial Medical
- Personal Use Medical

This Policy does not apply to recreational cannabis cultivation for personal use, which is limited to six plants under the Adult Use of Marijuana Act (Proposition 64, approved by voters in November 2016)¹.

Cannabis cultivation legislation enacted California Water Code (Water Code) section 13149, which directs the State Water Board, in consultation with the California Department of Fish and Wildlife (CDFW), to adopt interim and long-term principles and guidelines for the diversion and use of water for cannabis cultivation in areas where cannabis cultivation may have the potential to substantially affect instream flows. The legislation requires the State Water Board to establish these principles and guidelines as part of a state policy for water quality control². Per Water Code section 13149, the principles and guidelines:

- shall include measures to protect springs, wetlands, and aquatic habitats from negative impacts of cannabis cultivation; and
- may include requirements that apply to groundwater diversions where the State Water Board determines those requirements are reasonably necessary.

Additionally, Business and Professions Code section 26060.1(b) requires that these principles and guidelines be included as conditions in cannabis cultivation licenses issued by the California Department of Food and Agriculture (CDFA). The State Water Board has primary enforcement responsibility for the principles and guidelines and shall notify CDFA of any enforcement action taken³.

This Policy establishes principles and guidelines (hereinafter “Requirements”) for cannabis cultivation activities to protect water quality and instream flows. The Requirements established by this Policy will be incorporated into and implemented through five regulatory programs:

- CDFA's CalCannabis Cultivation Licensing Program⁴;

¹ Recreational cannabis cultivation for personal use as defined in Health and Safety Code section 11362.1(a)(3) and section 11362.2.

² Water Code section 13149(b)(2). *The board shall adopt principles and guidelines under this section as part of state policy for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7.* Water Code section 13142 outlines specific requirements for a state policy for water quality control, which this Policy implements.

³ Water Code section 13149(b)(5).

⁴ Business and Professions Code section 26060(b)(1). The CalCannabis Cultivation Licensing Program is anticipated to begin accepting applications for cannabis cultivation licenses by January 1, 2018.

- State Water Board's Cannabis General Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (Cannabis General Order) or any Waste Discharge Requirements addressing cannabis cultivation activities adopted by a Regional Water Quality Control Board (Regional Water Board);
- State Water Board's General Water Quality Certification for Cannabis Cultivation Activities (Cannabis General Water Quality Certification);
- State Water Board's Cannabis Small Irrigation Use Registration (Cannabis SIUR); and
- State Water Board's Water Rights Permitting and Licensing Program.

The Requirements for cannabis cultivation are located in Attachment A. Policy background information and justifications for the Requirements are located in the Cannabis Cultivation Policy Staff Report.

Water Code section 13149 authorizes the State Water Board to develop both interim and long-term requirements and update them as necessary. It is anticipated that the State Water Board will update this Policy over time to modify or add requirements to address cannabis cultivation impacts, as needed.

The State Water Board holds the dual mandates of allocating surface water rights and protecting water quality. The State Water Board is the state agency with primary authority over water quality under California's Porter-Cologne Water Quality Control Act and the federal Clean Water Act. Under these authorities, the State Water Board may adopt water quality objectives, including flow objectives, and programs of implementation to achieve these objectives. California law directs the State Water Board and Regional Water Boards (collectively Water Boards) to adopt water quality control plans and policies that identify existing and potential beneficial uses of waters of the state and establish water quality objectives to protect these uses.

This Policy meets the requirements of Water Code section 13149(b)(1) and is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, title 14, section 15308⁵.

The State Water Board allocates water through an administrative system that is intended to maximize the beneficial uses of water while protecting the public trust, serving the public interest, and preventing the waste and unreasonable use or method of diversion of water. The Water Boards implement water quality control plans through both water rights- and water quality-related programs. For example, Water Code section 1258 requires the State Water Board to consider water quality control plans when acting upon applications to appropriate water and the State Water Board may impose such conditions as it deems necessary to implement such plans. Water Code section 13263(a) requires waste discharge requirements to implement applicable water quality control plans, including terms to ensure that water quality objectives will be met. In issuing water quality certifications and waste discharge requirements, the Water

⁵ California Code of Regulation section 15308. Actions by Regulatory Agencies for Protection of the Environment. *Class 8 consists of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption.*

Boards include conditions necessary to ensure the activities will comply with applicable water quality objectives, including flow objectives⁶. The State Water Board also may implement flow objectives by specifying minimum bypass flows as a condition of a water right.

GEOGRAPHIC AREA COVERED BY POLICY

California is a large and geographically diverse state, covering 163,696 square miles, and spanning over 800 miles of coastline. California's multiple mountain ranges and valleys result in highly variable climate, precipitation and drainage patterns. To account for the state's size and geographic diversity, this Policy designates 14 Cannabis Cultivation Policy regions: Klamath, Upper Sacramento, North Eastern Desert, North Coast, Middle Sacramento, Southern Sacramento, North Central Coast, Tahoe, South Central Coast, San Joaquin, Mono, Kern, South Coast, and South Eastern Desert (Figure 1). This Policy establishes water quality and instream flow Requirements statewide. These include instream flow requirements that must be met or exceeded at specific compliance flow gages when water is being diverted for cannabis cultivation. The Policy identifies 14 regions, and identifies nine regions as priority regions that support anadromous salmonids. The priority regions are: Klamath, Upper Sacramento, North Coast, Middle Sacramento, Southern Sacramento, North Central Coast, South Central Coast, San Joaquin, and South Coast.

⁶ See Wat. Code § 13377; Cal. Code of Regs., tit. 23, § 3859.



REQUIREMENTS FOR CANNABIS CULTIVATION

The State Water Board developed these Requirements in consultation with CDFW and CDFA. The Requirements are divided into five main categories, which are located in the following sections of Attachment A:

- Section 1. General Requirements and Prohibitions, and Cannabis General Water Quality Certification
- Section 2. Requirements Related to of Water Diversions and Waste Discharge for Cannabis Cultivation
- Section 3. Numeric and Narrative Instream Flow Requirements (including Gaging)
- Section 4. Watershed Compliance Gage Assignments
- Section 5. Planning and Reporting

General Requirements and Prohibitions implement existing State Water Board authorities and address issues such as compliance with state and local permits, discharge prohibitions, riparian setbacks, protection of tribal cultural resources, and the Water Boards' right to access properties for inspections.

The Requirements related to water diversion and waste discharge for cannabis cultivation cover the following 12 best practicable treatment or control categories:

- riparian and wetland protection and management;
- water diversion, storage, and use;
- irrigation runoff;
- land development and maintenance, erosion control, and drainage features;
- soil disposal;
- stream crossing installation and maintenance;
- fertilizer and soil use and storage;
- pesticide and herbicide application and storage;
- petroleum products and other chemical use and storage;
- cultivation-related waste disposal;
- refuse and human waste disposal; and
- winterization.

The numeric and narrative instream flow Requirements address water quality and quantity through the establishment of flow Requirements that include three elements: (a) dry season forbearance period, (b) numeric flow Requirements (bypass) during the wet season (diversion period), and (c) narrative flow Requirements. This section includes Requirements for groundwater diversions⁷, and includes establishment of a surface water aquatic base flow. The surface water aquatic base flow is used to help inform whether additional requirements are needed in certain areas to help ensure the individual and cumulative impacts of groundwater

⁷ All groundwater Requirements apply to exempt springs. To qualify as an exempt spring the cannabis cultivator must submit information and receive approval from the Deputy Director for Water Rights, as specified in Section 3 of Attachment A of the Policy. An exempt spring is a spring that does not flow off the cannabis cultivator's property by surface or subterranean (subsurface) means in the absence of diversions during any time of year in any water year type. Such springs are exempt from the Policy's Narrative Instream Flow Requirement 4 (Surface Water Dry Season Forbearance Period) and Requirement 5 (Surface Water Wet Season Diversion Period – Numeric Instream Flow Requirements).

diversions do not have a negative impact on the surface water flows. Section 3 includes Requirements for gage installation in areas where the density of cannabis cultivation and limited water availability may have a localized negative impact on instream flows in areas with high resource value.

The Watershed compliance gage assignments section includes the compliance gage instream flow Requirements for all the regions and the compliance gage watershed assignments for the nine priority regions. The following discussion provides an overview of the development of instream flow Requirements and compliance gage assignments for the numeric flow Requirements.

Flow and Gaging Requirements

The narrative instream flow Requirements in Section 3 of Attachment A apply to cannabis cultivators throughout the state. The numeric instream flow Requirements are developed at compliance gages statewide.

The instream flow Requirements may be updated over time, as reasonably necessary. Interested parties may submit scientifically defensible information (e.g. instream flow studies) that supports modification to the instream flow Requirements to the Deputy Director for consideration during updates to the Policy.

Surface Water Diversion Forbearance Period

Absent restrictions on water diversion, the individual and cumulative effects of water diversions for cannabis cultivation during the dry season are likely to significantly decrease instream flow and, in some instances, reduce hydrologic connectivity or completely dewater the stream. Minimum flows that provide habitat connectivity are needed to maintain juvenile salmonid passage conditions in late spring and early summer. Instream flows are also needed to maintain habitat conditions necessary for juvenile salmonid viability throughout the dry season, including adequate dissolved oxygen concentrations, low stream temperatures, and high rates of invertebrate drift from riffles to pools. Further, many species depend on spring recession flows as migratory or breeding cues. The State Water Board is requiring a surface water diversion forbearance period to ensure adequate flows are maintained throughout the dry season and protect aquatic species, aquatic habitat, and water quality.

Wet Season Surface Water Instream Flow Requirements

Minimum instream flow requirements during the wet season are needed for the protection of aquatic species life history needs. For threatened and endangered anadromous salmonids, minimum flows are needed to address life history needs, such as:

1. maintaining natural abundance and availability of spawning habitat;
2. minimizing unnatural adult exposure, stress, predation, and delay during adult spawning migration; and
3. sustaining high quality and abundant juvenile salmonid winter rearing habitat.

To meet the timeline, scale, and purpose of this Policy, the State Water Board, in consultation with CDFW, has determined that the Tessmann Method is the best methodology to develop interim instream flow requirements. The Tessmann Method develops instream flow requirements by using percentages of historical mean annual and mean monthly natural



General Manager's Report

Logan Olds

October 26, 2017

Capital Projects



• Subregionals

The subregional water reclamation plants (WRP) will reduce flows in VVWRA's over capacity interceptors which convey sewage to the main plant in Victorville. The Hesperia WRP is currently in start up mode and microorganisms have been added.

The facility is currently experiencing issues associated with its aeration blowers.

The Apple Valley WRP has completed the eight hour run test and is preparing to do the seven day test. Seeding with microorganisms is scheduled for late November or early December.

• Nanticoke Interceptor

The Nanticoke interceptor has completed construction, staff anticipates filing the Notice of Completion (NOC) in October.

• Desert Knolls Wash Interceptor

The Desert Knolls Wash (DKW) interceptor serves the Town of Apple Valley and was damaged in the storms between Christmas and New Year in 2016. Although no sewage was spilled VVWRA staff was on high alert. Carollo Engineering has been retained to perform the design and it is anticipated that the design will be completed in the first quarter of 2018. As yet a funding source for this project has not been identified.

• Upper Narrows Interceptor / OIG

Staff was informed by our consultant, Adjusters International, that CalOES has completed their review of the Upper Narrows Interceptor Replacement Project (UNIRP). CalOES agrees with the project cost of \$35,895,883.57 which is the full amount requested by VVWRA and represents 81% of the total project expense. The state is now proceeding with their review of the expenses associated with the Upper Narrows Emergency Bypass (UNEB). The UNEB has a value of \$8,336,217.00.

Therefore the total value of the Upper Narrows projects is \$44,232,100.57.

We were informed that FEMA intends to respond to the draft OIG audit by the end of December. However this information was before the fires in northern California occurred so it is unknown if that will now impact the CalOES timeline. CalOES is currently withholding \$3,831,968.00 of VVWRA funds for retention.



General Manager's Report

Logan Olds

October 26, 2017

Operating



•Victorville WWTP

The Shay Road plant continues to struggle to recover from the damage caused from low voltage power outage in May of 2017. During the planned outage in October, GE and staff learned that an older style breaker was in use. GE has developed a new part to replace an older model faulty part. This part is on the main breakers to the plant and could not be inspected until the circuit breakers were powered down and disassembled. Unfortunately one of the parts had failed which will require their replacement on all three breakers and another planned power outage, which will occur in November.

Legislative



The following bills were signed by Governor Brown:

AB 574 (Quirk) – Directs State Water Board to adopt statewide regulations for raw water augmentation and modifies definitions of potable reuse in state law
This will assist with standardizing the creation of potable supplies from a mix of recycled water and potable water sources.

SB 231 (Hertzberg) – Creates new stormwater financing options by adding storm water to the definition of “sewer” in the Proposition 218 Omnibus Implementation Act
Previously stormwater projects were not eligible for State Revolving Fund loans.

SB 229 (Wieckowski) – Makes Accessory Dwelling Unit law applicable to all special districts
There was an issue with how accessory dwellings were allowed to be permitted for sewer service.

SB 5 (De Leon) – \$4 billion parks and water bond that includes \$100 million for water recycling projects
This is intended to promote the use of recycled water for turf irrigation for public mixed use sites.

cont.



General Manager's Report

Logan Olds

October 26, 2017

Legislative



AB 967 (Gloria) – Legalizes and creates new licensure and regulatory processes for biocremation

Biocremation is also known as hydrolyzing wherein the deceased is placed in a unit with a very high pH solution and dissolved. The resulting liquid is then treated to neutralize the pH and potentially placed in to sewer interceptors. It is less costly than cremation however it has other issues associated with the handling, transport and final disposal of the liquid waste (hydrolysate).


One who gains strength by overcoming obstacles possesses the only strength which can overcome adversity.

