

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 D
14343 CIVIC DRIVE, VICTORVILLE CA 92392
Thursday, October 24, 2024
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 **Jones**

Roll Call **Casteel**

Public Comments- Closed Session Agenda Items **Jones**

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(b)(1)) Conference with Legal
Public Employee Discipline/Dismissal/Release

Call to Order & Pledge of Allegiance **Jones**

Report from Closed Session **Legal**

Public Comment (Government Code Section 54954.3) **Jones**

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

Jones

Consent Calendar

Jones

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 2. Receive, Approve and File Minutes

Poulsen

- Regular Board Meeting 09/19/24

Item 3. Receive, Approve and File September 2024 Disbursement

- Warrant Summary Disbursements

Board Action Required

Staff Recommendation: Approve as presented

Action Items

Item 4. Recommendation to Adopt Resolution 2024-05 Adopting the 2024 Wastewater and Connection Fee Update Prepared by RDN Inc.

Poulsen

It is recommended that the Board of Commissioners Adopt Resolution 2024-05 adopting the 2024 wastewater and connection fee update prepared by RDN Inc

Board Action Required

Staff Recommendation: Approve as Presented

Public Hearing

| | |
|---|--------------|
| <u>Item 5.</u> First Reading of Ordinance 001: Rules and Regulations for Sewer Service | Jones |
|---|--------------|

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.

| | |
|--|----------------|
| <u>Item 6.</u> Recommendation to Schedule Second Hearing of Ordinance 001: Adoption of Sewer User Charge | Poulsen |
| It is recommended that the Board of Commissioners authorize the General Manager to schedule the second reading of Ordinance 001: Adoption of Sewer User Charge for November 7, 2024 at 8:00 AM | |

Board Action Required

Staff Recommendation: Approve as presented

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|--|----------------|
| <u>Item 7.</u> Recommendation to Ratify the Director of Operations & Maintenance Contract | Poulsen |
| It is recommended that the Board of Commissioners ratify the contract for the Director of Operations & Maintenance | |

Board Action Required

Staff Recommendation: Approve as presented

| | |
|--|--------------|
| <u>Item 8.</u> Recommendation to Authorize the General Manager to Approve the Purchase of Ultraviolet Disinfection System Replacement Parts in the Amount of \$224,758.78 From Xylem Water Solutions, Our Sole Source Provider | Laari |
| It is recommended that the Board of Commissioners authorize the General Manager to approve the purchase of ultraviolet disinfection system replacement parts in the amount of \$224,758.78 (Quoted amount plus related taxes) from Xylem Water Solutions, our sole source provider. This is a budgeted purchase under General Ledger Account 01-02-545-6010-9999 | |

Board Action Required

Staff Recommendation: Approve as presented

Item 9. General Managers Report

Poulsen

| Report Range | Board Meeting Date (Thursday) |
|--|--------------------------------------|
| 1st Quarter January 2024-March 2024 | May 16, 2024 |
| 2 nd Quarter April 2024-June 2024 | August 15, 2024 |
| 3 rd Quarter July 2024- September 2024 | December 5, 2024 |
| 4 th Quarter October 2023- December 2023 | February Board 2025 |

Adjournment

Jones

The board will adjourn to a regular board meeting

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 (VWRA)
September 19, 2024**

CALL TO ORDER: Chair Debra Jones called the meeting to order at 7:31 AM; in Conference Room D at Victorville City Hall, located at 14343 Civic Drive, Victorville California, with the following members present:

CITY OF VICTORVILLE **Debra Jones, Chair**
CITY OF HESPERIA **Larry Bird, Vice-Chair**
ORO GRANDE (CSA 42) AND **Dakota Higgins, Secretary**
SPRING VALLEY LAKE (CSA 64)
TOWN OF APPLE VALLEY **Scott Nassif, Treasurer**

VWRA Staff and Legal Counsel:

Darron Poulsen, General Manager
Kristi Casteel, Executive Assistant
Piero Dallarda, Legal Counsel (BB&K)
Robert Coromina, Director of Administration
David Wylie, Safety & Communications Officer
Hillary Chavez, Admin Aide

Guests

Keith Metzler, City of Victorville
Janele Davidson, City of Victorville
Doug Matthews, City of Victorville
Scott Webb, City of Victorville
Rachel Molina, City of Hesperia

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Jones called the meeting to order at 8:36 AM.

