

As a matter of proper business decorum, the Board of Commissioners respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

REGULAR BOARD MEETING
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
VICTORVILLE CITY HALL, CONFERENCE ROOM A
14343 CIVIC DRIVE, VICTORVILLE CA 92392
Thursday, June 23, 2022
Closed Session 7:30 a.m. Open Session 8:00 a.m.

VVWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment, and recycling.

Call to Order

Holland

Roll Call

Casteel

Public Comments- Closed Session Agenda Items

Holland

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. Closed Session is scheduled to commence at 7:30 a.m.. If the matters discussed in closed session require additional time beyond 8:00 a.m., in deference to the public, the Board may continue the Closed Session discussion after Open Session is concluded. In that case, Closed Session will resume after the Commissioners Comments section and any reportable action will be reported after the continued Closed Session has concluded and before adjournment.

Closed Session

Item 1. (Gov. Code Sec. 54957.6/ 54954.5 (f)) Conference with Legal Counsel-Labor Negotiation

- The City Employees Association
- Supervisors Association

Item 2. (Gov. Code Sections 54957(b)(1))- Conference with Legal Counsel
Position: Director of Administration

Item 3. (Gov. Code Sec. 54954.5-54956.9(d)(1))- Conference with Legal Counsel – Recycled Water Discussion

Public Comment (Government Code Section 54954.3)

Holland

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. VVWRA requests that all public speakers complete a speaker's card and provide it to the Secretary. 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. We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Possible Conflicts of Interest

Holland

Consent Calendar

Holland

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.

Item 4. Receive, Approve and File Minutes

- Regular Board Meeting 05/19/22

Item 5. Receive, Approve and File May 2022 Disbursement

- Warrant Summary Disbursements

Poulsen

Board Action Required

Staff Recommendation: Approve as presented

Public Hearing

Holland

Item 6. Adoption of FY 2022-2023 Budget

Action Items

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

Item 7. Recommendation to Adopt Resolution 2022-06 Adoption of the FY 2022-2023 Budget

It is recommended that the Board of Commissioners approve Resolution 2022-06 Adoption of the Proposed Budget as presented for the year ending June 30, 2023.

Poulsen

<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 8.</u>	Recommendation to Approve VVWRA Employees Association MOU	Coromina
It is recommended that the Board of Commissioners approve VVWRA Employees Association MOU, VVWRA Supervisors Association MOU, and corresponding wage and benefit adjustments for certain nonrepresented employees.		
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 9.</u>	Recommendation to Adopt Resolution 2022-07 FY 2022-2023 Holiday Schedule	Casteel
It is recommended that the Board of Commissioners approve and adopt Resolution No. 2022-07 to establish the paid holidays for VVWRA employees during fiscal year 2022-2023 which is consistent with the MOU with the Employees Association adopted on December 8, 2016.		
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 10.</u>	Recommendation to Adopt Resolution 2022-08 Appreciation of Dedicated Service for Robert Townsend	Poulsen
It is recommended that the Board of Commissioners adopt Resolution 2022-08 Appreciation of Dedicated Service for Robert Townsend		
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 11.</u>	Recommendation to Cancel the June 30th Board Meeting.	Casteel
It is recommended that the Board of Commissioners cancel the regularly scheduled June 30, 2022 Meeting if the Board adopts the FY 2022-23 Budget.		
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		
<u>Item 12.</u>	Election of Officers	Casteel
It is recommended that the Board of Commissioners approve the rotation of officers for the FY 2022-2023, effective July 1, 2022.		
<u>Board Action Required</u>		
Staff Recommendation: Approve as Presented		

Staff Reports

Item 13. General Managers Report - Administration Building Update	Poulsen
Reports are submitted as presented by Staff on a Quarterly Basis.	
Report Range	Board Meeting Date (Thursday)
1st Quarter January 2022-March 2022	May 19, 2022
2 nd Quarter April 2022-June 2022	September 15, 2022
3 rd Quarter July 2022- September 2022	November 17, 2022
4 th Quarter October 2022- December 2022	February Board 2023

Adjournment

Holland

The board will adjourn to a regular board meeting on July 21, 2022 at 7:30 a.m.

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the VVWRA's Secretary at (760) 246-8638 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

Agenda posting

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.

Agenda items received after posting

Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the VVWRA office located at, 20111 Shay Road, Victorville CA 92394. The materials will also be posted on the VVWRA website at www.vvwra.com.

Items Not Posted

Government Code Section 54954.2(b)

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 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.

Items Continued

Government Section 54954.2(b)(3)

Items may be continued from this meeting without further notice to a Committee or Board meeting held within five (5) days of this meeting

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

VVWRA's Board Meeting packets and agendas are available for review on its website at www.vvwra.com. The website is updated on Friday preceding any regularly scheduled board meeting.

**MINUTES OF A REGULAR MEETING
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (VWVRA)
May 19, 2022**

CALL TO ORDER: Chair Bill Holland called the meeting to order at 7:40 AM; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

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

**Bill Holland, Chair
Dakota Higgins, Vice-Chair**

**Scott Nassif, Secretary
Debra Jones, Treasurer**

VWVRA Staff and Legal Counsel:

**Darron Poulsen, General Manager
Kristi Casteel, Executive Assistant
Piero Dallarda, Legal Counsel (BB&K)
Brad Adams, Plant Superintendent**

**Chieko Keagy, Controller
Robert Coromina, Director of Administration
David Wylie, Safety & Communications
Officer**

Guest Present:

Brain Gengler, City of Victorville
Doug Robertson, Town of Apple Valley

Janele Davidson, City of Victorville

CLOSED SESSION

PUBLIC COMMENTS- CLOSED SESSION AGENDA

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

Moved: Commissioner Jones

Second: Commissioner Higgins

Motion to enter into Closed Session

Motion passed by a 4-0 roll call vote

REGULAR SESSION

VVWRA Regular Meeting Minutes**Thursday, May 19, 2022****Page 2****CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Chair Holland called the meeting to order at 8:54 AM.

REPORT FROM CLOSED SESSION

The Board met in closed session under Government Code Section 549576 to discuss negotiations with the Employee Union. The Board considered a counteroffer from the Employees Union and the Board has accepted in principal the counter offer and has instructed Counsel to prepare a final draft of the Memorandum of Understanding and Agreement to be distributed to the Employee's Union so that the Employee Union can approve. The approved draft will be shared with the Board at the next meeting for approval. Items the Board specifically wanted included 1. A provision for procedures for negotiations for next time and 2. Verbiage regarding economic hardship.

The second item that the Board met in closed session was the performance evaluation for the General Manager and the performance evaluation for the General Manager has been completed and all the necessary form have been deemed received and filed as part of the review process.

Performance evaluation from the General Manager and has been completed

PUBLIC COMMENTS- REGULAR SESSION AGENDA

None

POSSIBLE CONFLICT OF INTEREST

Commissioner Nassif will be abstaining from any disbursements to Napa Auto Parts on item 4

CONSENT CALENDAR:

3. **Receive, Approve and File Minutes, April 21, 2022**
4. **Receive, Approve and File April 2022 Disbursement**

VVWRA Regular Meeting Minutes

Thursday, May 19, 2022

Page 3

Moved: Commissioner Higgins

Second: Commissioner Jones

Approval of the Consent Calendar Items 3 and 4 with Commissioner Nassif abstaining from any disbursements to Napa Auto Parts on item 4.

Chair Holland - Yes

Commissioner Higgins- Yes

Commissioner Nassif - Yes

Commissioner Jones - Yes

Motion passed by a 4-0 roll call vote

ACTION ITEM:

- 5. Recommendation to Adopt Resolution 2022-02 Amend and Adopt 2022 Local Guidelines for Implementing the California Environmental Quality Act (CEQA)**

The Board will consider adoption of Resolution 2022-02 to amend and adopt 2022 local guidelines for implementing the California Environmental Quality Act.

Moved: Commissioner Nassif

Second: Commissioner Jones

Approval to adopt Resolution 2022-02 to amend and adopt 2022 local guidelines for implementing the California Environmental Quality Act.

Chair Holland - Yes

Commissioner Higgins- Yes

Commissioner Nassif - Yes

Commissioner Jones - Yes

Motion passed by a 4-0 roll call vote

- 6. Recommendation to Adopt Resolution 2022-03 to Approve an Increase of the Septage Tipping Fee from \$0.0936/Gal to \$0.12/Gal**

The Board will consider adoption of Resolution 2022-03 to approve an increase of the septage tipping fee from \$0.0936/GAL to \$0.12/GAL; this fee increase will be effective July 1st, 2022 (Fiscal Year 23) and, as demonstrated by the accompanying staff report, it is necessary to cover VVWRA's costs for treating the septage received

VVWRA Regular Meeting Minutes

Thursday, May 19, 2022

Page 4

Moved: Commissioner Jones

Second: Commissioner Nassif

Approval to adopt Resolution 2022-03 to approve an increase of the septage tipping fee from \$0.0936/GAL to \$0.12/GAL; this fee increase will be effective July 1st, 2022 (Fiscal Year 23) and, as demonstrated by the accompanying staff report, it is necessary to cover VVWRA's costs for treating the septage received

Chair Holland - Yes

Commissioner Higgins- Yes

Commissioner Nassif - Yes

Commissioner Jones - Yes

Motion passed by a 4-0 roll call vote

- 7. Recommendation to Adopt Resolution 2022-04 to Amend the VVWRA Purchasing Policy to Increase the Purchasing Authority of the General Manager and Staff to One of Three Proposed Levels or Another Value Approved by the Board of Commissioners**

The Board will consider Adoption of Resolution 2022-04 to Amend the VVWRA Purchasing Policy to Increase the Purchasing Authority of the General Manager and Staff to One of Three Proposed Levels or Another Value Approved by the Board of Commissioners

Moved: Commissioner Holland

Second: Commissioner Higgins

Approval for the Adoption of Resolution 2022-04 to Amend the VVWRA Purchasing Policy to Increase the Purchasing Authority of the General Manager and Staff to Option 2 Approved by the Board of Commissioners

Chair Holland - Yes

Commissioner Higgins- Yes

Commissioner Nassif - Yes

Commissioner Jones - Yes

Motion passed by a 4-0 roll call vote

- 8. Recommendation to Adopt Resolution 2022-05 Authorizing Submittal of a CalRecycle Grant Application as an Eligible Recipient and Approve the General Manager to Sign a Letter of Commitment – Individual Applicant**

VVWRA Regular Meeting Minutes**Thursday, May 19, 2022****Page 5****Grant and Payment Programs and a Letter of Designation - Grant and Payments Program**

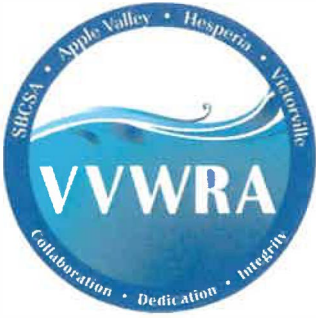
The Board will consider adoption of resolution 2022-05 authorizing the submittal of a CalRecycle grant application as an eligible recipient and approve the General Manager to sign a letter of commitment – individual grant and applicant payment and a letter of designation – grant and payments program

Moved: Commissioner Higgins**Second: Commissioner Nassif**

Adoption of resolution 2022-05 authorizing the submittal of a CalRecycle grant application as an eligible recipient and approve the General Manager to sign a letter of commitment – individual grant and applicant payment and a letter of designation – grant and payments program

Chair Holland - Yes**Commissioner Higgins- Yes****Commissioner Nassif - Yes****Commissioner Jones - Yes****Motion passed by a 4-0 roll call vote****CLOSED SESSION (If Closed Session is continued)****ADJOURNMENT****The board will adjourn to a regular board meeting on June 23, 2022 at 7:30 a.m.****APPROVAL:****DATE:** June 23, 2022**BY:** _____

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



Victor Valley Wastewater Reclamation Authority

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

Administrative Offices

20111 Shay Road, Victorville, CA 92394


Telephone: (760) 246-8638

Fax: (760) 948-9897

e-mail: mail@vwwra.com

DATE: June 23, 2022

TO: Darron Poulsen
General Manager

FROM: Chieko Keagy 
Controller

SUBJECT: Cash Disbursements Register

RECOMMENDED ACTION

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

BACKGROUND

The Cash Disbursements Register totals represented below are for the month of MAY 2022, check numbers 124573-124642 and ACH's.

<i>Accounts Payable</i>			
<i>Checks</i>	<i>ACH's and EFT's</i>	<i>Payroll</i>	<i>Total</i>
<i>\$169,878.96</i>	<i>\$917,453.41</i>	<i>\$340,816.54</i>	<i>\$1,428,148.91</i>

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/22 through 5/31/22

Vendor Name	Payment #	Date	Total
Bird, Larry	124573	05/04/22	\$ 100.00
Ep Container Corp	124574	05/04/22	\$ 624.14
Ilink Business Management	124575	05/04/22	\$ 263.88
Jones, Debra	124576	05/04/22	\$ 100.00
Sentman, Donna	124577	05/04/22	\$ 212.39
Answering 365	124578	05/04/22	\$ 173.00
Applied Industrial Technologies	124579	05/04/22	\$ 446.23
Battery Mart	124580	05/04/22	\$ 1,230.43
California Tool & Welding Supply	124581	05/04/22	\$ 17.30
Carb/Perp	124582	05/04/22	\$ 735.00
Cintas Corporation	124583	05/04/22	\$ 3,224.85
City Of Victorville	124584	05/04/22	\$ 11,446.56
Guardian	124585	05/04/22	\$ 869.64
Hi-Desert Communications	124586	05/04/22	\$ 150.00
Holland, William J.	124587	05/04/22	\$ 100.00
Ilink Business Management	124588	05/04/22	\$ 2,924.68
Jones, Debra	124589	05/04/22	\$ 100.00
Konica Minolta Business Solutions	124590	05/04/22	\$ 220.67
Napa Victorville	124591	05/04/22	\$ 292.35
Nassif, Scott	124592	05/04/22	\$ 100.00
Orkin	124593	05/04/22	\$ 452.00
Prudential Overall Supply	124594	05/04/22	\$ 1,567.17
Verizon Wireless	124595	05/04/22	\$ 2,399.04
Big Sky Electric	124599	05/11/22	\$ 52,671.00
Blaine Tech Services, Inc.	124600	05/11/22	\$ 8,102.00
Brown Bear Corp	124601	05/11/22	\$ 16,537.21
Cintas Corporation	124602	05/11/22	\$ 2,649.72
City Of Victorville / Sanitation	124603	05/11/22	\$ 3,522.04
Control Soft, Inc	124604	05/11/22	\$ 1,950.00
Dell Inc.	124605	05/11/22	\$ 6,865.57
Hilti Inc.	124606	05/11/22	\$ 155.71
Liberty Utilities	124607	05/11/22	\$ 3,733.45
Mojave Desert A.Q.M.D.	124608	05/11/22	\$ 373.93
Orkin	124609	05/11/22	\$ 1,241.00
Prudential Overall Supply	124610	05/11/22	\$ 1,592.78
Quill Corporation	124611	05/11/22	\$ 317.76
Rotork Controls Inc.	124612	05/11/22	\$ 536.63
Royal Industrial Solutions	124613	05/11/22	\$ 1,958.77
Sensaphone	124614	05/11/22	\$ 314.72
Shredyourdocs.Com	124615	05/11/22	\$ 114.00
T-Mobile	124616	05/11/22	\$ 196.56
United Rentals Northwest, Inc	124617	05/11/22	\$ 4,915.73
Digi-Key Corp	124620	05/19/22	\$ 695.99
Hesperia Water District	124621	05/19/22	\$ 3,406.83
Orkin	124622	05/19/22	\$ 452.00

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/22 through 5/31/22

Vendor Name	Payment #	Date	Total
Prudential Overall Supply	124623	05/19/22	\$ 814.19
Robertson'S Ready Mix, Ltd	124624	05/19/22	\$ 4,823.06
Safety-Kleen Systems Inc.	124625	05/19/22	\$ 1,539.86
Sunland	124626	05/19/22	\$ 604.14
Yucca Crane	124627	05/19/22	\$ 900.00
Blaine Tech Services, Inc.	124628	05/19/22	\$ 7,270.00
Dell Inc.	124629	05/19/22	\$ 357.86
City Of Hesperia	124630	05/26/22	\$ 150.00
Dell Inc.	124631	05/26/22	\$ 2,716.62
Hat Trix	124632	05/26/22	\$ 5,119.99
High Desert Backflow	124633	05/26/22	\$ 454.65
Holland, William J.	124634	05/26/22	\$ 100.00
Jones, Debra	124635	05/26/22	\$ 100.00
Labconco Corporation	124636	05/26/22	\$ 789.44
Nassif, Scott	124637	05/26/22	\$ 100.00
Prudential Overall Supply	124638	05/26/22	\$ 766.26
Quill Corporation	124639	05/26/22	\$ 359.48
Safelite Glass Corp	124640	05/26/22	\$ 453.82
Selective Gift Institute	124641	05/26/22	\$ 2,118.27
Uline, Inc.	124642	05/26/22	\$ 288.59
	Total Checks		\$ 169,878.96
Southern California Edison	20220	05/12/22	\$ 73,754.43
Flyers Energy, Llc	DFT03026	05/05/22	\$ 1,925.14
Konica Minolta Business Solutions	DFT03027	05/05/22	\$ 391.50
Lincoln Financial Group	DFT03028	05/05/22	\$ 4,984.68
Lincoln Financial Group	DFT03029	05/05/22	\$ 80.11
Principal Life Ins. Co.	DFT03030	05/05/22	\$ 3,087.15
Southwest Gas Company	DFT03031	05/05/22	\$ 20,808.73
Sparkletts Drinking Water	DFT03032	05/05/22	\$ 1,422.68
Swrcb	DFT03033	05/05/22	\$ 75.00
Swrcb	DFT03034	05/05/22	\$ 1,738.00
Town Of Apple Valley	DFT03035	05/05/22	\$ 181.09
Ups	DFT03036	05/05/22	\$ 19.29
Flyers Energy, Llc	DFT03068	05/19/22	\$ 1,681.33
Southern California Edison	DFT03069	05/19/22	\$ 19,383.87
Southern California Edison	DFT03070	05/19/22	\$ 1,409.74
Southern California Edison	DFT03071	05/19/22	\$ 13,796.58
Ups	DFT03072	05/19/22	\$ 350.95
Southwest Gas Company	DFT03094	05/26/22	\$ 29.63
Southwest Gas Company	DFT03095	05/26/22	\$ 52.86
Southwest Gas Company	DFT03096	05/26/22	\$ 52.64
Spectrum (Prev. Charter Communications)	DFT03097	05/26/22	\$ 5,150.16
Ups	DFT03098	05/26/22	\$ 22.45

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/22 through 5/31/22

Vendor Name	Payment #	Date	Total
2G Energy Inc.	050620221	05/06/22	\$ 78.84
Dudek	0506202210	05/06/22	\$ 9,981.25
Fha Services, Inc.	0506202211	05/06/22	\$ 1,024.37
Haaker Equipment Company	0506202212	05/06/22	\$ 2,696.54
Higgins, Dakota	0506202213	05/06/22	\$ 100.00
Michael'S Auto Detail	0506202214	05/06/22	\$ 520.00
Trakstar	0506202215	05/06/22	\$ 7,350.00
Trussell Technologies, Inc	0506202216	05/06/22	\$ 18,635.48
Victor Valley Wastewater Employees Assoc	0506202217	05/06/22	\$ 725.00
Wageworks, Inc	0506202218	05/06/22	\$ 118.25
Xylem Water Solutions	0506202219	05/06/22	\$ 11,230.53
Applied Maintenance Supplies & Solution	050620222	05/06/22	\$ 1,812.36
Beck Oil, Inc.	050620223	05/06/22	\$ 4,329.91
Best, Best & Krieger, L.L.P.	050620224	05/06/22	\$ 38,229.08
Biogas Engineering	050620225	05/06/22	\$ 5,852.52
Biogas Power Systems- Mojave, Llc	050620226	05/06/22	\$ 64,119.27
Brenntag Pacific, Inc	050620227	05/06/22	\$ 12,820.25
Bsk Associates	050620228	05/06/22	\$ 5,235.00
Castro, Moises	050620229	05/06/22	\$ 230.00
Alfa Laval Inc.	051320221	05/13/22	\$ 4,717.67
Cdce, Inc.	0513202210	05/13/22	\$ 1,197.66
Culligan Water Conditioning	0513202211	05/13/22	\$ 555.70
Dudek	0513202212	05/13/22	\$ 3,990.00
Dxp Enterprises	0513202213	05/13/22	\$ 16,138.84
E&M Electric And Machinery, Inc	0513202214	05/13/22	\$ 5,540.00
G.A. Osborne Pipe & Supply	0513202215	05/13/22	\$ 606.34
Graham Equipment	0513202216	05/13/22	\$ 25,535.00
Grainger	0513202217	05/13/22	\$ 2,965.96
Hach Company	0513202218	05/13/22	\$ 8,452.25
High Desert Affordable Landscaping	0513202219	05/13/22	\$ 4,459.76
Aqua-Aerobic Systems, Inc	051320222	05/13/22	\$ 92,088.00
Ingersoll Rand	0513202220	05/13/22	\$ 2,888.46
John Robinson Consulting, Inc	0513202221	05/13/22	\$ 7,082.50
Labor Finders	0513202222	05/13/22	\$ 1,833.60
Larry Walker Associates	0513202223	05/13/22	\$ 5,238.00
Mcgrath Rentcorp	0513202224	05/13/22	\$ 5,525.47
Polydyne Inc.	0513202225	05/13/22	\$ 5,933.40
Quincy Compressor	0513202226	05/13/22	\$ 1,498.87
Trimax Systems	0513202227	05/13/22	\$ 18,500.00
U.S.A. Bluebook	0513202228	05/13/22	\$ 3,051.57
Veteran Janitorial, Llc	0513202229	05/13/22	\$ 2,630.00
Babcock Laboratories, Inc.	051320223	05/13/22	\$ 27,922.79
Walters Wholesale Electric	0513202230	05/13/22	\$ 1,910.53
Waxie Sanitary Supply	0513202231	05/13/22	\$ 594.07
Xylem Water Solutions	0513202232	05/13/22	\$ 4,519.31

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/22 through 5/31/22

Vendor Name	Payment #	Date	Total
Beck Oil, Inc.	051320224	05/13/22	\$ 32.63
Biogas Engineering	051320225	05/13/22	\$ 1,440.00
Brax Company	051320226	05/13/22	\$ 1,467.94
Brenntag Pacific, Inc	051320227	05/13/22	\$ 11,286.99
Bsk Associates	051320228	05/13/22	\$ 2,560.00
California School Veba	051320229	05/13/22	\$ 678.69
2G Energy Inc.	052320221	05/23/22	\$ 1,409.54
Davis Electric, Inc	0523202210	05/23/22	\$ 33,600.00
Evoqua Water Technologies Llc	0523202211	05/23/22	\$ 10,215.94
G.A. Osborne Pipe & Supply	0523202212	05/23/22	\$ 1,125.41
Global Equipment Company, Inc.	0523202213	05/23/22	\$ 868.15
Grainger	0523202214	05/23/22	\$ 6,286.28
Graybar Electric Co., Inc.	0523202215	05/23/22	\$ 1,271.89
Hach Company	0523202216	05/23/22	\$ 2,879.36
Innerline Engineering	0523202217	05/23/22	\$ 13,680.00
Siemens Industry Inc.	0523202218	05/23/22	\$ 1,670.82
Solenis Llc	0523202219	05/23/22	\$ 12,043.93
A.D.S. Corp.	052320222	05/23/22	\$ 7,150.00
Walters Wholesale Electric	0523202220	05/23/22	\$ 2,126.88
Waxie Sanitary Supply	0523202221	05/23/22	\$ 783.29
Westover, Kalin	0523202222	05/23/22	\$ 378.94
Xylem Water Solutions	0523202223	05/23/22	\$ 5,158.73
Anthony, Donna	0523202224	05/23/22	\$ 422.00
Billings, Richard	0523202225	05/23/22	\$ 422.00
Correia, Bruce	0523202226	05/23/22	\$ 422.00
Dagnino, Roy	0523202227	05/23/22	\$ 422.00
Davis, Tim	0523202228	05/23/22	\$ 422.00
Flint, Terrie Gossard	0523202229	05/23/22	\$ 232.94
Adt Commercial	052320223	05/23/22	\$ 1,013.21
Gyurcsik, Darline	0523202230	05/23/22	\$ 232.94
Hinojosa, Thomas	0523202231	05/23/22	\$ 422.00
Keniston, Olin	0523202232	05/23/22	\$ 232.94
Main, Randy	0523202233	05/23/22	\$ 422.00
Mcgee, Mark	0523202234	05/23/22	\$ 422.00
Montgomery, Lillie	0523202235	05/23/22	\$ 145.65
Nalian, L. Christina	0523202236	05/23/22	\$ 145.65
Nave, Patrick	0523202237	05/23/22	\$ 422.00
Aerzen Usa	052320224	05/23/22	\$ 12,252.88
American Express	052320225	05/23/22	\$ 8,413.81
Applied Maintenance Supplies & Solution	052320226	05/23/22	\$ 4,262.80
Biogas Power Systems- Mojave, Llc	052320227	05/23/22	\$ 64,119.27
Blackline Safety Corp	052320228	05/23/22	\$ 210.00
Charles P. Crowley Company, Inc	052320229	05/23/22	\$ 13,927.89
Best, Best & Krieger, L.L.P.	052720221	05/27/22	\$ 26,069.44
G.A. Osborne Pipe & Supply	0527202210	05/27/22	\$ 1,293.19

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 5/1/22 through 5/31/22

Vendor Name	Payment #	Date	Total
Graybar Electric Co., Inc.	0527202211	05/27/22	\$ 241.97
Higgins, Dakota	0527202212	05/27/22	\$ 100.00
Innerline Engineering	0527202213	05/27/22	\$ 15,592.50
Larry Walker Associates	0527202214	05/27/22	\$ 4,952.25
Mcmaster-Carr Supply Co.	0527202215	05/27/22	\$ 782.56
Polydyne Inc.	0527202216	05/27/22	\$ 6,230.07
Pro Automation Llc	0527202217	05/27/22	\$ 1,540.00
U.S. Bank	0527202218	05/27/22	\$ 7,337.08
U.S.A. Bluebook	0527202219	05/27/22	\$ 593.20
Blue Siren, Inc.	052720222	05/27/22	\$ 4,530.00
Victor Valley Wastewater Employees Assoc	0527202220	05/27/22	\$ 700.00
Waxie Sanitary Supply	0527202221	05/27/22	\$ 252.63
West Coast Safety Supply	0527202222	05/27/22	\$ 3,255.36
White Cap, L.P.	0527202223	05/27/22	\$ 521.75
Xylem Water Solutions	0527202224	05/27/22	\$ 200.00
Bsk Associates	052720223	05/27/22	\$ 7,235.00
Castro, Moises	052720224	05/27/22	\$ 225.00
Cdw Government, Inc	052720225	05/27/22	\$ 652.77
Collicutt Energy Services Inc	052720226	05/27/22	\$ 5,745.87
Consumers Pipe & Supply, Co.	052720227	05/27/22	\$ 10,628.97
Dudek	052720228	05/27/22	\$ 630.00
Fha Services, Inc.	052720229	05/27/22	\$ 178.00
Total ACH & EFT			\$ 917,453.41

Approved

Total Checks	\$ 169,878.96
Total ACH and EFT	\$ 917,453.41
Total Payroll - Apr 2022	\$ 340,816.54
Total	\$ 1,428,148.91



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DP*
SUBMITTED BY: Chieko Keagy, Controller
DATE: June 23, 2022
SUBJECT: **RECOMMENDATION TO ADOPT RESOLUTION 2022-06**
ADOPTION OF THE FY 2022-2023 BUDGET

<input checked="" type="checkbox"/>	For Action	<input checked="" type="checkbox"/>	Fiscal Impact
<input type="checkbox"/>	Information Only	<input type="checkbox"/>	Account Code:
		<input checked="" type="checkbox"/>	Funds Budgeted/Approved:

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve Resolution 2022-06: Adoption of the Proposed Budget as presented for the year ending June 30, 2023.

PREVIOUS ACTION(S)

None

BACKGROUND INFORMATION

Staff prepared the budget for the year ending June 30, 2023, based on input from each department. The staff presented the budget draft and discussed at the External Finance Committee meeting held on April 28, 2022 and at the Board meeting on May 19, 2022.

The fiscal impact of \$2,850,442 is a proposed overall budget surplus from both Operations and Capital funds for the year ending June 30, 2023. The staff proposes we apply the entire \$1,000,864 surplus from the Operations and apart from a previous-year operation reserve, a total of \$1,620,670 to operational capital projects.

Attachment(s):

Exhibit 1- Resolution 2022-06 Fiscal Year 2022-2023 Budget

RESOLUTION 2022-06

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
TO APPROVE AND ADOPT THE FISCAL YEAR 2022-2023 BUDGET**

WHEREAS, the General Manager submitted to the Board of Commissioners (“Commission”) of the Victor Valley Wastewater Reclamation Authority (“VWVRA”) a proposed budget for the period July 1, 2022, through June 30, 2023, otherwise known as Fiscal Year 2022-2023, and said proposed budget provides details of the proposed revenues, expenditures, and appropriations for VWVRA during Fiscal Year 2022-2023 (“Budget”);

WHEREAS, the Commission has duly reviewed and considered the proposed Fiscal Year 2022-2023 Budget with respect to the projected revenues and the proposed expenditures, projects, programs, annual surcharge rate adjustments, and related items accordingly;

WHEREAS, the Commission provided public notice of and held a public hearing on June 23, 2022, on the proposed Fiscal Year 2022-2023 Budget (“Public Hearing”);

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

WHEREAS, the Commission believes that it is both appropriate and desirable to address CPI increases for employees at the same time that it considers adoption of the Authority’s Budget; and that is consistent with the MOU adopted by the Board with the Employees Association on June 18, 2020;

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

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

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

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

Section 1. The Budget for Fiscal Year 2022-2023 for the Victor Valley Wastewater Reclamation Authority, a copy of which is attached hereto as Exhibit “A”, is hereby approved and adopted, and the amounts of the proposed expenditures are appropriated for the projects, programs, and expenditures specified therein and as currently proposed in the accompanying Capital Improvement Plan spreadsheets, which are subject to future revision by the Board, and;

Section 2. The Commission has determined that it is economically feasible and in the best interest of the Authority to adjust employee salary ranges by the annual Consumer Price Index (CPI). The CPI utilized for this purpose is the annual average for All Urban Consumers for the Los Angeles-Riverside-Orange County area, as published by the Bureau of Labor Statistics, for the 12-month period ending March 31, 2022. The CPI percent change for the year ending March 31, 2022 is 5 percent. The adjusted steps and ranges shall be as shown in the attached Exhibit “B”.

Section 3. Adoption of Annual Increases. The effective date of salary range adjustments described herein shall be July 1, 2022

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

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

ADOPTED AND APPROVED this 23rd day of June 2022

Bill Holland, Chair
VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

Scott Nassif, Secretary
VVWRA Board of Commissioners

Piero Dallarda of
Best Best & Krieger LLP, Counsel VVWRA

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 23, 2022.

Kristi Casteel – Clerk of the Board

EXHIBIT A

Resolution 2022-06

Adopted Annual Budget FY 22/23



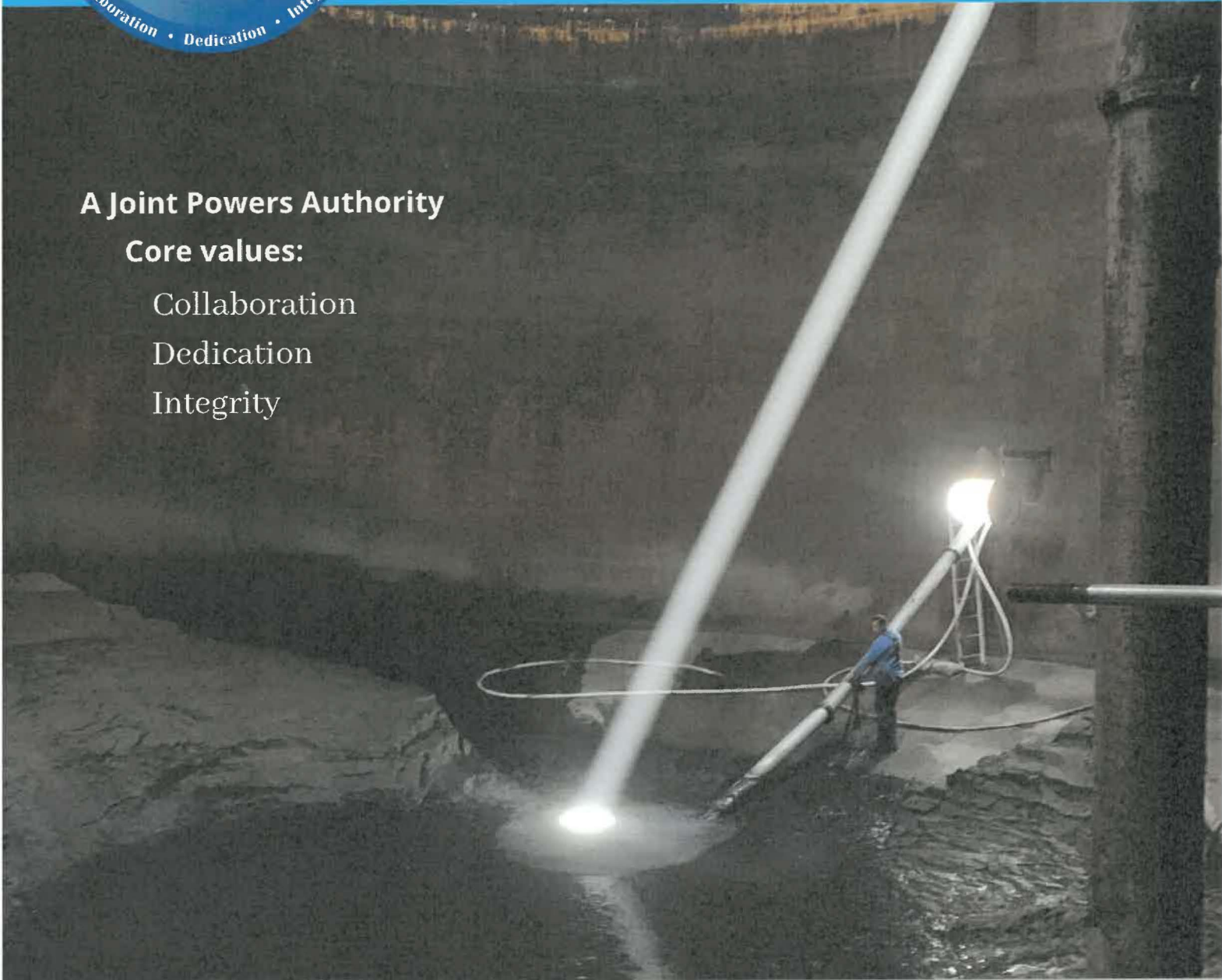
A Joint Powers Authority

Core values:

Collaboration

Dedication

Integrity





Page Intentionally Blank



Table of Contents

- 1 Budget Executive Summary 1**
- 1.1 General Manager Budget Message..... 1
- 1.2 Overview of Revenue Changes and Analysis..... 5
- 1.3 Overview of Operational Expenses 6
- 1.4 Capital Projects Strategy Update..... 7
- 1.5 Debts – SRF Loans 8
- 1.6 Environmental and Regulatory Changes 13
- 1.7 Overview Conclusion 14
- 2 History and Governance..... 15**
- 2.1 History of VVWRA 15
- 2.2 Local Demographics 16
- 2.3 Description of Governance 17
- 2.4 Board Member Pictures and Agency Names 18
- 3 Organizational Mission and Structure 19**
- 3.1 Community Involvement and Member Agency Collaboration..... 19
- 3.2 VVWRA Mission Statement..... 20
- 3.3 VVWRA Core Values 20
- 3.4 VVWRA Model for Efficient Wastewater Utility Management..... 22
- 3.5 Organizational Chart 33
- 3.6 Budgeted Positions 34
- 4 Department Overview and Performance Measures..... 38**
- 4.1 Operations and Maintenance Department Overview..... 38
- 4.2 Operational Statistics Benchmarked Against Industry..... 40
- 4.3 Administrative Department Overview and Statistics..... 47
- 4.4 Finance Policies 49
- 4.5 Budget Preparation Process..... 53
- 4.6 GFOA Budget Presentation Award 56
- 5 Financial Information Operations..... 57**
- 5.1 Consolidated Budget Statement of All Funds..... 57
- 5.2 Reconciliation from Actual to CAFR for FY Ending June 30, 2021 59
- 5.3 Budget Statement of Operations and Maintenance Fund 60
- 5.4 User Fee Revenue Trend Analysis 62
- 5.5 Allocations of Personnel Expenses..... 65



5.6	Budget Statement of Capital Fund	67
5.7	Department Supplemental Capital Purchases.....	68
5.8	Operational Overview of Expenses	69
5.9	Historical Comparison of Operational Revenues to Expenses.....	70
5.10	Changes in Net Position and Reserves	71
6	Financial Information Capital Projects.....	73
6.1	Capital Project Pay-As-You-Go Strategy.....	73
6.2	Capital Improvement Program FY 2023	74
6.3	Capital Project Details from the FY 2023 CIP.....	75
7	Conclusion	86
7.1	Budget Conclusion.....	86
8	Glossary of Terms	87
8.1	Glossary of Terms.....	87



Victor Valley Wastewater Reclamation Authority
A Joint Powers Authority and Public Agency of the State of California
 20111 Shay Road, Victorville, CA 92394
 Telephone: (760) 246-8638
 Fax: (760) 246-2898
 e-mail: mail@vwwra.com

1 Budget Executive Summary

1.1 General Manager Budget Message

Victor Valley Wastewater Reclamation Authority

**Adopted
Annual Budget
FY 22/23**

A Joint Powers Authority
Core values:
 Collaboration
 Dedication
 Integrity



TO THE BOARD OF COMMISSIONERS AND MEMBER AGENCIES OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY: THE TOWN OF APPLE VALLEY, THE CITY OF HESPERIA, THE SAN BERNARDINO COUNTY SPECIAL DISTRICTS, THE CITY OF VICTORVILLE, AND REGIONAL STAKEHOLDERS.