--Albert Schweitzer



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: October 16, 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 SEPTEMBER 2017, check numbers 121087- 121142 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>ACH's and EFT's</i>	<i>Payroll</i>	<i>Total</i>
\$220,824.87	\$2,677,055.88	\$269,661.69	\$3,167,542.44

**Victor Valley Reclamation Authority
Cash Disbursement Register
From 9/1/17 through 9/30/17**

Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
121087	9/18/2017	9/18/2017	01	Arb/Perp	Applications 25018 & 30507	(1,650.00)
121088	9/13/2017	9/13/2017	01	2G Energy Inc.	2G Grundfos Pump	3,476.24
121089	9/13/2017	9/13/2017	01	A-Action Automotive	Explorer Oxygen Sensor	271.51
121090	9/13/2017	9/13/2017	01	Airgas Usa, Llc	Nitrogen Rental	165.67
121090	9/13/2017	9/13/2017	01	Airgas Usa, Llc	Nitrogen Rental	70.01
121091	9/13/2017	9/13/2017	01	American Organics	Perc Pond Debris Service	1,173.00
121092	9/13/2017	9/13/2017	01	Apple Valley Transfer & Storage Db	Document Shredding Service	45.00
121093	9/13/2017	9/13/2017	01	Beck Oil, Inc.	Diesel Delivery	2,365.94
121094	9/13/2017	9/13/2017	01	Brown Bear Corp	Brown Bear Parts	2,827.34
121094	9/13/2017	9/13/2017	01	Brown Bear Corp	Brake Parts	705.82
121095	9/13/2017	9/13/2017	01	C.W.E.A.	ID# 0000364941 Membership Renewal	180.00
121096	9/13/2017	9/13/2017	01	Electrical Systems Engineering Company	MSB Breaker Repair	4,550.00
121097	9/13/2017	9/13/2017	01	Express Line Stripping Inc.	Express Line Striping	250.00
121098	9/13/2017	9/13/2017	01	Flyers Energy, Llc	Gasoline	872.75
121099	9/13/2017	9/13/2017	01	Harrington Industrial Plastics	PVC	218.74
121100	9/13/2017	9/13/2017	01	High Desert Lock & Safe	OG Pump Station Door Parts	531.79
121100	9/13/2017	9/13/2017	01	High Desert Lock & Safe	Electrical Room Door Repairs	2,634.25
121101	9/13/2017	9/13/2017	01	Jams	Legality of Flow Diversion	18,064.00
121102	9/13/2017	9/13/2017	01	Mailfinance	Mail Lease	269.61
121103	9/13/2017	9/13/2017	01	Mojave Desert A.Q.M.D.	Violation#MD00000684	1,000.00
121104	9/13/2017	9/13/2017	01	New Pig Corporation	New Pig Absorbants	393.06
121105	9/13/2017	9/13/2017	01	Orkin	Pest Control	381.53
121106	9/13/2017	9/13/2017	01	Prudential Overall Supply	Uniform Service	424.50
121106	9/13/2017	9/13/2017	01	Prudential Overall Supply	Uniform Service	424.50
121107	9/13/2017	9/13/2017	01	Quill Corporation	Office Supplies	833.16
121107	9/13/2017	9/13/2017	01	Quill Corporation	Office Supplies	52.79
121107	9/13/2017	9/13/2017	01	Quill Corporation	Office Supplies	619.55
121107	9/13/2017	9/13/2017	01	Quill Corporation	Office Supplies	78.65
121108	9/13/2017	9/13/2017	01	Royal Wholesale Electric	Pillar #6 Push Buttons	129.09
121109	9/13/2017	9/13/2017	01	Southern Counties Lubricants	Chevron 5200 Low Ash	7,632.48
121110	9/13/2017	9/13/2017	01	Toys For Trucks	Eand I-C Van Rectifier Installation	505.98
121111	9/13/2017	9/13/2017	01	Underground Service Alert Of Southern Ca	Dig Alert Charges	105.70
121112	9/13/2017	9/13/2017	01	United Rentals Northwest, Inc	Boom Lift Rental	3,201.57
121113	9/13/2017	9/13/2017	01	Cintas Corporation	Cintas	233.22
121114	9/18/2017	9/18/2017	01	Arb/Perp	Applications 25018 & 30507	1,650.00
121115	9/21/2017	9/21/2017	01	Bio Vir Lab, Inc.	BioVir Invoice	8,680.00
121115	9/21/2017	9/21/2017	01	Bio Vir Lab, Inc.	BioVir Service	70.00
121115	9/21/2017	9/21/2017	01	Bio Vir Lab, Inc.	Lab Sampling	2,480.00
121116	9/21/2017	9/21/2017	01	Blackline Safety Corp	Lone Worker Devices Lease	210.00
121117	9/21/2017	9/21/2017	01	Capio	CAPIO Membership	225.00
121118	9/21/2017	9/21/2017	01	Concorde Communications	Answering and Telephone Service	201.30
121119	9/21/2017	9/21/2017	01	Davis Electric, Inc	UV Connector Ballast and Cord Replacem	1,990.00
121120	9/21/2017	9/21/2017	01	Family Practice Associates	Pre-Employment Physicals	146.00
121121	9/21/2017	9/21/2017	01	Flyers Energy, Llc	Diesel	741.45
121122	9/21/2017	9/21/2017	01	Hi-Desert Communications	Site Rent	100.00
121123	9/21/2017	9/21/2017	01	Hi Desert Fire Protection Inc	Hi Desert Fire	71.96
121124	9/21/2017	9/21/2017	01	Konica Minolta Business Solutions	Printer Charges	502.53
121125	9/21/2017	9/21/2017	01	O.S.T.S. Inc (Occupational Safety Training	OSTS Fit Test	325.00
121126	9/21/2017	9/21/2017	01	Royal Wholesale Electric	Rockwell Technical Support	5,279.75
121127	9/21/2017	9/21/2017	01	United Rentals Northwest, Inc	Rammer Large Rental	62.76
121128	9/21/2017	9/21/2017	01	The Woodall Group Inc.	Fingerprinting Live Scans	520.00
121129	9/26/2017	9/26/2017	01	Donna Anthony	Retiree Health Benefit Allowance	443.00
121130	9/26/2017	9/26/2017	01	Dan Sentman	Retiree Health Benefit Allowance	225.63
121131	9/27/2017	9/27/2017	01	Ks Statebank	Brown Bear Lease Payment	103,791.20
121132	9/28/2017	9/28/2017	01	Atmospheric Analysis And Consulting, Inc.	AAC Gas Analysis August	1,385.00
121133	9/28/2017	9/28/2017	01	Russell Blewett	Commissioner Stipend	100.00
121133	9/28/2017	9/28/2017	01	Russell Blewett	Commissioner Stipend	100.00
121134	9/28/2017	9/28/2017	01	Brown Bear Corp	Brown Bear Parts	2,277.99
121134	9/28/2017	9/28/2017	01	Brown Bear Corp	Brown Bear Parts	3,105.45
121134	9/28/2017	9/28/2017	01	Brown Bear Corp	Brown Bear Parts	204.18
121134	9/28/2017	9/28/2017	01	Brown Bear Corp	Brown Bear Parts	1,408.40
121134	9/28/2017	9/28/2017	01	Brown Bear Corp	Brown Bear Parts	1,354.51
121135	9/28/2017	9/28/2017	01	James Cox	Commissioner Stipend	100.00

**Victor Valley Reclamation Authority
Cash Disbursement Register
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Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
121136	9/28/2017	9/28/2017	01	Csrna	Workers Comp	10,468.00
121137	9/28/2017	9/28/2017	01	James N. Kennedy	Commissioner Stipend	100.00
121138	9/28/2017	9/28/2017	01	Scott Nassif	Commissioner Stipend	100.00
121138	9/28/2017	9/28/2017	01	Scott Nassif	Commissioner Stipend	100.00
121139	9/28/2017	9/28/2017	01	Pacific Parts And Controls Inc.	Totalizer for Final Effluent Flow Meter	954.98
121140	9/28/2017	9/28/2017	01	Royal Wholesale Electric	Otoe Pump Station VFDs for Section 1 and	543.46
121140	9/28/2017	9/28/2017	01	Royal Wholesale Electric	Otoe Pump Station VFDs for Section 1 and	411.59
121140	9/28/2017	9/28/2017	01	Royal Wholesale Electric	Otoe Pump Station VFDs for Section 1 and	14,354.07
121141	9/28/2017	9/28/2017	01	Swrcb	Logan Olds Grade D2 Renewal	60.00
121142	9/28/2017	9/28/2017	01	Thurlow'S Heating & A/C Inc.	Thurlow's Service Room	2,944.21
Total Checks						220,824.87
09082017CHAR	9/14/2017	9/14/2017	01	Charter Communications	AV Subregional- Seneca Fiber Line Install	32,982.08
091317SWG	9/14/2017	9/14/2017	01	Southwest Gas Company	AV Subregional- Otoe Natural Gas	111.20
091317SWG2	9/14/2017	9/14/2017	01	Southwest Gas Company	Hesperia Subregional- Appaloosa Natural C	25.00
091317SWG3	9/14/2017	9/14/2017	01	Southwest Gas Company	Hesperia Subregional-Fresno Natural Gas	25.00
091317UPS	9/14/2017	9/14/2017	01	Ups	Express Shipping	63.86
091317UPS	9/14/2017	9/14/2017	01	Ups	Express Shipping	53.38
11954998	9/7/2017	9/7/2017	01	Verizon Wireless	Telephone Charges	1,893.04
11955014	9/7/2017	9/7/2017	01	Verizon Wireless	Telephone Charges	152.04
1676231	9/14/2017	9/14/2017	09	State Water Resources Control Board	9.5 MGD SRF Financing Agreement	265,049.56
2937769-1	9/12/2017	9/12/2017	01	Biogas Engineering	CEC Microgrid Battery Storage Project	3,499.20
2937769-2	9/12/2017	9/12/2017	07	Carollo Engineers, A Professional Corporat	Teo Road Realignment	960.00
2937769-3	9/12/2017	9/12/2017	09	W.M. Lyles	Subregionals Construction	1,169,135.86
2937769-4	9/12/2017	9/12/2017	01	Masters Electric	CEC Microgrid Battery Storage Project	10,800.00
2937769-5	9/12/2017	9/12/2017	09	Mwh Constructors	Subregionals CM Services	128,495.69
2938994-1	9/11/2017	9/11/2017	01	Salvador Carlos	Grade 3 Certification	300.00
2938994-2	9/11/2017	9/11/2017	01	Moises Castro	Grade 2 Certification	230.00
2938994-2	9/11/2017	9/11/2017	01	Moises Castro	Tri-State Hotel	274.58
2938994-3	9/11/2017	9/11/2017	01	Keagy, Chieko	Education Reimbursement	2,514.73
2954606-1	9/13/2017	9/13/2017	01	A.D.S. Corp.	Flow Monitoring	8,333.28
2954606-10	9/13/2017	9/13/2017	01	Grainger	Grainger	24.82
2954606-10	9/13/2017	9/13/2017	01	Grainger	Pump Utility	108.42
2954606-10	9/13/2017	9/13/2017	01	Grainger	Refridgerator	164.86
2954606-10	9/13/2017	9/13/2017	01	Grainger	Cut Resistant Sleeve	32.46
2954606-11	9/13/2017	9/13/2017	01	Ilink Business Management	Janitorial Services	2,569.76
2954606-12	9/13/2017	9/13/2017	01	Industrial Solution Services, Inc	Urea Solution	1,945.51
2954606-13	9/13/2017	9/13/2017	01	Lawn Master	AV Perc Pond Weed Maintenance	2,000.00
2954606-14	9/13/2017	9/13/2017	01	Mcgrath Rentcorp	Admin Office Lease	3,658.12
2954606-15	9/13/2017	9/13/2017	01	Mc Master-Carr Supply Co.	Metering Pump	877.57
2954606-16	9/13/2017	9/13/2017	01	Spruce Consulting Group, Llc	Review of Organizational Structure	437.50
2954606-17	9/13/2017	9/13/2017	09	Aecom	Construction Management	8,626.54
2954606-18	9/13/2017	9/13/2017	01	U.S.A. Bluebook	USAB000 347868	(60.58)
2954606-18	9/13/2017	9/13/2017	01	U.S.A. Bluebook	Diffusers	1,918.97
2954606-19	9/13/2017	9/13/2017	01	U.S. Bank	Cal Card Charges July 2017	8,377.46
2954606-2	9/13/2017	9/13/2017	01	Advanced Systems	Fleet Wash Service	335.00
2954606-20	9/13/2017	9/13/2017	01	Valley Power Systems, Inc.	Pre-Lube Pump Unit 1	4,778.96
2954606-20	9/13/2017	9/13/2017	01	Valley Power Systems, Inc.	Valley Troubleshoot Engine	4,060.00
2954606-20	9/13/2017	9/13/2017	01	Valley Power Systems, Inc.	Emergency Gen Service	2,850.00
2954606-20	9/13/2017	9/13/2017	07	Valley Power Systems, Inc.	Emergency Generator #1 Ignition Upgrades	5,508.55
2954606-20	9/13/2017	9/13/2017	07	Valley Power Systems, Inc.	Generator 1 Testing	11,320.25
2954606-21	9/13/2017	9/13/2017	01	Victor Valley Personnel Services Inc.	MIS Temp Labor	2,073.38
2954606-22	9/13/2017	9/13/2017	01	Waxie Sanitary Supply	Custodial Supplies	795.64
2954606-3	9/13/2017	9/13/2017	01	Allmax Software, Inc.	Allmax Software Training	4,802.20
2954606-4	9/13/2017	9/13/2017	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	593.73
2954606-4	9/13/2017	9/13/2017	01	Applied Maintenance Supplies & Solution	Maintenance Consumable	137.32
2954606-4	9/13/2017	9/13/2017	01	Applied Maintenance Supplies & Solution	Maintenance Consumables	663.62
2954606-5	9/13/2017	9/13/2017	01	Solenis Llc	Polymer Delivery	6,908.93
2954606-6	9/13/2017	9/13/2017	01	Brenntag Pacific, Inc	Ferric Chloride Delivery	4,662.02
2954606-6	9/13/2017	9/13/2017	01	Brenntag Pacific, Inc	Ferric Chloride	3,678.17
2954606-6	9/13/2017	9/13/2017	01	Brenntag Pacific, Inc	Ferric Delivery	5,436.37