PUBLIC COMMENTS- REGULAR SESSION AGENDA

NONE

POSSIBLE CONFLICT OF INTEREST

NONE

CONSENT CALENDAR:

- 3. **Receive, Approve, and File Minutes, August 15, 2024 Regular Meeting**
- 4. **Receive, Approve and File August 2024 Disbursement**

Moved: Commissioner Higgins **Second: Commissioner Nassif**
Approval of the Consent Calendar Items 1 and 2.
Chair Jones- Yes
Commissioner Bird - Yes
Commissioner Higgins - Yes
Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

REPORTS & PRESENTATIONS

- 5. **Proposed Mid-Year Study Review**

Xiwei Wang presented the Mid-year Rate Study

ACTION ITEMS

- 6. **Recommendation to Approve Purchase of a New Daft 3 TPS Pump From Misco Water, the Sole Provider for Netzsch Pumps in Southern California, for an amount not to exceed \$94,000**

The Board will consider approval to authorize the General Manager to approve the purchase of a new Daft 3 pump from Misco Water, the sole source provider for Netzsch Pumps in Southern California, for an amount not to exceed \$94,000

Moved: Commissioner Bird **Second: Commissioner Higgins**
Approval to purchase a New Daft 3 TPS Pump From Misco Water, the Sole Provider for Netzsch Pumps in Southern California, for an amount not to exceed \$94,000
Chair Jones- Yes
Commissioner Bird - Yes
Commissioner Higgins - Yes
Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

- 7. Recommendation to Authorize the General Manager to Execute an Equipment and Installation Agreement with Anaergia Technologies Inc. for 50% of the Anticipated Cost to Repair Digester One Which with a 10% Contingency will Not Exceed \$130,000 Upon Review and Approval of the Agreement by the VVWRA Legal Team**

The Board will consider authorizing the general manager to execute an Equipment and Installation Agreement with Anaergia Technologies Inc. for 50% of the anticipated cost to repair digester one which with a 10% contingency will not exceed \$130,000 upon review and approval of the Agreement by the VVWRA Legal Team

Moved: Commissioner Higgins

Second: Commissioner Nassif

Approval to authorize the general manager to execute an Equipment and Installation Agreement with Anaergia Technologies Inc. for 50% of the anticipated cost to repair digester one which with a 10% contingency will not exceed \$130,000 upon review and approval of the Agreement by the VVWRA Legal Team

Chair Jones- Yes

Commissioner Bird - Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote

- 8. Recommendation to Authorize the General Manager to Approve a Pipeline Relocation Agreement with an Adelanto Landowner That Has Been Reviewed and Approved By Legal**

The Board will consider authorizing the General Manager to approve a pipeline relocation agreement with an Adelanto Landowner that has been reviewed and approved by Legal

Moved: Commissioner Nassif

Second: Commissioner Higgins

Approval to authorize the General Manager to Approve a Pipeline Relocation Agreement with an Adelanto Landowner That Has Been Reviewed and Approved By Legal

Chair Jones- Yes

Commissioner Bird - Yes

Commissioner Higgins - Yes

Commissioner Nassif- Yes

Motion passed by a 4-0 roll call vote



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: October 24, 2024

TO: Darron Poulsen
General Manager

FROM: Xiwei Wang
Accounting Supervisor

SUBJECT: Cash Disbursements Register

RECOMMENDED ACTION

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

BACKGROUND

The Cash Disbursements Register totals represented below are for the month of SEPTEMBER 2024, check numbers 125771-125809 and ACH's.

| <i>Accounts Payable</i> | | | |
|-------------------------|------------------------|---------------------|-----------------------|
| <i>Checks</i> | <i>ACH's and EFT's</i> | <i>Payroll</i> | <i>Total</i> |
| <i>\$45,443.70</i> | <i>\$1,405,048.37</i> | <i>\$544,364.54</i> | <i>\$1,994,856.61</i> |