On behalf of the Victor Valley Wastewater Reclamation Authority (VWRA or Authority), I am pleased to present for your consideration our Fiscal Years 2022-2023 Operating and Capital Budget. Preparation for these Budget calculations and supporting documents began on January 11, 2022. Preparing for my third budget season as the VWRA General Manager, myself and the staff evaluated the changes we made last fiscal year and discussed further changes to improve our budgeting process and reporting. We reaffirmed our primary goal to develop a balanced, more focused, and comprehensive budget. The team worked diligently together to evaluate the present budget structure to identify shortcomings and ambiguity. We collaboratively identified areas for further improvement to provide greater clarity with fewer line items, elimination of line-item duplications and more a definitive separation of Department fiscal responsibility.

There are three key VWRA staff members who are fiscally responsible for developing the overall organizational budget. The Plant Superintendent, Brad Adams, manages thirty staff members, including Operators, and Mechanics who are responsible for the operations of the regional and sub-regional facilities. He is responsible for developing the Operations portion of the fiscal year budget. The Director of Administration, Robert Coromina, manages fourteen employees who perform the environmental compliance, information technology, electricians, human resources, and safety functions within the Authority. The Controller, Chieko Keagy oversees development of the overall budget with her staff of four employees. Mr. Coromina and Ms. Keagy jointly develop the administrative portion of the fiscal year budget.

VWRA Mission Statement

“VWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment and recycling.”

In addition to developing two clear internal Departments who are accountable for effective planning and budgeting, the number of line items was shortened to eliminate budgeting difficulties and overlap. The management team continues to improve their budgeting skills through a much clearer understanding of where they have budgeted funds for their regular operations instead of having to dive into multiple layers of line items and codes. The elimination and consolidation of certain line items has allowed the management team to further sharpen their pencils on the more general line



The VVWRA Budget Team



Darron Poulsen
General Manager



Brad Adams
Plant Superintendent



Robert Coromina
Director of Administration



Chieko Keagy
Controller

items this budget year. Each manager went through the task of eliminating worst case scenarios from the individual line items and to budget as close to normal expected operating costs for every element of their budget. The projected worst case scenario funds were placed once again in one contingency fund that the directors and supervisors can draw upon, should any out of the ordinary situations arise. This process has eliminated additional funds from many line items that in the past had inflated budget numbers for the unknown situations that sometimes occur.

This last year was a struggle to build on stronger working relationships due to the COVID 19 Pandemic. We had numerous staff members working from home and necessary operational people worked in two specific schedules to avoid interaction. Through all those significant changes we still were able to accomplish a great deal with regards to capital projects and internal enhancements to our operations and procedures. We continued to grow our understanding and implementation of the Mission of the Authority and we further dedicated ourselves to the core values of Collaboration, Dedication, and Integrity. To continue improving our communication and organizational culture, the management team recently went through a training program evaluating our DISC profiles and learning how to have critical conversations. With the help of a facilitator, we went through a workbook and practiced scenarios on how to work together better. These efforts will be shared and introduced to the staff next fiscal year to improve the communication between all staff members. The VVWRA staff and the management team continue to heighten our efforts to continue our growth in making a culture shift to value every employee equally at a higher level and to put our customers, the Member Agencies, first in all our decision and planning efforts.



The budget presented to you this June 16, 2022, provides for a surplus in revenues that will be used to fund our strategy of pay-as-you-go Capital projects. In this new budget we have successfully achieved our desired debt ratio coverage above 1.2. Last year's (FY 2022) budget had a debt ratio of 1.18. We are proud to inform you that we project our debt coverage ratio for FY 2023 to be 1.67 with a surplus budget of \$1,620,670. Operating revenues increased by 15% attributed to increased wastewater flows, new industrial waste fees, increased recycled water sales and an increase in FOG and ADM tipping fees. Unfortunately, operating expenses also went up 15% mostly attributed to the higher cost of materials, chemicals, equipment, and services. In addition to those costs the new fiscal year budget now includes the full operating costs of the Sub-Regional facilities that we expect to be fully online next fiscal year. The Sub-Regional facilities will require new operations staff, increased chemical costs, increased power costs, increased sampling costs and increased maintenance costs. The team is excited to move forward with the operations of the Sub-Regional facilities and being able to serve our member agencies with recycled water.

The Victor Valley Wastewater Reclamation Authority is committed to the Mission Statement utilizing our Core Values as the guiding principles to achieve the desired goals in the coming fiscal year. The Authority strives to maintain transparency, responsiveness and good stewardship toward our Board of Commissioners, our Member Agencies, our stakeholders, and our employees. I would like to take this opportunity to thank the External Finance Committee made up of financial staff from the Member Agencies and the Internal Finance Committee, Commissioners Debra Jones, and Dakota Higgins for input on the proposed budget. Special thanks to the Finance staff including Controller, Chieko Keagy; Senior Accountant, Xiwei Wang; Accountant, Kyle Parker; Accounting Technician, Anne Mazzarella; and Asset Management Technician, Daniel Enriquez.

Respectfully Submitted

A handwritten signature in black ink that reads "Darron Poulsen". The signature is written in a cursive, flowing style.

Darron Poulsen
VWRA General Manger



1.2 Overview of Revenue Changes and Analysis

This document includes the budget information for the fiscal year ending June 30, 2023 (hereafter referred to as FY 2023) for Victor Valley Wastewater Reclamation Authority (VWRA or Authority). This financial plan serves as a policy document, operation guide, and as a means of transparent communication. The budget document is a comprehensive and balanced financial plan that features the analytical elements of a fiscally responsible public Authority. The budget also provides an overview of department operations and relative statistics utilized to measure performance and the achievement of goals. The Authority has developed a thorough table of contents inclusive of six major sections and a glossary that will help the reader locate information.



VWRA Percolation Pond

For FY 2023, the Authority continues to utilize the newly created supplemental capital purchase line items for significant capital assets that need replacement on an as-needed basis within both the Operations and Maintenance Fund and the Administrative fund. These assets are not normally critical to operations and can be budgeted only when funds are available. In previous VWRA budgets, small capital projects or significant asset purchases, which could not use restricted connection fee dollars, were in the Repairs and Replacement Fund, which these supplemental capital line items have replaced in the individual funds. The Authority will track all significant projects, inclusive of services and assets, are now located in the Capital Improvement Plan and appropriate funding sources, user fee funds, or connection fee funds, accordingly. VWRA accounts for these two fund sources, user fee funds and connection fee funds, using enterprise accounting practices and a comprehensive accounting software. The VWRA conducts its businesses based on an Enterprise Accounting System that is an accrual accounting system, like a regular business accounting method, by recording revenues and expenses as incurred instead of recognizing transactions when receiving or paying cash.

VWRA provides wastewater treatment services to four member agencies: City of Victorville, City of Hesperia, Town of Apple Valley, and two areas of San Bernardino County Special Districts. The Authority treats and bills the total wastewater flow from the Member Agencies based on the approved flow allocation per member agency, on average of, 59.47% from the City of Victorville, 18.85% from the City of Hesperia, 16.27% from the Town of Apple Valley, and the remaining 5.41% from the two areas of San Bernardino County Special Districts. The Authority will bill this treatment process to the Member Agencies at a rate of \$4,768 per million gallons of

VWRA provides wastewater treatment services to four member agencies: City of Victorville, City of Hesperia, Town of Apple Valley, and two areas of San Bernardino County Special Districts. The Authority treats and bills the total wastewater flow from the Member Agencies based on the approved flow allocation per member agency, on average of, 59.47% from the City of Victorville, 18.85% from the City of Hesperia, 16.27% from the Town of Apple Valley, and the remaining 5.41% from the two areas of San Bernardino County Special Districts. The Authority will bill this treatment process to the Member Agencies at a rate of \$4,768 per million gallons of



flow (effective July 1, 2022) based on the percentage of flow allocation. Other operating income includes septage processing fees; tipping fees for anaerobically digestible materials, fats, oils, and grease; sludge flow; industrial pretreatment fees; reclaimed water sales; and high strength surcharge fees. The proposed total operating revenue for FY 2023 is projected to be \$22.9 million. Including the payment of the debt service, the total proposed operating expense is \$21.9 million, leaving \$1.0 million net surplus. Combined with \$6.0 million of operating reserve reduced by \$5.4 restricted reserve, we have \$1.6 million for capital project use.

In addition to the user fee revenues, the Authority is also projecting the collection of \$3.4million in connection fee revenues. This amount is a significant increase from the proposed budget last fiscal year. VVWRA collaborated with the Finance Staff at the Member Agencies to get more accurate projections of these numbers. The increase can be attributed to strong local economic growth in our local service areas. The Member Agencies collect connection fees as development impact fees from developers who seek additional capacity and connection to the VVWRA system. The connection fee revenues are based on the connection fee rate \$4,679 per equivalent dwelling unit (EDU) that was in effect on December 1, 2019 and remains effective as of July 1, 2022. The use of connection fee revenues is restricted to capital projects that add capacity to the VVWRA assets that deliver, treat, and monitor wastewater. The section of Capital Projects of this document explains further the use of the capital fund.

1.3 Overview of Operational Expenses

VVWRA has submitted a proposed Operating budget expense of \$21.9 million consisting of \$2.8 million in debt service and \$19.1 million for operations and maintenance expenses for FY 2023. These expenses exclude non-cash items, such as depreciation expense. The Authority predicted the operating revenues and expenses based on the assumption that the Authority will continue operating both sub-regional plants in Apple Valley and City of Hesperia during the FY 2023. These additional operations add extra expenses, but also add additional revenues from the sale of recycled water.

We expect unrestricted reserve on June 30, 2023, would be \$1.6.2 million that we have entirely applied to operational capital purchases. A Capital section of this booklet explains these capital projects in greater detail.

Past budgets reported operational expenses as one department. To better account for the actual two departments, each department head developed his own budget. The Plant Superintendent, Brad Adams, is responsible for his operations and maintenance department budget, managing 30 staff members, including operators and mechanics at the regional and sub-regional facilities. The Director of Administration, Robert Coromina is responsible for his administration department



budget, managing fourteen employees who perform the environmental compliance, finance, IT and electrical work, human resources, and safety.

The two clear internal Departments have eliminated the complexity of budgeting, utilizing a contingency line item that each department manager could draw upon, should any out of the ordinary situations arise.

1.4 Capital Projects Strategy Update

The Authority made timely progress in completing the scheduled Capital projects slated for the last fiscal year. The Authority made the final improvements to the digesters and the gas piping systems which to complete the Renewable Natural Gas (RNG) project. We celebrated this accomplishment with a large Commissioning Ceremony on January 21, 2022. We had over one hundred attendees with great local political support from our member agencies and special guests from Anaergia, Southwest Gas and CalRecycle who all spoke in support of the project. This public / private partnership with SoCal Biomethane, an Anaergia company, will result in greater tipping fee revenues from the taking of post-consumer food waste as well as increased production of methane gas which SoCal Biomethane will clean and sell to Southwest Gas Company as a renewable supply. SoCal Biomethane and VWRA will share the revenues generated from the sale of this gas. The project is a significant benefit to the environment lessening the impacts of excess FOG and ADM as well as lessening the burning of excess methane gas. In addition, the revenues will aid in keeping wastewater treatment costs lower for VWRA Member Agencies and provide an additional revenue source for much needed Capital projects.



Regional Plant Renewable Natural Gas Project

In Fiscal Year 2021 the Authority completed the Interceptor Risk Assessment Analysis Report. This project provided insight on the current condition and capacity of the Authority's interceptor piping system which conveys Member Agency wastewater to the regional plant. We made significant discoveries on capacity concerns during wet weather, peak flow, conditions that we will need to address as part of the Authority's long term capital project planning. As a follow-up to these results the Authority awarded a contract with Dudek to begin the infiltration and inflow (I&I) study during wet weather events. Reducing the I&I occurrence can mitigate capacity concerns. Last year Dudek and VWRA staff began collaborative efforts with our Member Agencies to perform a region wide study on how to lower I&I. The Authority identified Smart Cover locations and installed equipment to provide critical data during storm weather events. By



identifying and making improvements the Authority will gain almost 10 years of capacity for peak wet weather flow before larger pipeline projects identified in the study that we need to build.

Having this type of information is critical to a long-term capital improvement program. With this latest information staff now knows that if they can reduce I&I and then they can focus on planning and completing necessary operational projects that do not increase treatment capacity. As such many of the Capital projects scheduled for the next few years will assure proper operations of existing assets. We have proposed significant projects like replacing large blower motors and coating important operational assets to extend operating life for completion in the FY 2022-23 Capital Budget.

A significant project that we need to address soon is a new Administrative Building. The Authority's administrative staff are working from temporary construction trailers that they have leased for over nine years. During the last fiscal year, we completed work in the old Administrative Building to remove existing contamination and moved a significant amount of electrical and computer network upgrades from the building to the administration building. We also removed the old SCADA wall with existing controls to make way for new improvements. The Board approved a big step forward to bring in an architect to help identify what internal improvements we could make to enhance administrative operations. We contracted with Tom Steeno Design Studio architectural firm to provide an innovative design for the building which the staff shared with the VVWRA Board in May and June of 2022. Once the VVWRA Board approves the proposed design, staff will start collaborating with Tom Steeno to develop building specifications so that the Authority can bid out for the actual construction and budget for fiscal year 2023-24.

The results of the Interceptor Risk Assessment Analysis Report would enhance the pay-as-you-go Capital Project strategy implemented last year. This report provided guidance on when we need to complete capacity related projects and identified and provided a cost analysis on what the capacity related projects should be. Additional capital planning will occur in fiscal year 2022-23 as we are budgeting for a long-term capital planning and funding study to help identify projects and funding plans for the next 20 to 30 years. Staff is gaining the necessary knowledge and experience to continue and sustain a comprehensive Capital Improvement Plan to protect and assure proper operations and capacity of all the VVWRA assets and facilities.

1.5 Debts – SRF Loans

The agency has conducted its financial planning for the five-year period, FY 2020 through FY 2024. Following the financial plan, the FY 2023 budget will result in a debt coverage ratio of 1.67, which is above the desired value of a 1.20 as specified in the loan agreements with the State Water Resources Control Board.



Although there are no applicable legal debt limits for VWRA to adhere to, the agency has a contractual obligation of maintaining the annual debt service reserve to cover the following year SRF loan principal and interest payments. The agency conducted a rate study to keep the pay-as-you-go strategy for capital projects within these constraints.

VWRA's total debt service for FY 2023 is \$4,302,942. Out of this amount, \$2,749,738 comes from the user charge revenues and \$1,553,204 derives from the connection fee revenues. VWRA's debt service amount will decrease in future years as the agency continues to pay off debts. Please see the following pages for future loan payments.

Based on the Board consensus to pay back the loans timely, the Board has approved the user fee and connection fee rate adjustments during FY 2020. The new user fee was effective October 1, 2019, that will continue increasing by 8% annually throughout FY 2024. The adjusted connection fee rate was effective December 1, 2019, that will remain effective throughout FY 2024.



Renewable Natural Gas Project

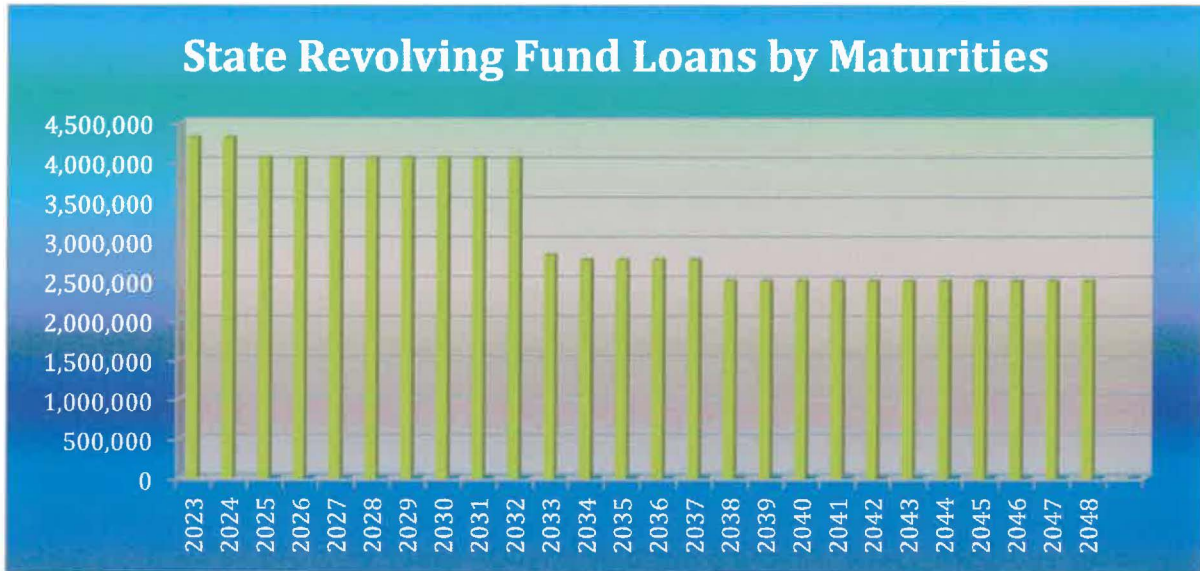
The table below and a bar graph at the following page present our debt service payments for the Clean Water State Revolving Fund (SRF) loans. As of July 1, 2023, the agency has six outstanding SRF loans. The law does not require the agency maintain a legal debt limit as the agency is a special district, but requires the agency adhere to the debt coverage clauses specified in the loan agreements.



VWRA Annual Debt Service

Fiscal Year	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement	Nanticoke Bypass	Apple Valley Sub-Regional	Hesperia Sub-Regional	Total
2023	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,302,940
2024	258,151	1,027,610	257,745	271,633	1,024,951	1,462,850	4,302,940
2025	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2026	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2027	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2028	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2029	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2030	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2031	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2032	-	1,027,610	257,745	271,633	1,024,951	1,462,850	4,044,789
2033	-	-	60,393	271,633	1,024,951	1,462,850	2,819,827
2034	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2035	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2036	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2037	-	-	-	271,633	1,024,951	1,462,850	2,759,434
2038	-	-	-	-	1,024,951	1,462,850	2,487,801
2039	-	-	-	-	1,024,951	1,462,850	2,487,801
2040	-	-	-	-	1,024,951	1,462,850	2,487,801
2041	-	-	-	-	1,024,951	1,462,850	2,487,801
2042	-	-	-	-	1,024,951	1,462,850	2,487,801
2043	-	-	-	-	1,024,951	1,462,850	2,487,801
2044	-	-	-	-	1,024,951	1,462,850	2,487,801
2045	-	-	-	-	1,024,951	1,462,850	2,487,801
2046	-	-	-	-	1,024,951	1,462,850	2,487,801
2047	-	-	-	-	1,024,951	1,462,850	2,487,801
2048	-	-	-	-	1,024,951	1,462,850	2,487,801
Total	516,302	10,276,100	2,637,843	4,074,495	26,648,726	38,034,100	82,187,566

After FY 2025 the repayment amount will be lowered to about \$4.0 million and then after FY 2033, the payment amount will become near \$2.8 million. The high repayment amounts will negatively impact both operations and capital projects throughout the years.



VWRA Regional Plant

VWRA has utilized the SRF loans through California State Water Resources Control Board to fund most capital projects. The construction of the projects below was completed during the years before June 30, 2018. The following list shows two years of principal and interest repayments per Operations/Maintenance and Capital Funds.



2023	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Nanticoke Bypass Project	Apple Valley Sub-Regional Project	Hesperia Sub-Regional Project	2023 Total
SRF Loan Amount	\$ 4,084,688	\$ 15,717,668	\$ 4,286,380	\$ 4,459,190	\$ 26,455,229	\$ 37,758,385	\$ 92,761,540
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,940
Payment Date	February 13	June 30	December 31	June 30	February 28	February 28	
1. Operations	0.00%	75.00%	100.00%	75.00%	61.00%	61.00%	
Original Loan	\$ -	\$ 11,788,251	\$ 4,286,380	\$ 3,344,393	\$ 16,137,690	\$ 23,032,615	
Principal	\$ -	\$ 590,453	\$ 212,592	\$ 153,614	\$ 482,700	\$ 688,930	\$ 2,128,289
Interest	\$ -	\$ 180,255	\$ 45,153	\$ 50,111	\$ 142,520	\$ 203,410	\$ 621,449
Annual Payment	\$ -	\$ 770,708	\$ 257,745	\$ 203,725	\$ 625,220	\$ 892,340	\$ 2,749,738
2. Capital	100.00%	25.00%	0.00%	25.00%	39.00%	39.00%	
Original Loan	\$ 4,084,688	\$ 3,929,417	\$ -	\$ 1,114,798	\$ 10,317,539	\$ 14,725,770	
Principal	\$ 245,712	\$ 196,818	\$ -	\$ 51,205	\$ 308,611	\$ 440,461	\$ 1,242,807
Interest	\$ 12,439	\$ 60,085	\$ -	\$ 16,704	\$ 91,120	\$ 130,049	\$ 310,397
Annual Payment	\$ 258,151	\$ 256,903	\$ -	\$ 67,909	\$ 399,731	\$ 570,510	\$ 1,553,204
Total Principal	\$ 245,712	\$ 787,270	\$ 212,592	\$ 204,819	\$ 791,311	\$ 1,129,391	\$ 3,371,096
Total Interest	\$ 12,439	\$ 240,340	\$ 45,153	\$ 66,814	\$ 233,640	\$ 333,459	\$ 931,846
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,942

2024	North Apple Valley Interceptor	Phase IIIA Regulatory Upgrades	Upper Narrows Replacement Project	Nanticoke Bypass Project	Apple Valley Sub-Regional Project	Hesperia Sub-Regional Project	2023 Total
SRF Loan Amount	\$ 4,084,688	\$ 15,717,668	\$ 4,286,380	\$ 4,459,190	\$ 26,455,229	\$ 37,758,385	\$ 92,761,540
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,940
Payment Date	February 13	June 30	December 31	June 30	February 28	February 28	
1. Operations	0.00%	75.00%	100.00%	75.00%	61.00%	61.00%	
Original Loan	\$ -	\$ 11,788,251	\$ 4,286,380	\$ 3,344,393	\$ 16,137,690	\$ 23,032,615	
Principal	\$ -	\$ 606,395	\$ 216,632	\$ 156,533	\$ 487,527	\$ 695,819	\$ 2,162,906
Interest	\$ -	\$ 164,313	\$ 41,113	\$ 47,192	\$ 137,693	\$ 196,521	\$ 586,832
Annual Payment	\$ -	\$ 770,708	\$ 257,745	\$ 203,725	\$ 625,220	\$ 892,340	\$ 2,749,738
2. Capital	100.00%	25.00%	0.00%	25.00%	39.00%	39.00%	
Original Loan	\$ 4,084,688	\$ 3,929,417	\$ -	\$ 1,114,798	\$ 10,317,539	\$ 14,725,770	
Principal	\$ 251,855	\$ 202,132	\$ -	\$ 52,178	\$ 311,697	\$ 444,866	\$ 1,262,728
Interest	\$ 6,296	\$ 54,771	\$ -	\$ 15,731	\$ 88,034	\$ 125,644	\$ 290,476
Annual Payment	\$ 258,151	\$ 256,903	\$ -	\$ 67,909	\$ 399,731	\$ 570,510	\$ 1,553,204
Total Principal	\$ 251,855	\$ 808,526	\$ 216,632	\$ 208,710	\$ 799,224	\$ 1,140,685	\$ 3,425,634
Total Interest	\$ 6,296	\$ 219,084	\$ 41,113	\$ 62,923	\$ 225,727	\$ 322,165	\$ 877,308
Annual Payment	\$ 258,151	\$ 1,027,610	\$ 257,745	\$ 271,633	\$ 1,024,951	\$ 1,462,850	\$ 4,302,942



1.6 Environmental and Regulatory Changes

Current and future regulations have a significant effect on VVWRA's financial planning. The VVWRA currently operates one regional wastewater plant located in the City of Victorville and two water reclamation plants (WRP) located in the City of Hesperia and the Town of Apple Valley.

VVWRA faces a greater need for capital funding than ever before to pay for new infrastructure, system expansions, renewal, and replacement of existing facilities, as well as to meet increasingly stringent environmental regulations and compliance requirements.

The regional wastewater plant is regulated by both a National Pollutant Discharge Elimination System (NPDES) permit issued under the authority of the Federal Clean Water Act (CWA) and a waste discharge requirement (WDR) issued by the State of California. WDR permits regulate the WRP's. All three facilities produce disinfected tertiary recycled water available for member agencies' use. Under the NPDES and WDR permits, VVWRA manages several environmental programs.

Pretreatment program:

The CWA covers non-domestic sources of wastewater that discharge directly to a publicly owned treatment works (POTW) like the VVWRA. Such discharges may be federally regulated or regulated by VVWRA's pretreatment ordinance, which VVWRA enforces in cooperation with member agencies under authority derived from the CWA.

VVWRA plants are not designed to treat most toxic or non-conventional pollutants that are present in industrial waste. Consequently, discharges from both industrial and commercial sources can cause problems at these plants and can have detrimental effects on the water quality of the Mojave River.

The undesirable effects of those discharges can be prevented by using treatment techniques or management practices to reduce or eliminate the discharge of the contaminants. The act of treating wastewater before discharge to a POTW is commonly referred to as pretreatment. The National Pretreatment Program, published in 40 CFR Part 403, provides the regulatory basis to require nondomestic dischargers to comply with pretreatment standards to ensure that the goals of the Clean Water Act (CWA) are attained. The objectives of the National Pretreatment Program are stated in 40 CFR 403.2, as follows:

- Prevent the introduction of pollutants into a POTW that will interfere with the operation of the POTW, including interference with its use or disposal of municipal sludge.
- Prevent the introduction of pollutants into a POTW that will pass through the treatment works or otherwise be incompatible with such works.

- Improve opportunities to recycle and reclaim municipal and industrial wastewaters and sludges.

Recycled water program:

To augment and optimize its water recycling capabilities, VVWRA has elected to design and construct satellite scalping plants within the wastewater collection system to produce disinfected tertiary recycled water closer to the end-users and thereby minimize overall production and distribution costs. VVWRA is the recycled water program administrator.

Due to the proximity to the former George Air Force base, VVWRA works closely with the Air Force to monitor the plume of pollutants for a superfund site located nearby.

As federal and state grant funding programs continue to be reduced and/or eliminated, VVWRA continues to focus more attention on planning for the funding of future capital needs and finding alternative sources for capital funding.

1.7 Overview Conclusion

During the year ended June 30, 2022, the Authority completed the RNG project and commissioned its start-up. This was a significant accomplishment as VVWRA is the first wastewater treatment plant in California to digest both food waste and municipal was for the purpose of producing RNG. Starting next fiscal year, the RNG project will add an additional revenue stream that will lessen future user fee increases and will also help fund future capital projects. The Authority has developed all these changes were to create greater fiscal security and strength to provide a solid base for the future fiscal planning for the Authority. The FY 2023 budget predicts the Authority will achieve a 1.67 debt ratio up from a 1.18 debt ratio in FY 2022. The new budget format and more interaction with the staff resulted in an increase in revenues more than the increase in operating expenses. The Authority has proposed all these factors to produce a surplus that has been allocated to the pay-as-you-go CIP strategy. Overall, the VVWRA Budget Team is excited to share the fiscal planning for the FY 2023 budget and looks forward to working with the Board to get approval and implement the FY 2023 budget.



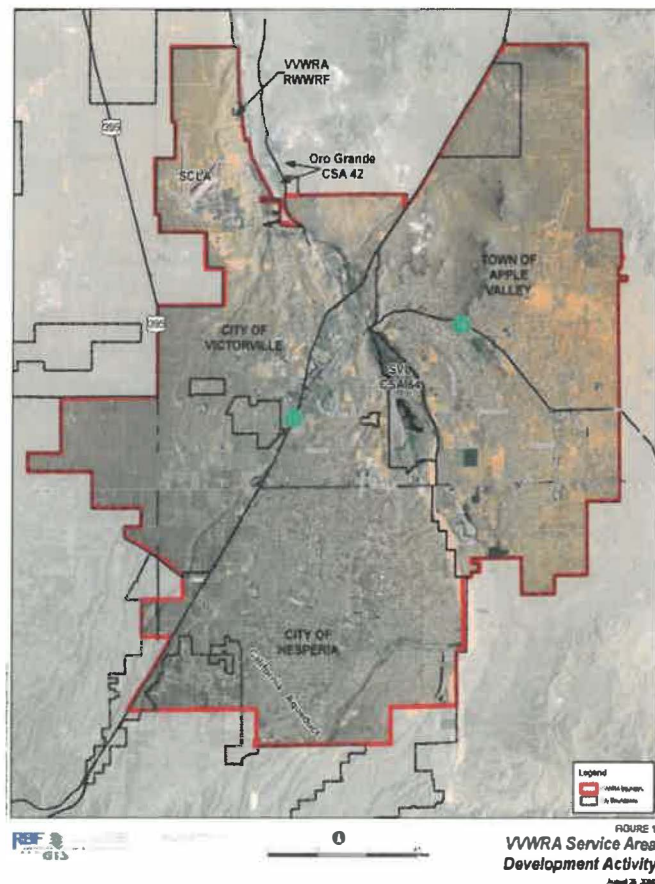
2 History and Governance

2.1 History of VVWRA

The Mojave Water Agency originally formed the Victor Valley Wastewater Reclamation Authority to help meet the requirements of the Federal Clean Water Act and provide wastewater treatment for the region. The original treatment plant, with supporting pipelines and infrastructure, began operating in 1981 to provide tertiary level treatment for up to 4.5 million gallons (MGD) per day to discharge into the Mojave River to replenish the aquifer. The current operations at the regional treatment plant treat 12 MGD. The VVWRA operates as a Special District of the State of California which operates under a Joint Powers Authority (JPA) agreement between the member agencies, the City of Victorville the City of Hesperia, the Town of Apple Valley, and the County of San Bernardino Service Areas 42 and 63.

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

In FY 2020, the Authority completed construction on the sub-regional treatment plants in the Town of Apple Valley and the City of Hesperia. These facilities have started their operations during FY 2022 and has treated between .5 and .75 MGD. The effluent recycled water will be sold to these Member Agencies to provide an additional revenue stream and relieve capacity at the regional plant.



VVWRA Service Area



2.2 Local Demographics

The service area has a population of 312,513 in 2021 with a slow but steady population growth in recent years.

Unemployment in the San Bernardino County is 7.4% in 2021 due to the economic downturn also affected by the global pandemic. The unemployment rate has decreased from 12.0% in 2012 to 3.8% in 2019 but increased to 7.4% in 2021.

The figures below represent data for the County of San Bernardino based on information from State of California Employment Development Department.