Victor Valley Reclamation Authority
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Check Number	Check Date	Effective Date	Fund Code	Vendor Name	Transaction Description	Check Amount
2954606-7	9/13/2017	9/13/2017	01	Evoqua Water Technologies Llc	Bioxide Delivery	8,561.11
2954606-8	9/13/2017	9/13/2017	01	Gierlich Mitchell, Inc.	Ebara Pump	1,676.67
2954606-9	9/13/2017	9/13/2017	01	Graham Equipment	Pond 11 Remove Weed Service	7,850.00
2954606-9	9/13/2017	9/13/2017	01	Graham Equipment	Pond 12 Remove Weed Service	4,475.00
2993054-1	9/21/2017	9/21/2017	01	All Covered	All Covered Credits	(745.62)
2993054-1	9/21/2017	9/21/2017	01	All Covered	All Covered Credits	(276.92)
2993054-1	9/21/2017	9/21/2017	01	All Covered	Cisco Mobile VPN Licenses	250.00
2993054-1	9/21/2017	9/21/2017	01	All Covered	All Covered Hourly Billing	1,987.50
2993054-10	9/21/2017	9/21/2017	01	Vision Internet Providers	Monthly Web Hosting Fee	243.10
2993054-11	9/21/2017	9/21/2017	01	Victor Valley Personnel Services Inc.	MIS Temp Labor	2,376.19
2993054-2	9/21/2017	9/21/2017	01	Bargain Byte	Bargain Byte Services	2,142.11
2993054-2	9/21/2017	9/21/2017	01	Bargain Byte	Gate Access Repair	250.00
2993054-2	9/21/2017	9/21/2017	01	Bargain Byte	Bargain Byte Service	1,215.50
2993054-3	9/21/2017	9/21/2017	01	D.K.F. Solutions Inc.	MSO Monthly	350.00
2993054-4	9/21/2017	9/21/2017	01	Ehs International Inc.	EHS Safety Confined Space	1,350.00
2993054-4	9/21/2017	9/21/2017	01	Ehs International Inc.	EHS Confined Space Refresher	1,350.00
2993054-4	9/21/2017	9/21/2017	01	Ehs International Inc.	EHS Training Overhead Crane	1,350.00
2993054-5	9/21/2017	9/21/2017	01	Lucity, Inc.	Lucity Remote Assistance	250.00
2993054-6	9/21/2017	9/21/2017	01	Protection One	Protection One Monitoring	530.95
2993054-7	9/21/2017	9/21/2017	07	Quinn Company	Emergency Generator Rental	12,592.45
2993054-8	9/21/2017	9/21/2017	01	Trimax Systems	Credit 108394	(79.91)
2993054-8	9/21/2017	9/21/2017	01	Trimax Systems	Totalizer PCL Work and Flow Meter Setup	1,600.00
2993054-8	9/21/2017	9/21/2017	01	Trimax Systems	Integration Work	1,760.00
2993054-9	9/21/2017	9/21/2017	01	Valley Power Systems, Inc.	Valley Invoice	1,494.12
29957888	9/14/2017	9/14/2017	01	Hesperia Water District	Water Usage at Hesperia Subregional	2,416.87
3003011-1	9/22/2017	9/22/2017	09	Carollo Engineers, A Professional Corporat	Engineering Services	45,669.35
3003011-1	9/22/2017	9/22/2017	09	Carollo Engineers, A Professional Corporat	Engineering Service	39,163.12
3003011-2	9/22/2017	9/22/2017	09	Christensen Brothers Gen Eng Inc	Change Order	196,363.52
3017991-1	9/26/2017	9/26/2017	01	Billings, Richard	Retiree Health Benefit Allowance	398.73
3017991-10	9/26/2017	9/26/2017	01	Randy Main	Retiree Health Benefit Allowance	443.00
3017991-11	9/26/2017	9/26/2017	01	Mark Mcgee	Retiree Health Benefit Allowance	443.00
3017991-12	9/26/2017	9/26/2017	01	Lillie Montgomery	Retiree Health Benefit Allowance	443.00
3017991-13	9/26/2017	9/26/2017	01	L. Christina Nalian	Retiree Health Benefit Allowance	443.00
3017991-14	9/26/2017	9/26/2017	01	Nave, Patrick	Retiree Health Benefit Allowance	443.00
3017991-2	9/26/2017	9/26/2017	01	Roy Dagnino	Retiree Health Benefit Allowance	443.00
3017991-3	9/26/2017	9/26/2017	01	Tim Davis	Retiree Health Benefit Allowance	443.00
3017991-4	9/26/2017	9/26/2017	01	Terrie Gossard Flint	Retiree Health Benefit Allowance	261.76
3017991-5	9/26/2017	9/26/2017	01	Gillette, Randy	Retiree Health Benefit Allowance	443.00
3017991-6	9/26/2017	9/26/2017	01	Andrew Gyurcsik	Retiree Health Benefit Allowance	443.00
3017991-7	9/26/2017	9/26/2017	01	Thomas Hinojosa	Retiree Health Benefit Allowance	443.00
3017991-8	9/26/2017	9/26/2017	01	Patricia J Johnson	Retiree Health Benefit Allowance	172.48
3017991-9	9/26/2017	9/26/2017	01	Olin Keniston	Retiree Health Benefit Allowance	261.76
3048849-1	9/28/2017	9/28/2017	01	American Express	American Express Charges August 2017	5,338.16
3048849-10	9/28/2017	9/28/2017	09	Mwh Constructors	Subregionals CM Services	122,095.45
3048849-11	9/28/2017	9/28/2017	01	Principal Life Ins. Co.	Dental and Vision Insurance October 2017	3,156.89
3048849-2	9/28/2017	9/28/2017	01	Biogas Power Systems- Mojave, Llc	C124 Biogas Power Generation Project	61,167.00
3048849-3	9/28/2017	9/28/2017	01	Brenntag Pacific, Inc	BREN001 BPI263518	(360.00)
3048849-3	9/28/2017	9/28/2017	01	Brenntag Pacific, Inc	Bleach	1,857.45
3048849-3	9/28/2017	9/28/2017	01	Brenntag Pacific, Inc	Ferrie Chloride Delivery	4,969.53
3048849-4	9/28/2017	9/28/2017	09	Carollo Engineers, A Professional Corporat	Subregionals ESDC	147,371.42
3048849-5	9/28/2017	9/28/2017	01	Cdw Government, Inc	Trend Micro Subscription Renewal	1,688.00
3048849-6	9/28/2017	9/28/2017	01	Culligan Water Conditioning	Culligan Service	470.00
3048849-7	9/28/2017	9/28/2017	01	E.S. Babcock & Sons, Inc.	Lab Testing August 2017	24,911.00
3048849-8	9/28/2017	9/28/2017	01	General Electric International, Inc	Emergency Service Used Gen BKR & Trou	28,739.08
3048849-9	9/28/2017	9/28/2017	01	Hach Company	Lab Supplies	1,178.26
3048849-9	9/28/2017	9/28/2017	01	Hach Company	Lab Supplies	439.08
3048849-9	9/28/2017	9/28/2017	01	Hach Company	HACH000 2141777	(449.46)
60773014	9/7/2017	9/7/2017	01	Frontier	AccT# 760-246-8178-122106-5	349.35
60773032	9/7/2017	9/7/2017	01	Frontier	Accct#760-246-7864-030481-5	82.45
645129653	9/7/2017	9/7/2017	01	City Of Victorville / Sanitation	Utility Bill	12,563.65
82328069686241	9/7/2017	9/7/2017	01	Southern California Edison	Electricity	117,963.10
83204268102569	9/14/2017	9/14/2017	01	Southern California Edison	Electricity Charges	81,832.40
83204268102569	9/14/2017	9/14/2017	01	Southern California Edison	Electricity	1,340.38

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<u>Check Number</u>	<u>Check Date</u>	<u>Effective Date</u>	<u>Fund Code</u>	<u>Vendor Name</u>	<u>Transaction Description</u>	<u>Check Amount</u>
91000018833157	9/7/2017	9/7/2017	01	Lincoln Financial Group	Life and Disability Insurance September	104.66
91000018833157	9/7/2017	9/7/2017	01	Lincoln Financial Group	Life and Disability Insurance September	3,433.47
9717SWG	9/7/2017	9/7/2017	01	Southwest Gas Company	Natural Gas	940.67
Total ACH and EFT's						<u>2,677,055.88</u>
Total ACH and Checks						2,897,880.75
Payroll- September 2017						269,661.69
Total Disbursement - September 2017						<u>3,167,542.44</u>

APPROVED
C. Gray 10-16-17

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

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

CITY OF HESPERIA	Russell Blewett, Chair
ORO GRANDE (CSA 42) AND	ABSENT
SPRING VALLEY LAKE (CSA 64)	
TOWN OF APPLE VALLEY	Scott Nassif, Secretary
CITY OF VICTORVILLE	Jim Kennedy, Treasurer

VWVRA Staff and Legal Counsel:

Logan Olds, General Manager	Kristi Casteel, Secretary to GM/Board
Piero Dallarda, Legal Counsel (BB&K)	Alton Anderson, Construction Manager
Angela Valles, Director of Finance	Chieko Keagy, Accounting Supervisor
David Wylie, Communications & Safety Officer	Xiewi Wang, Accountant
Robert Coromina, Director of Administration	Ryan Love, Lead Operator
Eugene Davis, Acting Director of Operations	Robert Townsend, EC Inspector

Others Present:

Nils Bentsen, City of Hesperia	Doug Robertson, City of Victorville
Lori Lamson, Town of Apple Valley	Art Bishop, Town Of Apple Valley
Carl Coleman, MWA	Keith Metzler, City of Victorville
Walter Linn, Rep for Congressman Cook	Greg Snyder, Town of Apple Valley
Brian Gengler, City of Victorville	George Harris, City of Victorville
Shea Johnson, Daily Press	Blanca Gomez, City of Victorville

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

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

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Thursday September 21, 2017
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Commissioner Nassif made a motion to enter into Closed Session, which was seconded by Commissioner Kennedy

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Blewett called the meeting to order at 9:31 am.

REPORT FROM CLOSED SESSION

Nothing to report

PUBLIC COMMENTS- REGULAR SESSION AGENDA

NONE

ANNOUNCEMENTS AND CORRESPONDENCE:

8. Possible conflict of interest issues

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

9. Article: How A Wastewater Plant Hits Net Zero Energy

10. Article: Turning Urine Into Electricity

11. Article: County Supervisor to Settle Decade-long Sludge Lawsuit

12. Article: Banned Pesticides From Illegal Pot Farms Seep Into California Water

13. General Managers Report – No report at this time

CONSENT CALENDAR:

14. Approve August 2017 Disbursement Registers

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

15. Approve Minutes from the August 17, 2017 Regular Meeting

16. Recommendation to Approve Professional Service Contract for Whitson Contracting and Management

17. Recommendation to Ratify Low Voltage Power Emergency Purchases

Commissioner Nassif stating that this item was regarding the low voltage incident and some equipment being installed. What was the equipment installed? Will this equipment solve some of the issues with the low voltage and should this equipment have been installed earlier in anticipation of the low voltage?

Manager Olds said that this does relate to the expenditures from the emergency that occurred in May of this year when we lost all power to VWRA and resulted in damage to both backup generators. The repairs that have taken place to date relate to fixing the two generators that were damaged and repairing the switch gear that was in control of that electrical generator equipment and receiving power from the grid. Some of the equipment was obsolete and required upgrading. In addition due to these types of issues and the way the generators now work based on the repairs it required the entire system to be reprogrammed. VWRA continues to have ongoing low voltage issues. Should both onsite standby generators fail, there was a temp tap installed giving VWRA the ability to bring a generator in from offsite and plug it in at the facility. Next week, power to the plant will be shut down for three days to complete the switch gear and electrical installations to ensure that if a generator is brought in from off site, it will work. This will complete the repairs. VWRA has an agreement with Southern California Edison (SCE) stating that they maintain the electrical infrastructure and the switch gear. They believe that the issue may be from some of the transformers that are onsite that they are responsible for maintaining. Once VWRA's work is completed next week, SCE will come in and evaluate all of their equipment onsite and attempt to determine what has been causing all of the low voltage issues.

Commissioner Nassif asked if after the investigation, would SCE be required to incur any of the costs for these issues?

Manager Olds stated that once SCE is finished with their investigation and determine what is causing the low voltage that yes they would be required to pay for damages caused by their equipment.

18. Recommendation to Request Authorization to Issue an RFP For Grounds Keeping Services for the Hesperia and Apple Valley Water Reclamation Plants

Commissioner Kennedy asked why we are requesting to pay for weed removal at the Apple Valley Golf Course. Maintaining the grounds at the plant is acceptable but asking for removal of weeds at the Golf Course is not.

Manager Olds stated that VWRA has the easement for the infrastructure at the golf course site. VWRA owns 10 feet on each side and that is what needs to be maintained, just the easement owned and operated by VWRA.

Commissioner Nassif made a motion to approve recommendation, no second approved by roll call vote.

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: No

19. Request Authorization to Increase Professional Service Contract With Justice King and JAMS to Mediate Issues Associated With the VVWRA Joint Powers and Service Agreements

Pull item 18

Commissioner Kennedy made a motion to approve the consent calendar with the exception of item 18, seconded by Commissioner Nassif and approved by roll call vote with Commissioner Nassif abstaining from any disbursements to Napa Auto Parts.

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

REPORTS & PRESENTATIONS:

20. Presentation: In-house Leadership Training (Coromina)

Robert Coromina gave a presentation on an In-house Leadership Program

ACTION & DISCUSSION ITEMS:

21. Recommendation to Approve Change Order No. 2 For the Nanticoke Pump Station Bypass Sewer Project - AECOM

Manager Olds stated that the Nanticoke Sewer Project has completed construction. This is the project to replace the obsolete pump station located in the Town of Apple Valley. Some of the issues related to change orders associated with this installation go back to the decision in 2015 to delay the construction by six months because of rain. Item 21 is the final change order with the Construction management of this project and item 22 is for the construction of that project. Both change orders have been reviewed by the Engineering Committee and it is the consensus to place them before the Board at this time.

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

Chair Blewett: Yes

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Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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

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

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

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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Manager Olds stated that this is the finance software that was addressed at the most recent Finance Committee meeting and the goal is to improve the efficiencies of our internal financial process.

Commissioner Kennedy stated that he attended that Finance Meeting and we were impressed with the guy that did the presentation and the new software looks like it will work.

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

25. Resolution 2017-05: Reconciliation of Fund Balances

Commissioner Kennedy stated that at the last Finance Meeting items 25-28 were covered. These resolutions were brought to the Board a couple months ago and Commissioner Kennedy had a lot of questions. Once the questions were answered at the Finance meeting, the items that bothered Commissioner Kennedy the most were the result of the current accounting software system. With the implementation of the new software, these issues will be resolved.

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

26. Resolution 2017-06: Interfund Loan

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

27. Resolution 2017-07: Funding of Repair and Replacement, Fund 07

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

28. Resolution 2017-08 Revisions to Reserve Policy

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

29. Recommendation to Reschedule the October Board Meeting to October 19th

Consensus of the Board was to keep the meeting on October 26th

30. Discussion on the Status of the Claim Filed Against the City of Victorville

It was the consensus of the Board to table this item until the December 21st Board Meeting

31. Discussion on the Withholding of Funds By the City of Hesperia

There was a lengthy discussion by the Board regarding this matter. Commissioner Kennedy asked that an item be placed on the next agenda to file a claim against Hesperia.

32. Recommendation to Request Authorization to Develop a Mutual Aid Agreement with the VWRA Member Entities

Manager Olds stated that this item relates to a request by the City of Victorville to develop a mutual aid agreement with VWRA and the member entities. This is to formally draft what has always been done as a matter of practice. This is creating a document to agree to state what we are already doing. This process, if the Board decides to move forward with the recommendation, it would go back before the Engineering Committee to develop the terms and conditions associated with it, it would then go before the Finance Committee. Once there is consensus with both Committees it would come back before the Board for approval. Prior to Board approval, it would have to go before each member entities legal counsel for review.

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

Chair Blewett: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

STAFF/PROFESSIONAL SERVICES REPORTS:

33. **Financial and Investment Report –August 2017**
34. **Operations & Maintenance Report – August 2017**
35. **Environmental Compliance Department Reports – August 2017**
36. **Septage Receiving Facility Reports – August 2017**
37. **Safety & Communications Report – August 2017**
38. **Construction Report – August 2017**

NEXT VVWRA BOARD MEETING:

Thursday, October 26, 2017 – Regular Meeting of the Board of Commissioners

FUTURE AGENDA ITEMS

Leave Policy

COMMISSIONER COMMENTS

Commissioner Nassif requested that an item be placed on the agenda to file a claim against Hesperia

ADJOURNMENT

APPROVAL:

DATE: _____
Approved by VVWRA Board

BY: _____
Scott Nassif, Secretary
VVWRA Board of Commissioners



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

October 26, 2017

FROM: Chieko Keagy, Accounting Supervisor *CK*

TO: Angela Valles, Director of Finance

SUBJECT: Low Voltage Power and Failure of Standby Generators 1 and 2

RECOMMENDATION

Per Board direction in response to two low voltage power failure emergencies in May of 2017, which damaged standby generators 1 and 2, staff is bringing new expenses before the Board for ratification in the amount of \$55,501.78 that incurred during August of 2017.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

Please review the attached invoices for details for the August expenditures. The attachment also shows the expenses incurred to date, \$308,481.86. Due to additional findings, the repair work will continue to incorporate the emergency generator switch gear with the plant standby generator switch gear. Staff believes VVWRA will finalize the emergency repairs to the standby and emergency generator systems by the end of November of 2017.