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 9/1/2024 through 9/30/2024

| Vendor Name | Payment # | Date | Total |
|---------------------------------------|-----------|------------|---------------------|
| City Of Victorville / Utility Billing | 125771 | 09/04/2024 | \$ 4,183.74 |
| Hesperia Unified School District | 125772 | 09/04/2024 | \$ 62.84 |
| Ponton Industries, Inc. | 125773 | 09/04/2024 | \$ 3,991.13 |
| Rain For Rent | 125774 | 09/04/2024 | \$ 5,432.80 |
| The Woodall Group Inc. | 125775 | 09/04/2024 | \$ 72.00 |
| Verizon Wireless | 125776 | 09/04/2024 | \$ 2,890.12 |
| Freeus Llc | 125777 | 09/12/2024 | \$ 1,419.08 |
| Gfoa | 125778 | 09/12/2024 | \$ 345.00 |
| Harrington Industrial Plastics | 125779 | 09/12/2024 | \$ 221.60 |
| Konica Minolta Business Solutions | 125780 | 09/12/2024 | \$ 198.37 |
| Ponton Industries, Inc. | 125781 | 09/12/2024 | \$ 1,047.75 |
| Quill Corporation | 125782 | 09/12/2024 | \$ 255.26 |
| Safety-Kleen Systems Inc. | 125783 | 09/12/2024 | \$ 1,758.20 |
| Shredyourdocs.Com | 125784 | 09/12/2024 | \$ 108.00 |
| World Oil Environmental Services | 125785 | 09/12/2024 | \$ 120.00 |
| Brown Bear Corp | 125786 | 09/19/2024 | \$ 49.00 |
| Fisher Scientific | 125787 | 09/19/2024 | \$ 1,740.00 |
| Harrington Industrial Plastics | 125788 | 09/19/2024 | \$ 413.14 |
| High Desert Lock & Safe | 125789 | 09/19/2024 | \$ 300.18 |
| Kat Equipment Leasing, Inc. | 125790 | 09/19/2024 | \$ 968.00 |
| Napa Victorville | 125791 | 09/19/2024 | \$ 31.06 |
| Quill Corporation | 125792 | 09/19/2024 | \$ 104.37 |
| Southern Counties Lubricants | 125793 | 09/19/2024 | \$ 975.00 |
| Wageworks, Inc | 125794 | 09/19/2024 | \$ 165.50 |
| All American Fence Erectors | 125795 | 09/25/2024 | \$ 995.00 |
| Answering 365 | 125796 | 09/25/2024 | \$ 186.65 |
| Bird, Larry | 125797 | 09/25/2024 | \$ 100.00 |
| Fisher Scientific | 125798 | 09/25/2024 | \$ 338.10 |
| High Desert Lock & Safe | 125799 | 09/25/2024 | \$ 1,987.55 |
| Industrial Rubber & Supply, Llc | 125800 | 09/25/2024 | \$ 2,724.19 |
| Jones, Debra | 125801 | 09/25/2024 | \$ 100.00 |
| Multi W Systems, Inc | 125802 | 09/25/2024 | \$ 4,765.16 |
| Napa Victorville | 125803 | 09/25/2024 | \$ 183.15 |
| Nassif, Scott | 125804 | 09/25/2024 | \$ 100.00 |
| Quill Corporation | 125805 | 09/25/2024 | \$ 105.11 |
| Rain For Rent | 125806 | 09/25/2024 | \$ 2,716.40 |
| Southern California Edison | 125807 | 09/25/2024 | \$ 1,045.79 |
| Southern Counties Lubricants | 125808 | 09/25/2024 | \$ 1,386.86 |
| United Rentals Northwest, Inc | 125809 | 09/25/2024 | \$ 1,857.60 |
| | | | \$ 45,443.70 |
| Best, Best & Krieger, L.L.P. | 22500 | 09/05/2024 | \$ 41,009.80 |
| Brenntag Pacific, Inc | 22501 | 09/05/2024 | \$ 17,347.86 |
| Cdw Government, Inc | 22502 | 09/05/2024 | \$ 1,522.71 |
| Cintas Corporation | 22503 | 09/05/2024 | \$ 39.22 |
| England Thims & Miller Inc. | 22504 | 09/05/2024 | \$ 693.75 |
| Fha Services, Inc. | 22505 | 09/05/2024 | \$ 1,823.23 |
| G.A. Osborne Pipe & Supply | 22506 | 09/05/2024 | \$ 559.27 |
| Hach Company | 22507 | 09/05/2024 | \$ 968.71 |
| Mcmaster-Carr Supply Co. | 22508 | 09/05/2024 | \$ 152.14 |
| Megan Rodriguez | 22509 | 09/05/2024 | \$ 110.55 |
| Ndk Chem, Inc. | 22510 | 09/05/2024 | \$ 4,000.00 |
| Parker, Kyle | 22511 | 09/05/2024 | \$ 250.58 |