Figure 2-1: Population Growth

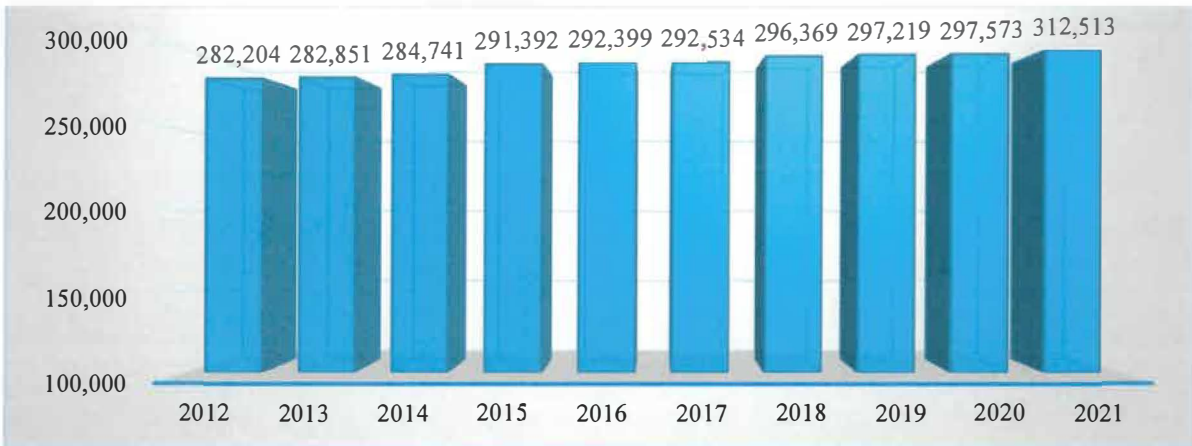
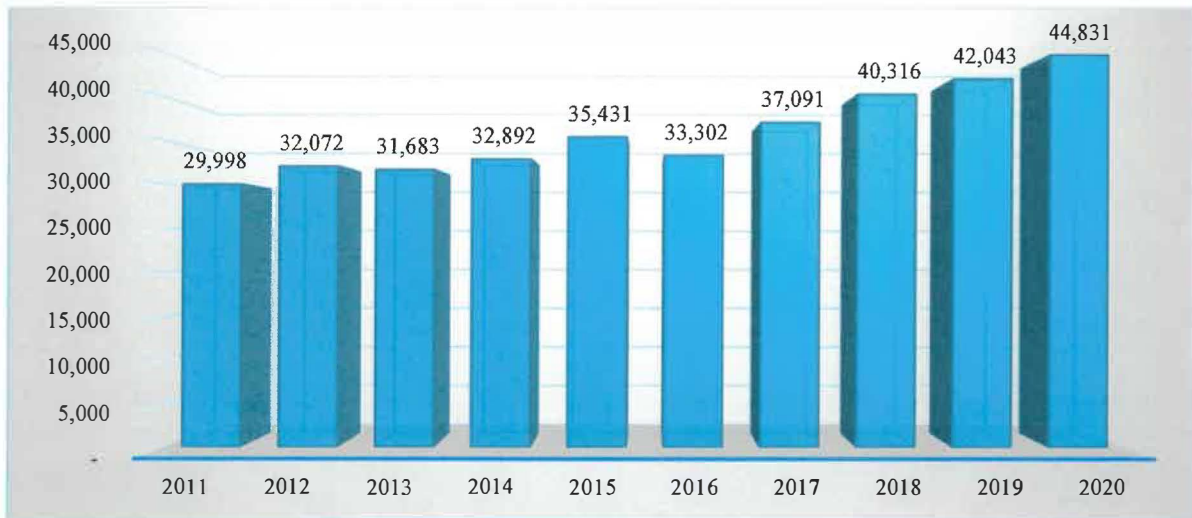


Figure 2-2: Unemployment Rate





Figure 2-3: Personal Income Per Capita



2.3 Description of Governance

VVWRA is a quasi-governmental agency called a Special District of the State of California. California Public Utilities Commission does not regulate special districts, but the Authority's Board of Commissioners governs the Authority. The publicly elected commissions represent each Member Agency for a four-year term. A joint power agreement (JPA) binds the affairs between VVWRA and Member Agencies. The Board of Commissioners is responsible for approving policies and ordinances in accordance with the purpose detailed in the JPA agreement. These policies and ordinances become enactive upon the board approval. The General Manager then puts them into practice by setting the vision and goals of the organization in collaboration with the board to achieve the desired outcomes detailed in the Mission Statement of the VWRA.

2.4 Board Member Pictures and Agency Names

The Board of Commissioners governs VVWRA representing each of the four Member Agencies.

Board of Commissioners

As of July 1, 2022



Paul Cook

Chair

County of
San Bernardino



Scott Nassif

Vice-Chair

Town of
Apple Valley



Debra Jones

Secretary

City of
Victorville



Bill Holland

Treasurer

City of
Hesperia



3 Organizational Mission and Structure

3.1 Community Involvement and Member Agency Collaboration

As a joint power authority, the VVWRA's primary goal is to provide the essential service of collecting, treating, and recycling wastewater for the benefit of the Member Agencies and the communities they serve. Through the JPA agreement the Board of Commissioners, the VVWRA General Manager and the staff strive to set and achieve goals to provide sustainable and cost-effective solutions to deliver these necessary services for the benefit of the communities they serve. The VVWRA serves an arid region which has historically depleted its groundwater resources. For this reason, the processed wastewater is valuable for projects, such as replenishing groundwater, protecting riparian habitat, and generating power plant cooling water. The Authority can use the energy stored in the organic matter delivered in the wastewater to provide heat and power to operate the wastewater treatment plant. The agency added a new recovery service to its operations last year through a public / private partnership with SoCal Biomethane. VVWRA now receives post-consumer food waste for digestion and renewable gas production which put on the natural gas grid for residential and commercial use. Finally, VVWRA can also use the organic residual resulting from the treatment process to amend soil quality and to reduce greenhouse gas emissions.

There are two primary concerns that drive the Authority's long-term planning and mission. It is vitally important that the Authority work with the Member Agencies to plan for community growth and to monitor the environmental and regulatory requirements. This cooperative effort is to find out what and how much resources we require to address issues. Additionally, the industry is changing with more focus on regional watershed-based decision making.



Hesperia Wastewater Reclamation Plant

Through a series of capital projects, the VVWRA endeavors to achieve the goal of providing sustainable and cost-effective solutions to the surrounding communities. Capital projects such as the sub-regional plants will allow VVWRA to have sufficient wastewater flow to provide reclaimed water locally and reduce sewage in our over-capacity interceptors. These sub-regional facilities represent a positive first step in the long-term planning to achieve the overall goals of the Authority and to improve the customer services to the



Member Agencies. The sub-regional treatment plants will produce recycled water, a vital and cost-effective resource in this arid region. Another benefit of locating the sub-regional plants farther up the watershed in the vicinity of residential areas will result in saving the subsequent energy costs of pumping the recycled water back to the recycled water users from the regional plant.

The VVWRA plays a vital role in the region to protect public health, producing recycled water for irrigation use and recharge of the aquifer, and sustaining a part of the local Mojave River habitat.

3.2 VVWRA Mission Statement

The Board approved the existing Mission statement in April of 2020 that VVWRA staff developed. The Mission Statement is meant to provide purpose and guidance to the Authority's essential services of collecting, treating, and recycling wastewater for the benefit of the Member Agencies and the communities they serve. During this last fiscal year, the VVWRA leadership team continued their efforts to make an internal cultural change focusing on improving the employee morale and committing to a renewed commitment to better serve the Member Agency's needs.

VVWRA Mission Statement

"VVWRA is committed to protecting public health and the environment in the Victor Valley by providing effective and fiscally responsible wastewater collection, treatment and recycling."

3.3 VVWRA Core Values

As a public agency, VVWRA has a responsibility to its member agencies and the communities they serve to strive to achieve the vision detailed in the mission statement. The mission statement provides purpose and guidance to the organization, but to achieve the desired vision it is imperative that core values be instilled to help align the organization to a common purpose and the achievement of common goals. VVWRA operates with three Core Values:



Collaboration

VVWRA focuses on building and supporting teamwork. By working together, we can support our staff and partners in the fulfillment of the respective visions. The value to the organization is to educate staff to distinguish between cooperation and collaboration. Cooperation is a group of staff working together with a different set of goals, while collaboration is everyone working together towards a common goal.

Dedication

Dedication is a quality we look for in our staff. As an organization, we are dedicated to working with our Member Agencies to create a symbiotic relationship which benefits us all. To meet this value, we must cultivate an environment which generates passion, loyalty, and a shared vision. By being dedicated to our purpose, we can ensure the positive future for the communities and residents we serve.

Integrity

Integrity is a term that carries a lot of weight. This is a quality of having strong moral principles and ethical conduct. It carries with it a sense of accountability to our Member Agencies. Honesty, forthrightness, and doing the right thing for the right reasons all define integrity. It is of the utmost importance to hold ourselves to this standard if we are to request it of others.

In June of 2022, as part of the service awards ceremony, the VVWRA leadership team nominated and awarded staff who best represented the Core Values during the current year operations. Four employees from the Operations and Maintenance, Environmental, Administrative, and Finance teams were awarded Core Value Awards for Collaboration, Dedication, and Integrity.



3.4 VVWRA Model for Efficient Wastewater Utility Management



In the application of the core values, VVWRA has adopted ten operational attributes to operate and manage the Authority in an effective and efficient manner. These attributes describe desired outcomes that are applicable to the mission and goals of VVWRA. They comprise a comprehensive framework related to operations, infrastructure, customer satisfaction, effective leadership, employee valuation, financial responsibility, sustainability, and natural resource stewardship. VVWRA's attributes of an effective managed utility include:

1. Regulatory Compliance

VVWRA's core mission is to protect public health and the environment for our communities by providing high-quality wastewater-treatment services in an effective, efficient, and responsive manner. We fulfill this mission by producing tertiary treated effluent and biosolids that meet or exceed regulatory requirements.

2. Member Agency Support and Satisfaction

VVWRA seeks to provide reliable, responsive, and affordable services in line with the service levels as set by our Member Agencies. VVWRA will strive to be a resource and positive partner with the Member Agencies in how we communicate and perform outreach, how we operate and sustain facilities for our Member Agencies needs and how we collaboratively plan our capital projects with our Member Agencies to meet the growing needs of our region.

Outreach and Communications - Working in collaboration with the Member Agencies, VVWRA will utilize a mix of evolving communication technologies to convey common messaging in support of our mutual goals. The messaging and





outreach from VVWRA will seek to focus on regional matters that impact VVWRA and its Member Agencies. All messaging will emphasize VVWRA's role and services to the Member Agencies and the communities we serve. VVWRA and the Member Agencies will actively promote and appreciation of the value of wastewater services and water's role in the social, economic, public, and environmental health of the community.



Operational Support – VVWRA will support operational needs by sustaining and operating vital waste disposal facilities for sewer and storm water operations performed by the operational units of the Member Agencies. Other Member agency desired services that VVWRA will operating include receiving local septage fats, oils, and grease (FOG) hauler materials. As demand for these services grows. VVWRA will be mindful to plan accordingly to assure the long-term

sustainability and growth of the facilities necessary to process these materials that are in line with the desires of the Member Agencies. Another significant and important service is the delivery of recycled water. VVWRA will work diligently to assure a reliable delivery of recycled water for the benefit of the Member Agencies and to assure regulatory requirements are met. The Authority will strive to sustain a collaborative approach to the Member Agency needs and regularly seek feedback for the benefit of VVWRA and the Member Agencies.

Capital Project Planning – VVWRA will actively engage and seek input from the Member Agencies in all capital and development projects that will affect VVWRA facilities and Member Agency collection systems. Regular communication and positive working relationships will be sustained to improve working relationships where VVWRA and Member Agencies openly share and collaborate on projects for their mutual benefit and the benefit of the communities we serve.

Capital Project Planning – VVWRA will actively engage and seek input from the Member Agencies in all capital and development projects that will affect VVWRA facilities and Member Agency collection systems. Regular communication and positive working relationships will be sustained to improve working relationships where VVWRA and Member Agencies openly share and collaborate on projects for their mutual benefit and the benefit of the communities we serve.



3. Financial Responsibility and Transparency

VVWRA understands and plans for the full life-cycle cost of utility operations through an open and transparent budgeting process and the development of a comprehensive Capital Improvement



Program. All staff members will value and follow necessary purchasing policies as dictated by the VVWRA Board to assure the highest levels of operational and financial integrity. VVWRA staff will make every effort to establish and maintain an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. The development of rates will seek to be consistent with Member Agency expectations and acceptability, but adequate to recover operational costs, provide for reserves, and plan and invest for future capital

needs. With Board support and approval, staff will always seek funding sources to keep operational and capital costs down. A strong emphasis by VVWRA staff and consultants will be put towards acquiring grants and seeking smart public or private partnerships to help fund projects which will be presented to the Board for final approval. As part of the VVWRA commitment to fiscal responsibility staff will strive to sustain the necessary debt coverage requirements and annually report in the budget the Government Finance Officers Association (GFOA) required information. All efforts will be done in an open and transparent process in accordance with policies established by the Board.

4. Operational Optimization

By optimizing operations, VVWRA staff, ensures reliable, sustainable, and cost-effective performance in their service to public health and environmental protection. This is accomplished through the effective use of data acquired from automated and smart systems and performance monitoring of processes. VVWRA's highly technical staff is up to date on regulatory trends and technological developments in our industry, which make it possible to anticipate and support timely adoption of process improvements and expansions.



5. Employee and Leadership Development

VVWRA recruits, develops, and retains a workforce that is competent, self-motivated and safety-focused. Employee development establishes an organization dedicated to continual learning, improvement, and innovation. Ensures employee institutional knowledge is retained,



transferred, and improved upon over time. VVWRA understands the need for an effective, goal driven management staff and emphasizes and invests in opportunities for professional and leadership development. Employees at VVWRA are dedicated to delivering high level performance and are always looking for opportunities to expand their knowledge and/or improve their abilities to ensure this goal is met.

6. One Team One Vision

It is essential that all VVWRA staff members are dedicated to the effective and efficient operation of VVWRA facilities for the benefit of our Member Agencies, our staff, and the communities we serve. Every person plays a role in achieving this goal and, as such, all positions are equally valued and important. From the General Manager to the newest intern it is imperative that staff know and understand their job expectations and the priority of goals for the organization. The workload to achieve the desired goals of VWRA and the Member Agencies is the responsibility of every staff member. To achieve the highest levels of effectiveness and efficiency, it is imperative that all staff members are committed to the Core Values. There must be a common level of dedication to work together as a team to achieve goals, to achieve proper levels of operation, and to achieve the highest levels of customer service to our Member Agencies, to our staff and with the priorities and goals of the VVWRA and the Member Agencies.



7. Asset Management and Strategic Capital Planning

VVWRA is committed to a sound Asset Management and Strategic Capital Planning process. We make sure that planned maintenance can be conducted and capital assets (pumps, motors,

pipes, etc.) can be repaired, replaced, or upgraded on time and on budget. The VVWRA has put in place best practices to manage infrastructure capital assets and minimize the total cost of owning and operating these assets while delivering the desired service levels.

8. Commitment to Excellence

VVWRA's commitment to excellence is shown in how we manage operations, infrastructure, and investments to support the economic, environmental and health of its community. By reviewing the relevance of operating procedures, performing in depth, staff driven and third party training, and investing in our employee improvement program VVWRA shows our dedication to employing the highest level staff and providing the most productive and enjoyable work environment.



Collaboration with partners such as public and private utilities, vendors, local governments, and regulatory bodies we provide an effort to efficiently and cost effectively complete projects or overcome challenges faced by VVWRA, its member agencies and/or the environment. Spreading the message, the collaboration, dedication, and integrity through posts on social media, industry publications, and internal newsletters shows VVWRA's commitment to these core values.

9. Sustainability Focus

VVWRA has established several sustainability goals that reflect our community priorities:

- Reduce energy cost: We routinely invest in more energy efficient equipment or explore operational changes that can enhance energy optimization.
- Preserve critical ecological areas like the Mojave River: Our effluent meets the most stringent regulatory requirement, while we work with other regional agencies to reduce nutrient loadings to the regional watershed.
- Ensure a sustainable workforce: VVWRA has implemented steps to ensure a safe workplace, knowledge retention, and new knowledge through training.

10. Communication to Assure Stakeholder Understanding and Support

Communication and trust play an essential role in the success of this model for effective wastewater utility management. Positive and honest communication between VVWRA staff



and the Board, between operational teams at VVWRA and the Member Agencies and internal communication within VVWRA are necessary to assure the clarity of goals and expectations. Effective communication is an integral element of success within an organization; it promotes team building, increases innovation, increases efficiency, and loyalty. VVWRA staff will seek to utilize positive and effective communication practices to assure that ideas, thoughts, knowledge, and information are shared to assure the purpose of the communication is fulfilled in the best possible manner. Communicated information will be confirmed by the sender to assure the receiver has properly interpreted the message to assure the best possible outcome. These positive communication principles will be practiced by VVWRA staff to assure Member Agencies and internal staff have a strong understanding of the goals and expectations of the organization. The communication will focus on building trust to gain support for the necessary actions to best serve the Member Agencies and the customers we serve.

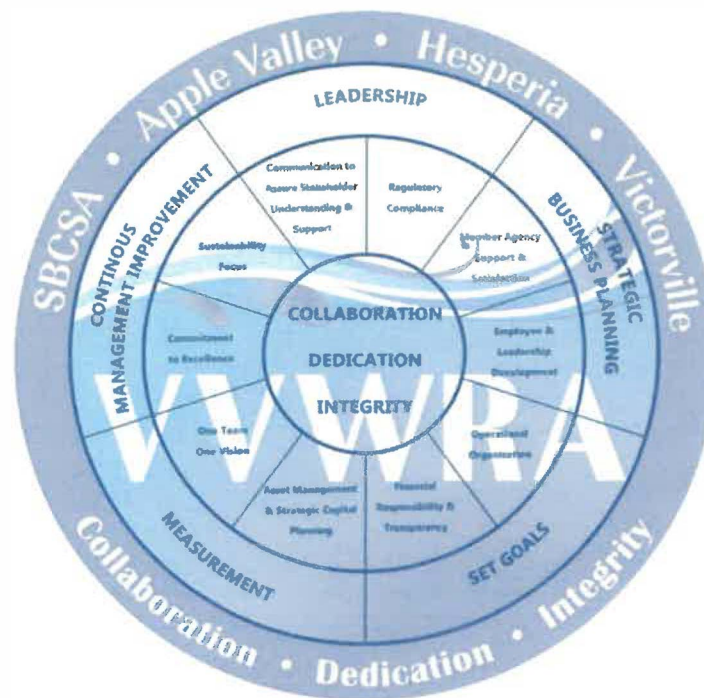
Keys to Management Success

The keys to management success at VVWRA represent frequently used management approaches that help managers be positively impactful in their roles to represent and apply the core values to achieve the attributes of an effective wastewater utility. They create a supportive framework for a utility as it works towards the outcomes outlined in the attributes. Change starts at the top and it is a requirement of VVWRA leaders that they strive to improve the Authority's operations through their effective leadership. The Keys to Management Success are as follows:

Leadership

The goals of a leader must be focused on the overall health and success of the organization. We must provide motivation, inspiration, and an environment of trust. We use these skills to impart a sense of importance and understanding to our managers and staff. One inevitable fact of leadership is, we set the example, and as such must endeavor to practice our core values without compromise. We do this by demonstrating an unwavering resolve in our all our actions and decision making. We must hold ourselves accountable and allow others to do the same. We must allow others to succeed and plan for the future while being the champions for the organization. We not only provide the vision for the organization but develop the culture in which we operate. We must plan for our future while providing for our present. By demonstrating a high level of integrity in all our actions, we set the standard for all internal and external stakeholder interactions and expectations. We have a responsibility to our staff to insure we are providing the environment and tools they need to accomplish our organizational goals. Furthermore, we have a responsibility to our Member Agencies to provide reliable service and sound fiscal responsibility through transparency and open communication.

As the leaders we must maintain a level of excellence in our day to day operations and understand that these ideals must carry over to our partners. We must show that our Member Agency's goals are just as important as our own. We demonstrate this by building a partnership with them through collaboration and dedication to a shared vision.



Strategic Business Planning

Strategic business planning directs and helps to achieve balance and cohesion across the efficient wastewater utility management (EWUM) ten attributes of an effectively managed utility. A VVWRA strategic business planning will provide a framework for decision making by:

- Assessing current conditions and conducting a strengths, weaknesses, opportunities, and threats (SWOT) analysis;
- Characterizing a range of possible and likely future conditions that may occur based regulatory requirements, deteriorating infrastructure, and growth
- Assessing underlying causes and effects of future conditions
- Establishing goals, vision, objectives, strategies, and underlying organizational values to overcome these future operational conditions



The EWUM model will provide a platform to develop a successful strategic business planning strategy process that will be dynamic and adaptable, allowing VVWRA to capitalize on new and emerging opportunities. It will be made more robust by engaging with Board, Member Agencies, and staff. VVWRA will utilize a strong planning procedure that will identify specific implementation steps that will move operations from its current level of performance to achieving its vision.

VVWRA staff will regularly deploy strategic planning principles to take a longer-term view of organizational goals and operations and establish a clear vision and mission. Planning efforts will be driven by clearly communicated objectives, measurement efforts, financial viability, and operational priority. Carefully developed strategic plans will clearly define current conditions, goals, and specific directives to staff to stimulate change, increase engagement, and support for improvement efforts.

Goal Setting

Goal setting is an important part of establishing a successful model for efficient wastewater utility management (EWUM). SMART goals which are specific, measurable, attainable, realistic, and timely are necessary to define a clear vision of the target goal and the path to attain them. Goals encourage people to think about the meaning of their work and how it connects directly to the bigger picture. VVWRA will regularly set short- and long-term SMART goals to



help achieve the desired goals of the Board, the staff and Member Agencies. These goals will be properly developed and communicated to the staff to provide focus and direction to help individuals stay on track and accountable for delivering the necessary efforts they are responsible for to achieve the goal. VVWRA will focus on being a Get-It-Done organization by assuring goals are properly developed, measured and delivered in a timely manner.

Measurement

“If you can’t measure it, you can’t improve it.”

Peter Drucker

VVWRA has put in place a performance measurement system to track key performance indicators. VVWRA has identified areas in which to improve its operational reliability and efficiency; financial policies and procedures; and capital improvement plans. Part of our ongoing effort is to track those improvements and make sure that when change occurs that it is incorporated into our organizational structure. Benchmarking is a measurement tool used to track the Authority’s progress towards achieving its goals. The process encourages transparency, innovation, and accountability.

We rely on AWWA Utility Benchmarking tool to measure VVWRA’s performance and given our increasing role as a part of the broader water solution locally and statewide, we follow the three actions set forth by the California Water Plan Update of 2005.



- Use water efficiently
- Protect water quality
- Manage water in ways that protect and restore the environment

VVWRA is actively pursuing these three goals within its service areas and within its organizational culture. To attain these goals, the Capital Improvement Plan (CIP) includes three elements in each project to improve and meet (1) the capacity, (2) the proper performance efficiency, and (3) the regulatory needs for wastewater treatment for its Member Agencies. As any good steward of our limited resources would do, we regularly conduct benchmarking analysis to identify areas where VVWRA could improve its operation. The primary objective is to create a performance measurement system to evaluate and improve the Authority's operational efficiency. Four indicators were chosen and are tracked, which provide a broad perspective on the operational efficiency of VVWRA, these include:

- Sewer Overflow Rate: the purpose of this indicator is to provide "...a measure of collection system piping condition and the effectiveness of routine maintenance by quantifying the number of sewer overflows per 100 miles of collection piping."
- Million Gallons per Day (MGD) of Wastewater Processed per Employee: This is a measure of employee productivity and includes all staff.
- Operations and Maintenance Cost per Million Gallons Processed: This represents the total operations and maintenance costs (without depreciation) divided by the volume processed during the year.
- Debt Ratio: It quantifies the utilities level of indebtedness.

Continual Improvement Management

Continual improvement management falls into two categories at VVWRA; Capital Improvement and Employee Improvement. Managing of capital improvements include the determination of necessary improvements to critical infrastructure, assessing treatment process performance and efficiency, and evaluation of new technologies. On-site training, establishing "SMART" goals, regular evaluations, SOP audits and internal analysis and when appropriate external benchmarking, are some of the continual improvement tools used by VVWRA regarding employee improvement.

Continual improvements to VVWRA infrastructure and processes play a central role in effective utility management and are necessary to ensure proper treatment and to maintain regulatory



compliance. To ensure treatment goals are always met, VVWRA defines roles and responsibilities to staff members at all levels to derive clear accountability for conducting condition and performance assessments. During evaluation of improvements we look at the feasibility of current assets meeting future process goals and objectives, consulting with experts when necessary, and the return on investment potential of new technologies. Adherence to VVWRA's procurement policy, efficient budgeting practices, the seeking of grants and other sources of funding, not only ensure timely implementation of these upgrades, but shows VVWRA's devotion to the responsible use of public funds.

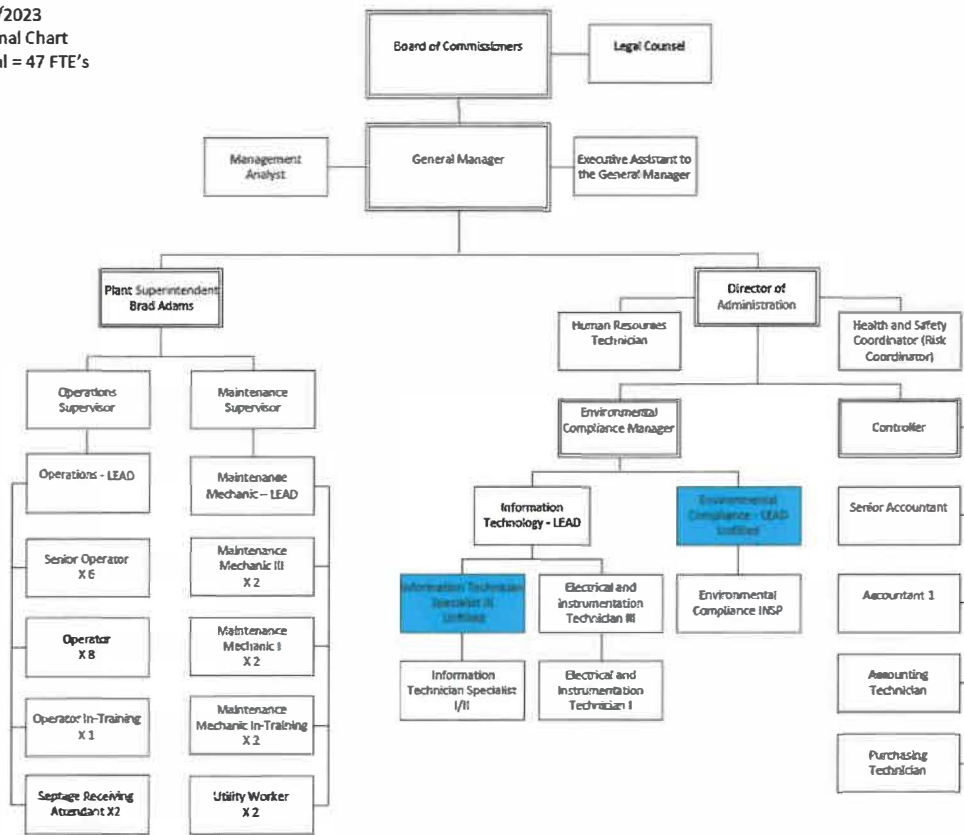
VVWRA is committed to the personal and professional growth of all employees. VVWRA utilizes regular evaluations of employees, setting of realistic and attainable performance goals. VVWRA's management team assesses the effectiveness of management processes, techniques, and best practices, which they frequently review to develop a continually improving yet constant work environment. VVWRA invests in employee improvement. Funding of higher education, access to industry seminars, comprehensive trainings, and incentives for certification achievements are policy and work practices that VVWRA provides to staff to help develop their "best self."

Whether improvements are for upgrading infrastructure or for betterment of personnel; VVWRA's core values of collaboration, dedication, and integrity are the driving force behind the procedures and activities that allow VVWRA to produce the highest-level staff, provide the most satisfying, up to date, and productive workplace. These things allow VVWRA to fulfill our obligations to our member agencies, regulatory bodies, rate payers and the environment.



3.5 Organizational Chart

FY 2022/2023
Organizational Chart
Employee Total = 47 FTE's





3.6 Budgeted Positions

Administration Positions

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
General Manager	1	1	1	1	1
Director of Administration	1	1	1	1	1
Controller	1	1	1	1	1
Project Construction Manager	1	1	0	0	0
Management Analyst	0	0	0	0	1
Asset Management Technician	1	1	1	1	0
Purchase Technician	0	0	0	0	1
Business Applications Manager	1	1	1	1	0
Environmental Compliance Manager	0	0	0	0	1
Accountant I	1	1	1	1	1
Accounting Technician	0	0	1	1	1
Regulatory Compliance Inspector in Training	0	0	1	1	0
Environmental Compliance Inspector	1	1	1	1	1
Environmental Compliance Lead	0	0	0	0	1
Executive Assistant to the GM	0	0	1	1	1



DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Human Resource Technician	1	1	1	1	1
Information Technology Coordinator	1	1	1	1	0
Information Technology Technician	1	1	1	1	0
Information Technology – Lead	0	0	0	0	1
Information Technician Specialist III	0	0	0	0	1
Information Technician Specialist I/II	0	0	0	0	1
Electrical and Instrumentation Tech I	0	0	2	2	1
Electrical and Instrumentation Tech	0	1	0	0	0
Electrical and Instrumentation Tech III	1	1	0	0	1
Electrical and Instrumentation Intern	0	0	0	1	0
Health and Safety Coordinator	1	1	1	1	1
Secretary - GM/Board	1	1	0	0	0
Senior Accountant	1	1	1	1	1
Total Positions - Administration	15	16	17	18	19

Operations

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Plant Superintendent	0	0	1	1	1
Operations/Maintenance Manager	1	1	0	0	0
Operations Supervisor	0	0	1	1	1
Operations Lead	1	1	0	0	1
Operator-in-Training	0	0	0	1	1
Operator	4	6	5	6	8
Senior Operator	6	6	6	6	6
Operator Intern	0	0	0	2	0
Septage Receiving Attendant	1	1	1	2	2
Total Positions - Operations	13	15	14	19	20

Maintenance

DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Maintenance Supervisor	0	0	1	1	1



DESCRIPTION	FISCAL YEAR ENDING JUNE 30				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Maintenance Mechanic Lead	1	1	0	0	1
Maintenance Mechanic	0	5	0	0	0
Maintenance Mechanic in Training	3	0	0	1	2
Mechanical Tech I/II	1	0	2	3	2
Mechanical Tech III	1	1	0	0	0
Maintenance Mechanic III	0	0	2	2	2
Utility Worker II	1	1	1	1	2
Total Positions – Maintenance	7	8	6	8	10



4 Department Overview and Performance Measures

4.1 Operations and Maintenance Department Overview

The Operations Department's main goal is to protect the environment, wildlife and recreational uses of the Mojave River and Downstream Mojave River Basin. By cost-effectively treating incoming wastewater to the highest level, this water can be returned to the environment directly to the Mojave River, or through groundwater rejuvenation via percolation ponds. This effluent is also sold as recycled water, to offset potable water use in the area. The Operations department provides high-quality treated effluent that complies with all local, State, and Federal requirements.

The following data shows the performance level during the last five years.

Description	Fiscal Year Ending June 30				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 ²
Removal Efficiency¹					
Biochemical Oxygen Demand	99.07%	98.78%	98.32%	98.47%	98.66%
Total Suspended Solids	99.45%	99.46%	99.34%	99.45%	99.45%
Wastewater Processed					
Total Effluent Flow (MG)	4,003.17	3,965.47	4,093.50	3,573.40	4,434.95
Total Flow to Percolation Ponds (MG)	1,927.97	2,523.49	1,995.41	2,053.71	1,792.42
Total Flow to Mojave River (MG)	2,265.15	1,425.04	2,071.15	1,496.65	2,642.53
Average Influent (MGD)	10.65	10.59	10.80	11.01	11.34
Recycled Water					
Total Recycled Water Sold (MG)	97.31	46.24	9.69	17.71	10.19
Recycled Water Sold to Victorville (MG)	91.93	40.63	7.25	9.73	4.17
Recycled Water Sold to Hesperia (MG)	0.00	0.00	0.00	0.00	0.00
Recycled Water Sold to Apple Valley (MG)	0.00	0.00	0.00	0.00	0.00
Recycled Water Sold to A.O. (MG)	6.43	7.61	3.81	9.23	6.01
Material Received					

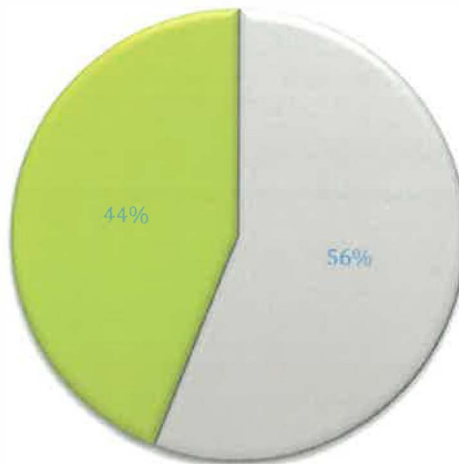


Total Septage Received (MG)	6.57	6.62	6.72	5.96	8.13
Total ADM/FOG Received (MG)	7.71	6.81	4.49	0.73	2.67

1: Removal efficiency refers to the average removal percentage of certain waste through the treatment process.
 2: FY 2020 Data is accurate up to the date this document is produced.

The goal of the Maintenance department is to provide the top quality, cost-effective services that are required to operate VVWRA’s treatment facilities, lift stations, and collection system. Maintenance is also responsible for maintaining a fleet of standard vehicles, heavy equipment, off road vehicles, and golf carts. VVWRA has just under 200 million dollars of capital assets. Using a preventive maintenance approach to maintaining these assets, staff greatly reduces the higher costs of reactive repairs.

Asset Management Trend FY 2022



■ Preventative Maintenance ■ Reactive Maintenance

Preventive maintenance: Planned maintenance, also referred to as scheduled maintenance, is a proactive strategy where maintenance and inspections of equipment and other assets are scheduled at regular intervals to ensure that equipment is operating correctly so as to minimize breakdown and downtime levels.

Reactive maintenance: Often referred to as breakdown maintenance or corrective maintenance, is very much a reactive strategy where repairs are performed at the point when equipment fails. This maintenance results in unplanned downtime and damaged equipment.

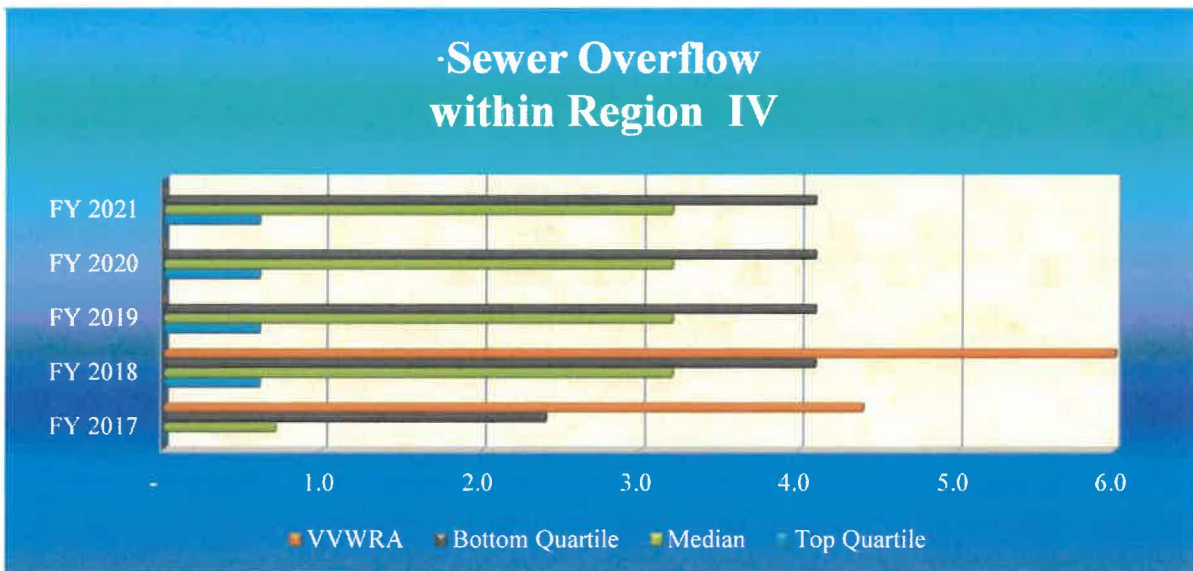
4.2 Operational Statistics Benchmarked Against Industry

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

VVWRA had zero sanitary sewer overflow during year ended June 30, 2021. VVWRA places above median quartile both in the West States and nationally.

