

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

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

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

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

VWRA Staff and Legal Counsel:

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

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

Others Present:

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

Jim Cox, City of Victorville

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

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

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

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

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

REPORT FROM CLOSED SESSION

Nothing to report

PUBLIC COMMENTS- REGULAR SESSION AGENDA

None

ANNOUNCEMENTS AND CORRESPONDENCE:

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

9. Possible conflict of interest issues

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

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

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

12. Article: Explosion at Water Reclamation Plant Injures 10

13. Article: Should I Flush It?

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

15. CASA Legislative Update

16. General Managers Report

CONSENT CALENDAR:

17. Approve August 2018 Disbursement Registers

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

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

19. Recommendation to Approve Paychex to Process Payroll

20. Recommendation for Tyler Licensing Module Addition

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

Commissioner Kennedy requested to pull Item 21 from consent.

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

22. Recommendation to Ratify Low Voltage Power Emergency Purchases

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

REPORTS & PRESENTATIONS:

23. Presentation: AB 1600 (Wang)

Xiewi Wang gave a presentation on AB 1600

ACTION & DISCUSSION ITEMS:

Financial

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

The Board received and filed AB 1600

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

WWTP

27. American Organics Facility Modification Project Plan

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

28. Recommendation to Pursue Net Energy Metering

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

Commissioner Nassif asked if this was a budgeted expenditure.

Manager Olds stated that it was not a budgeted expenditure.

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

30. Engineering Services during Construction for Storm Water Structure

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

Interceptor

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

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

Tabled

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

JPA

34. Recommendation to Approve an Organizational Performance Proposal

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: No

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

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

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

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

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

Commissioner Kennedy asked if septage had an effect on capacity.

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

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

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

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

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

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

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

Chair Rigney: Yes

Commissioner Bird: Yes

Commissioner Nassif: Yes

Commissioner Kennedy: Yes

STAFF/PROFESSIONAL SERVICES REPORTS:

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

NEXT VVWRA BOARD MEETING:

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

FUTURE AGENDA ITEMS

Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

APPROVAL:

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


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