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 9/1/2024 through 9/30/2024


| Vendor Name | Payment # | Date | Total |
|--|------------------|-------------|---------------|
| Procurement Consulting Services, Llc. | 22512 | 09/05/2024 | \$ 1,950.00 |
| Prudential Overall Supply | 22513 | 09/05/2024 | \$ 966.90 |
| Robert D. Niehause, Inc. | 22514 | 09/05/2024 | \$ 2,620.00 |
| T-Mobile | 22515 | 09/05/2024 | \$ 116.76 |
| Waxie Sanitary Supply | 22516 | 09/05/2024 | \$ 357.53 |
| American Express | 22517 | 09/13/2024 | \$ 11,183.38 |
| Applied Maintenance Supplies & Solution | 22518 | 09/13/2024 | \$ 3,269.39 |
| Beck Oil, Inc. | 22519 | 09/13/2024 | \$ 53.44 |
| Brenntag Pacific, Inc | 22520 | 09/13/2024 | \$ 11,958.99 |
| C.S. Amsco | 22521 | 09/13/2024 | \$ 10,336.09 |
| Crane Pro Services | 22522 | 09/13/2024 | \$ 1,719.25 |
| Culligan Water Conditioning | 22523 | 09/13/2024 | \$ 906.00 |
| Daily Express | 22524 | 09/13/2024 | \$ 700.00 |
| Environmental Systems Research Institute, Inc. | 22525 | 09/13/2024 | \$ 7,992.61 |
| Fha Services, Inc. | 22526 | 09/13/2024 | \$ 10,805.21 |
| Haaker Equipment Company | 22527 | 09/13/2024 | \$ 6,825.90 |
| Larry Walker Associates | 22528 | 09/13/2024 | \$ 6,610.25 |
| Luhdorff And Scalmanini | 22529 | 09/13/2024 | \$ 8,890.00 |
| Prudential Overall Supply | 22530 | 09/13/2024 | \$ 969.02 |
| Royal Industrial Solutions | 22531 | 09/13/2024 | \$ 1,907.61 |
| Santa Fe Water Systems | 22532 | 09/13/2024 | \$ 14,942.13 |
| Socal Biomethane, Llc | 22533 | 09/13/2024 | \$ 114,951.00 |
| U.S. Bank | 22534 | 09/13/2024 | \$ 19,128.39 |
| Xylem Water Solutions | 22535 | 09/13/2024 | \$ 3,057.86 |
| Anaergia Technologies, Llc | 22536 | 09/13/2024 | \$ 163,895.62 |
| Adt Commercial | 22537 | 09/20/2024 | \$ 562.51 |
| Applied Maintenance Supplies & Solution | 22538 | 09/20/2024 | \$ 31.49 |
| Brenntag Pacific, Inc | 22539 | 09/20/2024 | \$ 17,082.86 |
| California School Veba | 22540 | 09/20/2024 | \$ 687.59 |
| Daily Express | 22541 | 09/20/2024 | \$ 560.00 |
| Dudek | 22542 | 09/20/2024 | \$ 1,800.00 |
| Earl Faust | 22543 | 09/20/2024 | \$ 24.40 |
| G.A. Osborne Pipe & Supply | 22544 | 09/20/2024 | \$ 493.47 |
| Graham Equipment | 22545 | 09/20/2024 | \$ 14,372.00 |
| Grainger | 22546 | 09/20/2024 | \$ 5,374.50 |
| Hach Company | 22547 | 09/20/2024 | \$ 87.65 |
| Mcmaster-Carr Supply Co. | 22548 | 09/20/2024 | \$ 527.38 |
| Misco - T.W. Associates | 22549 | 09/20/2024 | \$ 2,864.61 |
| Royal Industrial Solutions | 22550 | 09/20/2024 | \$ 2,255.34 |
| Anaergia Technologies, Llc | 22551 | 09/26/2024 | \$ 282,200.00 |
| Anthony, Donna | 22552 | 09/26/2024 | \$ 229.55 |
| Babcock Laboratories, Inc. | 22553 | 09/26/2024 | \$ 17,251.89 |
| Beck Oil, Inc. | 22554 | 09/26/2024 | \$ 24.79 |
| Billings, Richard | 22555 | 09/26/2024 | \$ 414.00 |
| Brenntag Pacific, Inc | 22556 | 09/26/2024 | \$ 36,851.21 |
| Bsk Associates | 22557 | 09/26/2024 | \$ 254.00 |
| Cdw Government, Inc | 22558 | 09/26/2024 | \$ 2,811.20 |
| Cintas Corporation | 22559 | 09/26/2024 | \$ 530.23 |
| Correia, Linda | 22560 | 09/26/2024 | \$ 414.00 |
| Dagnino, Roy | 22561 | 09/26/2024 | \$ 414.00 |
| Davis, Tim | 22562 | 09/26/2024 | \$ 414.00 |
| Desert Pumps & Parts, Inc. | 22563 | 09/26/2024 | \$ 382.00 |
| Diamond Environmental Services | 22564 | 09/26/2024 | \$ 613.70 |
| Dudek | 22565 | 09/26/2024 | \$ 6,898.75 |
| Ehs International Inc. | 22566 | 09/26/2024 | \$ 1,620.00 |

Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 9/1/2024 through 9/30/2024

| Vendor Name | Payment # | Date | Total |
|--|-----------|------------|---------------|
| Fha Services, Inc. | 22567 | 09/26/2024 | \$ 41,078.28 |
| Flint, Terrie Gossard | 22568 | 09/26/2024 | \$ 291.15 |
| G.A. Osborne Pipe & Supply | 22569 | 09/26/2024 | \$ 526.21 |
| Grainger | 22570 | 09/26/2024 | \$ 3,877.62 |
| Gyurcsik, Darline | 22571 | 09/26/2024 | \$ 291.15 |
| Hach Company | 22572 | 09/26/2024 | \$ 35,203.19 |
| Higgins, Dakota | 22573 | 09/26/2024 | \$ 100.00 |
| High Desert Affordable Landscaping | 22574 | 09/26/2024 | \$ 5,034.00 |
| Hinojosa, Thomas | 22575 | 09/26/2024 | \$ 414.00 |
| Inland Empire Windustrial | 22576 | 09/26/2024 | \$ 630.77 |
| Instrumart | 22577 | 09/26/2024 | \$ 4,016.15 |
| Keniston, Olin | 22578 | 09/26/2024 | \$ 291.15 |
| Lawrence Roll Up Doors, Inc. | 22579 | 09/26/2024 | \$ 19,996.73 |
| Main, Randy | 22580 | 09/26/2024 | \$ 414.00 |
| Mcgee, Mark | 22581 | 09/26/2024 | \$ 414.00 |
| Mcgrath Rentcorp | 22582 | 09/26/2024 | \$ 6,743.11 |
| Mcmaster-Carr Supply Co. | 22583 | 09/26/2024 | \$ 771.36 |
| Michael'S Auto Detail | 22584 | 09/26/2024 | \$ 1,080.00 |
| Montgomery, Lillie | 22585 | 09/26/2024 | \$ 184.72 |
| Muniquip Llc | 22586 | 09/26/2024 | \$ 6,346.31 |
| Nalian, L. Christina | 22587 | 09/26/2024 | \$ 184.72 |
| Nave, Patrick | 22588 | 09/26/2024 | \$ 414.00 |
| Pacific Parts And Controls Inc. | 22589 | 09/26/2024 | \$ 583.84 |
| Prudential Overall Supply | 22590 | 09/26/2024 | \$ 975.75 |
| Reliant Water Technologies | 22591 | 09/26/2024 | \$ 370.09 |
| Solenis Llc | 22592 | 09/26/2024 | \$ 11,074.90 |
| Victor Valley Wastewater Employees Assoc | 22593 | 09/26/2024 | \$ 870.00 |
| Xylem Water Solutions | 22594 | 09/26/2024 | \$ 16,692.00 |
| Liberty Utilities | DFT04576 | 09/04/2024 | \$ 138.90 |
| Principal Life Ins. Co. | DFT04577 | 09/04/2024 | \$ 4,015.42 |
| Lincoln Financial Group | DFT04578 | 09/04/2024 | \$ 74.66 |
| Lincoln Financial Group | DFT04579 | 09/04/2024 | \$ 6,827.57 |
| Liberty Utilities | DFT04580 | 09/04/2024 | \$ 620.18 |
| Liberty Utilities | DFT04581 | 09/04/2024 | \$ 151.34 |
| Spectrum (Prev. Charter Communications) | DFT04582 | 09/04/2024 | \$ 4,952.42 |
| Flyers Energy, Llc | DFT04583 | 09/04/2024 | \$ 2,102.83 |
| Ups | DFT04584 | 09/04/2024 | \$ 533.11 |
| Ups | DFT04589 | 09/11/2024 | \$ 144.43 |
| Town Of Apple Valley | DFT04590 | 09/11/2024 | \$ 200.09 |
| Southwest Gas Company | DFT04591 | 09/11/2024 | \$ 84.60 |
| Southern California Edison | DFT04592 | 09/11/2024 | \$ 866.42 |
| Hesperia Water District | DFT04593 | 09/11/2024 | \$ 647.52 |
| Konica Minolta Business Solutions | DFT04594 | 09/11/2024 | \$ 391.50 |
| Southwest Gas Company | DFT04595 | 09/11/2024 | \$ 34.70 |
| Flyers Energy, Llc | DFT04596 | 09/17/2024 | \$ 2,299.56 |
| At&T Mobility | DFT04597 | 09/17/2024 | \$ 129.72 |
| Sparkletts Drinking Water | DFT04598 | 09/17/2024 | \$ 1,003.20 |
| Southern California Edison | DFT04599 | 09/16/2024 | \$ 23,173.57 |
| Southern California Edison | DFT04600 | 09/17/2024 | \$ 2,193.35 |
| Southern California Edison | DFT04601 | 09/17/2024 | \$ 31,872.68 |
| Southwest Gas Company | DFT04602 | 09/17/2024 | \$ 756.67 |
| Ups | DFT04603 | 09/17/2024 | \$ 356.38 |
| Hesperia Water District | DFT04606 | 09/25/2024 | \$ 670.98 |
| Southern California Edison | DFT04607 | 09/25/2024 | \$ 229,920.63 |
| Ups | DFT04608 | 09/25/2024 | \$ 358.54 |

**Victor Valley Wastewater Reclamation Authority
Cash Disbursement Register
From 9/1/2024 through 9/30/2024**

| Vendor Name | Payment # | Date | Total |
|----------------------------------|------------------|-------------|------------------------|
| Tforce Freight (Aka Ups Freight) | DFT04609 | 09/25/2024 | \$ 4,131.89 |
| Enterprise Fm Trust | DFT04610 | 09/25/2024 | \$ 14,347.74 |
| Southwest Gas Company | DFT04611 | 09/25/2024 | \$ 40,540.30 |
| Total EFT's and ACH | | | \$ 1,405,048.37 |

| | | |
|---|---------------------------------------|------------------------|
| <div style="border: 1px solid red; padding: 5px; display: inline-block;"> Approved  </div> | Total Checks | \$ 45,443.70 |
| | Total EFT's and ACH | \$ 1,405,048.37 |
| | Total Payroll - September 2024 | \$ 544,364.54 |
| | Total | \$ 1,994,856.61 |



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager
SUBMITTED BY: Darron Poulsen, General Manager
DATE: October 24, 2024
SUBJECT: **RECOMMENDATION TO ADOPT RESOLUTION 2024-10
ADOPTING THE 2024 WASTEWATER TREATMENT USER FEE
UPDATE PREPARED BY RDN INC.**

| | | |
|---|---|------------|
| <input checked="" type="checkbox"/> For Action | <input type="checkbox"/> Fiscal Impact | \$0 |
| <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 Adopt Resolution 2024-10 adopting the 2024 wastewater treatment user fee update prepared by RDN INC.