FINANCIAL IMPACT

Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-02-545-6010 and 01-02-80-6000 From FY 2018 budget
Transfer Needed due to Insufficient Budget	Y[] N[X]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	\$ 0.00
Budget Remaining after the Recommendation	
Outside Funding Source if applicable	\$
Original Contract Amount	\$ 0.00

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

Change Order	Y[] N[]
Contract after Change	\$308,481.86

Change Order	Y[] N[]
Contract after Change	\$

RELATED IMPACTS

The staff will report progress toward resolving the damages caused by the low voltage power to equipment and ensure that backup power is available in the future if both standby generators are damaged.

E005 Emergency Expenses

Previous Expenses

Document Number	Document Date	Document Description	Posted Amount	ID
05222017	5/22/17	Cal Card Charges May 2017	\$ 113.46	USBA000
JE054217	6/1/17	Reclass BIGB000 587	\$ 720.00	
05222017	5/22/17	Cal Card Charges May 2017	\$ 246.72	USBA000
17-0042	5/18/17	Emergency Labor for Backwash pumps/Gen hookup	\$ 617.52	DAVI003
17-0043	5/18/17	Emergency Labor for Backwash pumps/Gen hookup	\$ 1,075.33	DAVI003
05222017	5/22/17	Cal Card Charges May 2017	\$ 162.69	USBA000
108799	5/25/17	Emergency Service Call	\$ 5,655.69	TRIM000
JE053417	5/31/17	Reclass PACI004 I413398 and I413400	\$ 1,981.96	
58225	5/24/17	Lucky Chaney	\$ 1,129.44	MORR000
589	5/30/17	Emergency Labor	\$ 720.00	BIGB000
3005139-0001	6/2/17	Generator 1000KW	\$ 4,457.60	JOHN009
JE070217	7/12/17	Reclass JOHN009 3005139-0001	\$ 14,181.25	
JE063417	6/28/17	Reclass VALL002 B38543	\$ 48,378.54	
6441-538695	6/13/17	VFD Board for Sludge Lagoon Transfer Pump	\$ 3,384.60	ROYA000
B38493	5/4/17	Troubleshoot Generator Failure	\$ 2,163.44	VALL002
JE061817	6/22/17	Reclass ROYA000 6441-538695	\$ 257.91	
CI0011822	6/22/17	Emergency Parts	\$ 1,902.03	DRAK000
JE061917	6/22/17	Reclass PACI004 I413399	\$ 6,660.03	
S-7483	6/28/17	Unstable Unit	\$ 2,515.15	ABAC000
0039942-IN	7/11/17	Generator Docking Station	\$ 17,538.07	ESLP000
3005139-0002	6/30/17	Emergency Generator	\$ 11,181.25	JOHN009
501302763	6/30/17	Emergency Service Commission	\$ 20,950.00	GEIN001
JE064817	6/30/17	Reclass VALL002 B38493	\$ 10,367.50	
501330500	7/25/17	Main Switchboard Modifications	\$ 75,490.90	GEIN002
E7002401	7/27/17	Generator Rental	\$ 12,592.45	QUIN002
695	8/10/17	Otoe Pump Station Door Switch Failure	\$ 760.00	BIGB000
M00963	5/18/17	Troubleshoot Generator not Producing Volage	\$ 7,776.55	VALL002
			\$ 252,980.08	

New Expenses

Document Number	Document Date	Document Description	Posted Amount	ID
M01173	7/29/17	Generator 1 Testing	\$ 11,320.25	VALL002
B38953	8/23/17	Emergency Gen Service	\$ 2,850.00	VALL002
E7002402	8/24/17	Emergency Generator Rental	\$ 12,592.45	QUIN002
205767	8/30/17	Emergency Service Used Gen BKR & Troubleshooting	\$ 28,739.08	GEIN002
			\$ 55,501.78	

Total E005 Expenses \$ 308,481.86



REMIT TO: Dept. 34677, PO Box 39000, San Francisco, CA 94139 WORK SHEET B38953 261328

455 South Hacienda Blvd., City of Industry, CA 91745 (626) 333-1243
 11300 Island Ave., Mira Loma, CA 91757 (951) 681-9285
 5725 Esigale Drive, San Diego, CA 92121 (619) 587-8524
 4800 Rosecote Highway, Palmdale, CA 93506 (805) 325-9001
 2935 S. Orange Ave., Fresno, CA 93725 (559) 486-0900
 320 Lalone Ave., Wilmington, CA 90744 (562) 437-4734

R.O. Open Date 8/07/17
 R.O. Inv Date 8/23/17 F

REPAIR ORDER



Customer's Phone No:

S VICTOR VALLEY WATER
 O 20111 SHAY ROAD
 L VICTORVILLE CA 92394
 T
 O

Field Order No.

Purchase Order No. 15242

Parts Requisition Number	Complaint	Wheel Time Metrics	Purchase Order	Extension
	<p>CONTINUE WITH ENGINE UNSTABLE TROUBLESHOOTING, WORKING WITH GE L5108GU, 317531-729HRS L5790GSI, C-94245/1-369HRS</p> <p>Primary Cause HAD TO RESET THE VOLTAGE</p> <p>Corrections Made (see Addendum) ON 08.08.17, DROVE TO UNIT LOCATION IN VICTORVILLE, CA. WORKED WITH GE ON SETTING UP CONTROLS ON UNIT #1 & #2 WITH BOTH UNITS RUNNING. GE WORKED ON THE UNLOADING OF BOTH UNITS. FOUND THE GENERATOR VOLTAGE BETWEEN BOTH UNITS AND UTILITY WAS NOT MATCHING. INCOMING UTILITY VOLTAGE WAS AROUND 460 VOLTS, THE GENERATORS ARE SET AT 480 VOLTS. WE HAD TO ADJUST THE VOLTAGE ON BOTH GENERATORS TO AROUND 469-470 VOLTS. THIS STABILIZED THE OPENING OF BOTH BREAKERS. WE CYCLED BOTH GENERATORS FROM START TO FULL LOAD TO STOP NUMEROUS TIMES TO VERIFY OPERATIONS WERE OK. THE CUSTOMER</p> <p>Comments</p>			
Unit Serial No:				
Transmission Serial No:				
Engine Serial No:				
Model No.:				
Equip./Lic.#:				
Miles or Hours:				
Make and Model:				
V.I.N. #:				
Replacement S/N:				
VICTORVILLE, CA / 1 & 2 /				

Customer Shop Labor
 .0 ST Hrs.
 .0 OT Hrs.
 .0 DT Hrs.

Customer Field Labor
 20.0 ST Hrs.
 .0 OT Hrs.
 .0 DT Hrs.

Ins. Surcharge \$.00
 Hazmat Charge \$.00

WARRANTY INFORMATION: WARRANTY ON NEW ENGINES, NEW TRANSMISSIONS, NEW AND REBUILD PARTS, REBUILD ENGINES, REBUILD ASSEMBLIES, REBUILD PARTS AND UTILITY PARTS IS LIMITED TO THE MANUFACTURER'S WARRANTY. SHOP LIABILITY SHALL BE LIMITED TO THE CORRECTION OF REPAIRS PERFORMED WHEN VALLEY POWER SYSTEMS INC. OR ANY OF ITS SUBSIDIARIES (HEREIN REFERRED TO AS "VALLEY") EXAMINATIONS SHALL DISCLOSE FACTORY WORKMANSHIP UNDER NORMAL USE WITHIN 90 DAYS FROM DATE OF DELIVERY. VALLEY'S SOLE OBLIGATION UNDER THIS WARRANTY IS TO REPAIR, AT ITS PLACE OF BUSINESS OR, AT ITS OPTION, EXCHANGE ANY SUCH GOODS OR SERVICES WHICH ARE FOUND BY VALLEY TO BE DEFECTIVE IN WORKMANSHIP OR MATERIAL. FOR REPAIRS, THIS IS LIMITED TO REPAIRS OR REPLACEMENT OF THE FAILED WEAR COMPONENTS ONLY. THE FOREGOING SHALL BE THE SOLE AND EXCLUSIVE REMEDY FOR ANY SUCH DEFECT, WHETHER IN CONTRACT, TORT, WARRANTY OR OTHERWISE, IN NO EVENT SHALL VALLEY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING TOWING OR DOWN TIME IN CONNECTION WITH, OR ARISING OUT OF THE SALE OF GOODS OR FURNISHING SERVICES. THESE WARRANTIES ARE THE ONLY APPLICABLE WARRANTIES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE UNLESS OTHERWISE EXPRESSLY SPECIFIED HEREIN.

CUSTOMER RESPONSIBILITY FOR NON-WARRANTY REPAIRS: IN SOME INSTANCES, CERTAIN OF THE REPAIRS REQUESTED BY YOU MAY HAVE THE POSSIBILITY OF BEING COVERED BY A MANUFACTURER'S WARRANTY. IN SUCH INSTANCES, VALLEY MAY, AS AN ACCOMMODATION TO YOU, FILE A WARRANTY CLAIM ON YOUR BEHALF AND DEFER BILLING YOU UNTIL THE MANUFACTURER HAS RESPONDED TO THE WARRANTY CLAIM. HOWEVER, ANY AMOUNTS NOT PAID BY SAID MANUFACTURER WILL BE BILLED TO YOU AND WILL BE DUE UPON RECEIPT OF INVOICE.

I HEREBY AUTHORIZE THE ABOVE REPAIR WORK TO BE DONE ALONG WITH INSTALLATION OF THE NECESSARY MATERIAL, AND HEREBY GRANT VALLEY AND/OR ITS EMPLOYEES PERMISSION TO OPERATE THE VEHICLE OR PRODUCT HEREIN DESCRIBED ON STREETS, HIGHWAYS OR ELSEWHERE FOR THE PURPOSE OF TESTING AND/OR INSPECTION. AN EXPRESS LIEN IS HEREBY ACKNOWLEDGED ON THE VEHICLE OR PRODUCT TO SECURE THE AMOUNT OF REPAIRS FURNISHED. I ALSO ACKNOWLEDGE THAT THE REPAIR IS NOT RESPONSIBLE FOR LOSS OR DAMAGE TO ARTICLES LEFT WITH VEHICLE OR PRODUCT IN CASE OF FIRE, THEFT OR ANY OTHER CAUSE BEYOND ITS CONTROL, AND IS NOT RESPONSIBLE FOR MATERIAL UNCLAIMED AFTER 30 DAYS. I ALSO ACKNOWLEDGE AND ACCEPT THE TERMS OF THE WARRANTY INFORMATION SHOWN ABOVE.

LABOR	2,200.00
MACHINE OPERATIONS	.00
MILEAGE	650.00
PARTS	.00
P3 Deductible	.00
Per Quotation	.00
TAX	.00
TOTAL	\$2,850.00

Deposit/Pd Amt: \$.00

\$2,850.00

ACCEPTED & APPROVED BY

SIGNATURE

DATE

215 8/23/17 01 B



10006 Rose Hills Road
City of Industry, CA 90601
(562) 463-4000
www.quinncompany.com

PLEASE MAKE REMITTANCE TO: QUINN COMPANY P O Box 849665, Los Angeles, CA 90084-9665	
Invoice No.	E7002402
Invoice Date	08/24/2017
Payment Due Date	09/23/2017
Amount Due	\$12,592.45
Payment Terms	Net 30 Days
Credit Memo Amount	
Customer Account No	712270L
Contract No	E70024
Customer PO Number	14729

SALES/RENTAL INVOICE

Make : CATERPILLAR INC.
 Model : 1000KW
 Serial No : 0SXC00893
 Equipment No :
 Machine ID No : PR2453 Meter Reading : 8344.0

BILL TO : VICTOR VALLEY WASTEWATER REC
 20111 SHAY RD
 VICTORVILLE, CA 92394

WVWRA
SEP 05 2017

Please use Remittance Advice on last page of this invoice.
SHIP TO : WASTE WATER TREATMENT PLANT
 VICTORVILLE, CA

Customer Contact: LOGAN OLDS

Quinn Sales Representative: JASON WONDOLLECK

Quinn Store Location: RIVERSIDE, 656 E. LA CADENA DR. RIVERSIDE, CA 92507 Ph. 951-683-5960

INVOICE DETAIL

Contract Number: E70024

Contract Date: 07/02/2017

Invoice Date: 08/24/2017

QTY	DESCRIPTION	DAY	WEEK	4WEEK	PRICE
	ALL RENTAL ITEMS ARE TAXABLE LINE ITEMS WITH (T) ARE TAXABLE				
1.	ID NO: PR2453 SERIAL NO: 0SXC00893 1000KW GENERATOR - 1000KW HRS OUT: 8344.0	\$1,120	\$3,360	\$10,080	10,080.00
32	ID NO: CABLE 50' SERIAL NO: CABLE 50' CABLE 4/0 50' -	\$0	\$0	\$0	

QUINN POWER SYSTEMS APPRECIATES YOUR BUSINESS

Rental Subtotal: 10,080.00

Miscellaneous Items

1	ENV REC FEE 2(T)				201.60
1	FIRE, THEFT & VANDALISM				1,411.20
STATE 7.25% COUNTY 0.5% CITY 1% TOTAL TAX: 8.75%					899.65

Invoice Total:

12,592.45



Go Paperless. To receive your invoices and statements electronically, please visit our website at quinncompany.com.

CARB REGULATIONS Any on-road heavy-duty diesel, alternative-diesel, or off-road diesel vehicle, operated in California, may be subject to the California Air Resources Board In-Use On-Road (Truck and Bus) or In-Use Off-Road Diesel Vehicle Regulations. It therefore could be subject to exhaust retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board websites at <http://www.arb.ca.gov/dieseltruck> for the Truck and Bus Regulation or <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm> for the Off-Road Regulation. Portable engines operated in California may require State or local air district permitting. Customer is responsible for any required air quality permits necessary to operate this equipment.

TITLE It is understood and agreed that title to and right of possession of any rental item(s) above shall remain vested in the seller until any indebtedness and all sums due or to become due from the customer, whether evidenced by note, book account, judgment or otherwise, shall have been fully paid, at which time ownership shall pass to the customer.

A FINANCE CHARGE OF 1.5% PER MONTH (18% PER ANNUM) will be charged on the past due balance. The past due balance represents all charges remaining unpaid on the closing date of the month following the invoice date. In the event of default in the payment of any amount due, and if the account is placed in the hands of any agency or attorney for collection or legal action, the purchaser agrees to pay finance charges equal to the cost of collection (as permitted by laws governing these transactions). When necessary, Quinn will invoke its repairman's lien pursuant to Sections 3051 and 3051a of the California Civil Code. Acceptance by the customer of the parts, service or equipment listed above is the customer's agreement to be bound by the credit and collection terms set forth above.

