

**MINUTES OF A REGULAR MEETING
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWVRA)
February 16, 2017**

CALL TO ORDER: Chair Jim Kennedy called the meeting to order at 8:00 am; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

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

**Jim Kennedy, Chair
Russell Blewett, Vice Chair
Jeff Rigney, Secretary

Scott Nassif, Treasurer**

VWVRA Staff and Legal Counsel:

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

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

Others Present:

**Jim Cox, City of Victorville
Brian Johnson, City of Hesperia
Walter Linn, Rep for Congressman Cook
Brian Gengler, City of Victorville
Greg Snyder, Town of Apple Valley**

**Nils Bentsen, City of Hesperia
Frank Robinson, Town of Apple Valley
Jeff Anderson, Fowler Construction
Andrew Dale, Anaergia
Blanca Gomez, City of Victorville**

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

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

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

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Kennedy called the meeting to order at 8:46 am.

REPORT FROM CLOSED SESSION

Piero Dallarda stated that the Board met in closed session under section code 54956.9(D) to discuss a complaint that was filed on March 31, 2016. On March 31, 2016 VVWRA received a letter from Jim Mettias, counsel for Ms. Angela Valles. The letter listed a series of concerns and complaints about VVWRA back then the Board decided to hire an independent law firm Haight Brown & Bonesteel, Partner Kevin Osterberg to conduct an investigation of all the serious allegations that were made in the complaint. The Board has received a report back from Mr. Osterberg. The report has concluded that all the allegations and complaints that were made in the March 31st letter are unsubstantiated, meaning there wasn't evidence to support those allegations.

PUBLIC COMMENTS- REGULAR SESSION AGENDA

Blanca Gomez- Introduced herself with the City of Victorville Council

ANNOUNCEMENTS AND CORRESPONDENCE:

8. Possible conflict of interest issues

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

9. VVWRA Boundaries Map

Manager Olds thanked the staff at the member agencies and Mojave Water Agency for working with VVWRA on a boundaries map. This is the first up to date map in over 10 years.

10. CWEA Awards

David Wylie announced that VVWRA was awarded by the local section of the California Water Environment Association two awards. The first award the Engineering Achievement Award for the Upper Narrows Project, and the second award was for Newsletter of the Year for VVWRA's Purple Pipe. This is the second year in a row that VVWRA has received this honor.

VVWRA was also recognized nationally as a Utility of the Future.

11. General Managers Report

CONSENT CALENDAR:

12. Approve January 2017 Disbursement Registers

Commissioner Nassif abstained from any disbursements to Napa Auto Parts.

13. Approve Minutes from the January 19, 2017 and January 26, 2017 Regular Meeting

14. Recommendation to Approve 2017 Regulatory Assistance

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

REPORTS & PRESENTATIONS:

15. Presentation: Mid-Year Budget Review (Keagy)

Chieko Keagy gave a Mid-year Budget review

16. Presentation: Energy Projects (Olds)

Manager Olds gave a presentation on VVWRA's Energy Project

ACTION & DISCUSSION ITEMS:

17. Recommendation to Amend The Biogas and Services Agreement

Commissioner Nassif asked Manager Olds how were there unforeseen issues?

Manager Olds stated that there were two issues. The first was at some point, historically, VVWRA made the decision to install a 10,000 gallon propane tank and a power generation system directly on top of Edison utilities. This should not have been done. There were significant expenses associated with getting rid of that tank. The second was that all of the engineers and engineers from Edison jointly developed the cost estimate. There was a meeting onsite and then the people that were in the field came to the site and they had a different perspective on the type of

infrastructure and installed significantly more electrical equipment than what was originally believed to be the case by everyone involved.

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

18. Recommendation to Approve Resolution 2017-02: CalPERS Employee 2% Pick Up

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

19. Discussion: Expense of 14.5 and 18 MGD Expansion

Manager Olds stated that this is information only.

20. Permission to issue RFP's for the

A. Maintenance of the earthworks for the drying beds and percolation ponds.

There has been damage to the plant from the winter storms. The RFP that had a contractor on call was extremely valuable to VVWRA and staff would like to request that rather than one year, it would be for three years.

B. Coating of the UV channels

In the UV disinfection system, the water must be a little more acidic, and the cream that you put over as the final stage has degraded and caused some tiny little pockets in the concrete and staff believes that those tiny little pockets are retaining dirt and bacteria causing spikes in our disinfection system. A spike or a hit is a violation, and staff does not want to violate the NPDES permit.

C. Design of the Desert Knolls Wash sewer interceptor

The emergency that is ongoing at Desert Knolls Wash. Staff would like to issue the RFP to begin the engineering services. There will be a presentation at the March Board meeting.