PREVIOUS ACTION(S)

None

BACKGROUND INFORMATION

The consideration of raising the user rates is an important part of the fiscal responsibility of a public agency. As the regional wastewater treatment authority VVWRA is committed to protecting the environment and providing an essential service to the public. In July of 2023, the last approved 8% rate increase went into effect to help cover operational expense increases due to COVID-19 and normal CPI increases. VVWRA staff recognized the need for a future rate study to help meet the needs of the proposed CIP master plan. An RFP was sent out to perform a new rate study on the user charge and the connection fee rates. In August a review of three consultants was performed and the selected vendor, RDN Inc., signed a contract to perform the services on August 31, 2023.

Work on the study began in September of 2023 and our consultant, RDN Inc., began gathering data to review our operating expenses and also reviewing our CIP master plan. By December of 2023, the final draft document was being completed. On January 25, 2024, the VVWRA staff met with the external finance committee to discuss the proposed rate study. On February 21, 2024, the VVWRA staff met with the internal finance committee which also asked for further information to be added to the presentation for further clarification. This presentation was given to the

VVWRA board under the General Manager's report at the March 21, 2024, VVWRA Board meeting. At this meeting, the Commissioners asked that the General Manager share this presentation at the Member Agency Council meetings so that all the City and Town Council members could review and provide comments on the study. These presentations were given to the City of Hesperia, Victorville, and the Town of Apple Valley in advance of this meeting.

At the April 25, 2024 Board meeting following a comprehensive discussion on the rates and the proposed new wastewater treatment plant, which was a critical component of the study, it was unanimously decided to not move forward with the proposed new user fee and connection fees as detailed in the rate study. Direction was provided that a new connection fee increase would require a more detailed feasibility study of the proposed new wastewater treatment plant before any new rate could be considered. The Board also gave direction that they would be amenable to a user fee increase to cover operation increases in the 2024-25 fiscal year. They agreed to consider a rate increase starting January 1, 2025, to help with the current year's shortcomings and a second rate increase July 1, 2025, to help with the following fiscal year operational increases. The Board gave direction that a larger feasibility study would need to be completed before they would consider a new user fee and connection fee rate increase that included the construction of the proposed new facility.

Staff met with the RDN team to discuss the new Board directive and scope of work. Work on developing a new rate study, considering fiscal years 2024-25 and 2025-26, was started in July of 2024. The RDN team was able to quickly modify the previous study and model to come up with new proposed rates for the two fiscal years as requested by the Board. In early August 2024 the VVWRA Finance Supervisor, Xiwei Wang, met with each member agency finance representative individually to go over the proposed new rates. Once all the questions and amendments from the individual member agencies were added to the new rate proposal a meeting of the external finance committee was held and the committee approved the study to move forward to the internal finance committee made up of VVWRA Board members. The external finance committee meeting was held on August 28, 2024. At that meeting, a few adjustments to the materials in the PowerPoint were added per the Board member's requests. On September 19, 2024, the VVWRA staff presented the proposed rate study presentation to the VVWRA board for their review. At that Board meeting staff was able to answer all the questions presented by the Board of Commissioners and there was no objection to moving the proposed rates forward at the next Board meeting in October 2024.

It is for these reasons that VVWRA staff is recommending that the Board of Commissioners adopt Resolution 2024-10 adopting the 2024 wastewater treatment user fee update prepared by RDN Inc. (Exhibit 1).

Attachment(s):

Exhibit 1: Resolution 2024-10- VVWRA 2024 Wastewater Treatment User Fee Rate Study and Fee Update

EXHIBIT 1

RESOLUTION NO. 2024-10**A RESOLUTION OF THE VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY TO APPROVE AND ADOPT A
FINANCIAL PLAN PREPARED BY RDN**

WHEREAS, the Victor Valley Wastewater Reclamation Authority (“Authority”) is a Joint Powers Authority and Public Agency of the State of California established in 1978 that provides Regional wastewater treatment to a designated Service Area; and

WHEREAS, an amendment to the Victor Valley Regional Wastewater Service Agreement was made and entered into as of August 1, 2005, by and between the Authority and the City of Victorville, the City of Hesperia, the Town of Apple Valley, and the County of San Bernardino Service Areas No. 42 (Oro Grande) and No. 64 (Spring Valley Lake), collectively referred to as “Member Entities”; and