Bakersfield • City of Industry • Corcoran • Firebaugh • Foothill Ranch • Fresno • Lancaster
Oxnard • Paso Robles • Pomona • Salinas • Santa Maria • Sylmar • Tulare • Yuma, AZ



GE INTERNATIONAL INC
4200 WILDWOOD PKWY
ATLANTA GA 30339-8402

THAWRA
SEP 08 2017



BILL TO:

59



ACCOUNTS PAYABLE
VICTOR VALLEY WASTE WATER
RECLAMATION FACILITY
20111 SHAY RD
VICTORVILLE CA 92394-8539

BRANCH: 4200 Wildwood Pkwy,
Atlanta, GA 30339 US

ORIGINAL INVOICE		
INVOICE NUMBER	INVOICE DATE	PAGE
205767	30-AUG-17	1 of 1
DUE DATE	PAYMENT TERMS	
29-SEP-17	NET 30	
SEND PAYMENT SHOWING INVOICE NO. & INVOICE DATE TO:		
By Mail:	By Wire:	
GE INTERNATIONAL INC	DEUTSCHE BANK TRUST COMP	
P.O. BOX #281997	ACC# 50280397	
ATLANTA, GA 30384-1997	ABA# 021001033	
	NEW YORK, NY	
	Swift Code: BKTRUS33	
GE Tax ID# 13-1962940		
Seller VAT ID:		
Customer VAT ID:		
We now accept: Master Card, Visa and American Express.		
Call phone number listed below for processing		

SHIP TO:
VICTOR VALLEY WASTE WATER
RECLAMATION FACILITY
20111 SHEA ROAD
VICTORVILLE CA 92392

CURRENCY
USD

CUSTOMER ORDER NUMBER	GE REFERENCE NUMBER	GE CUSTOMER NUMBER	BILLING PERIOD
15094 & 15335	50265943	5302455	30-AUG-17

LINE	SVC DATE	PRODUCT/SERVICE PROVIDED	TAX/VAT%	QUANTITY	UOM	UNIT PRICE	EXTENDED AMOUNT
1	02-AUG-17	70137941-Purchased Labor/ONSITE FIELD ENGINEERING SERVICES RENDERED 7/20 thru 8/2/17 Work Description: 450KW Generator Breaker Services <i>SEP 10 2017</i> <i>OK TO PAY FOR</i> <i>MARCIO</i>	7.75	1	LT	26,672.00	26,672.00

APPROVED TO PAY						
F	L	CC	ACCT	PROJ	DEBIT	CREDIT
01	02	545	6010	8005	28,739.08	
BY			DATE			

Signature and Stamp	TAX SUMMARY BY RATE				
	TAX NAME/RATE	NET AMOUNT	TAX/VAT%	TAX/VAT AMOUNT	TOT AMOUNT
	US SALES TAX	26,672.00	7.75	2,067.08	28,739.08
TOTAL	26,672.00		2,067.08	28,739.08	

State tax statutes require that a copy of tax-exempt certificates be maintained in our records, otherwise we must collect tax on sales invoiced. If applicable, please return a copy of your valid tax-exempt certificate to the following address, to ensure accurate invoicing:

General Electric, PO Box 2639, Lilburn, GA 30048-2639 Fax: (949) 252-7340

	UNIT TOTAL	TAX TOTAL	SHIP HNDL TOTAL	INVOICE TOTAL
For queries/concerns regarding this invoice or for credit card processing please contact us at .	26,672.00	2067.08	0.00	28,739.08



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

October 26, 2017

FROM: Chieko Keagy, Accounting Supervisor *CK*

TO: Angela Valles, Director of Finance

SUBJECT: Recommendation to Approve Fedak & Brown LLP as an Auditor for both Financial and Single Audits for Years Ending June 30, 2018 and 2019

RECOMMENDATION

It is recommended that the Board of Commissioners approve Fedak & Brown LLP as an auditor for both financial and Single audits for a value not exceeding \$21,446 for the year ending June 30, 2018 and \$21,446 for the year ending June 30, 2019.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel and Logan Olds, General Manager.

BACKGROUND INFORMATION

During 2016 the Board awarded financial and Single audit engagements to Fedak & Brown LLP for the years ended June 30, 2016 and 2017 based on a solicitation of requests for proposals per the VVWRA Procurement Policy. Based on their experience with VVWRA over the seven years since fiscal year 2010, the staff recommends that VVWRA award the fiscal and Single audit services to Fedak & Brown LLP for the year ending June 30, 2018 and 2019. Considering the complexity related to grants, the familiarity with our capital programs, and the experience with existing Single audits, the staff recommends the professional audit services by Fedak and Brown LLP for these years.

FINANCIAL IMPACT

Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-03-510-8110 From FY 2018 budget
Transfer Needed due to Insufficient Budget	Y [] N [X]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	\$21,446.00

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	\$21,446.00
Change Order	Y[] N[]
Contract after Change	\$

Budget Remaining after the Recommendation	
Outside Funding Source	\$
Original Contract Amount	\$
Change Order	Y[] N[]
Contract after Change	\$

RELATED IMPACTS

The efficient audit would enable the staff to carry on daily duties without much stress and fewer interruptions.



Charles Z. Fedak, CFA, 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. Sta. 390
Riverside, California 92505
(951) 977-9888

February 18, 2016

Ms. Chieko Keagy, Accounting Manager
Victor Valley Wastewater Reclamation Authority
20111 Shay Road
Victorville, CA 92394

Re: Request for Proposal for Independent Auditor Services

Dear Ms. Keagy:

Based on our understanding of the Victor Valley Wastewater Reclamation Authority's (Authority) requirements, our fees for audit services for the fiscal years ending June 30, 2016 and 2017 are **\$19,500** and **\$19,960**, respectively. This fee is based on our understanding of the Authority's audit requirements.

In the event that the Authority wishes to extend this agreement and assuming there is no substantial changes in the Authority's activities and operations, our fee for audit services for the Optional Year 2018 would be **\$21,446**, which includes additional audit hours estimated for the implementation of GASB 75. In addition, our fee for audit services for the Optional Year of 2019 would be **\$21,446**.

Our estimate for out-of-pocket expenses is a separate estimate and may not be utilized in total to the amount estimated. Again, these fees are based on the estimated hours using our discounted hourly rates. The components of this audit services fee proposal and out-of-pocket costs for the years ending June 30, 2016 and 2017, and optional year 2018 and 2019 are itemized in the attached Exhibits.

Our not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services, if they are requested by the Authority.

As previously disclosed to the Authority, Fedak & Brown LLP (Firm) was formed in May of 2015. With the formation of the new firm, admittance of new Partners and additional staffing at all levels, the firm is poised to meet and exceed all the Authority's future needs. As you may know, current legislation and best practices noted by various professional organizations suggest rotation at the Partner level after each five year period. We would like you to know that with the formation of Fedak & Brown LLP, any concerns with regard to these matters have been properly addressed. We here at Fedak & Brown LLP are here to serve you and look forward to continuing our relationship.

We look forward to potentially continuing to work with the Victor Valley Wastewater Reclamation Authority in the future.

I am authorized to make representations for Fedak & Brown LLP and am duly authorized to sign a contract with the Authority.

Christopher J. Brown, CPA CGMA

February 18, 2016

Date



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

MEMORANDUM

DATE: 26 October 2017

TO: Board of Commissioners

FROM: Logan Olds, General Manager *LO*

SUBJECT: CalOES Close Out of the Upper Narrows Emergency

Staff was informed by our consultant, Adjusters International, that CalOES has completed their review of the Upper Narrows Interceptor Replacement Project (UNIRP). CalOES agrees with the project cost of \$35,895,883.57 which is the full (100%) amount requested by VVWRA and represents 81% of the total project expense. The state is now proceeding with their review of the expenses associated with the Upper Narrows Emergency Bypass (UNEB). The UNEB has a value of \$8,336,217.00. Therefore the total value of the Upper Narrows project (interceptor replacement and emergency bypass) is \$44,232,100.57.

VVWRA is responsible for 6.25% or \$2,764,506.28. In May of 2011 the Board authorized staff to obtain a State Revolving Fund Loan to fund VVWRA's portion of the project cost. During the project CalOES and FEMA disallowed \$503,659.00 of expenses associated with the UNIRP and \$476,072.00 of expenses for the UNEB. CalOES is currently withholding \$3,831,968.00 of VVWRA funds for retention. Once FEMA responds to the draft OIG audit and releases the remaining funding, including retention, staff will work with Adjusters International to ensure that the value of the State Revolving Fund loan is consistent with the grant funds received from CalOES and FEMA.

We were informed that FEMA intends to respond to the draft OIG audit by the end of December. However this information was before the fires in northern California occurred so it is unknown if that will now impact the CalOES timeline.



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

26 October 2017

FROM: Logan Olds, General Manager *LO*
TO: Board of Commissioners
SUBJECT: Load Bank Design for the Advancing Water and Energy Efficiency Strategies also known as the Battery Storage and Microgrid Project

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the General Manager to modify the Advancing Water and Energy Efficiency Strategies (also known as the Battery Storage and Microgrid Project) design to include the installation of equipment necessary to construct two redundant battery storage systems, initial hardware for future load bank installation and necessary project management costs totaling \$56,550.00, fifty six thousand five hundred and fifty dollars.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

On 27 January 2016 the Board adopted Resolution 2016-02 a Categorical Exemption completing the environmental process for this project. This was followed by Board action on 26 April 2016 when the Board agreed to accept the California Energy Commission (CEC) grant for Advancing Water and Energy Efficiency Strategies in the amount of \$1,734,059.00 with an additional \$271,999.00 in in-kind labor provided by VVWRA for the installation, operation and maintenance of the flow cell batteries and microgrid. This totals \$2,006,058.00. You will note in the attached staff recommendation dated 26 April 2016 that the original value was \$2,636,274.00. The difference is due to a reduction in the in-kind labor requirement by VVWRA. The Board has Commissioner Cox to thank for that reduction. At that Board meeting Commissioner Cox requested that staff renegotiate that value with the CEC. In short, it worked and staff is grateful to Commissioner Cox for his guidance on this issue.

VVWRA staff has been working with Biogas Engineering and the other project partners throughout 2017 on the design. The University of California Riverside (UCR) has reviewed all of our electrical usage data to the second for 2016. UCR is the lead designer for the microgrid which will control the battery system. The grant was written such that the batteries (8 of them) would operate in series. However during the design UCR and the electrical installer Masters Electric determined that if the batteries were operated in parallel (4 by 4) that it would increase the redundancy and reliability of the entire system and provide for better long term maintenance and thus life span of the battery system. Interestingly it will also allow the system to handle larger fluctuations in power. Considering the low voltage issues that VVWRA experiences this would be a significant advantage and increase the longevity of our other electrical equipment.

A load bank is designed to absorb and dissipate excessive power generation as well as accept and dissipate voltage irregularities from grid power. A load bank for each of the water reclamation

plants (WRP) in Apple Valley and Hesperia is necessary to dissipate excess power during monthly generator checks. Each of them is trailer mounted so that they can be stored when not in use and easily transported. VVWRA staff asked Biogas Engineering and UCR if the subregional WRP load banks would provide a benefit to the Project. Please refer to the attached letter from Biogas Engineering for a detailed response, in short their response was a resounding yes. Interestingly UCR is so interested in including this aspect in the programming of the microgrid that they have offered to do so at no additional cost.

The proposal before you is to perform the initial work and equipment that would allow the future equipment to be installed for the load bank and for the batteries to be operated in parallel (4 by 4) rather than in series. VVWRA staff believes that it would be prudent to learn how much savings VVWRA realizes with the Project prior to expending the resources to construct the additional facilities necessary to install the load banks. Staff has been told that the final equipment installation for the load banks would not exceed \$100,000.00, one hundred thousand dollars. If current electrical savings projections are accurate the Authority will save in excess of \$200,000.00 annually once the load banks are installed. The Project has completed design, the batteries require six months to construct and the construction for their installation should begin in late January of 2018.

Currently VVWRA must consume more power than is required by the non-export interconnection agreement with Southern California Edison (SCE). The Authority’s PPA for its power production is a set price irrespective of how much power is generated therefore the more power produced on site and used onsite the lower the electrical expense (this includes the expenses associated with episodic maintenance requirements). The Project will enable VVWRA to further reduce its consumption of SCE power by approximately 200 kWh.

FINANCIAL IMPACT

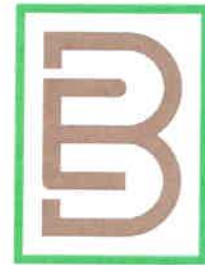
Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	
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	\$

Fund 09	
Accounting Code (String) example: 09-xx-xxx-xxxx (<u>mandatory</u> project code)	09-02-174-1760 C131
Transfer Needed due to Insufficient Budget	Y[] N[]
If Transfer, from Which Account String or Reserve	
Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source	\$
Original Contract Amount – VVWRA portion	\$129,201
Change Order	Y[] N[]
Contract after Change – VVWRA portion	\$185,751

RELATED IMPACTS

Better redundancy, reliability and lifespan, and reduced expenses



October 5, 2017

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

Subject: Proposal to Implement the Design of the Load Banks to The California Energy Commission Funded Battery Installation Project.

Dear Mr. Olds,

Victor Valley Wastewater Reclamation Authority (VWVRA), on September 7, 2016, signed an agreement with the California Energy Commission to receive a grant of \$1,734,059 to install a battery-based power management system to manage the output of the existing 1.6 MW Biogas fueled generators, and to regulate the net energy import from the utility grid. Per the signed agreement VWVRA's contribution to the project is labor valued at \$271,999.

The utility interconnect agreement between the Southern California Edison and VWVRA requires VWVRA to import a minimum amount of power. With the installation of the new batteries and the power management system, the waste water treatment plant will be able to operate more reliably by reducing the number of events (outside VWVRA control) which cause the generators to go offline. The battery proposed for this project is 200 kW in capacity.

To make the battery and its power management system more robust and to capture the power swings larger than the battery capacity (battery capacity to absorb power depends upon the amount of charge at any given time), an installation of two load banks is proposed. These load banks will work as a power sink absorbing surplus power when required. In absence of these load banks, power swings greater than the capacity of the battery can knock the entire VWVRA power generation system offline.

The engineering design team proposes the utilization of the two trailer-mounted 500 kW load banks that were acquired for use at the sub regional water reclamation plants are incorporated into this project. These load banks will have the capacity to adsorb 1,000 kW of total power. This would increase the system power absorbing capacity to 500% of the original design in a worst case scenario (1,000 kW compared to 200kW) and to 600% in a best case scenario (1,200 kW compared to 200kW when the batteries are completely discharged). It is the consensus of the design team that the addition of the load banks will increase the reliability of the system, increase the run time of the generators, decrease the cost of power production, and add redundancy in the system.

We propose that this project be implemented in two phases. As the battery installation project is being designed and constructed, we propose that the load bank design shall be incorporated with the battery installation project. By separating the project in two phases i.e. a design phase and an installation/integration phase will allow VVWRA an opportunity to design in necessary capacity and then monitor the success of the battery installation project. These mechanical components designed into the installation under phase 1 would be necessary for future Load Bank incorporation. Once the battery project is successfully operating, VVWRA can utilize the revenue saved by its successful implementation for the installation and integration of the load banks into the installation project. If addressed during the design phase, UCR has agreed to do the complex additional programming necessary for the load banks at no additional charge. This programming can then be activated later when the load banks are installed.

Additional funds are requested to incorporate the design of the load banks with the battery installation project. Provided below is the breakdown of the additional funds requested.

Based on our project understanding following is the scope of work.