Sewer Overflow-West States Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	0.60	3.2	4.1	0.00
FY 2020	0.60	3.2	4.1	0.00
FY 2019	0.60	3.2	4.1	0.00
FY 2018	0.60	3.2	4.1	6.00
FY 2017	<i>Data Not Available</i>	0.70	2.40	4.40

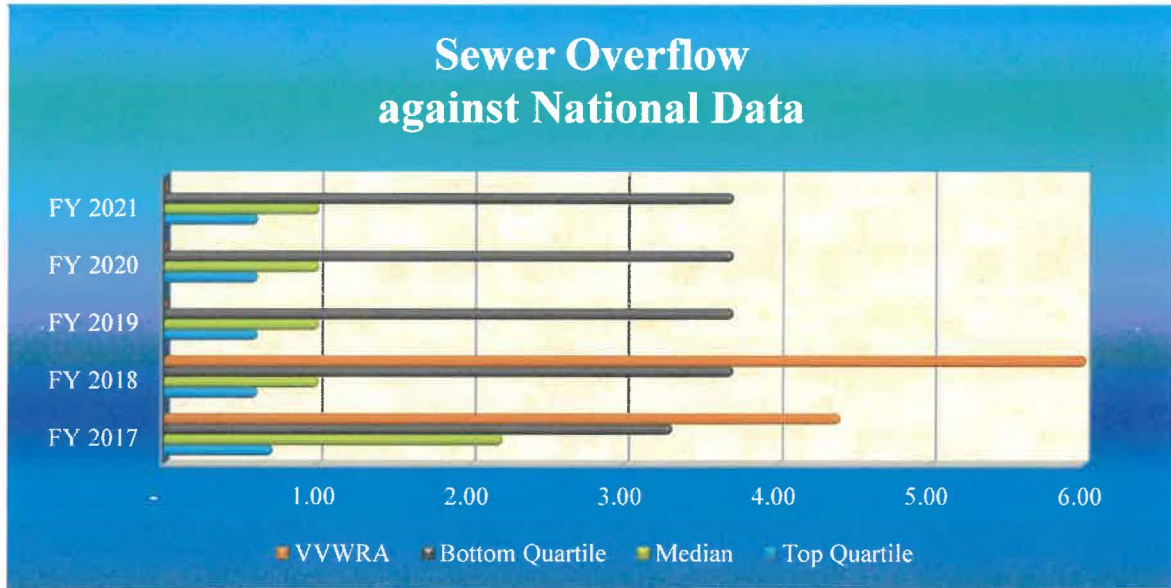


Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30



Sewer Overflow-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	0.60	1.00	3.70	0.00
FY 2020	0.60	1.00	3.70	0.00
FY 2019	0.60	1.00	3.70	0.00
FY 2018	0.60	1.00	3.70	6.00
FY 2017	0.70	2.20	3.30	4.40



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

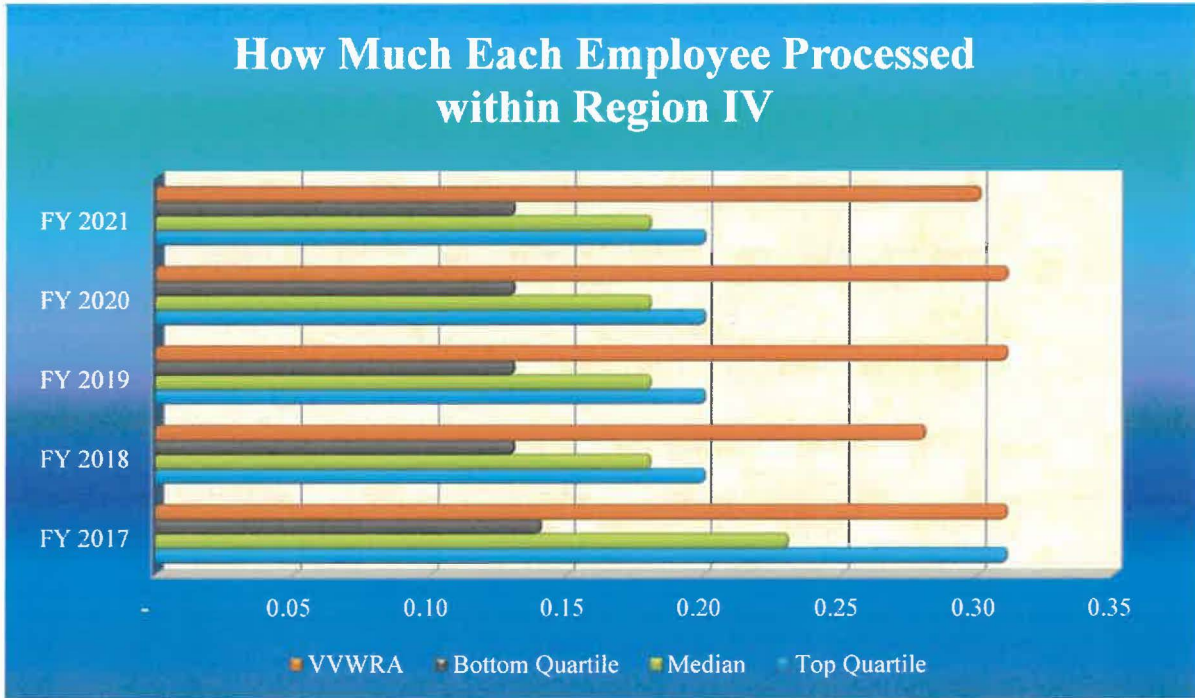
How Much Each Employee Processed

The quantity of wastewater processed by each employee has decreased from 0.31 MGD in FY 2017 to 0.30 MGD in FY 2021. The total amount of wastewater that VVWRA has processed is 3,990 MG in FY 2021. The total number of employees that VVWRA employed has increased from 34 in FY 2017 to 36 in FY 2021 during the comparative period per CAFR’s.

Compared to Region IV states, VVWRA has almost continuously remained at the top quartile since FY 2017. Compared nationally, the quantity of wastewater processed by each employee has surpassed the median since FY 2017.

How Much Each Employee Processed-Region IV Benchmark

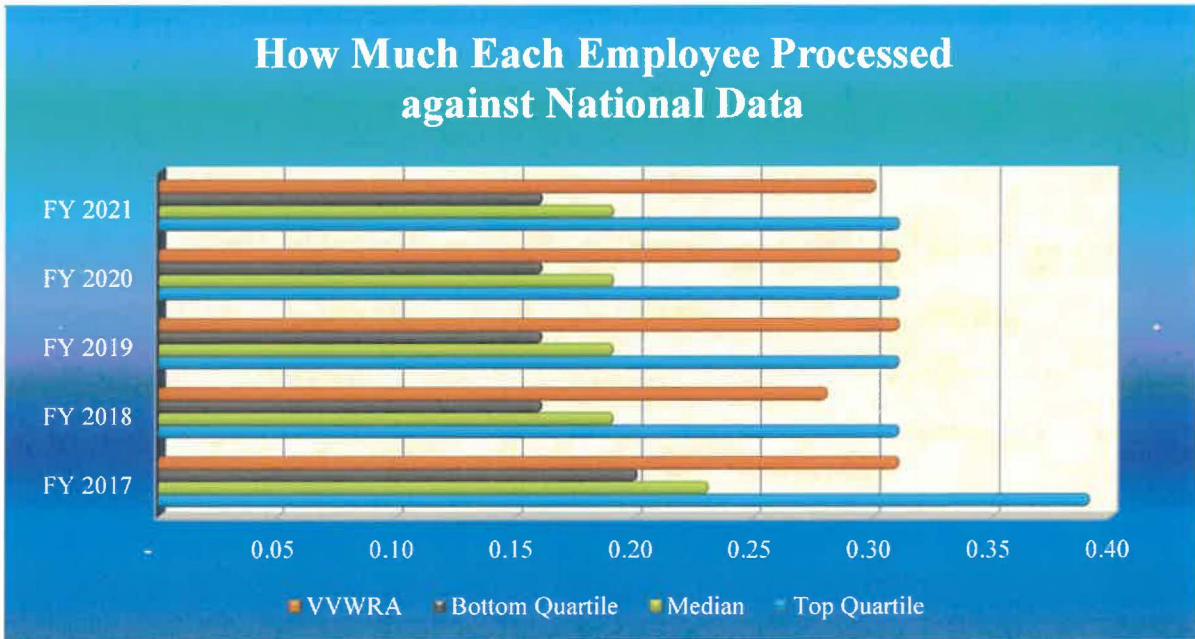
	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	0.20	0.18	0.13	0.30
FY 2020	0.20	0.18	0.13	0.31
FY 2019	0.20	0.18	0.13	0.31
FY 2018	0.20	0.18	0.13	0.28
FY 2017	0.31	0.23	0.14	0.31



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

How Much Each Employee Processed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	0.31	0.19	0.16	0.30
FY 2020	0.31	0.19	0.16	0.31
FY 2019	0.31	0.19	0.16	0.31
FY 2018	0.31	0.19	0.16	0.28
FY 2017	0.39	0.23	0.20	0.31



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

How Much VVWRA Borrowed

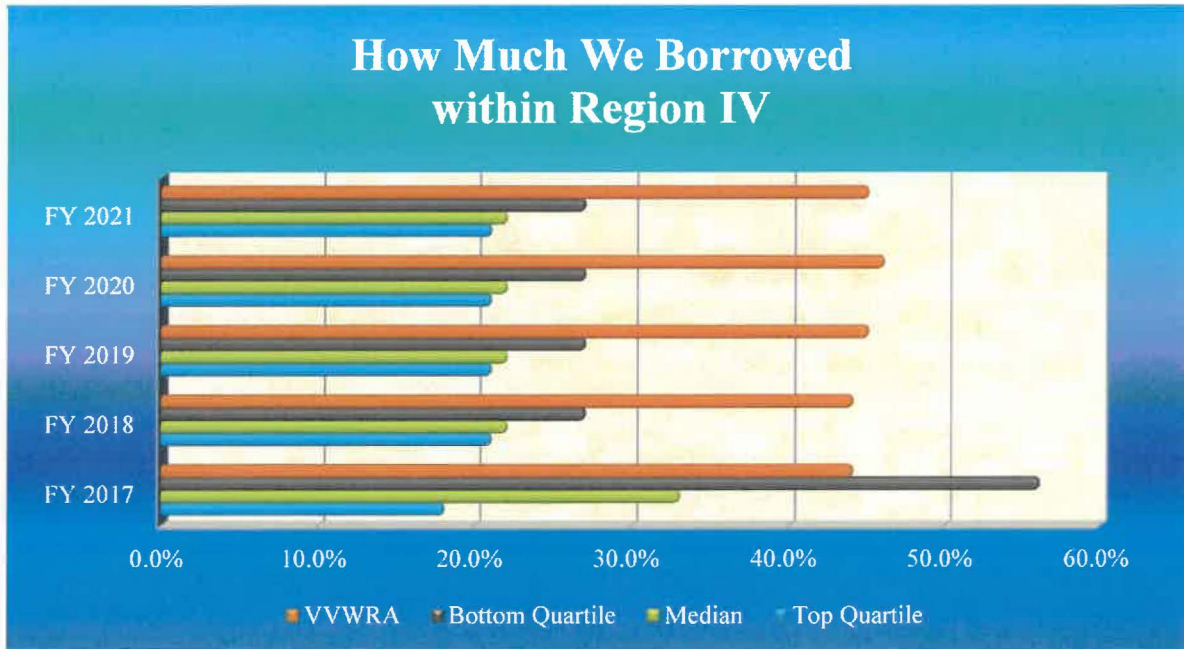
When you compare what you owe (liabilities) to what you have (assets), you will obtain a debt ratio. This ratio can be used to measure the health of a business. Lower value of the debt ratio is favorable, and a higher value indicates that a higher portion of the organization's assets are claimed by its creditors which means there is a higher risk in operation since the entity would find it difficult to obtain loans for new projects. VVWRA's debt ratio has increased from 44.00% in FY 2017 to 45.00% in FY 2021 due to the increase in the amount of State Revolving Fund loans for the construction projects.

VVWRA is ranked below the bottom quartile of the Region IV states from FY 2017 to FY 2021. Compared nationally, VVWRA is ranked below median quartiles for the same period.



How Much We Borrowed-Region IV Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	21.0%	22.0%	27.0%	45.0%
FY 2020	21.0%	22.0%	27.0%	46.0%
FY 2019	21.0%	22.0%	27.0%	45.0%
FY 2018	21.0%	22.0%	27.0%	44.0%
FY 2017	18.0%	33.0%	56.0%	44.0%

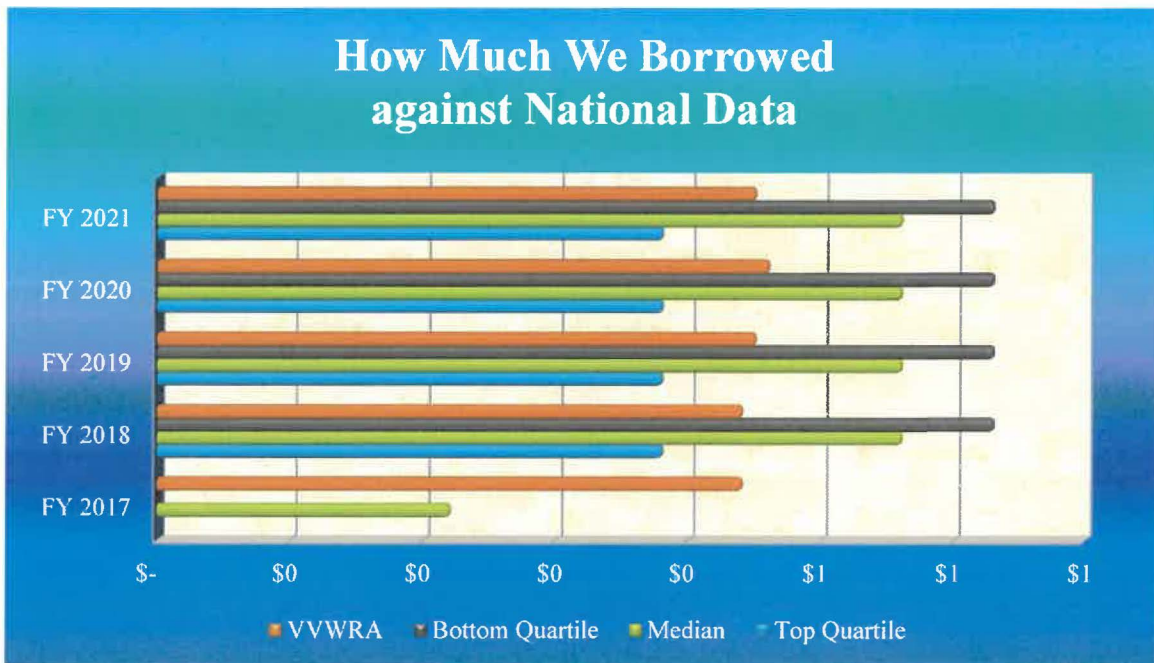


Source: 2019 American Water Works Association Benchmarking analysis

FY = Fiscal Year ended June 30

How Much We Borrowed-National Benchmark

	Top Quartile	Median	Bottom Quartile	VVWRA
FY 2021	38.0%	56.0%	63.0%	45.00%
FY 2020	38.0%	56.0%	63.0%	45.00%
FY 2019	38.0%	56.0%	63.0%	44.00%
FY 2018	38.0%	56.0%	63.0%	44.00%
FY 2017	Data Not Available	22.0%	Data Not Available	36.00%



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30

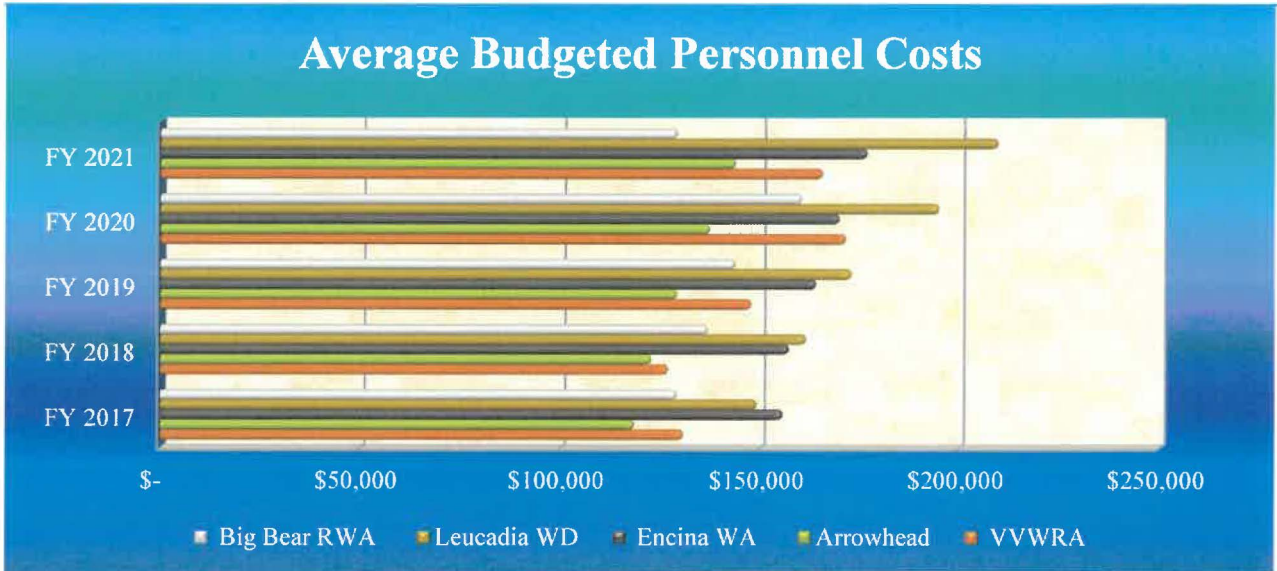
Average Budgeted Personnel Cost

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



Average Budgeted Personnel Cost

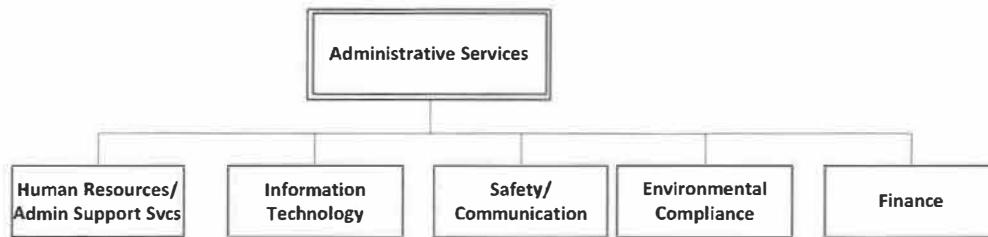
	VWRA	Arrowhead	Encina WA	Leucadia WD	Big Bear RWA
FY 2021	\$ 165,331	\$ 143,318	\$ 176,423	\$ 209,080	\$ 170,935
FY 2020	\$ 171,098	\$ 136,876	\$ 169,508	\$ 194,532	\$ 160,059
FY 2019	\$ 147,403	\$ 128,841	\$ 163,731	\$ 172,493	\$ 143,344
FY 2018	\$ 126,681	\$ 122,463	\$ 156,933	\$ 161,137	\$ 136,475
FY 2017	\$ 130,464	\$ 118,190	\$ 155,394	\$ 148,888	\$ 128,896



Source: 2019 American Water Works Association Benchmarking analysis FY = Fiscal Year ended June 30



4.3 Administrative Department Overview and Statistics



The Administrative department is responsible for the oversight of the Human Resources, Information Technology (MIS), Environmental Compliance, Safety & Communications, Construction Management, and Finance. The Department is directly responsible for providing support for both internal and external customers maintaining the integrity of the organization, its budget and financial statements.

The Human Resources department contributes to Authority goals through the enchantment and support of Authority operations. By providing administrative services and the development of effective HR systems the Human Resources department contributes to the Authority's overall strategy by basing its consideration on human capital, authority capabilities, readiness, and the development of HR practices as strategic differentiators.

The Safety department is responsible for the health and wellbeing of the staff, contractors, and visitors for all the Authorities facilities. This is accomplished by diligently reviewing safety standards and monitoring changes in all safety related areas of responsibility.

Under the guidance of the Administrative Director, both department work in conjunction with each other to continuously evaluate and implement current trends and training to enhance the skills, abilities, and safety of all staff members.

The goal of Environmental Compliance and Management Information System (EC/MIS) is to ensure that the agency is in compliance with all environmental laws and regulations, providing VVWRA with the latest technologies and support, educating the users and promoting the new technology as an integral component of VVWRA's vision. This effort includes implementation of computerized maintenance management systems (CMMS) that keep track of the maintenance inventory more efficiently and of Supervisory control and data acquisition (SCADA) systems that provide many advantages including automation, increased reliability, reduced costs, improved worker safety and improved utilization. The EC department implements and enforces VVWRA's Industrial Pretreatment Program to prevent upset, interference, and pass-through at the wastewater treatment facilities, ensure beneficial reuse of plants effluents and biosolids, protect the structure and integrity of the sewerage collection system, ensure the safety of personnel working in the system and protect the health and safety of the public and environment. The EC department is also



responsible for the following environmental programs: Air permits management, Recycled water programs administration and enforcement and drinking water system. The EC/MIS department is staffed by skilled professionals, certified for Environmental Compliance Inspection, Collection System Maintenance, Industrial Pretreatment Plant Operation, Drinking Water Treatment and Drinking Water Distribution.

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

The Administrative Services department works collaboratively with our Board of Commissioners, member, and regulatory agencies to ensure our visions are aligned with the best interests of the constituents in our service areas.

Human Resources / Administrative Support FY 2021	
Positions Hired	9
Evaluations Completed	24
Overtime Cost	\$36,381
Board Meeting held	10
Board Action Items	47
Board Presentations	8
Public Hearings	5

Regulatory Compliance FY 2021	
Septage Volume Received	7.24 million Gallons
FOG and ADM Volume Received	0.76 million Gallons
Number of Industrial Permit inspections completed	13
Number of Industrial Permit sampling collected	13
Sewer Interceptors Cleaned (Miles)	14.5
Sanitary Sewer overflows	1
Information Technology FY 2021	
Desktop systems replaced	22
Servers replaced/implemented	3

Safety/Communications FY 2021	
Number of Recorded Injuries	1



Number of days on Workers Comp	365
Near Miss	0
Safety training hours	594
Facebook Followers	1,541
Community Outreach FY 2021	
Press Releases	2
Published Articles	3
Purple Pipe published	3

The goal of the Finance Department is to maintain sound financial accountability and integrity of the organization. Based on this concept, the department's responsibilities include establishing and monitoring internal control systems as an independent unit and preparing annual budgets and various financial reports including the Annual Comprehensive Financial Reports. The agency utilizes an enterprise accounting system to administer general accounting and payroll. To improve operational performance, the finance department has implemented accounting, budgeting, and payroll software programs during the year ended June 30, 2020. Among various improved features, the new software has enabled us to maintain fund balances, capital projects, depreciation records, real-time payroll entries, and a budget that controls purchase and directly connects to general ledger. In addition, the Finance department has skilled professionals with certifications as certified public accountants.

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

1. Budgets: Distinguished Budget Presentation Award in the years beginning July 1, 2012 through July 1, 2021 and
2. Financial Reporting: Certificate of Achievement for Excellence in Financial Reporting for the years ended June 30, 2010 through June 30, 2021.

The Administrative Department strives to set goals and objectives to support Authority staff and to serve the needs of the member agencies.

4.4 Finance Policies

Reserve Policy

The Reserve Policy establishes fund reserve balances to maintain adequate cash reserves to comply with a debt coverage requirement for State Revolving Fund (SRF) loans from State Water Resources Control Board and to handle the possible emergency expenditures in future. The



Reserve Policy covers three types of reserves: Operations and Maintenance reserve, Repairs and Replacement reserve, SRF loan reserve. The reserve balances are to be revised annually with adoption of the budget.

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

The Operations and Maintenance Reserve is \$ 1.45million and the Repairs and Replacement Reserve is \$2.98 million as of March 31, 2022. The SRF loan reserve for the year ending June 30, 2022, is \$4.30 million.

Procurement Policy

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

Department Directors are authorized to approve expenses up to a limit of \$50,000 on any one order or contract. The General Manager is authorized to approve expenses up to a limit of \$75,000 on any one order or contract. The VWRA Board of Commissioners approves all expenses above \$75,000, except for certain recurring expenses such as utilities, process chemicals, permit fees, and other expenses as defined in the policy, and must approve all construction contract change orders. Generally, the selection of purchases of materials, supplies, equipment, and contractual services having an estimated value of more than \$2,000 should be considered based on a minimum of three quotes. Purchases of goods and services having an estimated value of more than \$30,000 should be made through a competitive sealed bid process defined in the policy.

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

Investment Policy

The Investment Policy provides guidelines for the prudent investment of VWRA's temporary idle cash with the primary objectives of safety, liquidity, and yield under provisions of the California Government Code Section 53600.3. Authorized investments include California State Treasurer's Local Agency Investment Fund (LAIF); Investment Trust of California; San Bernardino County Local Agency Investment Fund; United States Treasury Bills, Notes and Bonds; insured Certificate of Deposits; and Money Market Mutual Funds.



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

Other Policies

Debt Coverage:

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

1. The financing agreement shall pledge the net revenue of the recipient for repayment of the proposed SRF financing agreement. This pledged revenue source shall be subject to lien and pledge as security for the obligation.
2. The recipient shall establish a restricted reserve fund, held in the recipient's fund, equal to one year's debt service prior to the construction completion date of the project. The reserve fund shall be maintained for the full term of the finance agreement and shall be subject to lien and pledge as security for the obligation.
3. The recipient shall establish rates and charges sufficient to generate net revenues of at least 1.2 times the total annual debt service.

The annual debt principal payment is \$3.37 million and interest portion is \$0.93 million, the total of \$4.30 million for FY2023 budget year (the year ending June 30, 2023).

Revenues – Rate Ordinance:

VVWRA specifies fees in Fee Ordinances to meet operation needs and most of reserve requirements. The fees, such as connection fees, user charges, high strength surcharges, and septage receiving fees are posted at <https://www.vvwra.com/departments/finance/fee-schedule> and updated each year. The connection fees are designed to fund capital projects.



Septage Receiving Station

These connection and user fees were determined with discussions with the member agencies to reflect ideas recommended by a five-year financial plan. Due to drastic decline in our service-area housing market demand in recent years, the revenues from connection fees seem not sufficient to support the capital projects. To supplement the funding of the capital projects, VVWRA has obtained federal and state grants in addition to the SRF loans.

**Overhead Allocation to Project:**

VVWRA records overhead expenses such as legal counsel, engineering consulting, and audit fees as administration costs that are a part of the operation expenses. The personnel costs are also allocated between Operations and Non-Operations departments.



*Renewable Natural Gas
Project*



4.5 Budget Preparation Process

Basis of Budgeting

Victor Valley Wastewater Reclamation Authority (VWRA) employs a fiscal year beginning July 1. VWRA prepares its annual budget based on an accrual accounting method (which recognizes revenues and expenses when they incur) excluding non-cash depreciation expense but including loan proceeds and the related repayments to present the fund inflows and outflows. We have included the reconciliation of FY 2021 actual to FY 2021 Comprehensive Annual Financial Report later in the document.

Balanced Budget

A balanced budget is when VWRA's overall revenues are equal to or exceed its overall expenses. The FY 2023 budget shows a balanced budget with \$2,850,442 surplus that will be allocated to capital projects.

Budget Process

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

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



The Mojave River

VWRA reviews and compares its performance to the budget at a mid-year point at around January. If any amendments are necessary, the finance staff revises the budget accordingly then



present the revised budget to the Board for approval in February. The approved budgets are posted at VVWRA's website.

Budget Calendar

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

VVWRA BUDGET PLANNING - FY2022	REQUIRED BY DATE
Budget Kickoff Meeting	01/11/22
Update actual numbers and prepare for new budget cycle	02/24/22
Present the budget draft at Managers' meeting	03/03/22
Present the first draft budget to General Manager (GM) for review	03/10/22
Hold a preliminary staff budget review meeting with Supervisors and GM	03/24/22
Provide the draft changes to Controller	03/31/22
Finalize the draft budget	04/14/22
Present the budget recommendations to Internal and External Finance Committee	04/28/22
Present the second recommendations to Internal and External Finance Committee	05/05/22
Place a public notice on local newspaper to invite public participation	05/09/22
Circulate the budget document to the Board	05/12/22
Board Meeting - Present the budget	05/19/22
Board budget hearing and adoption	06/23/22
The second Board budget hearing and adoption	06/30/22
Apply for GFOA Award for Excellence in Budget Reporting.	06/30/22



Our budget activities are summarized as:

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



VWRA Regional Plant



4.6 GFOA Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Victor Valley Wastewater Reclamation Authority
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director



5 Financial Information Operations

5.1 Consolidated Budget Statement of All Funds

	2021 Actual \$4,087/MG	2021 Budget \$4,087/MG	2022 Actual as of 4/30/2022	2022 Projected to the Year End	2022 Budget \$4,414/MG	2023 Budget \$4,768/MG
Operations & Maintenance Fund Revenues						
User Charges	\$ 16,250,047	\$ 16,065,997	\$ 15,778,394	\$ 17,000,000	\$ 17,699,907	\$ 20,129,066
Allocate Resource to Repairs and Replacements Fund	-	-	-	-	-	-
VVJW/WTP Sludge	138,822	108,000	84,987	101,984	144,000	144,000
High Strength Waste Surcharges	28,159	20,004	7,739	9,287	38,400	38,400
ADM FOG Tipping Fee Revenue	28,855	200,000	91,912	110,294	605,000	960,000
Septage Receiving Facility Charges	675,042	600,000	733,946	880,735	671,767	645,240
Reclaimed Water Sales	10,293	99,552	17,779	21,335	228,552	110,644
Interest	1,303	-	994	1,193	-	-
Pretreatment Fees	46,600	50,400	54,800	65,760	115,000	55,150
Miscellaneous	101,032	1,596	48,637	58,364	14,220	222,220
Settlement Revenue	2,200,000	-	-	-	440,000	440,000
Biomethane Land Lease	99,660	-	-	-	-	-
FOG	-	-	-	-	-	144,000
Grant - FEMA CalOES Grant	2,745,775	-	-	-	-	-
	<u>\$ 22,325,588</u>	<u>\$ 17,145,549</u>	<u>\$ 16,819,188</u>	<u>\$ 18,248,952</u>	<u>\$ 19,956,846</u>	<u>\$ 22,888,720</u>
Other Operating Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Fund Revenues						
Connection Fees	\$ 2,966,707	\$ 2,339,500	\$ 1,507,468	\$ 1,808,962	\$ 1,174,731	\$ 3,342,782
Interest	33,050	180,000	(207,771)	(249,325)	80,000	60,000
Grant - FEMA/Cal-OES	-	-	-	-	-	-
Grant - CEC Microgrid	-	-	-	-	-	-
	<u>\$ 2,999,757</u>	<u>\$ 2,519,500</u>	<u>\$ 1,299,697</u>	<u>\$ 1,559,637</u>	<u>\$ 1,254,731</u>	<u>\$ 3,402,782</u>
Other Capital Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	\$ 25,325,345	\$ 19,665,049	\$ 18,118,885	\$ 19,808,589	\$ 21,211,577	\$ 26,291,502
Operations and Maintenance Fund Expenses						
Personnel and Benefits	\$ 5,951,923	\$ 5,675,417	\$ 4,831,448	\$ 5,893,257	\$ 5,966,267	\$ 7,160,432
Maintenance	1,905,013	2,424,560	1,847,248	2,537,263	3,507,600	3,854,345
Operations	3,481,013	3,778,233	3,140,507	3,765,333	4,066,284	5,076,702
Administration	2,012,893	1,868,800	1,566,320	2,002,071	2,271,087	2,427,436
Construction	81,102	-	-	-	-	-
Contingency and Capital Purchases	39,382	721,670	-	500,000	517,529	619,203
	<u>\$ 13,471,326</u>	<u>\$ 14,468,680</u>	<u>\$ 11,385,523</u>	<u>\$ 14,697,924</u>	<u>\$ 16,328,767</u>	<u>\$ 19,138,118</u>
Capital Fund Expenses						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	-	-	-	-	-	-
Operations	-	-	-	-	-	-
Administration	(2,054)	-	-	-	-	-
Construction	169,413	-	-	-	-	-
Contingency and Capital Purchases	-	-	-	-	-	-
	<u>\$ 167,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Services						
SRF Principal	\$ 3,824,093	\$ 3,824,093	\$ 2,880,422	\$ 3,889,139	\$ 3,889,139	\$ 3,371,096
SRF Interest	1,045,246	1,058,717	662,002	993,671	993,671	931,846
	<u>\$ 4,869,339</u>	<u>\$ 4,882,810</u>	<u>\$ 3,542,424</u>	<u>\$ 4,882,810</u>	<u>\$ 4,882,810</u>	<u>\$ 4,302,942</u>
Total Expenses and Debt Services	\$ 18,508,024	\$ 19,351,490	\$ 14,927,947	\$ 19,580,734	\$ 21,211,577	\$ 23,441,060
Interfund Loan						
Interfund Loan to the Operations & Maintenance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund Loan from the Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Agency Net Surplus or (Deficit)	\$ 6,817,321	\$ 313,559	\$ 3,190,938	\$ 227,855	\$ -	\$ 2,850,442



Our goals, objectives and strategies are transformed into numbers for the budgets with a projection for the rest of FY 2022. The consolidated budget on the previous page shows all functions of the entire organization. The section 5.2 demonstrates a reconciliation of FY 2021 actual to CAFR for the year ended June 30, 2021. The section 5.3 describes a budget for the Operations and Maintenance Fund, and the section 5.6 shows a budget for the Capital Fund.