WHEREAS, the Authority provides wastewater treatment service to the Member Entities and issues monthly flow billings to the Member Entities based upon the number of gallons of flow received from each Entity; and

WHEREAS, a Financial Plan was prepared by prepared by Black & Veatch at the request of the Member Entities in 2014 in order to provide accurate and reliable financial planning information to the Authority for Capital Improvement projects; and

WHEREAS, an updated Financial Plan was prepared by Raftelis at the request of the Member Entities in 2017 in order to provide accurate and reliable financial planning information to the Authority for its current Capital Improvement projects; and

WHEREAS, an updated Financial Plan was prepared by RDN at the request of the Member Entities in 2024 in order to provide accurate and reliable financial planning information to the Authority for its current Capital Improvement projects; and

WHEREAS, the updated Financial Plan by RDN also suggested different options for VVWRA to modify its rates to meet its operations and maintenance expenses and the Board of Commissioners was presented with those options,

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Victor Valley Wastewater Reclamation Authority does hereby receive, approve and adopt the 2024 Financial Plan, attached hereto as “Exhibit A”, as prepared by RDN is hereby.

RECEIVED, APPROVED AND ADOPTED on this 24th day of October, 2024

Debra Jones, Chair
VWRA Board of Commissioners

APPROVED AS TO FORM:

Piero C. Dallarda of
Best Best & Krieger LLP
CERTIFICATION

Dakota Higgins, Secretary
VWRA Board of Commissioners

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 October 24, 2024.

Kristi Casteel
Secretary to the Board of Commissioners

EXHIBIT A



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

**2024 Wastewater Financial Plan
and Rate Study**

Draft Report

October 15, 2024



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File: K-349

October 15, 2024
Xiwei Wang
Accounting Supervisor
Victor Valley Wastewater Reclamation Authority
20111 Shay Road
Victorville, CA 92394

SUBJECT: Wastewater Financial Plan and Rate Study

Dear Mr. Wang,

Robert D. Niehaus, Inc. (RDN) is pleased to provide this 2024 Wastewater financial Plan and Rate Study Report (Report) for the Victor Valley Wastewater Reclamation Authority (VWVRA or Authority). This study accompanies an extensive review of the Authority's financial position and user charges for the Authority's consideration.

All of the data used in the report was provided by Authority staff and documents published by the Authority. The key variables used in this Report are budgeted revenues and expenses, capital expenses for replacement and future growth, outstanding debt principal, current reserves, and current system-wide sewer flow.

It has been an absolute pleasure to work with you and your staff. We thank you and other VWVRA Staff for the support provided during this study.

Respectfully submitted,

Robert D. Niehaus, Ph.D.
Managing Director/Principal Economist - RDN

Sanjay Gaur M.S., M.P.A.
Project Manager - Water Resource
Economics

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1. Introduction

The Victor Valley Wastewater Reclamation Authority is a joint power public agency of the State of California formed in 1977 to maintain compliance with the Federal Clean Water Act and to provide wastewater treatment within a 279 square mile service area in San Bernardino County. The primary function of the Authority is to receive and treat wastewater from the four member agencies, listed below, as well as the Mojave Narrows Park:

- Town of Apple Valley
- City of Hesperia
- City of Victorville
- County of San Bernardino Special District Service Areas No. 42 (Oro Grande) and No. 64 (Spring Valley Lake)

The Authority is governed by a Board of Commissioners that consists of four elected officials representing each member agency listed above. The Authority operates a Regional Wastewater Treatment Plant with 18 million gallons per day (MGPD) of treatment capacity in the City of Victorville. Additionally, the Authority completed construction in April 2018 of two Sub-regional Wastewater Reclamation Plants with 1 MGPD of treatment capacity each in the Town of Apple Valley and the City of Hesperia. Wastewater treated by the Authority is either discharged to the Mojave River or utilized as recycled water for irrigative use after undergoing an extensive cleaning and purification process.

The Authority engaged RDN in 2023 to conduct a wastewater rate study and Capacity Fee update (Study). The purpose of the Study was to update the Authority's financial plan, user charges, and Capacity Fees. User charges assessed per million gallons (MG) of billed wastewater flows and one-time Capacity Fees assessed per equivalent dwelling unit (EDU) of new development constitute the vast majority of the Authority's annual revenues. Since the previous report¹, Authority staff have revised the scope of the Study to provide a two-year financial plan which includes implementing two years of rate adjustments and no changes to the Capacity Fees.

The Authority last conducted a Financial Plan Update Study and Capacity Fee Study in 2019. The prior study established proposed user charges and Capacity Fees through fiscal year (FY) 2024. Since the 2019 study, the Authority has developed a significant capital improvement schedule update. Major capital improvements are needed to continue to serve current customers as well as allow for additional capacity to serve new customers. This Study was conducted in order to develop an updated financial plan that accounts for financial challenges which have emerged since the prior study was conducted in 2019, and to develop updated user charges that enhance the financial stability of the Authority. All analyses, results, and recommendations related to this Study are outlined in this Wastewater Financial Plan and Rate Study Report.