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

21. Recommendation to Approve Change in Banking Services

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

22. Recommendation to Create Flow Diversion Ad-Hoc Committee

Commissioner Blewett read a statement into record:

I have taken a moment to write down some thoughts that I feel are important as we move forward and try to resolve some long standing problems at VVWRA. First and most importantly, if we are going to resolve our differences it is absolutely imperative that we are honest and are accurately informing the public of our current situation. We all know there are a number of press articles about VVWRA in recent days. As a point of clarification there were a number of statements made by Victorville that I must respond to. They claim to be bearing more than 70% of the Authority's costs. This is not accurate and has not been for some time. Victorville is currently at 60% or less. Most importantly each member of this authority pays the exact same amount for treatment of wastewater. The Authority provides a service. Victorville pays more because they use more of the service. Victorville claims to have a disproportionate burden on its taxpayers for the authority as well as projects outside the city. If Victorville provides 60% of the flow then 60% of the electrical costs, salaries, and infrastructure are devoted to Victorville. There is no extra burden to Victorville residents. They pay the same rate based on flow everyone else pays. Up until this past year when construction of the subregional plants were being built, virtually all construction, assets, infrastructure, and the main plant were in Victorville. The other authority members paid for many

decades for the construction of facilities outside their city limits without complaint. I think it is important to remind everyone that Victorville's representative on VVWRA voted for a project outside your city limits and have your city's official spokesperson denounce it, acting as if you had no say or nothing to do with it. Victorville was also instrumental in creating and voted for our current user rates and connection fees. A recent article said Victorville has been diverting wastewater for 2 years. This too is not true. To one degree or another Victorville has been diverting for 6 years or more. This has caused significant financial burden to the authority. Hesperia and other authority members have long believed Victorville's diversion, withholding of connection fees and construction of its own wastewater treatment plant were a breach of contract with the authority. Recent developments have proven us right. It should also be noted one very important fact that Victorville never mentions. For over 15 years Victorville has been the only member of this authority to have access to recycled water. The water has been provided only to Victorville and it is provided at a highly discounted rate. Victorville has received this benefit of millions of dollars from the authority by having access to this recycled water. On addition to the Ad Hoc committee looking into the flow diversion issue I have another request of the General Manager. I want a staff report based on the recently received advisory opinion, which identifies full cost recovery to the authority. This would include diversion, connection fees, construction of independent facilities and any other costs that should have rightly gone to this authority. I want to see at least a draft of that report within one month with a final version within 2 months. This will help guide the Ad Hoc committee as well as the other members. Lastly I want to say the time for action is now. The authority members have been very patient and this current situation has gone on for too many years. I have made it clear Hesperia is ready to resolve this problem now. If others are not willing to act, then they will be to blame in the coming months as things become far more difficult.

Chair Kennedy asked Manager Olds if he would be able to produce the report in a month.

Manager Olds said he would try.

Chair Kennedy asked if he thought he could have a solid draft two months.

Manager Olds said absolutely.

Chair Kennedy told Manager Olds to do try for a month but no more than two months to produce a draft report of what Commissioner Blewett asked for.

Commissioner Blewett made a motion to approve to create Flow Diversion Ad Hoc Committee to consist of the General Manager, the attorney, and two members of the Board, failed for lack of second.

Commissioner Nassif stated that he would like to form a TAC committee to involve all the agencies to resolve the issues.

Commissioner Nassif made a motion to develop a TAC Committee with City Managers, seconded by Commissioner Rigney

Commissioner Blewett stated that he will vote against this motion because, in the past, the TAC Committee has not performed all that well. The TAC Committee seems to change the issue to the

overall agreement as opposed to the actual flow diversion and the issue of non-payment. The issue is money and this agency needs the money. This is just one more way of Victorville stonewalling.

Chair Kennedy stated that Victorville is not stonewalling and would like to resolve these issues as much as the other members.

Chair Kennedy: Yes

Commissioner Blewett: No

Commissioner Rigney: Yes

Commissioner Nassif: Yes

Manager Olds asked for clarification for direction. Since the Ad-Hoc committee was not formed, will the staff report be presented to the full Board, or to the TAC Committee?

Chair Kennedy directed Manager Olds to present it to everyone.

23. Amendment to Agreement for Legal Representation-Special Counsel Rates

Piero Dallarda stated that the only thing changing will be Special Counsel Fees. If Special Counsel is hired the rate will go from \$286 to \$316 which is what the member agencies are charged.

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

Chair Kennedy: Yes

Commissioner Blewett: Yes

Commissioner Rigney: Yes

Commissioner Nassif: Yes

24. Request Authorization to Retain the Professional Services of a Firm to Assist VVWRA Staff with Project Close Out for FEMA Projects 828 and 1136 Upper Narrows

Table

STAFF/PROFESSIONAL SERVICES REPORTS:

25. Financial and Investment Report – January 2017

26. Operations & Maintenance Report – January 2017

- 27. Environmental Compliance Department Reports – January 2017**
- 28. Septage Receiving Facility Reports – January 2017**
- 29. Construction Report – January 2017**

NEXT VVWRA BOARD MEETING:

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

FUTURE AGENDA ITEMS

Resolution- Appreciation of Service for Steve Schindler (March)

Design of the stormwater bypass for the WWTP (March)

Discussion: Desert Knolls Wash (March)


Leave Policy

COMMISSIONER COMMENTS

ADJOURNMENT

APPROVAL:

DATE: 3/16/17
Approved by VVWRA Board

BY: 
Jeff Rigney, Secretary
VVWRA Board of Commissioners