VVWRA Regional Plant



5.2 Reconciliation from Actual to CAFR for FY Ending June 30, 2021

	2021 Actual	Reconciliation to CAFR	2021 Per CAFR
Operating Revenues			
User Charges	\$ 16,250,047	\$ -	\$ 16,250,047
Adelanto User Charges	138,822	-	138,822
High Strength Waste Surcharges	28,159	-	28,159
Septage Receiving Facility Charges	675,042	-	675,042
ADM FOG Tipping Fee Revenue	28,855	-	28,855
Reclaimed Water Sales	10,293	-	10,293
Pretreatment Fees	46,600	-	46,600
Grant - FEMA/Cal-OES	2,745,775	-	2,745,775
Grant - Proposition 1	2,200,000	-	2,200,000
Biomethane Land Lease	99,660	-	99,660
Miscellaneous	102,335	-	102,335
	<u>\$ 22,325,588</u>	<u>\$ -</u>	<u>\$ 22,325,588</u>
Capital Revenues			
Connection Fees	\$ 2,966,707	\$ -	\$ 2,966,707
Interest	33,050	-	33,050
Grant - FEMA/Cal-OES	-	-	-
Grant - CEC Microgrid	-	-	-
	<u>\$ 2,999,757</u>	<u>\$ -</u>	<u>\$ 2,999,757</u>
Other Financing Sources			
SRF Loan Funding	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues and Other Financing Sources	<u>\$ 25,325,345</u>	<u>\$ -</u>	<u>\$ 25,325,345</u>
Operating Expenses			
Personnel and Benefits	\$ 5,951,923	\$ -	\$ 5,951,923
Maintenance	1,905,013	-	1,905,013
Operations	3,481,013	-	3,481,013
Administration	2,012,893	-	2,012,893
Construction	81,102	-	81,102
Contingency and Capital Purchases	39,382	-	39,382
	<u>\$ 13,471,326</u>	<u>\$ -</u>	<u>\$ 13,471,326</u>
Depreciation Expense	<u>\$ -</u>	<u>\$ 11,225,596</u>	<u>\$ 11,225,596</u>
Capital Expenses			
Personnel and Benefits	\$ -	\$ -	\$ -
Maintenance	-	-	-
Operations	-	-	-
Administration	(2,054)	-	(2,054)
Construction	169,413	-	169,413
	<u>\$ 167,359</u>	<u>\$ -</u>	<u>\$ 167,359</u>
Debt Services			
SRF Principal	\$ 3,824,093	\$ (3,824,093)	\$ -
SRF Interest	1,045,246	-	1,045,246
	<u>\$ 4,869,339</u>	<u>\$ (3,824,093)</u>	<u>\$ 1,045,246</u>
Total Expenses with Debt Services	<u>\$ 18,508,024</u>	<u>\$ 7,401,503</u>	<u>\$ 25,909,527</u>
Total Net Surplus or (Deficit)	<u>\$ 6,817,321</u>	<u>\$ (7,401,503)</u>	<u>\$ (584,182)</u>



5.3 Budget Statement of Operations and Maintenance Fund

	2021 Actual \$4,087/MG	2021 Budget \$4,087/MG	2022 Actual as of 4/30/2022	2022 Projected to the Year End	2022 Budget \$4,414/MG	2023 Budget \$4,768/MG
Revenues						
User Charges	\$ 16,250,047	\$ 16,065,997	\$ 15,778,394	\$ 17,000,000	\$ 17,699,907	\$ 20,129,066
Allocate Resource to Repairs and Replacements Fund	-	-	-	-	-	-
VVJWWTP Sludge	138,822	108,000	84,987	101,984	144,000	144,000
High Strength Waste Surcharges	28,159	20,004	7,739	9,287	38,400	38,400
ADM FOG Tipping Fee Revenue	28,855	200,000	91,912	110,294	605,000	960,000
Septage Receiving Facility Charges	675,042	600,000	733,946	880,735	671,767	645,240
Reclaimed Water Sales	10,293	99,552	17,779	21,335	228,552	110,644
Interest	1,303	-	994	1,193	-	-
Pretreatment Fees	46,600	50,400	54,800	65,760	115,000	55,150
Miscellaneous	101,032	1,596	48,637	58,364	14,220	222,220
Settlement Revenue	2,200,000	-	-	-	440,000	440,000
Biomethane Land Lease	99,660	-	-	-	-	-
FOG	-	-	-	-	-	144,000
Grant - FEMA CalOES Grant	2,745,775	-	-	-	-	-
	\$ 22,325,588	\$ 17,145,549	\$ 16,819,188	\$ 18,248,952	\$ 19,956,846	\$ 22,888,720
Other Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenues and Other Financing Sources	\$ 22,325,588	\$ 17,145,549	\$ 16,819,188	\$ 18,248,952	\$ 19,956,846	\$ 22,888,720
Expenses						
Personnel and Benefits	\$ 5,951,923	\$ 5,675,417	\$ 4,831,448	\$ 5,893,257	\$ 5,966,267	\$ 7,160,432
Maintenance	1,905,013	2,424,560	1,847,248	2,537,263	3,507,600	3,854,345
Operations	3,481,013	3,778,233	3,140,507	3,765,333	4,066,284	5,076,702
Administration	2,012,893	1,868,800	1,566,320	2,002,071	2,271,087	2,427,436
Construction	81,102	-	-	-	-	-
Contingency and Capital Purchases	39,382	721,670	-	500,000	517,529	619,203
	\$ 13,471,326	\$ 14,468,680	\$ 11,385,523	\$ 14,697,924	\$ 16,328,767	\$ 19,138,118
Debt Services						
SRF Principal	\$ 2,061,035	\$ 2,061,035	\$ 1,353,282	\$ 2,094,337	\$ 2,094,337	\$ 2,128,289
SRF Interest	688,702	688,703	406,648	655,401	655,401	621,449
	\$ 2,749,737	\$ 2,749,738	\$ 1,759,930	\$ 2,749,738	\$ 2,749,738	\$ 2,749,738
Total Operations & Maintenance Expenses with Debt Services	\$ 16,221,063	\$ 17,218,418	\$ 13,145,453	\$ 17,447,662	\$ 19,078,505	\$ 21,887,856
Interfund Loan from the Capital Fund	-	-	-	-	-	-
Operations & Maintenance Net Surplus or (Deficit)	\$ 6,104,525	\$ (72,869)	\$ 3,673,735	\$ 801,290	\$ 878,341	\$ 1,000,864

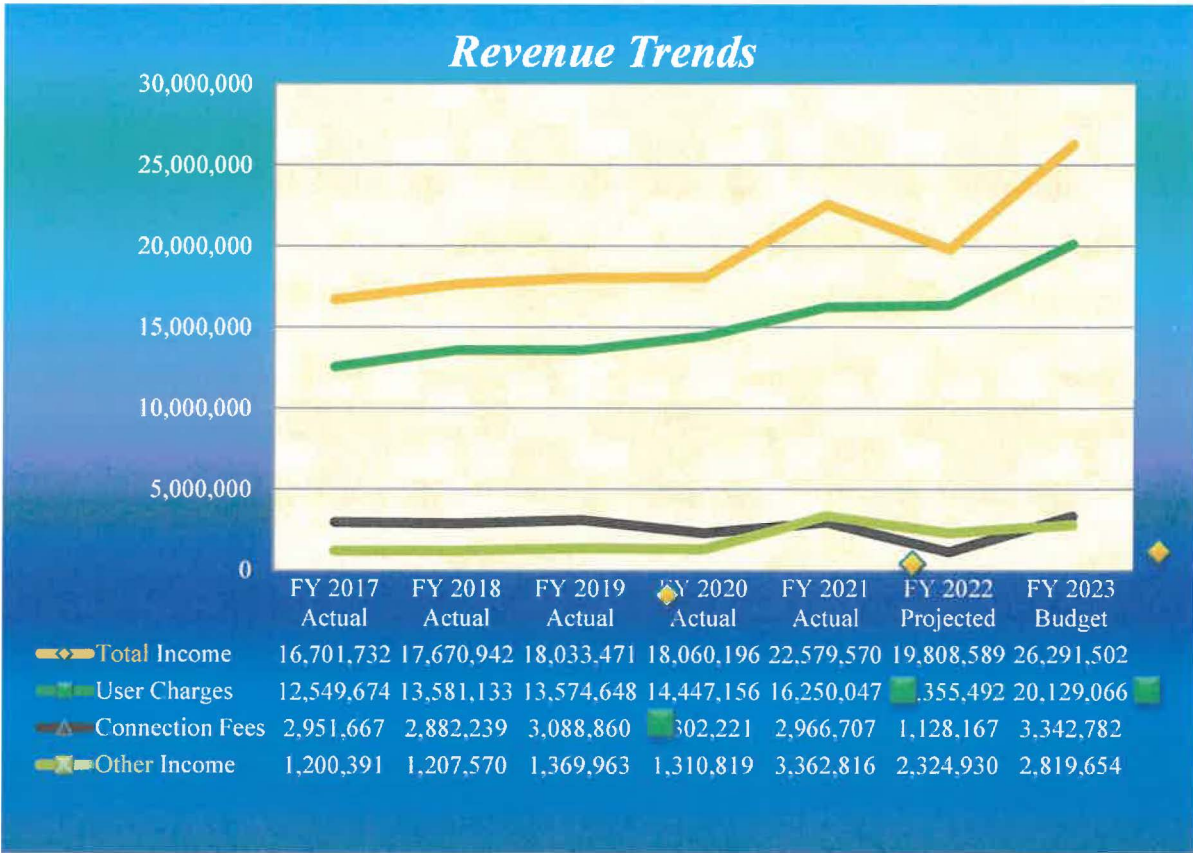
Please see next page for Operations and Maintenance Fund expenses in detail.



	2021 Actual \$4,087/MG	2021 Budget \$4,087/MG	2022 Actual as of 4/30/2022	2022 Projected to the Year End	2022 Budget \$4,414/MG	2023 Budget \$4,768/MG
Personnel Expenses Allocations						
Allocation to Operations and Maintenance	3,618,778	3,708,720	2,995,498	3,598,092	3,529,899	4,439,468
Allocation to Administrations	2,333,145	1,966,697	1,835,950	2,295,165	2,436,368	2,720,964
	\$ 5,951,923	\$ 5,675,417	\$ 4,831,448	\$ 5,893,257	\$ 5,966,267	\$ 7,160,432
Maintenance Expenses						
Maintenance Equipment	\$ 977,548	\$ 1,220,877	\$ 599,674	\$ 900,000	\$ 1,020,000	\$ 1,418,024
Instrumentation	359,250	478,492	436,467	523,760	755,000	920,541
Total Grounds Maintenance & Landscaping	377,803	451,767	716,521	1,000,000	1,399,100	1,159,100
Vehicle Repairs	133,720	135,924	81,371	97,645	190,000	215,000
Interceptor Sewer Maintenance	51,185	100,000	8,800	10,560	120,000	120,000
Maintenance Safety Equipment	2,070	5,500	3,152	3,782	8,500	6,680
Misc. Maintenance Expense	3,437	32,000	1,263	1,516	15,000	15,000
	\$ 1,905,013	\$ 2,424,560	\$ 1,847,248	\$ 2,537,263	\$ 3,507,600	\$ 3,854,345
Operations Expenses						
Process Chemicals	\$ 348,438	\$ 550,500	\$ 414,883	\$ 497,860	\$ 640,000	\$ 860,000
Utilities	2,136,888	2,064,558	2,127,157	2,552,588	2,287,259	2,692,052
Trash and Sludge	138,141	95,000	41,178	49,414	-	440,000
Fuel and Lubricants	56,841	70,000	68,019	81,623	85,000	150,000
Lab Supplies and Services	32,936	102,500	16,920	20,304	25,000	30,000
Outside Lab Services	388,112	504,500	225,207	270,248	517,000	421,000
Safety Equipment	120,708	204,675	74,360	89,232	250,025	202,250
Custodial Services and Supplies	49,472	54,000	36,782	44,138	88,000	64,800
Equipment Rental	125,693	47,500	56,039	67,247	55,500	68,000
Uniforms	35,477	28,000	33,563	37,000	28,000	28,000
Security	15,442	27,000	14,218	17,062	30,500	120,600
Permits	32,865	30,000	32,181	38,617	60,000	-
Misc. Operating Expense	-	-	-	-	-	-
	\$ 3,481,013	\$ 3,778,233	\$ 3,140,507	\$ 3,765,333	\$ 4,066,284	\$ 5,076,702
Administrations Expenses						
Telephone and Communications	\$ 226,696	\$ 320,268	\$ 146,054	\$ 175,265	\$ 327,500	\$ 214,455
Computer Supplies	55,208	78,051	46,475	55,770	79,000	109,000
Office Supplies	37,286	80,200	41,749	48,000	66,200	85,500
Travel, Meeting, Training	37,303	119,630	40,726	48,871	157,350	139,831
Employee and Community Events	19,190	34,100	25,146	30,175	35,696	43,000
Membership, Fees, Licenses	36,577	76,160	31,687	38,024	65,650	58,855
Professional Services	561,037	416,600	112,811	300,000	475,400	316,500
Legal Services and Fees	400,963	300,000	311,304	373,565	300,000	340,000
Temporary Labor	14,705	-	3,762	4,514	23,500	25,000
Bond & Liability Insurance	277,744	240,000	352,472	422,966	265,000	525,000
Finance Fees	94	-	80	96	-	-
Misc. Administration Expense	(1,676)	-	(4,972)	(5,966)	-	-
Permit Fees	308,327	100,000	244,251	272,000	272,000	377,000
Vehicle Lease Program	-	-	110,984	135,000	100,000	140,000
Lease Expenses	39,439	103,791	103,791	103,791	103,791	53,295
	\$ 2,012,893	\$ 1,868,800	\$ 1,566,320	\$ 2,002,071	\$ 2,271,087	\$ 2,427,436
Construction Expenses						
	\$ 81,102	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency and Capital Purchases						
	\$ 39,382	\$ 721,670	\$ -	\$ 500,000	\$ 517,529	\$ 619,203
Total Operations and Maintenance Fund Expenses						
Before Emergency	\$ 13,471,326	\$ 14,468,680	\$ 11,385,523	\$ 14,697,924	\$ 16,328,767	\$ 19,138,118

5.4 User Fee Revenue Trend Analysis

The Victor Valley Wastewater Reclamation Authority has been recovering from the decreased operating revenues since FY 2017. We have used connection fee revenue \$3.3 million for FY 2023 budget to reflect the connection fee rate of \$4,679 per Equivalent Dwelling Unit (EDU) at 714 EDUs. To further mitigate the impact of the reduced revenues, we have increased the user charge rate from \$4,414 per million gallons (MG) in FY 2022 to \$4,768 per MG in FY 2023.



Source: VVWRA FY = Fiscal Year ended June 30

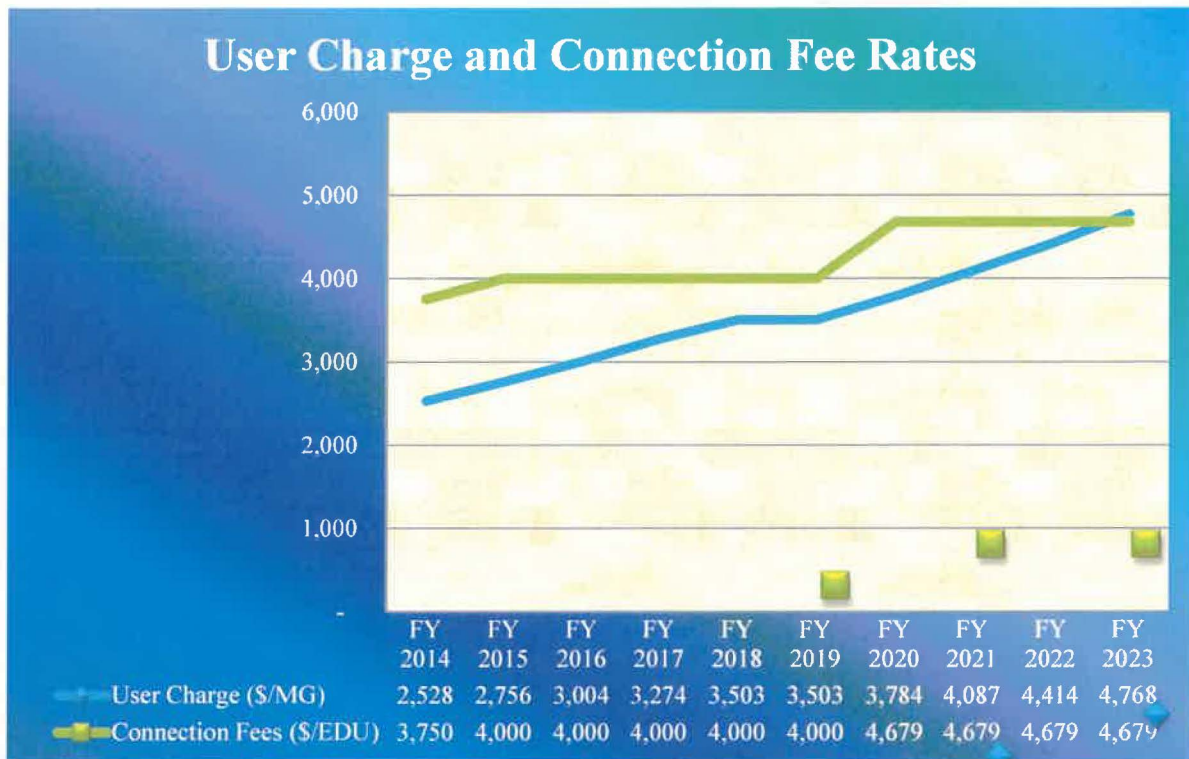
The other income includes high strength surcharges for high contents of certain chemical, reclaimed water sales from the processed water, industrial pretreatment permits charged to businesses, and interest income. Grants are excluded in this revenue analysis for the period from FY 2017 to FY 2023.

We have determined user charges and connection fees by multiplying the quantity expected to receive by unit prices. The four member agencies determined these rates be incorporated in the

revenue ordinances to absorb the operating and construction costs. The graph on the next page shows rate changes up to FY 2023 based on the five-year financial plan.

We have calculated the connection fees based on sewage quantity discharged by a single-family home for a period of twenty-four hours. This single-family home unit is referred to as one EDU.

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



Source: VWRA FY = Fiscal Year ended June 30



This page shows high strength surcharge rates for FY 2023 and the calculation worksheet.

Worksheet

User Charges from Member Agencies \$ 20,129,066
 Unit User Charge per MG \$4,768.00
 Estimated Treatment Flow (MG) 4,222

	Influent mg/l	Influent lbs/day	Effluent mg/l	Effluent lbs/day	Removal lbs/day	Removal lbs/year	Percent of Cost	Removal Cost/lb	Unit Cost \$
BOD	330.00	31,833	0.00	0	31,833	11,618,963	35.0%	\$7,045,173	\$0.6064
TSS	457.00	44,084	0.00	0	44,084	16,090,503	25.0%	\$5,032,267	\$0.3127
NH3	32.00	3,087	0.00	0	3,087	1,126,687	30.0%	\$6,038,720	\$5.3597
Annual Flow - MG per Day		11.57	MGD				10.0%	\$2,012,907	
							100.0%	\$20,129,066	

	BOD \$/lb	TSS \$/lb	NH3 \$/lb
Surcharge Rates:	\$0.6064	\$0.3127	\$5.3597
Applied to Concentrations Above:	200 mg/l	250 mg/l	20 mg/l

FORMULAS

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

BOD

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

TSS

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

NH3

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

REMOVAL

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

REMOVAL COST

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

Ⓢ Fiscal year basis: From VVWRA Wastewater Data Program (OPS10 in FY 2021)



5.5 Allocations of Personnel Expenses

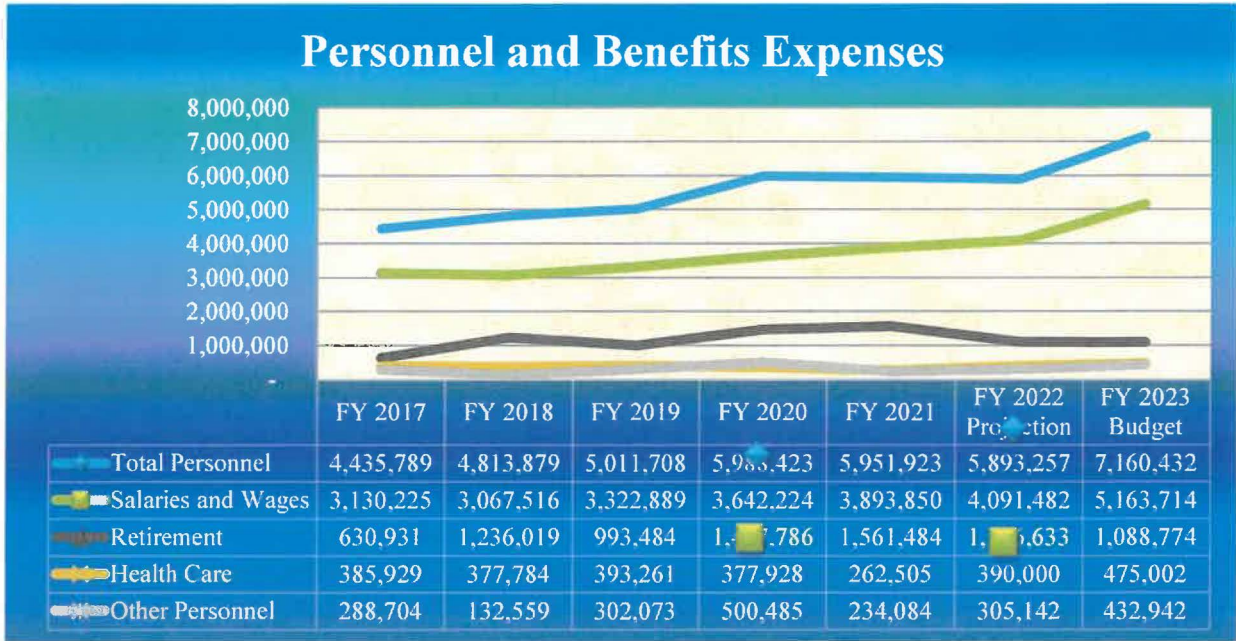
	2021 Actual \$4,087/MG	2021 Budget \$4,087/MG	2022 Actual as of 4/30/2022	2022 Projected to the Year End	2022 Budget \$4,414/MG	2023 Budget \$4,768/MG
Operations and Maintenance Salary Expenses						
Regular Salaries	\$ 3,612,194	\$ 3,963,657	\$ 3,209,568	\$ 3,851,482	\$ 4,092,735	\$ 4,899,154
Overtime	281,656	208,000	194,142	240,000	264,560	264,560
Call-Out Pay	-	14,560	-	-	-	-
	<u>\$ 3,893,850</u>	<u>\$ 4,186,217</u>	<u>\$ 3,403,710</u>	<u>\$ 4,091,482</u>	<u>\$ 4,357,295</u>	<u>\$ 5,163,714</u>
Operations and Maintenance Benefit Expenses						
Longevity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Allowance	-	-	-	-	-	-
Sick Leave Buy Back	-	-	-	-	-	-
Medicare	74,821	66,556	51,478	61,774	62,995	73,467
Social Security Expense	754	-	-	-	-	-
PERS / Health Insurance	262,505	332,543	338,789	390,000	450,000	475,002
Dental / Vision Insurance	-	-	-	-	-	-
Workers Comp Insurance	90,812	62,000	137,193	164,632	62,000	280,000
PERS / Retirement	417,788	993,484	834,665	956,633	956,633	1,088,774
PERS / Retirement - GASB 68	252,851	-	-	-	-	-
PERS / Retirement-EUL	469,985	-	-	-	-	-
Life Insurance	32,696	15,521	29,774	35,729	39,814	39,775
Unemployment Insurance	19,178	19,096	21,049	25,259	19,530	21,700
Disability Insurance	13,041	-	12,266	14,719	15,000	15,000
Misc Personnel Expense	2,782	-	2,524	3,029	3,000	3,000
OPEB Expense	420,860	-	-	150,000	-	-
	<u>\$ 2,058,073</u>	<u>\$ 1,489,200</u>	<u>\$ 1,427,738</u>	<u>\$ 1,801,775</u>	<u>\$ 1,608,972</u>	<u>\$ 1,996,718</u>
Capital Salary and Benefits Expenses						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Personnel Expenses	\$ 5,951,923	\$ 5,675,417	\$ 4,831,448	\$ 5,893,257	\$ 5,966,267	\$ 7,160,432
Allocations of Personnel Expenses						
<i>1. Allocations to Operations and Maintenance Fund</i>						
To Operations and Maintenance	(3,618,778)	(3,708,720)	(2,995,498)	(3,598,092)	(3,529,899)	(4,439,468)
To Administration	(2,333,145)	(1,966,697)	(1,835,950)	(2,295,165)	(2,436,368)	(2,720,964)
	<u>\$ (5,951,923)</u>	<u>\$ (5,675,417)</u>	<u>\$ (4,831,448)</u>	<u>\$ (5,893,257)</u>	<u>\$ (5,966,267)</u>	<u>\$ (7,160,432)</u>
<i>2. Allocation To Capital Fund</i>						
To Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Expenses After Allocations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The personnel costs have remained stable with a slight increase over the years and a jump during FY 2016 when more staff was employed in anticipation of operating those two plants in Hesperia and Apple Valley. However, the personnel costs declined in FY 2017 through FY 2019 to reflect 1/3 lay-off during FY 2017 under the scenario where the agency will not operate those two plants without a sufficient operating fund. The FY 2023 total personnel budget reflects an increase in the total number of employees and Consumer Price Index adjustments.

The health care cost has been kept at about the same level throughout the period from FY 2017 to FY 2022.



Other personnel costs include OPEB costs, Medicare, workers comp insurance, life insurance, unemployment insurance, and disability insurance. We have eliminated other personnel expense of payroll processing fees by switching processing payroll internally.



Source: VWRA. FY = Fiscal Year ended June 30



5.6 Budget Statement of Capital Fund

	2021 Actual \$4,679/EDU [Ⓛ]	2021 Budget \$4,679/EDU [Ⓛ]	2022 Actual as of 4/30/2022	2022 Projected to the Year End	2022 Budget \$4,679/EDU [Ⓛ]	2023 Budget \$4,679/EDU [Ⓛ]
Revenues						
Connection Fees	\$ 2,966,707	\$ 2,339,500	\$ 1,507,468	\$ 1,808,962	\$ 1,174,731	\$ 3,342,782
Interest	33,050	180,000	(207,771)	(249,325)	80,000	60,000
Grant - FEMA/CalEMA	-	-	-	-	-	-
Grant - CEC Microgrid	-	-	-	-	-	-
	<u>\$ 2,999,757</u>	<u>\$ 2,519,500</u>	<u>\$ 1,299,697</u>	<u>\$ 1,559,637</u>	<u>\$ 1,254,731</u>	<u>\$ 3,402,782</u>
Other Financing Sources						
SRF Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Capital Revenues and Other Financing Sources	<u>\$ 2,999,757</u>	<u>\$ 2,519,500</u>	<u>\$ 1,299,697</u>	<u>\$ 1,559,637</u>	<u>\$ 1,254,731</u>	<u>\$ 3,402,782</u>
Expenses						
Personnel and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	-	-	-	-	-	-
Operations	-	-	-	-	-	-
Administration	(2,054)	-	-	-	-	-
Construction	169,413	-	-	-	-	-
Contingency and Capital Purchases	-	-	-	-	-	-
	<u>\$ 167,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Services						
SRF Principal	\$ 1,763,058	\$ 1,763,058	\$ 1,527,140	\$ 1,794,802	\$ 1,794,802	\$ 1,242,807
SRF Interest	356,544	370,014	255,354	338,270	338,270	310,397
	<u>\$ 2,119,602</u>	<u>\$ 2,133,072</u>	<u>\$ 1,782,494</u>	<u>\$ 2,133,072</u>	<u>\$ 2,133,072</u>	<u>\$ 1,553,204</u>
Total Capital Expenses with Debt Services	<u>\$ 2,286,961</u>	<u>\$ 2,133,072</u>	<u>\$ 1,782,494</u>	<u>\$ 2,133,072</u>	<u>\$ 2,133,072</u>	<u>\$ 1,553,204</u>
Interfund Loan to the Operations & Maintenance Fund	-	-	-	-	-	-
Capital Net Surplus or (Deficit)	<u>\$ 712,796</u>	<u>\$ 386,428</u>	<u>\$ (482,797)</u>	<u>\$ (573,435)</u>	<u>\$ (878,341)</u>	<u>\$ 1,849,578</u>

[Ⓛ] EDU = Equivalent Dwelling Unit (250 gallons/day or 20 fixture units)

Impact of Capital Project Funding on Operations

The agency has six outstanding Clean Water State Revolving Fund loans from the California State Water Resources Control Board (SWRCB) with the total principal \$73.54 million outstanding as of April 30, 2022, whose annual payments become due throughout the year. The principal payment due for FY 2023 is \$3.37 million and the corresponding interest due is \$.93 million. The agency has considered the operation portion of these debt payments is \$2.13 million and the corresponding interest of \$.62 million for FY 2023. In addition to the actual payments, the loan agreements require that VVWRA set up a loan reserve to cover one-year payment of principal and interest for all the loans that would bind some of user fees and connection fees. Additional constrain on the operation revenues is that SWRCB sets a legal binding on user and collection fees in case of a default. Further, the loan agreements require the agency maintain debt coverage ratio of 1.2 throughout the year. To comply, the member agencies have agreed to rate increases over the period of five years that are a basis for the five-year financial plan.



5.7 Department Supplemental Capital Purchases

Supplemental Capital	
22-23 Budget Amount	22-23 Budget Amount
\$22,000	\$22,000
\$22,000	\$22,000

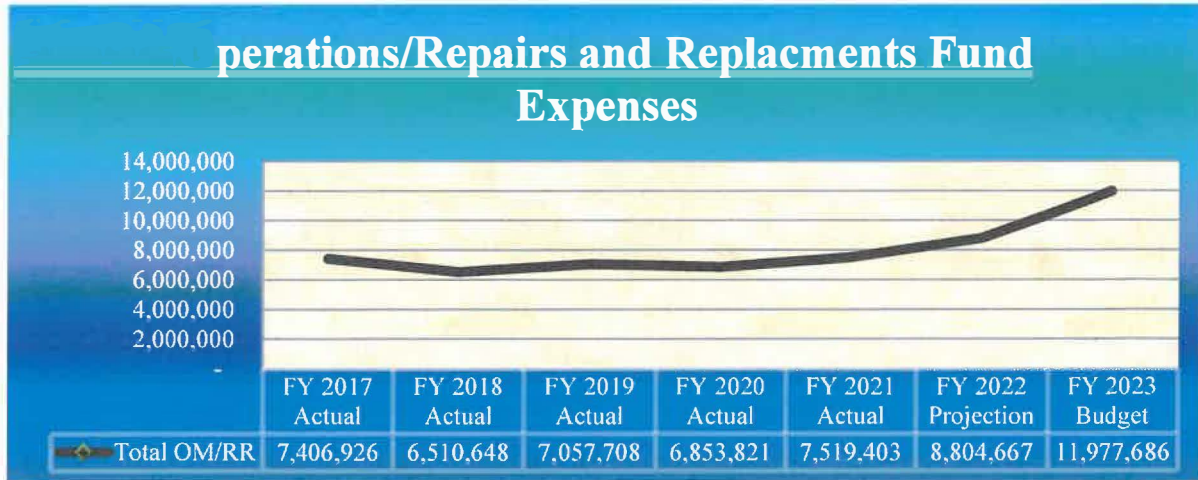
During FY 2022, the Authority eliminated the Repairs and Replacements Fund and rolled the reoccurring regular operational expenses into the Operations and Maintenance Fund. Significant capital assets that need replacement on as-needed basis are now within the Operations and Maintenance Fund as supplemental capital purchases. These assets are not normally critical to operations and can be budgeted only when funds are available. The list of supplemental purchases requested for FY 2023 are presented in the list above and further details below:

- Carry-All Cart – The current golf cart used by Information technology technicians is over 15 years old, in poor mechanical condition and unsafe to use when transporting computers, monitors, and IT products. The batteries have been replaced several times, which continue to malfunction. The new replacement cart is particularly built for this task and will safely serve the MIS department for years to come.



5.8 Operational Overview of Expenses

The operations expenses were at about the same level from FY 2017 to FY 2021. Up to FY 2021, such costs were kept low forced by a low cash flow level. FY 2023’s expenses have increased significantly when necessary repairs and replacements can no longer wait without causing alarming level of loss in pipeline and equipment integrity. In addition, these expenses continue to show the high electricity costs for the UV system throughout the period.



Regional Plant Receiving Station



5.9 Historical Comparison of Operational Revenues to Expenses

The following graphs show actual revenues and expenses during the last ten years.

June 30	Total Revenues		
	Total Operating Revenues	Total Non-Operating Revenues	Total Revenues
2021	\$ 17,167,525	\$ 8,079,931	\$ 25,247,456
2020	\$ 15,457,755	\$ 3,109,947	\$ 18,567,702
2019	14,649,380	3,665,387	18,314,767
2018	14,696,537	5,317,638	20,014,175
2017	13,655,631	9,797,819	23,453,450
2016	12,305,439	14,416,430	26,721,869
2015	11,850,841	27,703,303	39,554,144
2014	11,134,994	8,091,504	19,226,498
2013	11,716,313	2,743,166	14,459,479
2012	10,667,026	4,944,099	15,611,125

June 30	Operating Expenses						Total Operating Expenses	Total Non-Operating Expenses	Combined Expenses
	Personnel	Maintenance	Operations	Administration	Depreciation	Total Operating Expenses			
2021	\$ 5,951,923	\$ 1,905,014	\$ 3,481,013	\$ 2,181,361	\$ 11,225,596	\$ 24,744,907	\$ 1,086,729	\$ 25,831,636	
2020	5,988,422	1,808,505	3,176,174	2,478,592	11,565,945	25,017,638	2,735,887	27,753,525	
2019	5,011,708	1,880,448	2,928,704	2,162,267	11,519,264	23,502,391	1,255,633	24,758,024	
2018	4,813,879	1,654,791	2,877,169	1,783,254	9,429,914	20,559,007	1,937,435	22,496,442	
2017	4,435,790	1,936,625	2,444,093	2,087,840	7,900,370	18,804,718	1,555,468	20,360,186	
2016	5,090,845	1,892,127	2,359,892	1,831,796	6,645,579	17,820,239	1,214,952	19,035,191	
2015	4,610,511	1,902,719	1,865,289	1,734,702	6,788,528	16,901,749	1,335,646	18,237,395	
2014	4,475,438	1,647,896	2,183,544	1,784,021	6,612,402	16,703,301	1,535,497	18,238,798	
2013	4,386,713	1,377,024	2,169,317	2,044,400	5,760,766	15,738,220	1,356,772	17,094,992	
2012	4,398,077	3,041,988	2,828,368	1,788,697	5,620,847	17,677,977	2,389,888	20,067,865	

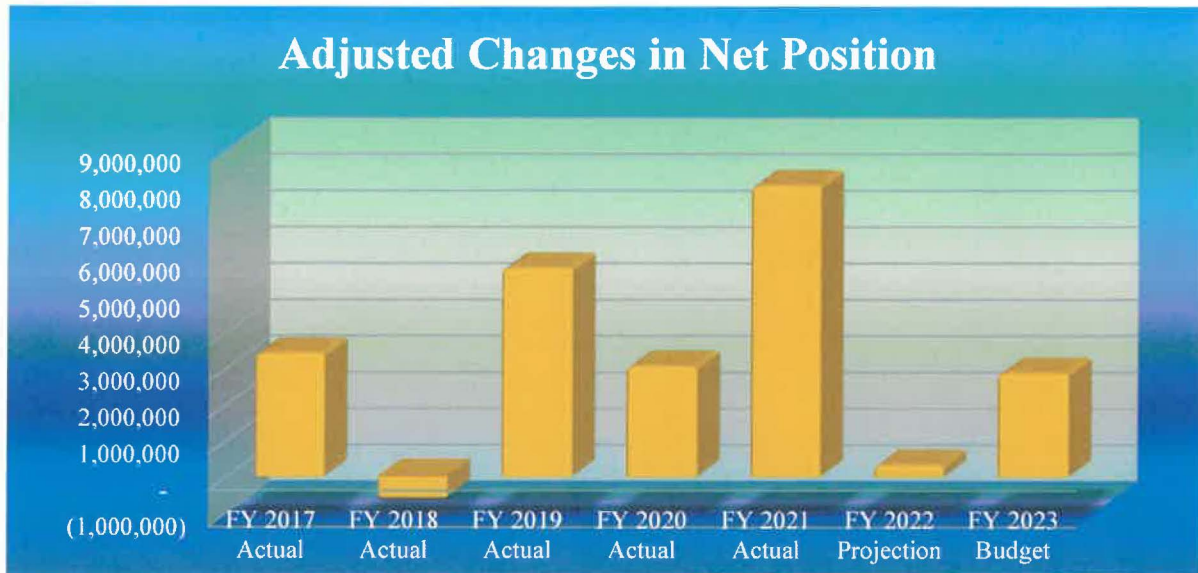


5.10 Changes in Net Position and Reserves

The table below shows adjusted changes in net position. The graph below shows the fluctuation of adjusted changes in net position during FY 2017 through FY 2023, or the total revenues over total expenses. Connection fee revenues has decreased from \$3,088,860 in FY 2019 to \$2,302,221 in FY 2020 and increased to \$2,966,707 in FY 2021. The decrease is mostly due to the sharp decline of connection fee revenues from member agencies. On the other hand, the operating expenses have increased by 24%, from \$10,904,348 in FY 2017 to \$13,519,311 in FY 2021. Grant revenues are recorded in CAFR but most of related construction costs are recorded in a construction in progress, excluded from expenses. For fair comparison purpose, the above actual net positions from FY 2017 to 2021 are adjusted by adding back the grant related capitalized expenses and adding non-cash depreciation and amortized interest expenses. Please see detailed discussions on capital improvement projects anticipated during FY 2023 at sections 6.1, 6.2, and 6.3.