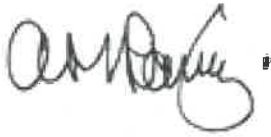
Table 1: Project Budget					
Original Task #	Sub Contractor Name	Project Role	Original Budget	Additional Funds Required	Total Revised Budget
2	Masters Electric	Electrical Engineering and Contracting	\$88,800	\$43,600	\$132,400
2	Apple Valley Construction	General Construction	\$78,860		\$78,860
2	Biogas Engineering	Project Management	\$142,120	\$12,950	\$155,070
2	Primus Power	Battery Supplier	\$1,083,293		\$1,083,293
2	University of California, Riverside	Power Management system controller designer and supplier	\$439,497	\$0	\$439,497
Total			\$1,832,570	\$56,550	\$1,889,120

The requested additional budget will cover the cost of the engineering design and project management.

As stated above, the project team including project engineers are confident that when implemented, this addition of load banks to the battery management system will not only increase the system capacity to absorb larger fluctuations in power, it will also add to the system redundancy and increase the system reliability.

We request VVWRA provide additional funds to implement the design of the load banks. Should you have questions or additional comments, please do not hesitate to contact us.

Sincerely,



Arnold Ramirez, PE
Project Manager
Cell: (909) 942-0751
BIOGAS ENGINEERING



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



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

26 April 2016

FROM: Logan Olds, General Manager

TO: Board of Commissioners

SUBJECT: Recommendation to Approve the Electric Program Investment Charge (EPIC) Grant Award by the California Energy Commission (CEC) for Advancing Water and Energy Efficient Strategies.

RECOMMENDATION

It is recommended that the Board authorize the General Manager to execute a contract with the CEC to receive an EPIC grant award for Advancing Water and Energy Efficient Strategies in the amount of \$2,636,274.00.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel and Gilbert Perez, Director of Operations.

BACKGROUND INFORMATION

In December of 2015 staff obtained permission from the Board to pursue the CEC Advancing Water and Energy Efficient Strategies grant. VVWRA partnered with Apple Valley Construction (site improvements), Anaergia Services (project management), Masters Electric (electrical installation), Primus Power (flow cell battery provider), and UC Riverside (microgrid developer) and Granite Hills High School (student education). A total of eighteen projects were submitted to the CEC for the grant. Of those eighteen projects VVWRA's project received the second highest point score.

The grant award requires an in-kind match from VVWRA. The Authority was able to allocate staff time over the four years of the grant to administer, operate and maintain the project. Therefore VVWRA was only required to expend \$1200.00 in travel expenses for the match amount. This is called an in-kind services match. The CEC will provide \$1,734,059.00 in cash to construct the project; VVWRA will provide an in-kind match utilizing existing staff salaries over four years of \$771,814.00 and our battery partner Primus Power has agreed to provide \$129,201.00 in match dollars for a total of \$2,635,074.00. VVWRA will expend \$1,200.00 for travel expenses to meet with the CEC during the four year grant term which brings the total to \$2,636,274.00. Attached are the budget sheets submitted to the CEC detailing the project costs.

Also attached is the scope of work for the project which includes the Agreement Objectives of the grant award are as follows:

- Design, install, integrate, and operate an advanced energy management system;
- Refine, optimize, and integrate an innovative software control system into the energy management system;
- Operate the proposed integrated system for up to 12 months;
- Increase the existing wastewater treatment facility's renewable energy production and utilization;
- Save millions of gallons of water per year by minimizing recycled water system shutdowns and increasing the production of Title 22 recycled water for beneficial use;
- Increase the energy efficiency of plant equipment, such as generators;
- Decrease the amount of biogas wasted by on-site flaring;
- Reduce electrical demand charges incurred by the facility;
- Appraise the operational and performance characteristics and financial risks of the proposed demonstration system by:
 - investigating and documenting benefits and barriers associated with large-scale deployment;
 - investigating the role of end-user behavior, to help identify ways to ensure sustainable, long-term, actual energy and water savings in the demonstration facilities;
 - monitoring and verifying energy and water savings benefits and the persistence and sustainability; and

Identifying the critical market players, including regulatory agencies, water and electric utilities, and their role in commercial deployment of the technology.

FINANCIAL IMPACT

Finance Approval:

Fund 01 or 07	
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)	01-02-300-8060
Transfer Needed due to Insufficient Budget	Y[] N[X]
If Transfer, from Which Account String or Reserve	NA
Budgeted Amount Where Money Comes from	
Budget Remaining after the Recommendation	
Outside Funding Source if applicable	\$
Original Contract Amount	\$1,200.00
Change Order	Y[] N[X]
Contract after Change	\$

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



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

27 January 2016

FROM: Logan Olds, General Manager

TO: Board of Commissioners

SUBJECT: Resolution 2016-02, a Categorical Exemption (CEQA) for the Battery Energy Storage Project

RECOMMENDATION

It is recommended that the Board of Commissioners adopt Resolution 2016-02, A Resolution of the VVWRA Approving the Westside Water Reclamation Plant Battery Energy Storage Project and Finding the Project Categorically Exempt from the California Environmental Quality Act (CEQA). The project title for the Advancing Water and Energy Efficient Strategies and Technologies in California (GFO-15-317) California Energy Commission (CEC) grant is the: Victor Valley Wastewater Reclamation Authority (VVWRA) – Renewable Energy Storage and Recycled Water Project.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

VVWRA staff learned that the CEC is significantly more likely to fund grant projects that have completed the CEQA process. The Authority previously met CEQA requirements for the biogas to energy project and was able to utilize that information to prepare the attached Categorical Exemption (CE). Therefore Resolution 2016-02 and the CE will complete the environmental process for the Victor Valley Wastewater Reclamation Authority (VVWRA) – Renewable Energy Storage and Recycled Water Project.

The installation of a high output battery and micro grid controller will allow VVWRA to control our plant electrical system and minimize complications from power outages and reduce or eliminate demand charges from SCE. Demand charges are fees that SCE charges for infrastructure on standby. If the Authority's system is incapable of handling its internal load for 15 minutes in one month then SCE can charge demand fees for all electrical power consumed (even if generated from our own biogas) for the entire month. It is the final step in the creation of a reliable, sustainable and uninterruptable power supply at the resource recovery facility (WWTP). Furthermore it will represent a grant investment of approximately \$2,000,000.00 at VVWRA.

The energy storage project will provide the following benefits for the plant:

- Provide high output power for minor grid outages that have tripped the plant offline in the past. This power reserve will allow a smooth transition to backup power.
- The battery will provide instantaneous power when large loads come online before the cogeneration engines can respond thus eliminating potential SCE demand charges.
- The battery will provide a sink for storage of excess power which can be produced by the cogeneration system.
- UCR wishes to build a micro-grid technology program which can then be marketed to the private sector at VVWRA.

VVWRA’s power production facilities can operate without this additional infrastructure. However it will provide insurance if there is an equipment failure and will allow staff additional response time thus ensure that SCE demand charges do not occur.

FINANCIAL IMPACT

Finance Approval:

Fund 01 or 07		
Accounting Code (String) example: 01-xx-xxx-xxxx (project code if any)		
Transfer from Reserve	Y []	N []
If Transfer, from Which Reserve		
Outside Funding Source if applicable		
Change Order	Y []	N []
Original Budget Amount	\$	
Original Contract Amount	\$	
Budget Remaining after the Recommendation	\$	
Contract after Change	\$	

Fund 09		
Accounting Code (String) example: 09-xx-xxx-xxxx (<u>mandatory</u> project code)	Not Applicable	
Transfer from Reserve	Y []	N []
If Transfer, from Which Reserve		
Outside Funding Source		
Change Order	Y []	N []
Original Budget Amount	\$	
Original Contract Amount	\$	
Budget Remaining after the Recommendation	\$	
Contract after Change	\$	

RELATED IMPACTS

The adoption of Resolution 2016-02 will strongly position VVWRA’s grant application for funding.



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

MEMORANDUM

DATE: 26 October 2017

TO: Board of Commissioners

FROM: Logan Olds, General Manager *LO*

SUBJECT: Oro Grande Interceptor Replacement Project

Following the damage caused by the winter storms in 2010 Commissioner Jim Cox requested that staff evaluate VVWRA's interceptors to learn if there were any additional vulnerable sewer lines. Staff found three:

1. Desert Knolls Wash, serving the Town of Apple Valley and located in Apple Valley.
 - a. This is the pipeline that "floated" during the rain event in December of 2016 and is currently in design for replacement.
 - b. Cost estimate is \$1.2M
2. Ossum Wash, serving all four Member Entities, located in the City of Victorville
 - a. This is a double barrel pipeline that crosses a wash adjacent to Turner Road.
 - b. The design calls for lining the existing pipelines at a cost of approximately \$0.8M.
3. Oro Grande Interceptor, serving County Service Area 42
 - a. This is the pipeline that is severely corroded, has three manholes (with angle deflection and vertical drops) located within the river and is at an average depth of only fourteen feet but is below the groundwater table.
 - b. The project design was completed over four years ago at the 90% and utilized a microtunnel. The reasons why a microtunnel was chosen were:
 - i. Environmental, it would require numerous state and federal permits to open cut and install a pipeline through the river channel.
 - ii. The high groundwater levels would require very costly pumping to dewater the open cut for pipeline installation.
 - iii. A pipeline would still require manholes thus exposing VVWRA to significant regulatory fines; a microtunnel would traverse the entire river bottom without manholes. A full break in the pipeline could result in regulatory fines of \$890,000.00 per day.
 - iv. The cost estimate for this project is \$5.7M

The SRF loan has been under review by the state for over four years. Due to other VVWRA capital projects and financial issues staff did not push the project with the State Water Resources Control Board (SWRCB). The SWRCB eliminated the \$50M cap on SRF loans and directed resources to water recycling projects. This benefitted VVWRA because the subregional projects received a 1% loan and an additional \$9M grant bringing the total grant funds to \$26M for those two water reclamation plants.

Unfortunately the large agencies like San Francisco PUD and Sacramento MWD utilized all the remaining SRF funds for their billion dollar infrastructure programs. Staff was informed this month that the SWRCB would not be funding VVWRA's Oro Grande project because it had run out of funds for SRF loans. Interestingly despite Oro Grande being a state recognized Disadvantaged Community (DAC) VVWRA is not as a whole a DAC, therefore we could not apply for DAC funds for Oro Grande.


Traditionally VVWRA staff does not submit plans beyond 90% to the SRF because if technology changes it provides the opportunity to revise the plans without the bureaucratic hurdles. This approach may have resulted in significant benefits to the Oro Grande project. Five years ago slip lining was not capable of a single run of two thousand feet and could not perform bends or drops. Staff has revisited the assumptions that the Engineering Committee agreed to and the technology options. It appears that slip lining can now traverse bends; this may be a game changer and result in a significant cost reduction. VVWRA staff is therefore going to investigate this option. If a change in design is warranted staff will coordinate with the Engineering Committee and inform the Board of the proposed new direction and seek your authority to modify the design.

Since SRF loan funding is no longer an option staff has reached out to the California Rural Water Association (CRWA) to learn if there is funding available through the U.S. Department of Agriculture (USDA). The CRWA is a non-profit that assists DAC's with obtaining federal funds. It may be possible to obtain funding for the Oro Grande project through the USDA. They have reached out to their USDA contacts in the Imperial Valley to learn if we may be eligible for their program.



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

26 October 2017

FROM: Logan Olds, General Manager 
TO: Board of Commissioners
SUBJECT: Filing of a Claim Against the City of Hesperia

RECOMMENDATION

It is requested that the Board of Commissioners direct VVWRA Legal Counsel and Staff to prepare a claim to be filed with the City of Hesperia for non-payment of fees for services rendered by VVWRA to the City of Hesperia.

REVIEW BY OTHERS

This recommendation was reviewed by Piero Dallarda, Legal Counsel.

BACKGROUND INFORMATION

The request to file a claim with the City of Hesperia for the purpose described above was requested by the City of Victorville at the VVWRA Board meeting on 21 September 2017. Please refer to the draft minutes for the 21 September 2017 Board meeting in this agenda package for additional clarification. Currently the City of Hesperia is retaining approximately two million dollars which is owed to VVWRA in past due user fee and connection fee revenue.

FINANCIAL IMPACT

Unknown at this time. The filing of the claim will be minimal cost however should the action result in litigation the expense is likely to be significant.

RELATED IMPACTS

Unknown at this time.

Victor Valley Wastewater Reclamation Authority



Financial and Cash Report

September 2017

Victor Valley Wastewater Reclamation Authority
CASH AND RESERVE SUMMARY
 September 30, 2017

G/L Account	Description	Balance
1000	DCB Checking Account	\$ 950,246
1030	DCB Sweep Account	785,869
1075	Cal TRUST	3,076,052
1070	LAIF	1,526,262
	Total Cash	\$ 6,338,429

\$65 mil Max

Reserves:	Current Balance	Restricted	Assigned	Not Assigned
Targeted Capital Reserve	\$ -	\$ -	\$ -	\$ -
O&M Reserve: 10% of Prior Year Budgeted Operating Expenses	-	-	1,081,523	-
R&R Reserve: 1% of Land Improvements/Plants/Interceptors PY CAFR	700,000	-	1,670,006	-
Reserve for SRF Payments (P& I) - Operating	2,819,883	2,819,883	-	-
Reserve for SRF Payments (P& I) - Capital	2,431,926	2,431,926	-	-
Available for O&M	386,620	-	-	-
Total Cash	\$ 6,338,429	\$ 5,251,809	\$ 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	257,745	178,764	640,818	960,452	2,819,883
Reserve for SRF Payments (P& I) - Capital	1,348,576	-	59,588	409,703	614,059	2,431,926
	\$ 2,130,680	257,745	238,352	1,050,521	1,574,511	\$ 5,251,809

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)	(31,612,790)	(19,171,724)	(7,455,010)	(3,805,296)	(68,287,343)
Grant and Loan Balance Remaining	\$ -	\$ -	\$ 3,830,005	\$ 3,365,908	\$ 680,638	\$ 194,704	\$ 8,071,255

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)	(1,038,301)	-	(10,194,020)
Grant and Loan Balance Remaining	\$ -	\$ -	\$ 1,972,724	\$ 132,272	\$ 7,892	\$ -	\$ 2,101,937

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		
	Incurred	Claimed	Remaining	
* SRF Loan	Construction	1,655,130	(1,655,130)	-
	Change Orders	1,825,000	(1,825,000)	-
	Soft Costs	806,250	(806,250)	-
		4,286,380	(4,286,380)	-

Victor Valley Wastewater Reclamation Authority
Flow Study
For the Month Ended August 31, 2017

Measured by ADS	Percentage of Total %	August Monthly MG
VSD 1 (less North Apple Valley)	5.5787%	19.9580
VSD 2	13.9710%	49.9820
VSD 3	26.6062%	95.1850
VSD 4	6.1380%	21.9590
VSD 5	0.6490%	2.3220
VSD 6	6.5453%	23.4160
VSD Total	59.4882%	212.8220
Apple Valley 01	10.3247%	36.9370
Apple Valley 02	5.4180%	19.3830
Apple Valley North	0.1121%	0.4010
Apple Total	15.8548%	56.7210
Hesperia	18.8531%	67.4480
CSA 64 SVL	4.7312%	16.9260
CSA 42 Oro Grande	1.0728%	3.8380
CSA Total	5.8040%	20.7640
Total Apportioned Flow	100.0000%	357.7550
Mojave Narrows Regional Park		0.1000
Total Study Flow		357.8550