FY = Fiscal Year	Beginning Net Position	Changes in Net Position per CAFR *=Per Budget	Ending Net Position	Grants CIP/Interest Amortization and Depreciations Expense	Adjusted Changes in Net Position	Adjusted Ending Net Position*
FY 2017 Actual	127,511,632	2,255,301	129,766,933	1,132,183	3,388,114	130,899,746
FY 2018 Actual	129,766,933	(3,500,967)	126,265,966	2,849,811	(651,156)	129,115,777
FY 2019 Actual	126,265,966	(6,443,257)	119,822,709	12,173,196	5,729,939	131,995,905
FY 2020 Actual	119,822,709	(9,185,823)	110,636,886	12,219,064	3,033,241	122,855,950
FY 2021 Actual	110,636,886	(584,180)	110,052,706	8,588,434	8,004,254	118,641,140
FY 2022 Projection	110,052,706	319,880*	110,372,586	-	319,880	110,372,586
FY 2023 Budget	110,372,586	2,850,442*	113,223,028	-	2,850,442	113,223,028

*Note: Adjusted Ending Net Position = Beginning Net Position + Adjusted Changes in Net Position



Source: VWRA FY = Fiscal Year ended June 30

The summary below illustrates the FY 2023 projected reserve balances for the Operations and Maintenance Fund and Capital Fund.

	O&M Fund	Capital Fund	Total
FY 2023 Reserve Beginning Balance	\$ 6,017,724	\$ 5,349,618	\$ 11,367,342
One Time Revenue (FEMA)	-	-	-
Total Revenues	22,888,720	3,402,782	26,291,502
Total SRF Loan/Lease Payments	(2,803,033)	(1,553,204)	(4,356,237)
Total Operating Expense	(19,084,823)	-	(19,084,823)
FY 2023 Budget Surplus	1,000,864	1,849,578	2,850,442
Total Reserve	7,018,587	7,199,196	14,217,784
Total Restricted Reserve	(5,397,918)	(1,553,204)	(6,951,122)
Total Unrestricted Reserve	1,620,670	5,645,992	7,266,662
Total Capital Projects ①	(1,620,670)	(2,380,000)	(4,000,670)
Unused Project Portion	-	-	-
Available Unrestricted Reserve	\$ (0)	\$ 3,265,992	\$ 3,265,992
Total Restricted Reserve	\$ 5,397,918	\$ 1,553,204	\$ 6,951,122

① Please refer to Section 6.2 for more details on Capital Projects.



6 Financial Information Capital Projects

6.1 Capital Project Pay-As-You-Go Strategy

In FY 2023 VVWRA staff continues to build upon the pay as you go Capital Improvement Program (CIP) started in FY 2020. Careful consideration and analysis were put into the development of the proposed capital project list being presented in the FY 2023 budget. Required and unrestricted reserve balances were presented as part of the operating and capital budgets this FY to more accurately show where and how excess reserves and funding proposed capital projects.

Utilizing these funds the VVWRA team has specifically allocated dollars to fully fund and partially fund the proposed capital projects. The projects are diverse in scope and cost. Smaller maintenance projects as well as specific capacity improvement projects are proposed to be fully funded. Larger maintenance and capacity related projects have been partially funded to potentially allow for preliminary studies or design work to be completed. The total proposed funding for the capital projects in FY 2023 includes \$1.6 million maintenance projects and



Regional Plant Digesters

\$2.3 million capacity related capital projects. These projects will be funded by the FY 2023 revenues and unrestricted operation and capital cash reserves.

The new rates put in place in 2020 were designed with a pay-as-you-go strategy for capital projects. In the proposed FY 2023 budget all available funds above debt service, operational expense, and mandatory reserves are now being allocated or left in unrestricted reserves to fund future capital projects. The new Capital Improvement Program (CIP) will now annually use this practice to fully fund or partially fund projects until such time that annual budget allocations or funds in reserve reach the level of the proposed project cost.

6.2 Capital Improvement Program FY 2023

The Capital Improvement Program (CIP) lists the new capital projects funded, partially funded and unfunded in the fiscal year 2023 budget. The projects proposed in this budget were evaluated and prioritized by VVWRA staff to address immediate maintenance and capacity needs within the Operations and Administrative Departments. All available funds above operating expenses, debt service, and required reserves were allocated to projects or left in unrestricted reserves for future allocation. Revenues for the purpose of funding capital projects come from regular user fees, to maintain and replace existing assets, and connection fees, which are allocated to projects to improve operational capacity.

The following table is detailed list of projects and their proposed funding schedule:

Project No.	Funding	Project Title	Projected Cost	User Fees	Connection fees	FY 2023	FY 2024	FY 2025
1	Fully Fund	MSB Retrofit Phase 1	350,000	350,000	-	350,000		
2	Fully Fund	SPPP Station ADF - UV Generator	250,000		250,000	250,000		
3	Fully Fund	DAFT 3 Rehabilitation	250,000	175,000	75,000	250,000		
4	Fully Fund	Septage Grit Trap	250,000		250,000	250,000		
5	Fully Fund	PLC Replacement Project Phase 4	455,670	105,670	350,000	455,670		
6	Fully Fund	Servers Virtualization Project by Dell and ReDesign	250,000	75,000	175,000	250,000		
7	Fully Fund	Victorville Wellness Center Pipeline	600,000		600,000	600,000		
8	Fully Fund	Network Stabilization Project (continued)	50,000	50,000		50,000		
9	Fully Fund	Fiber Rerun at the regional plant	250,000	50,000	200,000	250,000		
10	Fully Fund	CMMS New	80,000	80,000		80,000		
11	Fully Fund	CIP Program - Funding Master Plan	150,000	75,000	75,000	150,000		
12	Partially Fund	Rehabilitation of South Apple Valley Manholes Hwy 18	1,200,000		275,000	275,000	275,000	275,000
13	Partially Fund	Admin Building Design and Rehabilitation and New Lab Building(R149)	3,000,000	150,000		150,000	2,000,000	850,000
14	Partially Fund	Primary Rehabilitation	1,250,000	250,000		250,000	250,000	250,000
15	Partially Fund	Infiltration and Inflow (I&I) Study (Dudek & SmartCovers) Year #2	120,000	10,000	10,000	20,000	50,000	50,000
16	Partially Fund	Oro Grande interceptor relocation project	4,000,000		120,000	120,000	1,940,000	1,940,000
17	Partially Fund	Coating Project - UV, DAFTs, Primaries, ADFs	1,200,000	250,000		250,000	250,000	250,000
18	Unfunded	Vactor Capital Purchase	600,000	-		600,000	150,000	150,000
19	Unfunded	Internal Roads Entry Gating and Landscaping	1,000,000					1,000,000
20	Unfunded	Regional Plant MCC Modernization (MCC A+EB)	5,000,000					
21	Unfunded	Lower Narrows and Lift Station	44,200,000					
22	Unfunded	Upper Narrows Parallel	44,100,000					
23	Unfunded	Hesperia Parallel Upper and Lower	32,200,000					
24	Unfunded	Headworks Replacement	15,000,000					
25	Unfunded	Mojave Narrow Regional Facility	80,000,000					
26	Unfunded	Improved Warehouse	3,500,000					
27	Unfunded	Operations Building Improvement	500,000					
28	Unfunded	Parking Area Paving/ADM Road	500,000					
29	Unfunded	Design and build dewatering systems pre-digestion	5,000,000					
30	Unfunded	Recycled Water Master Plan	300,000					
31	Unfunded	Potable Connection to Victorville	4,000,000					
32	Unfunded	UV Generator Tie-in to South Perc Pond Pump Station	300,000					
33	Unfunded	Main Switch Gear Upgrade Replacement & Generator	2,000,000					
34	Unfunded	BNR Process Improvements	4,000,000					
35	Unfunded	Odor Scrubber at Subregionals	1,000,000					
36	Unfunded	Anaerobia Pyrolysis Biosolid Processing Project / Expansion						
37	Unfunded	Grit removal Chamber on CSA64 Interceptor upstream of UNE	300,000					
38	Unfunded	Install Gate at ADM Receiving area catch basin	50,000					
		Total	257,255,670	1,620,670	2,380,000	4,600,670	4,915,000	4,765,000



6.3 Capital Project Details from the FY 2023 CIP

The table below provides greater project details for all the Capital Projects identified in the FY 2023 Budget:

Fully Funded Projects FY 2023		
Project No.	Project Title	Project Descriptions
1	MSB Retrofit Phase 1	The MSB retrofit will consist of PLC upgrades, removing old panel boards and obsolete wiring, new power quality metering, new generator and utility protective relays, new HMI, and modern SCADA integration. The project will provide better interactive SCADA control, preparation for future emergency generator replacement, updating antiquated functions, removing obsolete load schemes, and provide local manual. The contractor will provide accurate as built schematics and a non-proprietary open architecture PLC program.
2	SPPP Station ADF - UV Generator	Connecting the UV generator to the South Perc Pond Pump Station and to the Aqua Diamond Filters. Currently during a power outage, the Aqua Diamond Filters cannot backwash causing the flow through the treatment plant to back up in the filter basins. We have experienced an overflow in this area in the past. This project will supply power from the UV generator to keep the filters backwashing, and flow moving to the South Perc Pond Pump Station where it can be sent to the ponds. This effort will greatly reduce the event of an overflow in this area. Which with the close proximity to the river could easily be an NPDES permit violation.
3	DAFT 3 Rehabilitation	After years of using DAFT 3 as a holding tank for ADM and FOG, which has a very low pH, the concrete and metal in this unit are severely corroded and decaying, to the point that unit had to be placed out of service. Operations staff experimented with thickening primary sludge in DAFT 3 last year with excellent results. Rehabilitating this unit will save tens of thousands of dollars a year in post digestion dewatering



		costs by removing most of the liquid from the primary sludge before it is sent to digestion.
4	Septage Grit Trap	While performing scheduled maintenance to clean Digesters 4 and 5 staff discovered a great deal of grit material that needed to be removed during the cleaning process. This material we determined to be coming from septage receiving. To mitigate future issues with the build-up of grit within the digesters this project will look to enhance the operations at the septage receiving area by expanding the holding tanks and building a clarifier weir and sump system to collect grit before it is sent to the digesters.
5	PLC Replacement Project Phase 4	The Regional Plant used PLCs to control the treatment equipment. These vary in age, capacity, and manufacturers. Many of them are old enough that no replacement parts are available. This replacement project updates these PLCs to newer readily repairable systems
6	Servers Virtualization Project by Dell and Redesign	The Servers Virtualization Project will eliminate the need for physical servers and yield many benefits to VWRA: Reduced Hardware Costs, Faster Server Provisioning and Deployment, Greatly Improved Disaster Recovery, Increased Productivity, and Energy Cost Savings. VWRA currently relies on 17 physical servers to store and operates over 24 different enterprise and controls applications, this project will reduce the number of servers needed to only 2.
7	Victorville Wellness Center Pipeline	In collaboration with the City of Victorville, VWRA has agreed to install approximately 400 feet of 36-inch-high density polyethylene pipe within the City's Wellness Center Project boundaries. This construction was proposed and approved in advance of the construction of the Wellness Center to avoid a future conflict with the operations of the Center. An interceptor risk assessment and capacity study concluded that at some point in the near future a parallel pipeline to the existing pipeline in this area would need to be installed. This project will install a segment of the larger project to avoid the operating conflict with the Wellness Center



8	Network Stabilization Project (continued)	This project will improve the reliability and resiliency of the backbone of the VVWRA network by implementing a new network design and installing several redundant systems based on modern IT standards.
9	Fiber Rerun at the regional plant	VVWRA requires a reliable core fiber network to conduct day-to-day business including a well-developed SCADA controlling a network with over 45 programmable logic controllers (PLC), during this project, staff will recertify existing network fiber cables, and install new backup fiber cables to critical equipment, and structures. the main goals will be to increase reliability, uptime and resiliency of the fiber network.
10	CMMS New	The current computerized maintenance management system or CMMS (Lucity) was completed in 2015 and is outdated and no longer meets VVWRA assets management goals. The new CMMS will allow staff to manage work orders, better maintain critical assets, implement an inventory management system and a predictive and preventative maintenance program and increase staff mobility
11	CIP Program - Funding Master Plan	This project will look to address a specific request by the VVWRA Board to develop long a term capital and finding plans for the Authority. The plan will look to identify the necessary capital projects for the next 20 to 30 years that will be necessary to meet the capacity demands of the region's future growth and necessary repairs to existing aging assets. The study will also look at future rates, fees and debt service to adequately fund the identified projects.
Partially Funded Projects FY 2023		
12	Rehabilitation of South Apple Valley Manholes Hwy 18	In 2019, VVWRA performed a CCTV condition assessment of 61 manholes along Highway 18 in Apple Valley, the results show severe corrosion of a large number of manholes due to high Sewer Gas H ₂ S, this project will repair or replace any damaged manholes in order to continue maintaining this important interceptor.



13	Admin Building Design and Rehabilitation and New Lab Building(RJ49)	The original administrative building has not been used as an office space for VVWRA staff since 2007. This move was made due to the poor condition of the original building and asbestos material identified in the flowing materials. This project will look to fund the necessary clean-up and demolition of the internal walls of the facility. Other funds will be used to develop a feasibility study for future repurposing the building for a new administrative facility.
14	Primary Rehabilitation	The primary clarifiers have major components, such as the skimmer drives and the chain gear bushings, that are at end-of-life cycle and need to be replaced. All other equipment will be inspected and replaced as needed.
15	Infiltration and Inflow (I&I) Study (Dudek & SmartCovers) Year #2	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-21 it was determined that a regional I&I study followed by mitigation measures could gain significant capacity in the interceptor system. This study will be a collaboration of VVWRA with all Member Agencies to evaluate where improvements can be made in the Member Agency's Collection systems to lessen I&I impacts on the VVWRA interceptor system and to gain greater capacity during significant rain events.
16	Oro Grande interceptor relocation project	The line will replace the existing Oro Grande interceptor. The existing line runs across the Mojave River with several manholes out in the channel. The replacement would put a pump station on the Oro Grande side of the river and a force main installed in a micro-tunneled pipe below the river. There would be no manholes and the pipe would be below the scour depth of the river to minimize the risk of failure and spill.
17	Coating Project - UV, DAFTs, Primaries, ADFs	The concrete surfaces in these structures need to be coated to extend their working life. This project was identified three years ago and has been repeatedly delayed due to more critical issues. The concrete surfaces are being broken down at the air/water surface interface and need to be addressed.



Unfunded Projects FY 2023		
18	Vactor Capital Purchase	<p>VWRA currently owns and operates three water reclamation plants and three lift stations along with 47 miles of regional interceptors. A Vactor truck (vacuum truck) is a very critical tool in maintaining that infrastructure. Considering our current Vactor truck will no longer meet upcoming regulatory air emissions standards and the cost to maintain it far outweighs its usefulness. Staff recommends the procurement of a new Vactor truck for the following reasons: 1. Efficient operation - The larger waste tank will allow fewer trips to and from the cleanout at the regional plant, saving money on fuel. Also, the newer engines are much more fuel efficient. 2. Regulatory Compliance - A new Vactor will meet all new emissions standards and comply with road safety requirements. 3. Reducing Costs - VWRA will no longer rely on third party contractors to stay compliant with the cleaning requirements stipulated in its Sanitary Sewer Management plan (SSMP), regulated by our WDR permit. 4. Increased reliability and decreased downtime - newer equipment will decrease downtime for repairs and increase productivity, which will help mitigate overtime costs. 5. ROI - VWRA spent \$203,000.00 last fiscal year repairing, maintaining, renting, and hiring Vactor trucks to ensure compliance and avoid premature equipment failures. With a total delivered cost of \$579,780.41 as shown in the proposal from Haaker, VWRA would be able to offset this cost in under 3 years.</p>
19	Internal Roads Entry Gating and Landscaping	<p>This project will look to address the security concerns that currently exist at the VWRA regional plant. The core operations of the facility are completely accessible to outsiders who are not vetted to enter the critical and dangerous operations of the VWRA regional plant. To assure the safety of the staff and the facility assets it will be necessary to create very specific spaces for the public and secure areas to conduct our normal operations. This project will look to complete that task by working in conjunction with the commissioning of</p>

		<p>the new Administration Building. New fencing and gates will need to be installed to allow access to the building for the public, but not allow anyone to enter the operational area of the regional plant without permission.</p>
<p>20</p>	<p>Regional Plant MCC Modernization (MCC A+EB)</p>	<p>The Motor Control Center (MCC) A was installed as part of the original plant design. It operates critical functions in the Old Blower Building. Due to its age and lack of replacement parts it is now time to replace the MCC. Within the project scope a contractor will replace multiple components which are outdated and no longer supported and electrical buckets which no longer meet NEC standards. By replacing the MCC operations will gain bucket space and increase ampacity to meet today’s demands as well future expansion if necessary. The Motor Control Center (MCC) EB was installed as part of the original plant design. It operates other critical functions in the Old Blower Building. Due to its age and lack of replacement parts it is now time to replace the MCC. Within the project scope a contractor will replace multiple components which are outdated and no longer supported and electrical buckets which no longer meet NEC standards. By replacing the MCC operations will gain bucket space and increase ampacity to meet today’s demands as well future expansion if necessary.</p>
<p>21</p>	<p>Lower Narrows and Lift Station</p>	<p>During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction to deal with capacity issues in the VVWRA interceptor system. The first, and most environmentally critical project, is the relocation and upsizing of the existing interceptor currently located within the lower narrows. To mitigate the environmental concerns a new pump station will need to be built to convey the wastewater around the lower narrows area and reconnect back to the VVWRA interceptor system at the beginning of the double barrel pipeline on Turner Road.</p>



22	Upper Narrows Parallel	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction to deal with capacity issues in the VVWRA interceptor system. The second most critical project is the construction of a parallel line beginning at the ending point of the Upper Narrows project and running a second parallel pipeline connecting the lower narrows project.
23	Hesperia Parallel Upper and Lower	During the development of the Risk Assessment Analysis on the VVWRA interceptor lines, that was completed in FY 20-22, three major pipeline projects were recommended for future construction to deal with capacity issues in the VVWRA interceptor system. The third project identified was a parallel pipe installation up-stream of the Upper Narrows by-pass. A new parallel pipe would need to be installed starting above the interconnection point with CSA 64 and run to the beginning of the Upper Narrows project.
24	Headworks Replacement	The existing headworks is the original installation from 1980. The concrete has deteriorated to an extent that stop plates used to isolate for service cannot be full installed and makeshift sandbag walls must be used to limit leakage. It is intended to analyze the extent of required repairs. Evaluate options to improve the situation and present budgetary concepts to evaluate in-place repair versus new location installation.
25	Mojave Narrow Regional Facility	This project was identified during the risk assessment and capacity study done on the VVWRA interceptor system. It was determined that future capacity needs for both treatment and pipe capacity could be addressed by another regional facility treatment plant located near the main interceptor that receives flow from the City of Hesperia, the City of Victorville, and Spring Valley Lake County area. This proposed facility would need to be built in the Mojave Narrows County Regional Park. This location would have the potential to provide recycled water to a different region of the service area while addressing pipeline and treatment capacity needs



		that will likely occur due to the future growth of the VVWRA Member Agencies.
26	Improved Warehouse	The current warehouse operations are located within our operational area and cause traffic and security concerns to the operations at the VVWRA regional plant. This project will work in conjunction with the internal roads, entry gate and landscaping project. The warehouse access and loading area will be improved with a loading dock and will be accessible through the public area of the VVWRA regional plant. A new warehouse office accessible from the public area will be constructed along with a more organized warehouse structure to help account for and protect critical materials.
27	Operations Building Improvement	We started a "refresh" on the Operations and Maintenance building in 2020, by have the interior painted, and new floors installed. During this process major HVAC concerns were identified that need to be remedied. Also, a plan was developed to reconfigure the interior space of the building to make it more productive and provide more space for the growing O & M staff. Things like new individual operator workstations, and dedicated maintenance office where the mechanics can have work stations to close out work orders and research parts.
28	Parking Area Paving/ADM Road	With the RNG project, VVWRA created a new route from the front gate to the receiving area that allows better flow for tankers while keeping staff safe by not having trucks driving through the plant. Part of this included grading a large area of land behind our digesters to allow the rucks to line up and wait to off load. This area is currently in use, but the surface is only road base. Asphalt needs to be poured on this surface to maintain its integrity and ensure safe passage for our haulers.
29	Design and build dewatering systems pre-digestion	The liquid side of the Regional Plant has been addressed in several projects in the past 10 years. Water conservancy in the collection system has benefitted the liquid side of the plant. Conversely the



		<p>solids side has fallen behind. While liquid flows have reduced the solids have increased. Even the Sub-regional plants have helped reduce the liquid flow, but all the solids are still conveyed to the Regional Plant. Septage and ADM flows have also increased the volume of solids we treat. One of the main benefits our site is that we have a large amount of land. Our main dewatering is using solar drying beds, completely at the mercy of the weather. We are currently at a point that the drying beds cannot keep up. VVWRA has a Gravity Belt Thickener (GBT) that helps by mechanically removing water. While this helps it cannot fully solve the problem with expansion of the mechanical dewatering. Also, this generates a side stream that is very high in ammonia and needs to be evaporated or treated before running back into the normal flow. This Study would identify options that VVWRA can use in preparing projects to fully address this need.</p>
<p>30</p>	<p>Recycled Water Master Plan</p>	<p>This project will specifically focus on developing a long-range plan to implement a regional recycled water system. The benefit of a regional approach to delivering recycled water is to assure a higher level of service and assurance of availability of the water. This project will work in conjunction with future regional and subregional facilities that will add treatment capacity and future sources of recycled water to create the redundant sources for a reliable recycled water system.</p>
<p>31</p>	<p>Potable Connection to Victorville</p>	<p>This project will look to address the potable water concerns that exist at the VVWRA regional plant. Today the regional plant utilizes two onsite water wells for its potable source of supply. This water, though used as a potable supply, is not drinkable due to existing water quality issues. In addition to the poor quality of water, VVWRA staff is asked to treat this supply and delivery as if it were a small rural water system because this water is also delivered to our land lease partners, American Organics and Anaergia. These operational tasks are burdensome and take up a</p>



		good amount of time that should be spent on VVWRA core operations. Other projects to treat this water have been evaluated and have shown to be costly and add more complexity to the operation of the system. This proposed project would look to connect the VVWRA regional plant with a potable water pipeline from the City of Victorville. This solution would provide a drinkable potable supply and would eliminate VVWRA staff operations to operate this small rural water system.
32	UV Generator Tie-in to South Perc Pond Pump Station	This project will allow backup power from the UV generator to keep the Aqua Diamond Filters and the South Percolation Pond Pump Station energized during power interruptions at the plant. These areas have been identified as most overflow prone areas of the plant when there is no power. This will allow operations to keep the filters clean during an outage, so they will not backup and overflow. It also gives staff the ability to send tertiary water to the south perc ponds to avoid overflow during extended power outages.
33	Main Switch Gear Upgrade Replacement & Generator	The Main Switch Board (MSB) upgrade will include an Automatic Transfer Switch (ATS) which would increase power transfer reliability, uptime and improved performance during normal operational tests and outages. The upgrade of the generator up to 1.2 Mega-watt will allow a true emergency generator redundancy, allow a greater capacity, increase reliability and uptime.
34	BNR Process Improvements	Continuing with upgrading the Air Control system for the BNR process. As well as the purchase of backup electric blowers for both blower buildings.
35	Odor Scrubber at Subregionals	Replace the biofilters at the subregionals with traditional air scrubbers. Biofilter technology is notoriously difficult to maintain an acceptable level of odor control as the living organisms that convert the compounds of the odors are very susceptible to changes in environment. With all the housing that was developed around the Hesperia facility and the Apple Valley facility being right against Brewster Park. The responsible thing for VVWA to do is retrofit the



		biofilter area with air scrubbers that will be much more effective at removing the odors from these facilities and reducing the amount of odor complaints.
36	Anaergia Pyrolysis Biosolid Processing Project / Expansion	<p>This project is a future expansion of the public private partnership with Anaergia. Due to the success of the existing RNG project with Anaergia, a new project to add more food waste receiving and digestion, RNG production and pyrolysis of biosolids, is being considered with little to no cost to VWRA.</p> <p>Ultimately this project will provide additional revenues for the land lease and revenue sharing. The other significant benefit of this project is the processing of VWRA's digestion sludge through Anaergia provided dewatering and pyrolysis services. This service will significantly reduce the need for the drying bed activities and minimize the regulatory risk of disposing of the biosolids.</p>
37	Grit removal Chamber on CSA64 Interceptor upstream of UNE	<p>The upper narrows emergency interceptor was completed in 2015, it was constructed with no manholes over 1900ft of 60" HDPE pipe. It is located between BNSF railroad tracks to C and 7th streets intersection in Victorville, the Grit removal chamber (like one installed at the south apple valley interceptor) will be installed upstream of this critical interceptor and will allow for the removal of large rocks, debris, sand before it enters this interceptor.</p>
38	Install Gate at ADM Receiving area catch basin	<p>The storm drain at the regional plant conveys stormwater during rain events, this catch basin is located near the ADM receiving area and the new gate will protect it during dry weather from potential accidental spills</p>



7 Conclusion

7.1 Budget Conclusion

The Victor Valley Wastewater Reclamation Authority is committed to satisfying the Mission Statement utilizing our approved and proven Core Values and our Model for Efficient Wastewater Utility Management as the road map to achieving those goals in the coming FY. The Authority strives to maintain transparency, responsiveness and stewardship toward our Board of Commissioners, our Member Agencies, our stakeholders, and our employees. I would like to take this opportunity to thank the external Finance Committee made up of financial staff from the Member Agencies and the internal Finance Committee of Commissioners Jones and Cook for input on the proposed budget. Special thanks to the Finance staff including Controller, Chieko Keagy, Senior Accountant, Xiwei Wang, and Accountant, Kyle Parker.

The budget presented to the Board this June 23, 2022, provides for a surplus in revenues that will be used to fund a new strategy of pay-as-you-go Capital projects. This new budget exceeds our desired debt ratio coverage of 1.2. Last year's budget had a debt ratio of 1.16. The budget we are asking you to approve has a 1.67 debt ratio and a surplus budget over \$1,000,000. Overall operating expense increases were offset by greater projected revenues, and we have fully budgeted 16 capital projects.

In conclusion the VVWRA staff is proud to submit this proposed budget document for consideration by the Board of Commissioners. The team has worked diligently to develop a new budget format and to deliver a plan that is accurate and well thought out. With the Board's approval of this budget the VVWRA staff is excited to move forward with the designed plan to achieve the fiscal and operational goals as set by the Board, the Member Agencies, and the VVWRA team of employees.



8 Glossary of Terms

8.1 Glossary of Terms

Term	Definition
Ammonia Nitrogen	The soluble ionized and unionized ammonia nitrogen component in wastewater that can be measured using the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Biochemical Oxygen Demand (BOD)	The measure of decomposable organic material in wastewater as represented by the oxygen utilized as determined by the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
Cash Basis	Revenues and expenses are recognized when cash is received or paid out.
Connection Fee	A fee paid by a new discharger for the costs of capacity in the regional wastewater system.
Effluent	The liquid outflow discharged from the Publicly Owned Treatment Works (POTW) facility, or the nondomestic wastewater discharged by industrial users to the POTW.
Enterprise Accounting	Uses an accrual basis of accounting method to account for the activities of a government agency that provides goods or services to the public on a fee basis.
Enterprise Accounting System	An accrual accounting system that is like a regular business accounting method, where revenues and expenses are recorded when they incur. VVWRA employs two funds, (1) Operations and Maintenance Fund and (2) Capital Fund. Both funds employ the Enterprise Accounting System.
Interceptor	A pipeline that conveys wastewater from the sewer collection facilities of a Member Agency to the VVWRA's wastewater treatment facilities.
Member Agencies	The four government agencies who participate in the joint power agreement with VVWRA. They are the City of Victorville; Town of Apple Valley; Hesperia Water District; and County of San Bernardino Service Areas, #42 Oro Grande and #64 Spring Valley Lake.
MG	Million Gallons.
MGD	Million Gallons per Day.
POTW	The Publicly Owned Treatment Works is sewage treatment plants that are owned and usually operated by local government agencies.
Industrial Pretreatment	The reduction and elimination of pollutants or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in



	lieu of discharging or otherwise introducing such pollutants into the POTW.
Reclaimed Water	Water that, as a result of waste treatment, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
Septage	Any wastewater or sludge removed from cesspools, septic tanks, holding tanks, or chemical toilets that is trucked or hauled to the point of discharge.
SRF	State Revolving Fund.
High Strength Surcharge	An assessment, in addition to the service charge, which may be levied on those users whose waste are greater in strength than threshold concentration values established.
Total Suspended Solids	The insoluble solid matter suspended in wastewater that is separable by laboratory filtration in accordance with the procedure described in the current edition of “ <i>Standard Methods for the Examination of Water and Wastewater</i> ” published by the American Public Health Association.
User	Any person who contributes, causes, or permits the contribution of wastewater into the POTW, including households, private residences, nonresidential users, and Member Agencies.
VVWRA	The Victor Valley Wastewater Reclamation Authority.
Wastewater	The domestic or nondomestic liquid wastes discharged from dwellings, or commercial buildings, industrial facilities, and institutions, together with any ground water, surface water, and storm water that may be present, whether treated or untreated, which is contributed into or permitted to enter the POTW.
Post-Consumer Food Waste	Organic food waste discarded by customers/guests/students/patients/visitors after the food has been sold or served. Typically sent to landfills. Under Senate Bill 1383, 75% of organics sent to landfills must be diverted to digestion facilities by 2025. This is processed and received by VVWRA for digestion and the production of Renewable Natural Gas (RNG) as a secondary revenue source.
RNG	RNG stands for Renewable Natural Gas which today is produced by VVWRA’s private partnership with Anaergia as a result of receiving Post-Consumer Food Waste.
GIS	GIS stands for Geographic Information System which is a mapping system that identifies the current VVWRA pipeline assets and future facility assets.
PLC	PLC stands for Programmable Logic Controllers which are connected to specific operational assets that provide remote or pre-programmed operations.



SCADA	<p>Supervisory control and data acquisition (SCADA) is a system of software and hardware elements that allows industrial organizations to:</p> <ul style="list-style-type: none">•Control industrial processes locally or at remote locations•Monitor, gather, and process real-time data•Directly interact with devices such as sensors, valves, pumps, motors, and more through human-machine interface (HMI) software•Record events into a log file <p>VVWRA uses Ignition SCADA made by Inductive automation.</p>
CMMS	<p>CMMS stands for Computerized Maintenance Management System that receives, processes and stores reactionary and preventative maintenance work orders that are completed by staff to assure proper operations of the VVWRA assets.</p>

EXHIBIT B

Resolution 2022-06

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with 5% CPI
FY 2022-2023

CPI 5% Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
1	37,252.80	38,147.20	39,166.40	40,081.60	41,121.60	42,182.40	43,201.60	44,262.40	45,385.60	Annual
	3,104.40	3,178.93	3,263.87	3,340.13	3,426.80	3,515.20	3,600.13	3,688.53	3,782.13	Monthly
	17.91	18.34	18.83	19.27	19.77	20.28	20.77	21.28	21.82	Hourly
2	37,752.00	38,688.00	39,582.40	40,664.00	41,683.20	42,681.60	43,763.20	44,844.80	45,968.00	Annual
	3,146.00	3,224.00	3,298.53	3,388.67	3,473.60	3,556.80	3,646.93	3,737.07	3,830.67	Monthly
	18.15	18.60	19.03	19.55	20.04	20.52	21.04	21.56	22.10	Hourly
3	38,168.00	39,166.40	40,081.60	41,121.60	42,182.40	43,201.60	44,262.40	45,385.60	46,550.40	Annual
	3,180.67	3,263.87	3,340.13	3,426.80	3,515.20	3,600.13	3,688.53	3,782.13	3,879.20	Monthly
	18.35	18.83	19.27	19.77	20.28	20.77	21.28	21.82	22.38	Hourly
4	38,688.00	39,644.80	40,664.00	41,683.20	42,681.60	43,763.20	44,844.80	45,988.80	47,112.00	Annual
	3,224.00	3,303.73	3,388.67	3,473.60	3,556.80	3,646.93	3,737.07	3,832.40	3,926.00	Monthly
	18.60	19.06	19.55	20.04	20.52	21.04	21.56	22.11	22.65	Hourly
5	39,166.40	40,081.60	41,142.40	42,203.20	43,222.40	44,283.20	45,427.20	46,550.40	47,694.40	Annual
	3,263.87	3,340.13	3,428.53	3,516.93	3,601.87	3,690.27	3,785.60	3,879.20	3,974.53	Monthly
	18.83	19.27	19.78	20.29	20.78	21.29	21.84	22.38	22.93	Hourly
6	39,644.80	40,684.80	41,683.20	42,702.40	43,763.20	44,865.60	45,988.80	47,112.00	48,360.00	Annual
	3,303.73	3,390.40	3,473.60	3,558.53	3,646.93	3,738.80	3,832.40	3,926.00	4,030.00	Monthly
	19.06	19.56	20.04	20.53	21.04	21.57	22.11	22.65	23.25	Hourly
7	40,102.40	41,142.40	42,203.20	43,222.40	44,283.20	45,427.20	46,571.20	47,715.20	48,921.60	Annual
	3,341.87	3,428.53	3,516.93	3,601.87	3,690.27	3,785.60	3,880.93	3,976.27	4,076.80	Monthly
	19.28	19.78	20.29	20.78	21.29	21.84	22.39	22.94	23.52	Hourly
8	40,684.80	41,683.20	42,702.40	43,763.20	44,865.60	45,988.80	47,132.80	48,360.00	49,504.00	Annual
	3,390.40	3,473.60	3,558.53	3,646.93	3,738.80	3,832.40	3,927.73	4,030.00	4,125.33	Monthly
	19.56	20.04	20.53	21.04	21.57	22.11	22.66	23.25	23.80	Hourly
9	41,142.40	42,203.20	43,222.40	44,283.20	45,427.20	46,571.20	47,715.20	48,921.60	50,148.80	Annual
	3,428.53	3,516.93	3,601.87	3,690.27	3,785.60	3,880.93	3,976.27	4,076.80	4,179.07	Monthly
	19.78	20.29	20.78	21.29	21.84	22.39	22.94	23.52	24.11	Hourly
10	41,724.80	42,702.40	43,784.00	44,865.60	45,988.80	47,132.80	48,360.00	49,504.00	50,752.00	Annual
	3,477.07	3,558.53	3,648.67	3,738.80	3,832.40	3,927.73	4,030.00	4,125.33	4,229.33	Monthly
	20.06	20.53	21.05	21.57	22.11	22.66	23.25	23.80	24.40	Hourly
11	42,203.20	43,222.40	44,283.20	45,427.20	46,571.20	47,715.20	48,921.60	50,148.80	51,438.40	Annual
	3,516.93	3,601.87	3,690.27	3,785.60	3,880.93	3,976.27	4,076.80	4,179.07	4,286.53	Monthly
	20.29	20.78	21.29	21.84	22.39	22.94	23.52	24.11	24.73	Hourly
12	42,702.40	43,784.00	44,865.60	46,009.60	47,132.80	48,380.80	49,504.00	50,752.00	52,083.20	Annual
	3,558.53	3,648.67	3,738.80	3,834.13	3,927.73	4,031.73	4,125.33	4,229.33	4,340.27	Monthly
	20.53	21.05	21.57	22.12	22.66	23.26	23.80	24.40	25.04	Hourly
13	43,243.20	44,304.00	45,448.00	46,571.20	47,715.20	48,921.60	50,148.80	51,459.20	52,686.40	Annual
	3,603.60	3,692.00	3,787.33	3,880.93	3,976.27	4,076.80	4,179.07	4,288.27	4,390.53	Monthly
	20.79	21.30	21.85	22.39	22.94	23.52	24.11	24.74	25.33	Hourly
14	43,784.00	44,948.80	46,009.60	47,132.80	48,380.80	49,504.00	50,752.00	52,083.20	53,393.60	Annual
	3,648.67	3,745.73	3,834.13	3,927.73	4,031.73	4,125.33	4,229.33	4,340.27	4,449.47	Monthly
	21.05	21.61	22.12	22.66	23.26	23.80	24.40	25.04	25.67	Hourly
15	44,304.00	45,448.00	46,592.00	47,736.00	48,942.40	50,169.60	51,459.20	52,686.40	54,038.40	Annual
	3,692.00	3,787.33	3,882.67	3,978.00	4,078.53	4,180.80	4,288.27	4,390.53	4,503.20	Monthly
	21.30	21.85	22.40	22.95	23.53	24.12	24.74	25.33	25.98	Hourly
16	44,948.80	46,009.60	47,174.40	48,380.80	49,587.20	50,752.00	52,083.20	53,393.60	54,683.20	Annual
	3,745.73	3,834.13	3,931.20	4,031.73	4,132.27	4,229.33	4,340.27	4,449.47	4,556.93	Monthly
	21.61	22.12	22.68	23.26	23.84	24.40	25.04	25.67	26.29	Hourly
17	45,448.00	46,592.00	47,736.00	48,942.40	50,169.60	51,459.20	52,707.20	54,038.40	55,390.40	Annual
	3,787.33	3,882.67	3,978.00	4,078.53	4,180.80	4,288.27	4,392.27	4,503.20	4,615.87	Monthly
	21.85	22.40	22.95	23.53	24.12	24.74	25.34	25.98	26.63	Hourly
18	46,009.60	47,174.40	48,380.80	49,587.20	50,793.60	52,083.20	53,393.60	54,683.20	56,097.60	Annual
	3,834.13	3,931.20	4,031.73	4,132.27	4,232.80	4,340.27	4,449.47	4,556.93	4,674.80	Monthly
	22.12	22.68	23.26	23.84	24.42	25.04	25.67	26.29	26.97	Hourly
19	46,592.00	47,736.00	48,942.40	50,169.60	51,480.00	52,707.20	54,038.40	55,390.40	56,763.20	Annual
	3,882.67	3,978.00	4,078.53	4,180.80	4,290.00	4,392.27	4,503.20	4,615.87	4,730.27	Monthly
	22.40	22.95	23.53	24.12	24.75	25.34	25.98	26.63	27.29	Hourly
20	47,174.40	48,401.60	49,587.20	50,793.60	52,104.00	53,414.40	54,704.00	56,097.60	57,532.80	Annual
	3,931.20	4,033.47	4,132.27	4,232.80	4,342.00	4,451.20	4,558.67	4,674.80	4,794.40	Monthly
	22.68	23.27	23.84	24.42	25.05	25.68	26.30	26.97	27.66	Hourly
21	47,736.00	48,942.40	50,190.40	51,480.00	52,707.20	54,059.20	55,390.40	56,763.20	58,156.80	Annual
	3,978.00	4,078.53	4,182.53	4,290.00	4,392.27	4,504.93	4,615.87	4,730.27	4,846.40	Monthly
	22.95	23.53	24.13	24.75	25.34	25.99	26.63	27.29	27.96	Hourly
22	48,401.60	49,608.00	50,793.60	52,104.00	53,414.40	54,704.00	56,097.60	57,532.80	58,968.00	Annual
	4,033.47	4,134.00	4,232.80	4,342.00	4,451.20	4,558.67	4,674.80	4,794.40	4,914.00	Monthly
	23.27	23.85	24.42	25.05	25.68	26.30	26.97	27.66	28.35	Hourly
23	48,963.20	50,190.40	51,480.00	52,707.20	54,059.20	55,411.20	56,825.60	58,177.60	59,633.60	Annual
	4,080.27	4,182.53	4,290.00	4,392.27	4,504.93	4,617.60	4,735.47	4,848.13	4,969.47	Monthly
	23.54	24.13	24.75	25.34	25.99	26.64	27.32	27.97	28.67	Hourly
24	49,608.00	50,793.60	52,104.00	53,414.40	54,704.00	56,139.20	57,532.80	58,968.00	60,403.20	Annual
	4,134.00	4,232.80	4,342.00	4,451.20	4,558.67	4,678.27	4,794.40	4,914.00	5,033.60	Monthly
	23.85	24.42	25.05	25.68	26.30	26.99	27.66	28.35	29.04	Hourly
25	50,190.40	51,480.00	52,728.00	54,059.20	55,411.20	56,825.60	58,177.60	59,675.20	61,131.20	Annual
	4,182.53	4,290.00	4,394.00	4,504.93	4,617.60	4,735.47	4,848.13	4,972.93	5,094.27	Monthly
	24.13	24.75	25.35	25.99	26.64	27.32	27.97	28.69	29.39	Hourly

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with 5% CPI
FY 2022-2023

CPI 5% Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
26	50,814.40	52,124.80	53,414.40	54,724.80	56,139.20	57,532.80	58,968.00	60,403.20	61,963.20	Annual
	4,234.53	4,343.73	4,451.20	4,560.40	4,678.27	4,794.40	4,914.00	5,033.60	5,163.60	Monthly
	24.43	25.06	25.68	26.31	26.99	27.66	28.35	29.04	29.79	Hourly
27	51,500.80	52,728.00	54,080.00	55,411.20	56,825.60	58,177.60	59,675.20	61,172.80	62,732.80	Annual
	4,291.73	4,394.00	4,506.67	4,617.60	4,735.47	4,848.13	4,972.93	5,097.73	5,227.73	Monthly
	24.76	25.35	26.00	26.64	27.32	27.97	28.69	29.41	30.16	Hourly
28	52,124.80	53,435.20	54,724.80	56,139.20	57,553.60	58,988.80	60,424.00	61,963.20	63,440.00	Annual
	4,343.73	4,452.93	4,560.40	4,678.27	4,796.13	4,915.73	5,035.33	5,163.60	5,286.67	Monthly
	25.06	25.69	26.31	26.99	27.67	28.36	29.05	29.79	30.50	Hourly
29	52,728.00	54,080.00	55,432.00	56,846.40	58,240.00	59,675.20	61,172.80	62,732.80	64,313.60	Annual
	4,394.00	4,506.67	4,619.33	4,737.20	4,853.33	4,972.93	5,097.73	5,227.73	5,359.47	Monthly
	25.35	26.00	26.65	27.33	28.00	28.69	29.41	30.16	30.92	Hourly
30	53,435.20	54,724.80	56,160.00	57,553.60	58,988.80	60,424.00	61,984.00	63,440.00	65,104.00	Annual
	4,452.93	4,560.40	4,680.00	4,796.13	4,915.73	5,035.33	5,165.33	5,286.67	5,425.33	Monthly
	25.69	26.31	27.00	27.67	28.36	29.05	29.80	30.50	31.30	Hourly
31	54,080.00	55,432.00	56,846.40	58,240.00	59,675.20	61,172.80	62,732.80	64,313.60	65,894.40	Annual
	4,506.67	4,619.33	4,737.20	4,853.33	4,972.93	5,097.73	5,227.73	5,359.47	5,491.20	Monthly
	26.00	26.65	27.33	28.00	28.69	29.41	30.16	30.92	31.68	Hourly
32	54,745.60	56,160.00	57,553.60	58,988.80	60,424.00	61,984.00	63,481.60	65,104.00	66,726.40	Annual
	4,562.13	4,680.00	4,796.13	4,915.73	5,035.33	5,165.33	5,290.13	5,425.33	5,560.53	Monthly
	26.32	27.00	27.67	28.36	29.05	29.80	30.52	31.30	32.08	Hourly
33	55,432.00	56,846.40	58,240.00	59,696.00	61,214.40	62,753.60	64,313.60	65,894.40	67,579.20	Annual
	4,619.33	4,737.20	4,853.33	4,974.67	5,101.20	5,229.47	5,359.47	5,491.20	5,631.60	Monthly
	26.65	27.33	28.00	28.70	29.43	30.17	30.92	31.68	32.49	Hourly
34	56,160.00	57,574.40	59,009.60	60,444.80	61,984.00	63,481.60	65,104.00	66,726.40	68,432.00	Annual
	4,680.00	4,797.87	4,917.47	5,037.07	5,165.33	5,290.13	5,425.33	5,560.53	5,702.67	Monthly
	27.00	27.68	28.37	29.06	29.80	30.52	31.30	32.08	32.90	Hourly
35	56,846.40	58,260.80	59,696.00	61,214.40	62,753.60	64,334.40	65,915.20	67,579.20	69,284.80	Annual
	4,737.20	4,855.07	4,974.67	5,101.20	5,229.47	5,361.20	5,492.93	5,631.60	5,773.73	Monthly
	27.33	28.01	28.70	29.43	30.17	30.93	31.69	32.49	33.31	Hourly
36	57,574.40	59,009.60	60,444.80	62,004.80	63,481.60	65,124.80	66,726.40	68,432.00	70,137.60	Annual
	4,797.87	4,917.47	5,037.07	5,167.07	5,290.13	5,427.07	5,560.53	5,702.67	5,844.80	Monthly
	27.68	28.37	29.06	29.81	30.52	31.31	32.08	32.90	33.72	Hourly
37	58,260.80	59,696.00	61,214.40	62,753.60	64,334.40	65,915.20	67,579.20	69,284.80	71,011.20	Annual
	4,855.07	4,974.67	5,101.20	5,229.47	5,361.20	5,492.93	5,631.60	5,773.73	5,917.60	Monthly
	28.01	28.70	29.43	30.17	30.93	31.69	32.49	33.31	34.14	Hourly
38	59,009.60	60,444.80	62,004.80	63,502.40	65,124.80	66,747.20	68,452.80	70,137.60	71,864.00	Annual
	4,917.47	5,037.07	5,167.07	5,291.87	5,427.07	5,562.27	5,704.40	5,844.80	5,988.67	Monthly
	28.37	29.06	29.81	30.53	31.31	32.09	32.91	33.72	34.55	Hourly
39	59,716.80	61,256.00	62,795.20	64,334.40	65,915.20	67,600.00	69,305.60	71,011.20	72,779.20	Annual
	4,976.40	5,104.67	5,232.93	5,361.20	5,492.93	5,633.33	5,775.47	5,917.60	6,064.93	Monthly
	28.71	29.45	30.19	30.93	31.69	32.50	33.32	34.14	34.99	Hourly
40	60,465.60	62,004.80	63,502.40	65,124.80	66,747.20	68,452.80	70,158.40	71,864.00	73,694.40	Annual
	5,038.80	5,167.07	5,291.87	5,427.07	5,562.27	5,704.40	5,846.53	5,988.67	6,141.20	Monthly
	29.07	29.81	30.53	31.31	32.09	32.91	33.73	34.55	35.43	Hourly
41	61,256.00	62,795.20	64,355.20	65,956.80	67,600.00	69,305.60	71,011.20	72,779.20	74,568.00	Annual
	5,104.67	5,232.93	5,362.93	5,496.40	5,633.33	5,775.47	5,917.60	6,064.93	6,214.00	Monthly
	29.45	30.19	30.94	31.71	32.50	33.32	34.14	34.99	35.85	Hourly
42	62,025.60	63,502.40	65,145.60	66,747.20	68,473.60	70,158.40	71,864.00	73,694.40	75,545.60	Annual
	5,168.80	5,291.87	5,428.80	5,562.27	5,706.13	5,846.53	5,988.67	6,141.20	6,295.47	Monthly
	29.82	30.53	31.32	32.09	32.92	33.73	34.55	35.43	36.32	Hourly
43	62,795.20	64,355.20	65,956.80	67,600.00	69,305.60	71,032.00	72,800.00	74,568.00	76,481.60	Annual
	5,232.93	5,362.93	5,496.40	5,633.33	5,775.47	5,919.33	6,066.67	6,214.00	6,373.47	Monthly
	30.19	30.94	31.71	32.50	33.32	34.15	35.00	35.85	36.77	Hourly
44	63,523.20	65,145.60	66,768.00	68,473.60	70,220.80	71,905.60	73,715.20	75,545.60	77,438.40	Annual
	5,293.60	5,428.80	5,564.00	5,706.13	5,851.73	5,992.13	6,142.93	6,295.47	6,453.20	Monthly
	30.54	31.32	32.10	32.92	33.76	34.57	35.44	36.32	37.23	Hourly
45	64,355.20	65,956.80	67,620.80	69,347.20	71,032.00	72,800.00	74,609.60	76,481.60	78,436.80	Annual
	5,362.93	5,496.40	5,635.07	5,778.93	5,919.33	6,066.67	6,217.47	6,373.47	6,536.40	Monthly
	30.94	31.71	32.51	33.34	34.15	35.00	35.87	36.77	37.71	Hourly
46	65,145.60	66,768.00	68,473.60	70,220.80	71,905.60	73,715.20	75,545.60	77,438.40	79,372.80	Annual
	5,428.80	5,564.00	5,706.13	5,851.73	5,992.13	6,142.93	6,295.47	6,453.20	6,614.40	Monthly
	31.32	32.10	32.92	33.76	34.57	35.44	36.32	37.23	38.16	Hourly
47	65,977.60	67,620.80	69,347.20	71,052.80	72,820.80	74,609.60	76,481.60	78,436.80	80,371.20	Annual
	5,498.13	5,635.07	5,778.93	5,921.07	6,068.40	6,217.47	6,373.47	6,536.40	6,697.60	Monthly
	31.72	32.51	33.34	34.16	35.01	35.87	36.77	37.71	38.64	Hourly
48	66,768.00	68,494.40	70,220.80	71,947.20	73,715.20	75,566.40	77,459.20	79,393.60	81,369.60	Annual
	5,564.00	5,707.87	5,851.73	5,995.60	6,142.93	6,297.20	6,454.93	6,616.13	6,780.80	Monthly
	32.10	32.93	33.76	34.59	35.44	36.33	37.24	38.17	39.12	Hourly
49	67,641.60	69,347.20	71,052.80	72,820.80	74,651.20	76,502.40	78,457.60	80,371.20	82,409.60	Annual
	5,636.80	5,778.93	5,921.07	6,068.40	6,220.93	6,375.20	6,538.13	6,697.60	6,867.47	Monthly
	32.52	33.34	34.16	35.01	35.89	36.78	37.72	38.64	39.62	Hourly
50	68,494.40	70,241.60	71,947.20	73,736.00	75,566.40	77,459.20	79,393.60	81,411.20	83,428.80	Annual
	5,707.87	5,853.47	5,995.60	6,144.67	6,297.20	6,454.93	6,616.13	6,784.27	6,952.40	Monthly
	32.93	33.77	34.59	35.45	36.33	37.24	38.17	39.14	40.11	Hourly

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with 5% CPI
FY 2022-2023

CPI 5% Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
51	69,368.00	71,052.80	72,820.80	74,651.20	76,502.40	78,457.60	80,392.00	82,409.60	84,489.60	Annual
	5,780.67	5,921.07	6,068.40	6,220.93	6,375.20	6,538.13	6,699.33	6,867.47	7,040.80	Monthly
	33.35	34.16	35.01	35.89	36.78	37.72	38.65	39.62	40.62	Hourly
52	70,241.60	71,947.20	73,736.00	75,587.20	77,480.00	79,414.40	81,411.20	83,449.60	85,529.60	Annual
	5,853.47	5,995.60	6,144.67	6,298.93	6,456.67	6,617.87	6,784.27	6,954.13	7,127.47	Monthly
	33.77	34.59	35.45	36.34	37.25	38.18	39.14	40.12	41.12	Hourly
53	71,073.60	72,841.60	74,651.20	76,544.00	78,499.20	80,392.00	82,430.40	84,489.60	86,632.00	Annual
	5,922.80	6,070.13	6,220.93	6,378.67	6,541.60	6,699.33	6,869.20	7,040.80	7,219.33	Monthly
	34.17	35.02	35.89	36.80	37.74	38.65	39.63	40.62	41.65	Hourly
54	71,968.00	73,756.80	75,587.20	77,480.00	79,414.40	81,432.00	83,449.60	85,529.60	87,692.80	Annual
	5,997.33	6,146.40	6,298.93	6,456.67	6,617.87	6,786.00	6,954.13	7,127.47	7,307.73	Monthly
	34.60	35.46	36.34	37.25	38.18	39.15	40.12	41.12	42.16	Hourly
55	72,841.60	74,672.00	76,544.00	78,499.20	80,433.60	82,430.40	84,531.20	86,652.80	88,774.40	Annual
	6,070.13	6,222.67	6,378.67	6,541.60	6,702.80	6,869.20	7,044.27	7,221.07	7,397.87	Monthly
	35.02	35.90	36.80	37.74	38.67	39.63	40.64	41.66	42.68	Hourly
56	73,756.80	75,587.20	77,500.80	79,414.40	81,432.00	83,449.60	85,550.40	87,713.60	89,897.60	Annual
	6,146.40	6,298.93	6,458.40	6,617.87	6,786.00	6,954.13	7,129.20	7,309.47	7,491.47	Monthly
	35.46	36.34	37.26	38.18	39.15	40.12	41.13	42.17	43.22	Hourly
57	74,672.00	76,564.80	78,520.00	80,433.60	82,451.20	84,531.20	86,652.80	88,774.40	91,000.00	Annual
	6,222.67	6,380.40	6,543.33	6,702.80	6,870.93	7,044.27	7,221.07	7,397.87	7,583.33	Monthly
	35.90	36.81	37.75	38.67	39.64	40.64	41.66	42.68	43.75	Hourly
58	75,608.00	77,500.80	79,435.20	81,432.00	83,470.40	85,550.40	87,713.60	89,897.60	92,185.60	Annual
	6,300.67	6,458.40	6,619.60	6,786.00	6,955.87	7,129.20	7,309.47	7,491.47	7,682.13	Monthly
	36.35	37.26	38.19	39.15	40.13	41.13	42.17	43.22	44.32	Hourly
59	76,564.80	78,520.00	80,454.40	82,451.20	84,531.20	86,673.60	88,816.00	91,041.60	93,308.80	Annual
	6,380.40	6,543.33	6,704.53	6,870.93	7,044.27	7,222.80	7,401.33	7,586.80	7,775.73	Monthly
	36.81	37.75	38.68	39.64	40.64	41.67	42.70	43.77	44.86	Hourly
60	77,500.80	79,435.20	81,473.60	83,470.40	85,612.80	87,734.40	89,918.40	92,206.40	94,494.40	Annual
	6,458.40	6,619.60	6,789.47	6,955.87	7,134.40	7,311.20	7,493.20	7,683.87	7,874.53	Monthly
	37.26	38.19	39.17	40.13	41.16	42.18	43.23	44.33	45.43	Hourly
61	78,520.00	80,454.40	82,472.00	84,552.00	86,673.60	88,816.00	91,041.60	93,308.80	95,659.20	Annual
	6,543.33	6,704.53	6,872.67	7,046.00	7,222.80	7,401.33	7,586.80	7,775.73	7,971.60	Monthly
	37.75	38.68	39.65	40.65	41.67	42.70	43.77	44.86	45.99	Hourly
62	79,456.00	81,473.60	83,491.20	85,612.80	87,734.40	89,918.40	92,206.40	94,494.40	96,824.00	Annual
	6,621.33	6,789.47	6,957.60	7,134.40	7,311.20	7,493.20	7,683.87	7,874.53	8,068.67	Monthly
	38.20	39.17	40.14	41.16	42.18	43.23	44.33	45.43	46.55	Hourly
63	80,496.00	82,472.00	84,552.00	86,715.20	88,857.60	91,083.20	93,350.40	95,680.00	98,009.60	Annual
	6,708.00	6,872.67	7,046.00	7,226.27	7,404.80	7,590.27	7,779.20	7,973.33	8,167.47	Monthly
	38.70	39.65	40.65	41.69	42.72	43.79	44.88	46.00	47.12	Hourly
64	81,515.20	83,491.20	85,654.40	87,755.20	89,939.20	92,248.00	94,515.20	96,865.60	99,278.40	Annual
	6,792.93	6,957.60	7,137.87	7,312.93	7,494.93	7,687.33	7,876.27	8,072.13	8,273.20	Monthly
	39.19	40.14	41.18	42.19	43.24	44.35	45.44	46.57	47.73	Hourly
65	82,492.80	84,572.80	86,715.20	88,857.60	91,083.20	93,350.40	95,680.00	98,092.80	100,526.40	Annual
	6,874.40	7,047.73	7,226.27	7,404.80	7,590.27	7,779.20	7,973.33	8,174.40	8,377.20	Monthly
	39.66	40.66	41.69	42.72	43.79	44.88	46.00	47.16	48.33	Hourly
66	83,532.80	85,654.40	87,755.20	89,939.20	92,248.00	94,515.20	96,928.00	99,299.20	101,795.20	Annual
	6,961.07	7,137.87	7,312.93	7,494.93	7,687.33	7,876.27	8,077.33	8,274.93	8,482.93	Monthly
	40.16	41.18	42.19	43.24	44.35	45.44	46.60	47.74	48.94	Hourly
67	84,572.80	86,736.00	88,999.20	91,104.00	93,371.20	95,700.80	98,092.80	100,547.20	103,043.20	Annual
	7,047.73	7,228.00	7,408.27	7,592.00	7,780.93	7,975.07	8,174.40	8,378.93	8,586.93	Monthly
	40.66	41.70	42.74	43.80	44.89	46.01	47.16	48.34	49.54	Hourly
68	85,654.40	87,776.00	89,960.00	92,268.80	94,577.60	96,928.00	99,299.20	101,816.00	104,332.80	Annual
	7,137.87	7,314.67	7,496.67	7,689.07	7,881.47	8,077.33	8,274.93	8,484.67	8,694.40	Monthly
	41.18	42.20	43.25	44.36	45.47	46.60	47.74	48.95	50.16	Hourly
69	86,736.00	88,999.20	91,104.00	93,371.20	95,700.80	98,113.60	100,547.20	103,084.80	105,684.80	Annual
	7,228.00	7,408.27	7,592.00	7,780.93	7,975.07	8,176.13	8,378.93	8,590.40	8,807.07	Monthly
	41.70	42.74	43.80	44.89	46.01	47.17	48.34	49.56	50.81	Hourly
70	87,776.00	89,960.00	92,268.80	94,577.60	96,948.80	99,340.80	101,816.00	104,332.80	106,953.60	Annual
	7,314.67	7,496.67	7,689.07	7,881.47	8,079.07	8,278.40	8,484.67	8,694.40	8,912.80	Monthly
	42.20	43.25	44.36	45.47	46.61	47.76	48.95	50.16	51.42	Hourly
71	88,920.00	91,124.80	93,392.00	95,721.60	98,113.60	100,568.00	103,084.80	105,684.80	108,326.40	Annual
	7,410.00	7,593.73	7,782.67	7,976.80	8,176.13	8,380.67	8,590.40	8,807.07	9,027.20	Monthly
	42.75	43.81	44.90	46.02	47.17	48.35	49.56	50.81	52.08	Hourly
72	90,001.60	92,289.60	94,598.40	96,948.80	99,340.80	101,836.80	104,353.60	106,974.40	109,657.60	Annual
	7,500.13	7,690.80	7,883.20	8,079.07	8,278.40	8,486.40	8,696.13	8,914.53	9,138.13	Monthly
	43.27	44.37	45.48	46.61	47.76	48.96	50.17	51.43	52.72	Hourly
73	91,124.80	93,392.00	95,742.40	98,134.40	100,568.00	103,105.60	105,705.60	108,347.20	111,051.20	Annual
	7,593.73	7,782.67	7,978.53	8,177.87	8,380.67	8,592.13	8,808.80	9,028.93	9,254.27	Monthly
	43.81	44.90	46.03	47.18	48.35	49.57	50.82	52.09	53.39	Hourly
74	92,289.60	94,598.40	96,969.60	99,382.40	101,857.60	104,353.60	106,974.40	109,678.40	112,424.00	Annual
	7,690.80	7,883.20	8,080.80	8,281.87	8,488.13	8,696.13	8,914.53	9,139.87	9,368.67	Monthly
	44.37	45.48	46.62	47.78	48.97	50.17	51.43	52.73	54.05	Hourly
75	93,412.80	95,742.40	98,134.40	100,588.80	103,105.60	105,705.60	108,388.80	111,051.20	113,755.20	Annual
	7,784.40	7,978.53	8,177.87	8,382.40	8,592.13	8,808.80	9,032.40	9,254.27	9,479.60	Monthly
	44.91	46.03	47.18	48.36	49.57	50.82	52.11	53.39	54.69	Hourly

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with 5% CPI
FY 2022-2023

CPI 5% Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E		
	76	94,640.00	96,969.60	99,424.00	101,857.60	104,374.40	106,995.20	109,678.40	112,424.00	115,252.80	Annual
		7,886.67	8,080.80	8,285.33	8,488.13	8,697.87	8,916.27	9,139.87	9,368.67	9,604.40	Monthly
		45.50	46.62	47.80	48.97	50.18	51.44	52.73	54.05	55.41	Hourly
	77	95,763.20	98,176.00	100,588.80	103,126.40	105,726.40	108,388.80	111,072.00	113,817.60	116,688.00	Annual
		7,980.27	8,181.33	8,382.40	8,593.87	8,810.53	9,032.40	9,256.00	9,484.80	9,724.00	Monthly
		46.04	47.20	48.36	49.58	50.83	52.11	53.40	54.72	56.10	Hourly
	78	96,990.40	99,424.00	101,878.40	104,374.40	107,016.00	109,699.20	112,444.80	115,294.40	118,185.60	Annual
		8,082.53	8,285.33	8,489.87	8,697.87	8,918.00	9,141.60	9,370.40	9,607.87	9,848.80	Monthly
		46.63	47.80	48.98	50.18	51.45	52.74	54.06	55.43	56.82	Hourly
	79	98,176.00	100,609.60	103,168.00	105,726.40	108,409.60	111,072.00	113,817.60	116,708.80	119,620.80	Annual
		8,181.33	8,384.13	8,597.33	8,810.53	9,034.13	9,256.00	9,484.80	9,725.73	9,968.40	Monthly
		47.20	48.37	49.60	50.83	52.12	53.40	54.72	56.11	57.51	Hourly
	80	99,444.80	101,878.40	104,395.20	107,016.00	109,720.00	112,444.80	115,315.20	118,206.40	121,139.20	Annual
		8,287.07	8,489.87	8,699.60	8,918.00	9,143.33	9,370.40	9,609.60	9,850.53	10,094.93	Monthly
		47.81	48.98	50.19	51.45	52.75	54.06	55.44	56.83	58.24	Hourly
	81	100,609.60	103,168.00	105,747.20	108,409.60	111,113.60	113,859.20	116,729.60	119,641.60	122,636.80	Annual
		8,384.13	8,597.33	8,812.27	9,034.13	9,259.47	9,488.27	9,727.47	9,970.13	10,219.73	Monthly
		48.37	49.60	50.84	52.12	53.42	54.74	56.12	57.52	58.96	Hourly
	82	101,920.00	104,436.80	107,036.80	109,720.00	112,486.40	115,315.20	118,206.40	121,180.80	124,176.00	Annual
		8,493.33	8,703.07	8,919.73	9,143.33	9,373.87	9,609.60	9,850.53	10,098.40	10,348.00	Monthly
		49.00	50.21	51.46	52.75	54.08	55.44	56.83	58.26	59.70	Hourly
	83	103,188.80	105,768.00	108,430.40	111,134.40	113,880.00	116,729.60	119,641.60	122,636.80	125,736.00	Annual
		8,599.07	8,814.00	9,035.87	9,261.20	9,490.00	9,727.47	9,970.13	10,219.73	10,478.00	Monthly
		49.61	50.85	52.13	53.43	54.75	56.12	57.52	58.96	60.45	Hourly
	84	104,436.80	107,036.80	109,740.80	112,507.20	115,336.00	118,227.20	121,180.80	124,196.80	127,275.20	Annual
		8,703.07	8,919.73	9,145.07	9,375.60	9,611.33	9,852.27	10,098.40	10,349.73	10,606.27	Monthly
		50.21	51.46	52.76	54.09	55.45	56.84	58.26	59.71	61.19	Hourly
	85	105,768.00	108,451.20	111,134.40	113,880.00	116,750.40	119,662.40	122,657.60	125,777.60	128,918.40	Annual
		8,814.00	9,037.60	9,261.20	9,490.00	9,729.20	9,971.87	10,221.47	10,481.47	10,743.20	Monthly
		50.85	52.14	53.43	54.75	56.13	57.53	58.97	60.47	61.98	Hourly
	86	107,057.60	109,740.80	112,507.20	115,356.80	118,268.80	121,222.40	124,196.80	127,296.00	130,499.20	Annual
		8,921.47	9,145.07	9,375.60	9,613.07	9,855.73	10,101.87	10,349.73	10,608.00	10,874.93	Monthly
		51.47	52.76	54.09	55.46	56.86	58.28	59.71	61.20	62.74	Hourly
	87	108,451.20	111,176.00	113,900.80	116,771.20	119,683.20	122,699.20	125,777.60	128,939.20	132,163.20	Annual
		9,037.60	9,264.67	9,491.73	9,730.93	9,973.60	10,224.93	10,481.47	10,744.93	11,013.60	Monthly
		52.14	53.45	54.76	56.14	57.54	58.99	60.47	61.99	63.54	Hourly
	88	109,761.60	112,528.00	115,356.80	118,268.80	121,243.20	124,217.60	127,337.60	130,520.00	133,764.80	Annual
		9,146.80	9,377.33	9,613.07	9,855.73	10,103.60	10,351.47	10,611.47	10,876.67	11,147.07	Monthly
		52.77	54.10	55.46	56.86	58.29	59.72	61.22	62.75	64.31	Hourly
	89	111,176.00	113,921.60	116,771.20	119,683.20	122,699.20	125,798.40	128,939.20	132,163.20	135,470.40	Annual
		9,264.67	9,493.47	9,730.93	9,973.60	10,224.93	10,483.20	10,744.93	11,013.60	11,289.20	Monthly
		53.45	54.77	56.14	57.54	58.99	60.48	61.99	63.54	65.13	Hourly
	90	112,528.00	115,377.60	118,310.40	121,243.20	124,238.40	127,358.40	130,520.00	133,785.60	137,092.80	Annual
		9,377.33	9,614.80	9,859.20	10,103.60	10,353.20	10,613.20	10,876.67	11,148.80	11,424.40	Monthly
		54.10	55.47	56.88	58.29	59.73	61.23	62.75	64.32	65.91	Hourly
	91	113,921.60	116,792.00	119,704.00	122,740.80	125,819.20	128,960.00	132,184.00	135,491.20	138,840.00	Annual
		9,493.47	9,732.67	9,975.33	10,228.40	10,484.93	10,746.67	11,015.33	11,290.93	11,570.00	Monthly
		54.77	56.15	57.55	59.01	60.49	62.00	63.55	65.14	66.75	Hourly
	92	115,398.40	118,331.20	121,264.00	124,238.40	127,358.40	130,540.80	133,806.40	137,113.60	140,608.00	Annual
		9,616.53	9,860.93	10,105.33	10,353.20	10,613.20	10,878.40	11,150.53	11,426.13	11,717.33	Monthly
		55.48	56.89	58.30	59.73	61.23	62.76	64.33	65.92	67.60	Hourly
	93	116,812.80	119,724.80	122,761.60	125,819.20	128,980.80	132,204.80	135,512.00	138,881.60	142,313.60	Annual
		9,734.40	9,977.07	10,230.13	10,484.93	10,748.40	11,017.07	11,292.67	11,573.47	11,859.47	Monthly
		56.16	57.56	59.02	60.49	62.01	63.56	65.15	66.77	68.42	Hourly
	94	118,331.20	121,284.80	124,280.00	127,379.20	130,561.60	133,806.40	137,134.40	140,628.80	144,123.20	Annual
		9,860.93	10,107.07	10,356.67	10,614.93	10,880.13	11,150.53	11,427.87	11,719.07	12,010.27	Monthly
		56.89	58.31	59.75	61.24	62.77	64.33	65.93	67.61	69.29	Hourly
	95	119,724.80	122,761.60	125,840.00	128,980.80	132,267.20	135,553.60	138,923.20	142,334.40	145,932.80	Annual
		9,977.07	10,230.13	10,486.67	10,748.40	11,022.27	11,296.13	11,576.93	11,861.20	12,151.00	Monthly
		57.56	59.02	60.50	62.01	63.59	65.17	66.79	68.43	70.16	Hourly
	96	121,284.80	124,300.80	127,420.80	130,561.60	133,827.20	137,155.20	140,628.80	144,144.00	147,742.40	Annual
		10,107.07	10,358.40	10,618.40	10,880.13	11,152.27	11,429.60	11,719.07	12,012.00	12,311.87	Monthly
		58.31	59.76	61.26	62.77	64.34	65.94	67.61	69.30	71.03	Hourly
	97	122,782.40	125,860.80	129,001.60	132,267.20	135,553.60	138,944.00	142,355.20	145,953.60	149,635.20	Annual
		10,231.87	10,488.40	10,750.13	11,022.27	11,296.13	11,578.67	11,862.93	12,152.80	12,449.60	Monthly
		59.03	60.51	62.02	63.59	65.17	66.80	68.44	70.17	71.94	Hourly
	98	124,300.80	127,420.80	130,582.40	133,848.00	137,155.20	140,649.60	144,164.80	147,763.20	151,528.00	Annual
		10,358.40	10,618.40	10,881.87	11,154.00	11,429.60	11,720.80	12,013.73	12,313.60	12,627.33	Monthly
		59.76	61.26	62.78	64.35	65.94	67.62	69.31	71.04	72.85	Hourly
	99	125,860.80	129,022.40	132,288.00	135,574.40	138,944.00	142,355.20	145,974.40	149,656.00	153,337.60	Annual
		10,488.40	10,751.87	11,024.00	11,297.87	11,578.67	11,862.93	12,154.53	12,447.33	12,741.13	Monthly
		60.51	62.03	63.60	65.18	66.80	68.44	70.18	71.95	73.72	Hourly
	100	127,462.40	130,603.20	133,889.60	137,259.20	140,670.40	144,185.60	147,784.00	151,548.80	155,313.60	Annual
		10,621.87	10,883.60	11,157.47	11,438.27	11,722.53	12,015.47	12,315.33	12,629.07	12,942.80	Monthly
		61.28	62.79	64.37	65.99	67.63	69.32	71.05	72.86	74.67	Hourly

Victor Valley Wastewater RECLATION AUTHORITY
SALARY SCHEDULE with 5% CPI
FY 2022-2023