Victor Valley Wastewater Reclamation Authority
Statement of Net Position
September 30, 2017

<i>Assets and Deferred Outflows of Resources</i>	2017
Current assets:	
Cash and cash equivalents	\$ 12,527,452
Interest receivable	6,939
Accounts receivable	3,746,039
Receivable from FEMA Grants	5,375,455
Accounts receivable - Other	6,522
Allowance for Doubtful Accounts	(64,828)
Materials and supplies inventory	86,516
Prepaid expenses and other deposits	159,980
Total current assets	21,844,075
Fixed assets:	
Capital assets not being depreciated	83,881,131
Capital assets being depreciated	119,178,407
Total capital assets	203,059,538
Total assets	224,903,613
Deferred outflows of resources	
Deferred outflows of resources - pension	1,743,035
Total	\$ 226,646,648
<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 1,661,226
Accrued interest on long-term debt	75,383
Long-term liabilities - due within one year:	
Compensated absences	48,647
Loans payables	1,849,149
Other payables	6,543,758
Total current liabilities	10,178,163
Non-current liabilities:	
Long-term liabilities - due in more than one year:	
Compensated absences	219,396
Other post employment benefits payable	1,419,041
Loans payable	80,489,814
Net Pension Liability	5,011,624
Other payables	449,673
Total non-current liabilities:	87,589,548
Total liabilities	97,767,711
Deferred inflows of resources	
Deferred inflows of resources - pension	165,023
Net position:	
Net position as of 6/30/17	127,978,119
Restricted for SRF loan covenant	2,863,641
Decrease in net position FY 18	(1,890,983)
Total net position	128,713,914
Total	\$ 226,646,648

Victor Valley Wastewater Reclamation Authority
Revenues and Expenses
Operations and Maintenance
For the Month Ended September 30, 2017

	Actual September 2017	YTD Actual FY 17-18	Approved Budget FY 17-18
REVENUES			
User Charges	\$ 1,111,685	\$ 3,376,735	\$ 13,661,700
Sludge Flow Charge	9,894	30,229	137,074
High Strength Waste Surcharges	-	4,489	25,000
ADM FOG Tipping Fee Revenue	25,337	77,251	205,000
Septage Receiving Facility Charges	46,862	174,580	609,000
Reclaimed Water Sales	549	5,761	44,000
Potable Well Water Sales	51	387	650
Leased Property Income	50	150	600
Interest	-	-	-
Pretreatment Fees	5,800	15,000	51,200
Finance Charge	-	-	-
Grant - FEMA/Cal-EMA	-	-	747,034
Grant - Proposition 1	-	-	458,297
Grant- Water Recycling	-	-	246,466
Grant- CEC Microgrid	-	3,013	-
Sale of Assets, Scrap, & Misc Income	-	299	-
Total REVENUES	\$ 1,200,228	\$ 3,687,894	\$ 16,186,021
EXPENSES			
Personnel	\$ 279,523	\$ 1,137,381	\$ 4,086,603
Maintenance	116,282	373,634	2,919,360
Operations	203,867	755,430	3,066,985
Administrative	102,144	298,233	2,270,884
Construction	-	-	2,389,065
Total EXPENSES	\$ 701,816	\$ 2,564,678	\$ 14,732,897
Revenues over Expenses before Depreciation, Debt Service and Transfers	\$ 498,412	\$ 1,123,216	\$ 1,453,124
Depreciation Expense	(675,154)	(2,025,462)	-
DEBT SERVICE			
SRF Interest	-	-	361,138
FUND TRANSFERS IN			
Salary/Benefits Charge from Capital	-	17,424	-
Admin Charge from Capital	-	6,621	-
Total FUND TRANSFERS IN	\$ -	\$ 24,045	\$ -
FUND TRANSFERS OUT			
Transfer to Repairs and Replacements Fund	-	247,500	247,500
Inter-fund loan payment to Capital	-	3,254	-
Total FUND TRANSFERS OUT	\$ -	\$ 250,754	\$ 247,500
Excess Revenues Over Expenses	\$ (176,742)	\$ (1,128,955)	\$ 844,486

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
Repairs and Replacement
For the Month Ended September 30, 2017

	Actual September 2017	YTD Actual FY 17-18	Approved Budget FY 17-18
REVENUES			
R&R Revenues	\$ -	\$ -	\$ -
Total REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES			
SRF Loan Funding	\$ -	\$ -	\$ -
CAPITAL EXPENSES			
Personnel	\$ -	\$ -	\$ -
Maintenance	-	43,045	242,500
Operations	12,592	25,185	-
Administrative	-	-	5,000
Construction	-	-	-
Total CAPITAL EXPENSES	<u>\$ 12,592</u>	<u>\$ 68,230</u>	<u>\$ 247,500</u>
Revenues over Expenses before Debt Service and Transfers	<u>\$ (12,592)</u>	<u>\$ (68,230)</u>	<u>\$ (247,500)</u>
DEBT SERVICE			
SRF Interest	\$ -	\$ -	\$ -
FUND TRANSFERS IN			
Transfer from Operations and Maintenance Fund	\$ -	247,500	247,500
Interfund Loan Payment from O&M	-	-	-
Total FUND TRANSFERS IN	<u>\$ -</u>	<u>247,500</u>	<u>\$ 247,500</u>
FUND TRANSFERS OUT			
Salary/Benefits Charge to O & M	\$ -	\$ -	\$ -
Admin Charge to O & M	-	-	-
Total FUND TRANSFERS OUT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess Revenues Over Expenses	<u>\$ (12,592)</u>	<u>\$ 179,270</u>	<u>\$ -</u>

Accrual Basis

Victor Valley Wastewater Reclamation Authority
Revenues and Expenditures
CAPITAL
For the Month Ended September 30, 2017

	Actual September 2017	YTD Actual FY 17-18	Approved Budget FY 17-18
REVENUES			
Connection Fees	\$ 200,699	\$ 269,099	\$ 878,900
Title 16 Grant - Subregional	-	-	-
Grant- Water Recycling	-	110,788	157,577
Sale of Assets, Scrap, & Misc Income	-	-	-
Interest	4,514	16,494	38,000
Proposition 1 Grant	-	205,914	293,010
Proposition 84 Grant	-	-	-
FMV Adjustment	-	1,612	-
Grant - FEMA/Cal-EMA	-	-	3,105,375
Total REVENUES	<u>\$ 205,213</u>	<u>\$ 603,907</u>	<u>\$ 4,472,862</u>
CAPITAL EXPENSES			
Personnel	\$ -	-	\$ 416,716
Maintenance	-	-	40,000
Operations	-	-	170
Administrative	-	(2,054)	140,000
Construction	-	1,506,824	2,482,435
Total CAPITAL EXPENSES	<u>\$ -</u>	<u>\$ 1,504,770</u>	<u>\$ 3,079,321</u>
Revenues over Expenses before Debt Service and Transfers	<u>\$ 205,213</u>	<u>\$ (900,863)</u>	<u>\$ 1,393,541</u>
DEBT SERVICE			
SRF Interest	<u>\$ 19,644</u>	<u>\$ 19,644</u>	<u>\$ 209,281</u>
			<u>209,281</u>
FUND TRANSFERS IN			
Capital Recovery - Septage from O&M	\$ -	-	-
Interfund Loan Payment from O&M	-	3,254	-
Total FUND TRANSFERS IN	<u>\$ -</u>	<u>\$ 3,254</u>	<u>\$ -</u>
FUND TRANSFERS OUT			
Salary/Benefits Charge to O & M	\$ -	17,424	-
Admin Charge to O & M	-	6,621	-
Total FUND TRANSFERS OUT	<u>\$ -</u>	<u>\$ 24,045</u>	<u>\$ -</u>
Excess Revenues Over Expenses	<u>\$ 185,569</u>	<u>\$ (941,298)</u>	<u>\$ 1,184,260</u>

Accrual Basis

VVWRA
Upper Narrows Interceptor and Emergency Projects
9/30/2017

Upper Narrows Interceptor and Emergency Projects
9/30/2017

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>		Expended to Date	Contract Amount	Total Remaining
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	Total Remaining
(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 9/30/2017

<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

Subregional Water Reclamation Plant Projects
9/30/2017
Hesperia

Costs Incurred Up to 9/30/2017

		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	2,362,078	1,479,914	(882,164)
	(Carollo/HDR) Engineering Services During Construction	1,388,340	1,687,052	298,712
	Sub-Total	7,751,594	7,372,022	(379,572)
Construction				
	Construction	32,502,084	33,220,000	717,916
		Expended to Date	Contract Amount	
			SRF Loan	Lyles
Change Order (Contingency)				
	Planning/Design/Construction Management	-	1,111,398	-
	Construction - Cascade Drilling	463,231	383,334	-
	Construction - Lyles	708,198	728,063	500,000
	Sub-Total	1,171,429	2,222,795	500,000
Total		41,425,107	43,314,817	1,889,710

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	3,134,436	7,329,955	4,195,519
	SRF-HES Construction Cost	33,617,841	33,220,000	(397,841)
Total		41,425,107	44,522,846	3,097,739

Claims Made as of 9/30/2017

		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	31,380,280	33,220,000	1,839,720
Total		39,187,546	44,522,846	5,335,300

Subregional Water Reclamation Plant Projects
9/30/2017
Apple Valley

Costs Incurred Up to 9/30/2017

		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	1,892,753	1,455,410	(437,343)
	(Carollo/HDR) Engineering Services During Construction	1,582,644	1,610,418	27,774
	Sub-Total	7,306,788	7,153,425	(153,363)
Construction				
	Construction	31,729,999	32,670,000	940,001
		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	709,845	624,654	500,000
	Sub-Total	962,796	2,003,280	500,000
Total		39,999,583	42,326,705	3,289,918

Eligible for Reimbursements

		Claimed	Contract Amount	Total Remaining
	Title 16	2,404,756	2,419,631	14,875
	Proposition 13 - Recycling Grant	3,456,708	4,000,000	543,292
	Proposition 84-AV Construction Cost	772,414	1,487,478	715,064
	Proposition 01-AV Planning/Design/Construction Management	1,175,407	1,046,193	(129,214)
	Proposition 01-AV Construction Cost	6,643,272	8,135,648	1,492,376
	Total Grants	14,452,557	17,088,950	2,636,393
	<i>% of Total Project</i>		39%	
	SRF-AV Planning/Design/Construction Management	4,428,465	4,535,127	106,662
	SRF-AV Construction Cost	21,118,561	22,537,632	1,419,071
Total		39,999,583	44,161,709	4,162,126

Claims Made as of 9/30/2017

		Requested	Contract Amount	Total Remaining
	Title 16	2,404,756	2,419,631	14,875
	Proposition 13 - Recycling Grant	3,660,955	4,000,000	339,045
	Proposition 84-AV Construction Cost	772,414	1,487,478	715,064
	Proposition 01-AV Planning/Design/Construction Management	1,175,407	1,046,193	(129,214)
	Proposition 01-AV Construction Cost	7,064,377	8,135,648	1,071,271
	Total Grants	15,077,909	17,088,950	2,011,041
	SRF-AV Planning/Design/Construction Management	4,428,465	4,535,127 *	106,662
	SRF-AV Construction Cost	18,425,018	22,537,632	4,112,614
Total		37,931,392	44,161,709	6,230,317

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

Nanticoke Interceptor

9/30/2017

Costs Incurred Up to 9/30/2017

		Expended to Date	Contract Amount	Total Remaining
Planning/Design/Construction Management				
	Planning		342,397	342,397
	Design		101,524	101,524
	Construction Management	432,951	407,373	(25,578)
	Engineering Services During Construction			-
	Sub-Total	432,951	851,294	418,343
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	660,951	400,000	(260,951)
	Sub-Total	660,951	400,000	(260,951)
Total		4,286,367	4,459,190	172,823

Eligible for Reimbursements

		Claimed	Contract Amount	Total Remaining
	SRF-Planning/Design/Construction Management	432,951	851,294	418,343
	SRF-Construction Cost	3,410,129	3,607,896	197,767
Total		3,843,080	4,459,190	616,110

Claims Made as of 9/30/2017

		Requested	Contract Amount	Total Remaining
	SRF-Planning/Design/Construction Management	432,951	851,294	418,343
	SRF-Construction Cost	3,410,129	3,607,896	197,767
Total		3,843,080	4,459,190	616,110

Victor Valley Wastewater Reclamation Authority



Operations and Maintenance Report

September 2017

VWRA O&M Monthly Report – September 2017

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

TO: Logan Olds, General Manager
FROM: Operations & Maintenance Staff
SUBJECT: OPERATIONS/MAINTENANCE REPORT
DATE: October 13, 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 September 2017.

	Total	Average
Effluent to Mojave	416.79	13.89
Effluent to Ponds	160.78	5.36

		Limit
Biochemical Oxygen Demand (BOD)		10 mg/l
Effluent to Mojave	2.86	
Percent Removal	99.21%	

		Limit
Total Suspended Solids (TSS)		10 mg/l
Effluent to Mojave	<2.1	
Percent Removal	>99.41	

		Limit
Turbidity		2.0 ntu
30 Day Average	0.4	

Major Operations Activities

Headworks

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

Primary Treatment

Overall removal efficiency of the primary clarifiers was 44.56 % removal of influent BOD and 70.74% removal of TSS. Typical operating parameters are 25 to 35 percent removal of BOD and 50 to 60 percent removal of TSS. The primary sludge concentration averaged 2.85% total solids at 80,280 gallons per day.

Primary clarifiers: #1,#2 ,#3, #5, #6 #7, #8 are currently online and continue to treat all incoming flow. Primaries #4 remained offline for the month. With one clarifier off line, the remaining 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.

Blower #3 is supplying air to basins #1-6, mixed liquor channel and aerated grit chamber. Piller #6 is supplying air to AB's #7-12.

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

Thioguard was not used during the month.

Secondary turbidity averaged 1.37 (NTU) during the month of September 2017

The 30 minute settleometer test averaged 90.0 mL/L.

The average "pop time" of the MLSS was >96 min.

Percolation Ponds

South percolation ponds #7, #8, #10, #11, #12 and #13 were used and rotated during the month.

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

Tertiary Filters

Aqua Diamond Filters #1 and #2 were utilized for the month of September. Filter Effluent average Turbidity of 0.54 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 624,562 gallons of ADM (Anaerobically Digestible Material) and FOG (Fats Oil and Grease). Total is comprised of 536,098 gallons of ADM and 88,464 gallons of FOG.

A Total 22,783,833 cf/day of gas was created by digesters #4 and 5 for the month of September 2017.

That is an average gas production of 759,461 cf/day.

Digester #4 averaged 379,491 cf/day.

Digester #5 averaged 379,970 cf/day.

Digester Volatile Acid/Alkalinity averaged 0.013 for the month.

Ultra Violet Disinfection (UV)

The UV system is currently operating via one channel mode.

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

Permit Continuous Monitoring Requirements and Permit Violations

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

Date of last reportable incident: March 10, 2015

Days since last reportable incident: 838 days

Discharge Sampling

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

Miscellaneous

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

10/11/2017

5:47 PM

9/1/2017 - 9/30/2017

KPI	Count	Percent
Planned Work Total	239	
Planned Work Completed	218	91.21%
Planned Work Completed On-Time	195	81.59%
Planned Work Incomplete	21	8.79%
Planned Work Completed Late	26	10.88%
Total Work Completed	555	
Reactive Work Completed	83	14.95%
PM Work Completed	415	74.77%

Safety

1. Monthly Vehicle Safety Inspections completed.
2. Monthly gas tech monitor inspections completed.
3. Eyewash safety showers inspected.
4. Monthly SCBA inspections.
5. Hazardous storage area inspection.
6. Spill kit inspections.
7. Overhead crane training.
8. Pulmonary and fit testing.