CPI 5% Range	Step A	Step A1	Step B	Step B1	Step C	Step C1	Step D	Step D1	Step E	
101	129,022.40	132,329.60	135,595.20	138,964.80	142,417.60	146,016.00	149,676.80	153,420.80	157,206.40	Annual
	10,751.87	11,027.47	11,299.60	11,580.40	11,868.13	12,168.00	12,473.07	12,785.07	13,100.53	Monthly
	62.03	63.62	65.19	66.81	68.47	70.20	71.96	73.76	75.58	Hourly
102	130,644.80	133,889.60	137,300.80	140,691.20	144,185.60	147,784.00	151,569.60	155,376.00	159,224.00	Annual
	10,887.07	11,157.47	11,441.73	11,724.27	12,015.47	12,315.33	12,630.80	12,948.00	13,268.67	Monthly
	62.81	64.37	66.01	67.64	69.32	71.05	72.87	74.70	76.55	Hourly
103	132,329.60	135,636.80	138,985.60	142,438.40	146,016.00	149,697.60	153,441.60	157,227.20	161,158.40	Annual
	11,027.47	11,303.07	11,582.13	11,869.87	12,168.00	12,474.80	12,786.80	13,102.27	13,429.87	Monthly
	63.62	65.21	66.82	68.48	70.20	71.97	73.77	75.59	77.48	Hourly
104	133,910.40	137,321.60	140,691.20	144,206.40	147,804.80	151,569.60	155,396.80	159,244.80	163,217.60	Annual
	11,159.20	11,443.47	11,724.27	12,017.20	12,317.07	12,630.80	12,949.73	13,270.40	13,601.47	Monthly
	64.38	66.02	67.64	69.33	71.06	72.87	74.71	76.56	78.47	Hourly
105	135,636.80	139,006.40	142,480.00	146,036.80	149,718.40	153,462.40	157,248.00	161,179.20	165,256.00	Annual
	11,303.07	11,583.87	11,873.33	12,169.73	12,476.53	12,788.53	13,104.00	13,431.60	13,771.33	Monthly
	65.21	66.83	68.50	70.21	71.98	73.78	75.60	77.49	79.45	Hourly
106	137,321.60	140,732.80	144,227.20	147,825.60	151,590.40	155,417.60	159,286.40	163,238.40	167,294.40	Annual
	11,443.47	11,727.73	12,018.93	12,318.80	12,632.53	12,951.47	13,273.87	13,603.20	13,941.20	Monthly
	66.02	67.66	69.34	71.07	72.88	74.72	76.58	78.48	80.43	Hourly
107	139,006.40	142,500.80	146,057.60	149,739.20	153,462.40	157,310.40	161,179.20	165,276.80	169,374.40	Annual
	11,583.87	11,875.07	12,171.47	12,478.27	12,788.53	13,109.20	13,431.60	13,773.07	14,114.53	Monthly
	66.83	68.51	70.22	71.99	73.78	75.63	77.49	79.46	81.43	Hourly
108	140,753.60	144,289.60	147,867.20	151,611.20	155,438.40	159,307.20	163,259.20	167,315.20	171,537.60	Annual
	11,729.47	12,024.13	12,322.27	12,634.27	12,953.20	13,275.60	13,604.93	13,942.93	14,294.80	Monthly
	67.67	69.37	71.09	72.89	74.73	76.59	78.49	80.44	82.47	Hourly
109	142,500.80	146,078.40	149,739.20	153,483.20	157,331.20	161,220.80	165,297.60	169,395.20	173,638.40	Annual
	11,875.07	12,173.20	12,478.27	12,790.27	13,110.93	13,435.07	13,774.80	14,116.27	14,469.87	Monthly
	68.51	70.23	71.99	73.79	75.64	77.51	79.47	81.44	83.48	Hourly
110	144,372.80	147,888.00	151,632.00	155,438.40	159,307.20	163,280.00	167,336.00	171,579.20	175,864.00	Annual
	12,031.07	12,324.00	12,636.00	12,953.20	13,275.60	13,606.67	13,944.67	14,298.27	14,655.33	Monthly
	69.41	71.10	72.90	74.73	76.59	78.50	80.45	82.49	84.55	Hourly
111	146,120.00	149,760.00	153,504.00	157,331.20	161,262.40	165,339.20	169,395.20	173,659.20	178,048.00	Annual
	12,176.67	12,480.00	12,792.00	13,110.93	13,438.53	13,778.27	14,116.27	14,471.60	14,837.33	Monthly
	70.25	72.00	73.80	75.64	77.53	79.49	81.44	83.49	85.60	Hourly
112	147,888.00	151,652.80	155,459.20	159,348.80	163,300.80	167,356.80	171,600.00	175,884.80	180,211.20	Annual
	12,324.00	12,637.73	12,954.93	13,279.07	13,608.40	13,946.40	14,300.00	14,657.07	15,017.60	Monthly
	71.10	72.91	74.74	76.61	78.51	80.46	82.50	84.56	86.64	Hourly
113	149,780.80	153,545.60	157,372.80	161,283.20	165,339.20	169,436.80	173,680.00	178,089.60	182,540.80	Annual
	12,481.73	12,795.47	13,114.40	13,440.27	13,778.27	14,119.73	14,473.33	14,840.80	15,211.73	Monthly
	72.01	73.82	75.66	77.54	79.49	81.46	83.50	85.62	87.76	Hourly
114	151,673.60	155,480.00	159,390.40	163,321.60	167,377.60	171,620.80	175,905.60	180,232.00	184,787.20	Annual
	12,639.47	12,956.67	13,282.53	13,610.13	13,948.13	14,301.73	14,658.80	15,019.33	15,398.93	Monthly
	72.92	74.75	76.63	78.52	80.47	82.51	84.57	86.65	88.84	Hourly
115	153,608.00	157,393.60	161,304.00	165,360.00	169,478.40	173,721.60	178,131.20	182,561.60	187,096.00	Annual
	12,800.67	13,116.13	13,442.00	13,780.00	14,123.20	14,476.80	14,844.27	15,213.47	15,591.33	Monthly
	73.85	75.67	77.55	79.50	81.48	83.52	85.64	87.77	89.95	Hourly
116	155,500.80	159,411.20	163,342.40	167,419.20	171,641.60	175,926.40	180,273.60	184,808.00	189,425.60	Annual
	12,958.40	13,284.27	13,611.87	13,951.60	14,303.47	14,660.53	15,022.80	15,400.67	15,785.47	Monthly
	74.76	76.64	78.53	80.49	82.52	84.58	86.67	88.85	91.07	Hourly
117	157,414.40	161,345.60	165,380.80	169,499.20	173,763.20	178,152.00	182,582.40	187,116.80	191,838.40	Annual
	13,117.87	13,445.47	13,781.73	14,124.93	14,480.27	14,846.00	15,215.20	15,593.07	15,986.53	Monthly
	75.68	77.57	79.51	81.49	83.54	85.65	87.78	89.96	92.23	Hourly
118	159,432.00	163,363.20	167,440.00	171,662.40	175,947.20	180,294.40	184,828.80	189,446.40	194,168.00	Annual
	13,286.00	13,613.60	13,953.33	14,305.20	14,662.27	15,024.53	15,402.40	15,787.20	16,180.67	Monthly
	76.65	78.54	80.50	82.53	84.59	86.68	88.86	91.08	93.35	Hourly
119	161,408.00	165,422.40	169,561.60	173,784.00	178,172.80	182,603.20	187,179.20	191,859.20	196,622.40	Annual
	13,450.67	13,785.20	14,130.13	14,482.00	14,847.73	15,216.93	15,598.27	15,988.27	16,385.20	Monthly
	77.60	79.53	81.52	83.55	85.66	87.79	89.99	92.24	94.53	Hourly
120	163,363.20	167,460.80	171,683.20	175,968.00	180,356.80	184,849.60	189,467.20	194,209.60	199,076.80	Annual
	13,613.60	13,955.07	14,306.93	14,664.00	15,029.73	15,404.13	15,788.93	16,184.13	16,589.73	Monthly
	78.54	80.51	82.54	84.60	86.71	88.87	91.09	93.37	95.71	Hourly



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DP*
SUBMITTED BY: Robert Coromina, Director of Administration
DATE: June 23, 2022
SUBJECT: APPROVAL OF VVWRA EMPLOYEES ASSOCIATION MOU, (MEMORANDUM OR UNDERSTANDING) AND CORRESPONDING WAGE AND BENEFIT ADJUSTMENTS FOR CERTAIN NONREPRESENTED EMPLOYEES

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Account Code:	
	<input type="checkbox"/> Funds Budgeted/ Approved:	

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve the VVWRA Employees Association MOU and corresponding wage and benefit adjustments for certain nonrepresented employees.

PREVIOUS ACTION(S)

May 21, 2020 – MOU was completed and approved by the Board of Commissioners.

The attached Memorandum of Understanding represents the completion of the negotiation process and is presented to the board for final approval.

BACKGROUND INFORMATION

The Authority has negotiated with the Employees Association over a contract or Memorandum of Understanding (MOU) outlining certain terms and conditions of employment. The Authority recently completed these negotiations, and the terms were ratified by the employees in the Employees Association bargaining unit. However, the MOU requires final approval from the Board of Commissioners before it can be implemented.

Major terms of the MOUs include:

- A three-year contract, from July 1, 2022, through June 30, 2025.

- Cost of living adjustments on July 1, 2022, 2023, and 2024, equal to the Consumer Price Index or 5%, whichever is lower.
- An increase in the monthly health/dental/vision contribution to \$1,149.50 from \$1,100.00
- Increase standby compensation for holiday standby only to \$100 per holiday worked.
- Add floating holiday to to be payed at the same number of hours the employee is currently working.
- Adjustment of cafeteria plan to include unused medical dollars to be re-allocated to approved VVWRA insurance or 457 plans. The program to be capped at \$450.00.
- One-time Economic Hardship 2% salary increase in year three. (July 01, 2024)

Attachment(s):

Exhibit 1 - Memorandum of understanding for the Victor Valley Wastewater Reclamation Authority and Employees Association

EXHIBIT 1

**MEMORANDUM OF UNDERSTANDING BETWEEN THE VICTOR VALLEY
WASTEWATER RECLAMATION AUTHORITY AND THE VICTOR VALLEY
WASTEWATER RECLAMATION AUTHORITY EMPLOYEES ASSOCIATION**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made an entered into by and between THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY (“EMPLOYER,” or “AUTHORITY”) and the VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY EMPLOYEES ASSOCIATION (“ASSOCIATION”).

**ARTICLE 1
RECOGNITION**

1.1 AUTHORITY hereby recognizes ASSOCIATION as the bargaining representative of full-time regular employees in the bargaining unit, as set forth below.

1.2 Majority Representation. AUTHORITY recognizes ASSOCIATION as the majority representative of all bargaining unit employees for the purpose of meeting its obligations under this MOU, the Meyers-Milias-Brown Act, Government Code §§3500 et. seq., and AUTHORITY rules, regulations, or laws affecting wages, hours, and other terms and conditions of employment are appropriately amended or changed.

1.3 Bargaining Unit Employees. The following classes and titles of AUTHORITY employees shall be members of the bargaining unit recognized by this MOU and shall be represented by the ASSOCIATION:

- Accountant
- Accounting Technician
- Administrative Aide
- Asset Management Clerk
- Electrical Instrumentation Technician
- Environmental Compliance Inspector
- Environmental Compliance Inspector-in-Training
- Information Technology Coordinator
- Information Systems Coordinator
- Laboratory Technician I
- Lead Mechanic
- Lead Operator
- Maintenance Mechanic-in-Training
- Maintenance Planner
- Mechanic
- Mechanical Technician O&M Clerk
- Operator
- Operator-in-Training
- Regulatory Compliance Inspector
- Senior Accountant
- Senior Operator

Septage Receiving Attendant
Utility Worker

1.4 Filing of Petitions. This MOU shall bar the filing of a Petition of Certification or Petition for Decertification of a recognized employee organization for this employee representation unit during the term of this MOU; except that a Petition for Certification or a Petition for Decertification may be filed during a period beginning not earlier than one hundred fifty (150) calendar days and ending not less than ninety (90) calendar days before expiration of said MOU.

1.5 Maintenance of Membership/Dues Deduction.

A. Subject to applicable law, all regular, full-time unit employees who, on the effective date of this Agreement are members of the Association in good standing, and all employees who thereafter become members, shall maintain their membership with the Association in good standing during the term of this Agreement. However, employees shall have the right to resign their membership during the month of December of any year. Unit employees may exercise their rights to resign by notice in writing to the Association during this period.

B. The Authority agrees to have dues deducted from Association member's first and second paycheck of each month and remit to the Association all such monies as are certified by the Association. Association agrees to provide the Authority notice regarding any membership changes.

C. The Authority agrees, pursuant to AB 119, to provide the Association with the name, job title, department, work location, work telephone number, home address, e-mail address, and personal cell phone number of newly hired employees within 30-days of the date of hire. The Authority also agrees to provide the Association with the name, job title, department, work location, work, home and personal cellular telephone numbers, personal email addresses and home address of all bargaining unit employees every 90 days.

D. The ASSOCIATION shall indemnify, defend, and hold the AUTHORITY harmless against any liability arising in any forum, whether judicial, administrative, or otherwise, from any claims, demands, or other action relating to the AUTHORITY's compliance with any obligations imposed under this Agreement including but not limited to, deduction of membership dues and the ASSOCIATION's use of monies collected under this provision. The AUTHORITY reserves the right to select and direct legal counsel in the case of any challenge in any forum relating to the AUTHORITY's compliance with this Agreement, and the ASSOCIATION agrees to pay any attorney, arbitrator or court fees related thereto, as well as reasonable cost of preparation time by AUTHORITY management.

ARTICLE 2 TERM

2.1 Term. This MOU shall be effective commencing on July 1, 2022~~19~~, and concluding at the close of business on June 30, 2025~~2~~.

2.2 Effective Date of Changes. Unless otherwise specified herein, all proposed changes shall be effective as of July 1, 2022~~19~~.

ARTICLE 3
AUTHORITY RIGHTS

3.1 The AUTHORITY reserves, retains, and is vested with, solely and exclusively, all rights of Management which have not been expressly abridged by specific provisions of this MOU, or by law, to manage the AUTHORITY, as such rights existed prior to, during, and after the execution of this MOU. The sole and exclusive rights of Management, not abridged by this MOU or by law, shall include, but not be limited to, the following rights:

- A. To manage the AUTHORITY generally and determine the issues of policy.
- B. To determine the necessity and organization of any service or activity conducted by the AUTHORITY and expand or diminish services.
- C. To determine the nature, manner, means, and technology and extent of services to be provided to the public.
- D. Methods of financing.
- E. Types of equipment or technology to be used.
- F. To determine and/or change the facilities, methods, technology, means, and size of the workforce by which the AUTHORITY operations are to be conducted.
- G. To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all AUTHORITY functions, including but not limited to, the right to contract for or subcontract any work or operation.
- H. To assign work to and schedule employees in accordance with requirements as determined by the AUTHORITY, and to establish and change work schedules and assignments.
- I. To relieve employees from duties for lack of work or other reasons, by means of layoff.
- J. To establish and modify productivity and performance programs and standards.
- K. To discharge, suspend, demote, or otherwise discipline employees in accordance with the provisions and procedures set forth in AUTHORITY policies and procedures.
- L. To determine job classifications.
- M. To hire, transfer, promote, demote, suspend, or discharge employees in accordance with this MOU, or AUTHORITY policies and procedures.
- N. To determine policies, procedures, and standards for selection, training, and promotion of employees.

O. To establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith.

P. To maintain order and efficiency in its facilities and operations.

Q. To establish and promulgate and/or modify rules and regulations to maintain order and safety in the AUTHORITY that are not in contravention with this MOU.

R. To take any and all necessary action to carry out the mission of the AUTHORITY in emergencies.

3.2 Impact on Authority Rights. Except in emergencies, or where the AUTHORITY is required to make changes in its operations because of the requirements of law, whenever the contemplated exercise of the AUTHORITY rights shall impact upon affected employees, the AUTHORITY agrees to meet and confer in good faith with representatives of the ASSOCIATION regarding the impact of the contemplated exercise of such rights prior to exercising such rights, unless the matter of the exercise of such rights is provided for in this MOU. By agreeing to meet and confer with the ASSOCIATION as to the impact of the exercise of any of the foregoing Management rights, it shall not diminish Management's discretion in the exercise of those rights.

3.3 Clarification of Right to Contract Out. While Article 3.1.G above addresses the AUTHORITY'S right to contract out, the AUTHORITY recognizes that it will have a duty to meet and confer with the ASSOCIATION prior to contracting out any work currently performed by bargaining unit employees.

ARTICLE 4 **NO STRIKE**

4.1 Association Prohibited Conduct. The ASSOCIATION, its officers, agents, representatives and/or members agree that during the term of this MOU they will not cause nor condone any strike, walkout, slowdown, sickout, or any other concerted job action by withholding or refusing to perform services. A violation of this Section by any employee shall constitute a just cause for discipline. Taking joint action or joining other labor organizations to engage in such activity is included in this prohibition.

4.2 Authority Prohibited Conduct. The AUTHORITY agrees that it shall not lockout its employees during the term of this MOU. The term "lockout" is hereby defined so as not to include the discharge, suspension, termination, layoff, failure to recall or failure to return to work of the employees of the AUTHORITY in the exercise of its rights as set forth in any provisions of this MOU or applicable ordinance or law.

ARTICLE 5 **NON-DISCRIMINATION**

5.1 Non-Discrimination. The parties mutually reaffirm their respective policies of non-discrimination in the treatment of any employee because of race, religion, color, sex, age, sexual orientation, gender identity, gender expression, genetic characteristics, physical or mental

disability, medical condition, marital status, national origin, creed, or ancestry, and/or any other category protected by federal and/or state law.

5.2 Protection from Retaliation. The AUTHORITY and ASSOCIATION the mutually agree that no employee shall be interfered with, intimidated, restrained, coerced, or discriminated against because of the exercise of his/her rights granted pursuant to the Meyers-Milias-Brown Act.

ARTICLE 6 WAGES

6.1 A. Cost of Living Adjustment. Bargaining unit employees shall receive a cost of living adjustment to their base wage rate ~~with a maximum cap of 3.5% on the dates set forth below equal to the either (1) 5% or (2) the~~ For the annualized change of the Consumer Price Index for Los Angeles-Riverside-Orange County (CPI-U) for March of the year in question, whichever is lower, effective on the following dates:

- July 1, ~~2019~~2022*
- July 1, ~~2020~~2023
- July 1, ~~2021~~2024

~~*Bargaining unit employees already received a 2.5% cost of living adjustment on July 1, 2019 bargaining unit employees employed on the date that this agreement is approved shall receive the remaining .7% of the cost of living adjustment, retroactive to July 1, 2019.~~

B. Economic Stimulus Adjustment. In addition to the ~~cost of living~~ adjustment scheduled above for July 1, 2024. Employees shall also receive an economic stimulus adjustment to their base wage in the amount of 2% on that date, provided that the total percentage increase of the cost of living adjustment and the economic stimulus adjustment still does not exceed 5%.

6.2 Salary Survey. During the term of this Agreement, the Authority shall conduct at its expense a salary survey to compare the wages and benefits afforded the various bargaining unit positions with similarly situated positions at comparable agencies and employers.

6.3 Budget Deficit. In the event implementation of a cost of living adjustment as set forth in Article 6.1 above will result in the AUTHORITY operating with a deficit or require the expenditure of reserve funds for the following fiscal year, the cost of living adjustment shall not take place. Rather, the parties shall meet and confer over whether any adjustment to base wage rate.

ARTICLE 7 RETIREMENT

7.1 CalPERS Member Contribution. All bargaining unit members who are classic members shall pay the full CalPERS member contribution. Contributions for bargaining unit members who are new members shall be paid in accordance with the Public Employees' Retirement Law, as amended.

**ARTICLE 8
HEALTH**

8.1 Medical/Dental/Vision Contribution. The contribution of the AUTHORITY toward medical, dental and vision insurance shall be increased to \$1,149,500 per month.

Formatted: No underline, Underline color: Auto

8.2 Unused Medical Contribution. Unused medical contribution monies may be used for other benefit cost or 457 plan. The approved programs are:

Formatted: Body Text, No bullets or numbering, Tab stops: Not at 1"

- A. CalPers 457
- B. FAS Account
- C. Accident/Hospice Insurance
- D. Additional voluntary life insurance
- E. Dependent care through the FSA Account.

Formatted: No underline

8.2.3 Prescription Safety Glasses. The AUTHORITY shall provide prescription safety glasses or provide employees with up to \$450.00 dollar reimbursement for the purchase of prescription safety glasses.

**ARTICLE 9
LEAVE**

9.1 Employee leave provisions shall be administered in accordance with the Personnel Rules, Section 7, Leave, Vacation and Holidays.

9.2 Vacation Accrual Rate. Vacation days will be accrued at the following rate:

0-2 years	80 hours
2-4 years	96 hours
4-6 years	120 hours
6-9 years	160 hours
9+ years	200 hours

9.3 Holiday Pay. Employees will be paid holiday pay based on the hours the employee would have been scheduled to work but for the designated holiday.

9.4 Holiday Standby Pay. Holiday standby pay will be paid at a rate of an additional \$100.00 for designated holidays only.

Formatted: Underline color: Blue, Condensed by 0.25 pt

9.5 Floating Holidays. Floating holidays will be paid on the hours the employee is currently scheduled to work on that particular day.

Formatted: Underline color: Blue, Condensed by 0.25 pt

9.4.6 Overtime. Time off for holidays and paid jury duty shall count as hours worked for overtime calculation purposes. Sick leave and vacation shall count as hours worked for overtime only when overtime is incurred on non-scheduled work days.

9-59.7 Bereavement Leave. For the purposes of bereavement leave, “immediate family” shall be defined as an employee’s father, mother, spouse, registered domestic partner, child brother, sister, grandparent, grandchild, parent-in-law, brother-in-law, sister-in-law, foster child, ward of the court, or stepchild.

9-69.8 Compensatory Leave Cap. Employees shall not accrue more than 120 hours of compensatory time off. All accrued and unused compensatory time off shall paid in cash to bargaining unit employees on June 30 of each year.

ARTICLE 10 **UNIFORMS**

10.1 The AUTHORITY will provide each operations and maintenance employee, electrical technician, regulatory compliance inspector, and asset management clerk with two jackets upon employment. The AUTHORITY will replace each jacket when it determines that the jacket has either been damaged or worn out to the point where it is no longer reasonably serviceable. Bargaining unit employees may use the AUTHORITY laundry service to clean these jackets.

10.2 The AUTHORITY shall provide employees with a \$250 boot allowance every year.

ARTICLE 11 **STAND-BY / CLEAN UP TIME**

11.1 Standby Compensation. Bargaining unit employees who are on weekly standby duty shall be compensated at the rate of \$350 per week. Employees called in to work while on standby shall be compensated at the overtime premium for a minimum of two hours or the actual number of hours worked, whichever is greater.

11.2 Cleanup Time. Operations and maintenance employees shall be allowed up to fifteen minutes prior to the end of their shifts to clean up and change clothes. Employee shall only use this clean up time to the extent actually necessary to clean up and change clothes.

ARTICLE 12 **PERFORMANCE EVALUATIONS**

12.1 The AUTHORITY shall make every reasonable effort to ensure that bargaining unit employee annual performance evaluations are completed in a timely manner.

ARTICLE 13 **JURY DUTY**

13.1 Paid Jury Duty. Bargaining unit employees shall be allowed a leave of absence with pay for the duration of the jury duty when empaneled to serve on a jury. Employees must provide proof of daily service. Employees shall be required to report to work on any day that the employee has been released from or relieved of jury duty with sufficient time for the employee to report to work and work at least one hour. An employee may request approval of their supervisor to use of vacation time, in lieu of returning to work. If such a request is not granted, or if the employee is

unable to contact the supervisor to make the request, the employee will be expected to return to work as required.

ARTICLE 14 ASSOCIATION RIGHTS

14.1 Representative Rights. The Recognized Employee Organization may select a total of two (2) representatives for the Unit. The Recognized Employee Organization shall give to the AUTHORITY a written *list* of Unit members who have been selected as representatives. The Recognized Employee Organization shall keep this list current.

Representatives shall be free from reprisal and shall not in any way be coerced, intimidated or discriminated against as a result of their activities and roles as representatives.

Representatives shall notify and obtain permission from their department head before leaving their work to transact any employee organization business. Upon entering another represented Unit member's work place on employee organization business, the representative shall obtain permission from the Unit member's department head. If such permission cannot be granted promptly, the representative will be immediately informed when the time will be available.

The Recognized Employee Organization agrees that a representative shall not log compensatory time or overtime pay for the time spent performing any function of a representative.

14.2 New Employee Orientations. Absent exigent circumstances, the AUTHORITY shall provide the ASSOCIATION with one week's advance notice of any orientation for new employees hired into the bargaining unit, and the ASSOCIATION shall be provided with up to 30 minutes to make a presentation to the new employee(s) as part of the orientation process. Absent the consent of all parties, management personnel may not be present during this presentation. If circumstances do not allow for such advanced notice, then the Association shall be allowed to conduct the presentation as soon as practicable. No more than two representatives may make the presentation, and the actual time spent in the presentation shall not count against the allowed time set forth in Article 15.3 below.

14.3 Allowed Time for Representatives. The AUTHORITY agrees to allow representatives no more than two (2) hours per month to transact and discuss employee organization business during their regular working hours, unless prior approval of an amount greater than two (2) hours has been given by the General Manager, subject to absences from the assigned work being approved by the Unit member's department head with permission being granted promptly unless such absence would cause an undue interruption of work.

ARTICLE 15

PROVISIONS OF LAW AND SEVERABILITY

15.1 It is mutually understood that this MOU is subject to all applicable Federal, State, or Local laws. If any Article, part, or provision of this MOU is in conflict or inconsistent with such applicable provisions of Federal, State, or Local law, or is otherwise held to be invalid or unenforceable by any court of competent jurisdiction, said Article, part, or provision shall be suspended and superseded by such applicable law, or regulations, and the remainder of this MOU

shall not be affected. As soon as both parties become aware of the law or regulation, they shall meet to discuss the impact of the law or regulation on the contract. Unless mutually agreed otherwise, the parties agree to meet and confer within 30 days for the purpose of agreeing to a mutually satisfactory replacement provision.

ARTICLE 16
CERTIFICATION PAY

16.1 The AUTHORITY shall pay employees in positions requiring state and or California Water Environment Association (CWEA) certifications an increase of 5% over their base pay if the employee holds a certification higher than the minimum required for his or her classification. The AUTHORITY is willing to consider expending the allowable certification that would qualify for compensation on a case-by-case basis. The parties agree to meet to discuss any potential certifications that would qualify for additional compensation.

ARTICLE 18
REOPENERS

18.1 The parties agree to the following reopeners during the term of this MOU:

- A. Upon completion of the salary survey referenced in Article 6.2, the parties shall meet and confer of whether and how to implement the results of the survey.
- B. The parties shall meet and confer in July 2021 to discuss potential across-the-board wage increases.
- C. The parties shall meet upon completion of draft job descriptions to discuss their implementation.
- D. The parties shall meet and confer in the fall of each year to discuss any potential increase of the AUTHORITY's contribution, as set forth in Article 8.1, in light of any increases in the underlying insurance premiums.
- E. Upon request, the parties agree to meet and confer over potential additional compensation for certifications not listed in Article 16.
- F. The parties agree to meet and confer to discuss modifications to the Personnel Rules and Regulations.

ARTICLE 19
FULL UNDERSTANDING

19.1 This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understandings or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

19.2 Provisions of this MOU shall be given full force and effect in place of any conflicting provisions in the AUTHORITY's policies and procedures and/or other rules, regulations, or policies applicable to the AUTHORITY and shall prevail over any such conflicting policies, procedures, rules, or regulations.

19.3 The terms and conditions in this MOU may be altered, changed, added to, deleted, or modified, only through the voluntary mutual consent of the parties in a written agreement, executed by both parties and, if required, approved by the Board of Directors.

IN WITNESS WHEREOF, the Parties have agreed to and accepted this MOU:

**THE VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY**

By: _____

Dated: _____

**THE VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY
EMPLOYEES ASSOCIATION**

By: _____

Dated: _____



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DRP*
SUBMITTED BY: Kristi Casteel, Executive Assistant to the General Manager and Board of Commissioners *KC*
DATE: June 23, 2022
SUBJECT: RECOMMENDATION TO APPROVE RESOLUTION NO. 2022-07: FY 2022-2023 HOLIDAY CALENDAR

-
- | | |
|---|---|
| <input checked="" type="checkbox"/> For Action | <input type="checkbox"/> Fiscal Impact |
| <input type="checkbox"/> Information Only | <input type="checkbox"/> Account Code: |
| | <input type="checkbox"/> Funds Budgeted/ Approved: |
-

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners approve and adopt Resolution No. 2022-07 to establish the paid holidays for VVWRA employees during fiscal year 2022-2023 which is consistent with the MOU with the Employees Association adopted on December 8, 2016.

PREVIOUS ACTION(S)

It is routine for the Board of Commissioners to adopt the holiday schedule on an annual basis.

BACKGROUND INFORMATION

Each year, the Board of Commissioners approves and adopts a schedule of paid holidays for VVWRA employees. There have been no changes to the holiday calendar since it was last adopted under Resolution No. 2013-12 on May 16, 2013. The holiday calendar was not revised as part of the MOU negotiations with the Employees Association. It is recommended that the Holiday Calendar for FY 2022-2023 be approved and adopted as shown under Resolution 2022-07.

Attachment(s):

Exhibit 1- Resolution 2022-07 FY 2022-2023 Holiday Schedule

EXHIBIT 1

RESOLUTION 2022-07

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE AND ADOPT A SCHEDULE OF PAID HOLIDAYS FOR FISCAL YEAR 2022-2023

FY 2022-2023 HOLIDAY CALENDAR

Holiday:	Non-Operations Staff:	Operations Staff:
Independence Day	July 4, 2022 (Monday)	July 4, 2022 (Monday)
Labor Day	September 5, 2022 (Monday)	September 5, 2022 (Monday)
Veterans Day	November 11, 2022 (Friday)	November 11, 2022 (Friday)
Thanksgiving Day	November 24, 2022 (Thursday)	November 24, 2022 (Thursday)
Day after Thanksgiving	November 25, 2022 (Friday)	November 25, 2022 (Friday)
Christmas Eve	December 23, 2022 (Friday)	December 24, 2022 (Saturday)
Christmas Day	December 26, 2022 (Monday)	December 25, 2022 (Sunday)
New Year's Eve	December 30, 2022 (Friday)	December 31, 2021 (Saturday)
New Year's Day	January 2, 2023 (Monday)	January 1, 2023 (Sunday)
Martin Luther King Day	January 16, 2023 (Monday)	January 16, 2023 (Monday)
President's Day	February 20, 2023 (Monday)	February 20, 2023 (Monday)
Memorial Day	May 29, 2023 (Monday)	May 29, 2023 (Monday)
Floating Holiday (1)		

ADOPTED and APPROVED by the Board of Commissioners on this 23rd day of June, 2022.

 Bill Holland, Chair
 VVWRA Board of Commissioners

ATTEST:

APPROVED AS TO FORM:

 Scott Nassif, Secretary
 VVWRA Board of Commissioners

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

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Commissioners held on June 23, 2022.

Kristi Casteel – Clerk of the Board

RESOLUTION NO. 2022-08

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

WHEREAS, Robert Townsend has served VVWRA for a period of 10 years; and

WHEREAS, Robert Townsend's background, knowledge, and experience while serving at VVWRA have been invaluable to the Authority; and

WHEREAS, Robert Townsend has served the needs of the Authority and addressed those needs by being the Environmental Compliance Inspector; and

WHEREAS, Robert Townsend has worked tirelessly for the past 10 years to ensure that the Authority's sewer collections system is efficiently maintained and that the Authority's federally approved Industrial Pretreatment Program (IPP) meets the standards required by State, Federal and local regulations

NOW THEREFORE, BE IT RESOLVED that this Commission does hereby recognize and extend sincere gratitude and appreciation to Robert Townsend for his dedicated service and commitment to the Victor Valley Wastewater Reclamation Authority and for his concern for the residents and environment of the Victor Valley.

ADOPTED this 23rd day of June 2022.

Bill Holland, Chair
VVWRA Board of Commissioners

APPROVED AS TO FORM:

Piero C. Dallarda of
Best Best & Krieger LLP

Scott Nassif, Secretary
VVWRA Board of Commissioners

CERTIFICATION

I, Kristi Casteel, Secretary to the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority, State of California, do hereby certify that the foregoing is a full, true and correct, adopted by the Board of Commissioners of said Authority at its meeting of June 23, 2022.

Kristi Casteel
Secretary to the Board of Commissioners



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager *DRP*
SUBMITTED BY: Kristi Casteel, Executive Assistant to the General Manager and Board of Commissioners *KC*
DATE: June 23, 2022
SUBJECT: CANCELLATION OF JUNE 30, 2022 BOARD MEETING

-
- For Action** **Fiscal Impact**
 Information Only **Account Code:**
 Funds Budgeted/ Approved:
-

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners cancel the regularly scheduled June 30, 2022 Board Meeting if the Board adopts the FY 2022-23 Budget at the regular meeting held on June 23, 2022.

BACKGROUND INFORMATION

VVWRA schedules two Board meetings in June to allow for any last minute changes to the Budget for the next fiscal year. If the Board adopts the fiscal year 2022-23 budget on June 23, 2022 staff recommends cancelling the June 30, 2022 Board Meeting.



**Victor Valley Wastewater Reclamation Authority (VWRA)
Board of Commissioners
Fiscal Year 2022-2023**

VWRA Commissioners:

Name: Paul Cook, Supervisor – County of San Bernardino
Title: Board Chair
Term: 2020 to present

Alternate: **Dakota Higgins**

Name: Scott Nassif, Councilman – Town of Apple Valley
Title: Vice Chair
Term: 2010 to present

Alternate: **Art Bishop**

Name: Debra Jones, Councilman – City of Victorville
Title: Secretary
Term: 2020 to present

Alternate: **Liz Becerra**

Name: Bill Holland, Councilman – City of Hesperia
Title: Treasurer
Term: 2020 to present

Alternate: **Larry Bird**

Note: Board positions rotate on an annual basis effective July 1st

Victor Valley Wastewater Reclamation Authority FY 2022-2023 Board of Commissioners and External Ad Hoc Committees (TACs)

Member Entities	Board of Commissioners	Engineering & Operations Advisory Committee	Financial Advisory Committee
City of Hesperia	Bill Holland , Primary (Treasurer) Larry Bird, Alternate	David Burkett	Casey Brooksher
Town of Apple Valley	Scott Nassif , Primary (Vice-Chair) Art Bishop, Alternate	Brad Miller	Sydney Harris
City of Victorville	Debra Jones , Primary (Secretary) Liz Becerra, Alternate	Brian Gengler	Janele Davidson
San Bernardino County Office of Special Districts (CSA* #42, #64)	Paul Cook , Primary (Chair) Dakota Higgins, Alternate	Greg Bacon	Carolina Mendoza

Notes:

- CSA* = County Service Area
- Regular Board Meetings are held on the third Thursday of the month. Special Board Meetings are scheduled as needed.
- External Committees focus on issues that involve the communities of the Victor Valley
- Internal Committees focus on issues that are internal to VVWRA
- All Committees meet on an as needed basis.

Revised: 6/7/2022