Preliminary Process

 VVWRA O&M Monthly Report – September 2017

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1. Aqua Guard pre-treatment screen inspected and serviced.
2. Headwork's Conveyor Belt Lube & Inspect.
3. Septage EQ basin pump repack.

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 #2 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 repairs.

Tertiary

1. Monthly gear box and platform drive wheel service complete
2. Filter #1 & #2 monthly platform gear box PM's comp

VVWRA O&M Monthly Report – September 2017

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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. Old Admin server room condensing unit replaced.

VVWRA O&M Monthly Report – September 2017

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3. Quarterly HVAC service

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 #1 E30 service completed.

Gas Conditioning Skid

1. Monthly gas sampling collected.
2. Compressor installation for new media.

OGPS

1. Monthly Generator Test completed

AVPS OTOE

1. 50hp pump installed.

OFFROAD EQUIPMENT

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

FLEET

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

Victor Valley Wastewater Reclamation Authority



Environmental Compliance Department Report

September 2017

VWRA Environmental Compliance Department
Industrial Pretreatment Program

I. Interceptors Operation and Maintenance:

1. Interceptors cleaning & CCTV:

- ✓ No Cleaning was performed in September

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: September 18th, 2017

5. Interceptors maintenance budget remaining:

- ✓ The fiscal year 2016-2017 Interceptor sewer maintenance amount remaining for sewer cleaning and inspection services is \$83310.48

6. Dig Alert Underground tickets processed:

- ✓ A total of One hundred and twenty-four (124) USA Tickets were received and processed in September 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:**
 - ✓ Six (6) New Business Questionnaires were processed in the month of September 2017.
 - ✓ One (1) New Business Inspections were conducted in the month of September 2017.
2. **New permits issued:**
 - ✓ Zero (0) New Class II permit were issued in the month of September 2017.
3. **Permit renewals issued:**
 - ✓ Thirteen (13) Class III permit renewals were issued in the month of September 2017.
4. **Work Orders:**
 - ✓ 62 Work Orders were completed in September 2017
5. **Monthly revenues collected and invoices issued:**
 - ✓ Revenues: \$1,500
 - ✓ Invoiced: \$5,600
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 September 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
418	Class III	Non-Significant Industrial User
2	Class IV	Zero Discharge Industrial User
9	Class V	Sanitary Waste Haulers

- ✓ The permitted establishments include:

20	Automotive Service Facility
13	Bakery
1	Brewery/Winery
21	Car Wash/Truck Wash/Bus Wash
4	Coffee Shop
9	Dry Cleaner
299	FSE
22	Grocery Store
3	Hospital
1	Medical
3	Misc. Food
3	Misc. Industrial
8	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, 123 in Apple Valley, 123 in Hesperia and 1 in Oro Grande.

Victor Valley Wastewater Reclamation Authority



Environmental Compliance Department

Septage/FOG/ADM Monthly Report

September 2017

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

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

Receiving invoices

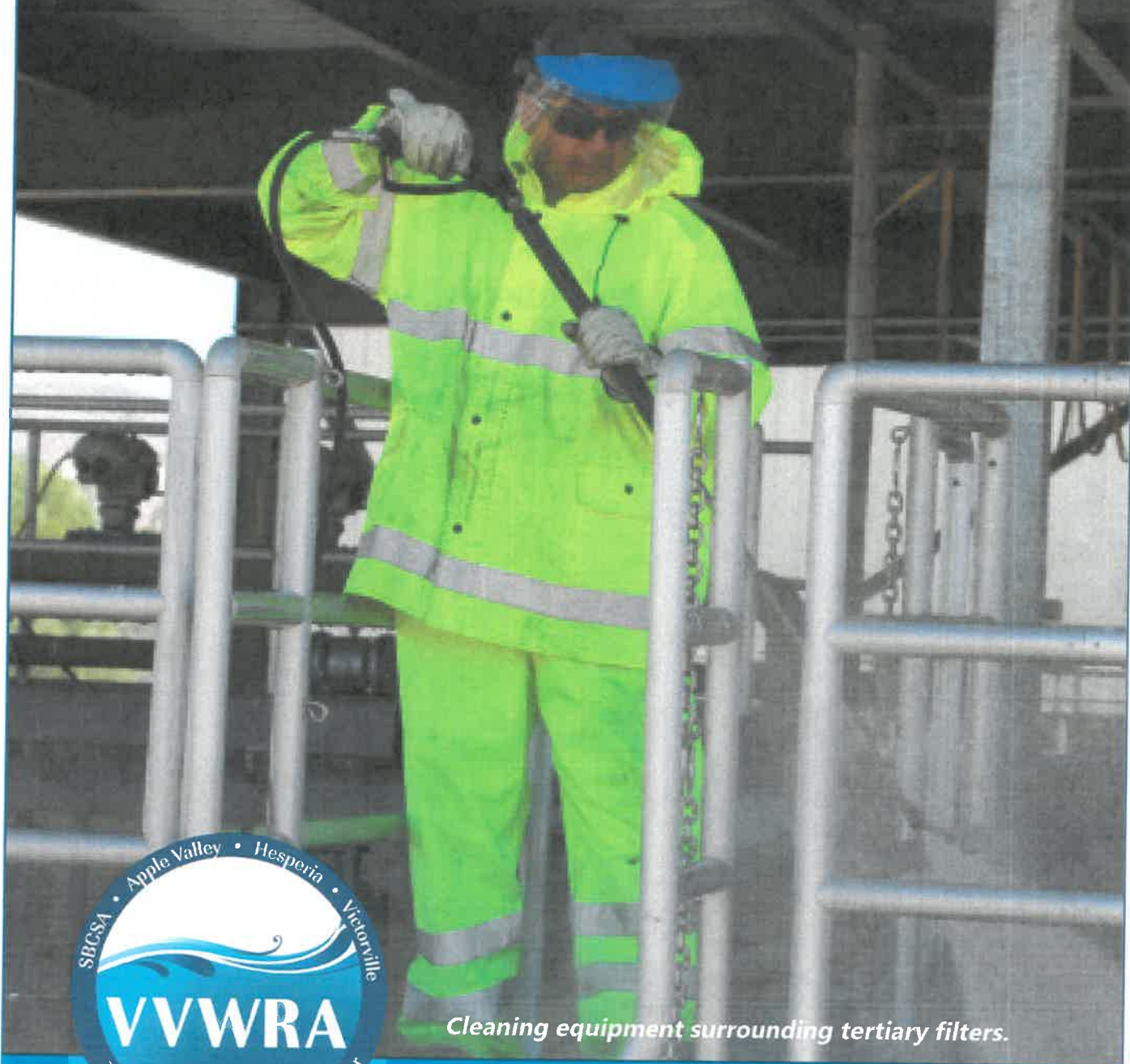
ID No	Septage Hauler	Invoice Date	Total Gallons	Invoice Amount
ABS000	Absolute Pumping	9/29/2017	27,486	\$2,572.69
ALP000	Alpha Omega Septic Service	9/29/2017	164,251	\$15,373.89
BUR000	Burns Septic	9/29/2017	88,000	\$8,236.80
HIT000	Hitt Plumbing	9/29/2017	3,435	\$321.52
HON001	Honest Johns Septic Service, Inc	9/29/2017	65,633	\$6,143.25
ROT001	T.R. Stewart Corp. dba Roto Rooter	9/29/2017	63,282	\$5,923.20
USA000	USA Septic	9/29/2017	63,800	\$5,971.68
ALP000	Alpha Omega Septic Service (Nutro)	9/29/2017	88,464	\$3,782.48
COW000	Co-West Commodities	9/29/2017	200,000	\$7,600.00
LIQ000	Liquid Environmental Solutions of CA	9/29/2017	0	\$0
SMC000	SMC Grease Specialist, Inc.	9/29/2017	324,500	\$12,540.00
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	9/29/2017	0	\$0
HIT000	Hitt Plumbing	9/29/2017	8,870	\$354.80
Grand Totals			1,097,721	\$68,820.31

Septage/FOG/ADM receiving payments:

ID No	Business Name	Payments Received
ABS000	Absolute Pumping	\$3,716.11
ALP000	Alpha Omega Septic Service	\$4,191.56
BUR000	Burns Septic	\$0
HON001	Honest Johns Septic Service, Inc	\$0
ROT001	T.R. Stewart Corp. dba Roto Rooter	\$5,571.12
USA000	USA Septic	\$4,689.84
ALP000	Alpha Omega Septic Service (Nutro)	\$0
COW000	Co-West Commodities	\$8,600.00
LIQ000	Liquid Environmental Solutions of CA	\$0
SMC000	SMC Grease Specialist, Inc.	\$12,980.00
WES004	West Valley MRF, LLC Burrtec Waste Industries, Inc.	\$0
HIT000	Hitt Plumbing	\$10,331.80
Grand Total		\$50,080.43



Safety & Communications Report



Cleaning equipment surrounding tertiary filters.

September 2017



Safety

STAFF SAFETY TAILGATE/ORIENTATION

- Sept. 7---Hand safety
- Sept. 14---UV bulb disposal
- Sept. 18--eye strain
- Sept. 21--Proper Lifting





Safety

SAFETY POLICY REVIEWS/ REVISIONS

- employee communication policy

SAFETY EVENTS/ TRAINING

- Overhead crane refresher
- Sanitary Sewer Overflow refresher
- Safety Committee

UNSAFE CONDITIONS REPORTED/RESOLVED

- An employee involved in a rollover crash in VWRA truck; minor injuries.
- Men's locker room damaged by water leak in old admin

DATE OF LAST REPORTABLE ACCIDENT/INJURY:
SEPT. 18, 2017

DAYS SINCE LAST REPORTABLE ACCIDENT/INJURY:
12 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.
- Confined space
- LOTO refresher

Communications

- Facilitated CWEA/DAMS board meeting and tour





Communications

ACTIVITIES

- Continued work on updating new website including work on internal pages
- Maintained current website and social media sites including Facebook & Twitter.



5

MEDIA COVERAGE

- In protest, Hesperia accrues \$1.5 mil, DP 9-23-17





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\$2

\$1.5M wastewater bill protest

By Shea Johnson
Staff Writer

Hesperia has failed to turn over to the region's wastewater agency at least \$1.5 million in ratepayer fees collected since January, instead opting to hold the balance in a sequestered fund as protest to Victorville's disputed diversion of wastewater flows.

The extraordinary measure is meant to pressure the Victor Valley Wastewater Reclamation Authority board into resolving the diversion issue once and for all, according

to Hesperia City Councilman Russ Blewett. The board had filed a rejected \$8 million claim against Victorville over revenue it accused the city of costing the agency since 2013.

Blewett, who sits on the agency's joint powers authority, said board members have been otherwise derelict in truly compelling a resolution to the issue, which has been a source of rivalry since 2013.

"The board has taken the Rodney King attitude, 'Can't we all just get along?'" he said. "Well, yeah, Victorville gets along because they've, frankly,

been screwing this agency."

The four members of the agency's joint powers authority — including Blewett and electeds from Apple Valley and Victorville, and a San Bernardino County representative — have entered mediation to try to iron out the discord, but Blewett on Thursday didn't believe it'd prove fruitful.

"It'll be a miracle from heaven above, in my opinion, if we come to a meeting of the minds," he said.

Blewett further suggested Hesperia city officials, who he claimed were only withholding

portions of fees collected from ratepayers, would continue the practice until the board agreed to sue Victorville over its flow diversion, which it must decide whether or not to do by early next year.

He later softened to say that a resolution via mediation would also be satisfactory, but it was too late: Victorville City Councilman Jim Kennedy, the city's representative on the board, pounced and wondered aloud if Victorville was now being threatened with

See PROTEST, A6



SPORTS | B1
**SCUFFLING
CHARGERS
FALL TO 0-3**

Los Angeles couldn't stop Kareem Hunt and the Chiefs on Sunday at Home Depot Center

Restoring a rural lifestyle

Chaos in Puerto Rico

In protest, Hesperia accrues \$1.5M unpaid wastewater bill

By Shea Johnson

Staff Writer

Posted Sep 23, 2017 at 6:46 PM

Updated Sep 23, 2017 at 6:47 PM

The extraordinary measure is meant to pressure the VVWRA board into resolving Victorville's flow diversion issue once and for all.

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He later softened to say that a resolution via mediation would also be satisfactory, but it was too late: Victorville City Councilman Jim Kennedy, the city’s representative on the board, pounced and wondered aloud if Victorville was now being threatened with “extortion,” by a neighboring city no less.

But for Blewett — who said the Hesperia Council had made the decision to sit on wastewater fees behind closed doors without previously publicly disclosing it — the cost to the agency borne by Victorville’s flow diversion has been too impacting to Hesperia.

Steadfast the diversion violates the 2006 renewed agreement between the JPA wherein all flows were to be sent to the agency, agreeing with an appellate court judge’s advisory opinion earlier this year, he pointed to how it also stifled the agency’s ability to fiscally responsibly operate two subregional plants, one of which is in Hesperia.

“The Council is withholding funds,” he concluded, “because we are not happy with what’s been done.”

The overall situation’s backslide now serves to compound issues swirling around the wastewater agency, which faces extreme financial hardship and the possibility that \$32 million in emergency funding will be disallowed for a completed pipeline replacement project.

Logan Olds, general manager for VVWRA, sought to clarify that the agency was receiving sufficient funds to bankroll operations and maintenance, but struggling to pay off debts.

Hesperia's withholding of fees, a sum of \$1.52 million as of Aug. 8, according to an agency memo, has only worsened VVWRA's financial outlook.

"We must seriously consider the possibility," Olds said, "that VVWRA will default on its debt."

But Olds was also sharply criticized by Kennedy for only this month having informed board members of Hesperia's outstanding balance when he acknowledged being aware since June. Chieko Keagy, the agency's accounting supervisor, said staff members informed Olds in May.

Hesperia's actions will also likely lead to the board filing a claim against the city to recover fees being withheld, officials said.

Apple Valley Mayor Scott Nassif, who sits on the board, was largely measured in his reaction, drawing upon the two-wrongs-don't-make-a-right cliché.

But mindful that rate hikes can be an option to close revenue gaps, Nassif also pushed back against any notion he'd allow Apple Valley constituents to suffer for Hesperia's protest.

"Hesperia should pay the bill," he said, "because they owe the damn bill."

In 2009, Victorville agreed to finance and construct an industrial wastewater treatment plant near VVWRA's main plant to serve the Dr Pepper Snapple Group facility at Southern California Logistics Airport.

The city added a domestic treatment module to the plant to blend industrial flows and treat the \$32 million facility's high-strength waste.

According to a copy of the claim filed by VVWRA and rejected by Victorville city leaders in August, the domestic sanitary flows used at the city's plant were flows that VVWRA used to receive from the city.

Kennedy called it an "outrageous suggestion," however, that the city would owe \$8 million for sewage that was never treated by VVWRA.

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