Given these considerations, the major objectives of this Study include the following:

1. Develop an updated four-year financial plan through FY 2028 to ensure financial sufficiency, meet operating costs, ensure sufficient funding to meet debt obligations, and fund necessary capital expenditures; and,
2. Develop proposed user charges and rates for mid-year FY 2025 and the beginning of FY 2026.

¹ Victor Valley Wastewater Reclamation Authority 2024 Wastewater Rate Study and Capacity Fee Update Final Report. April 5, 2024. RDN.

2. Results and Recommendations

RDN proposes the following revenue and rate adjustments to accomplish the Authority's goals of capital and reserve funding as well as maintaining debt service coverage ratios. **Table 1** shows the proposed wastewater rate adjustments for the two-year rate study period and the recommended adjustments for the future years included in the financial plan. To maintain the proposed financial plan, the Authority should raise wastewater rate revenues by 15 percent in January 2025, followed by 15 percent in July 2025. The recommended adjustments should be evaluated at a later date to ensure that the financial plan has performed as projected.

Table 1. Proposed Wastewater Revenue Adjustments

| | Proposed | | Recommended | |
|--------------------|----------|---------|-------------|---------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue Adjustment | 15.0% | 15.0% | 12.0% | 12.0% |

The proposed rates shown in **Table 2** are based on the results of the financial planning analysis. No change was made to the methodology used to calculate user charges per MG of sewer flows, which are escalated based on the proposed revenue adjustments.

Table 2. Proposed User Charges

| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

Figure 1 through **Figure 3** show the financial plan results under the proposed and recommended rates and adjustments. The green line in **Figure 1** shows the revenue under the proposed adjustments. Where the line is above the bars, the Authority is contributing to reserves, where it falls below, the reserves are being drawn down.

Figure 1. Proposed Cash Flow

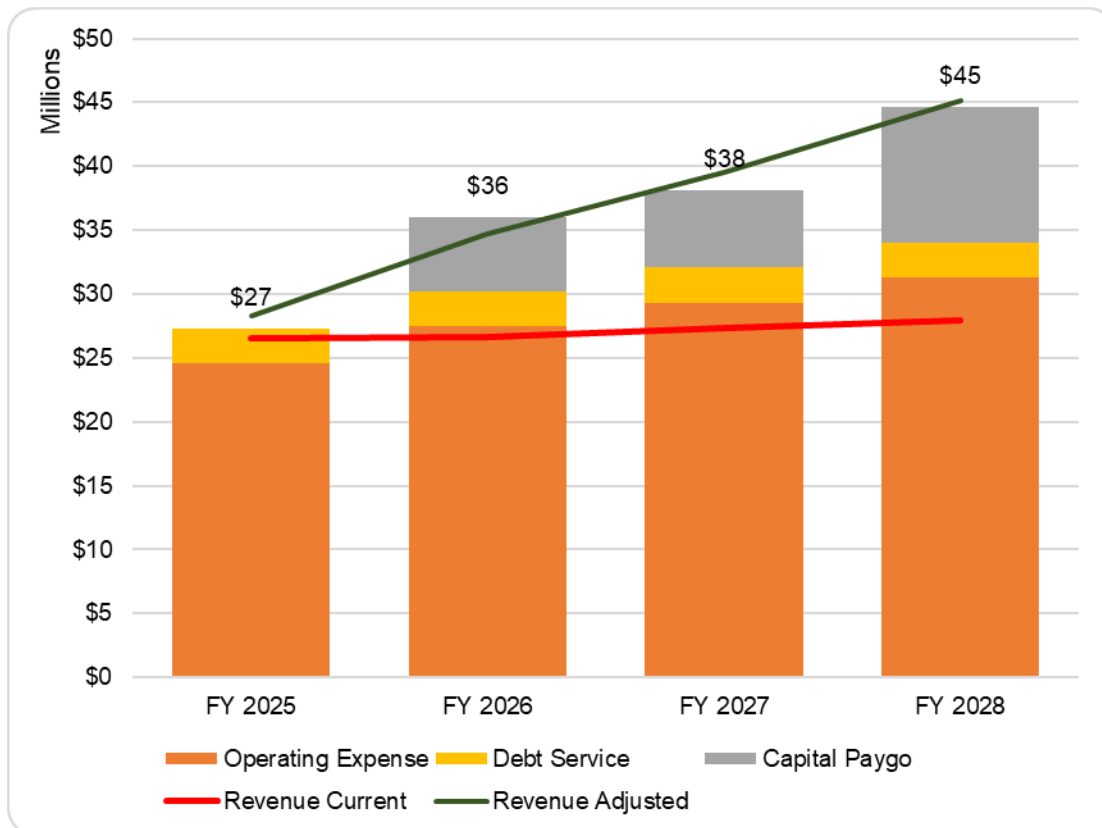
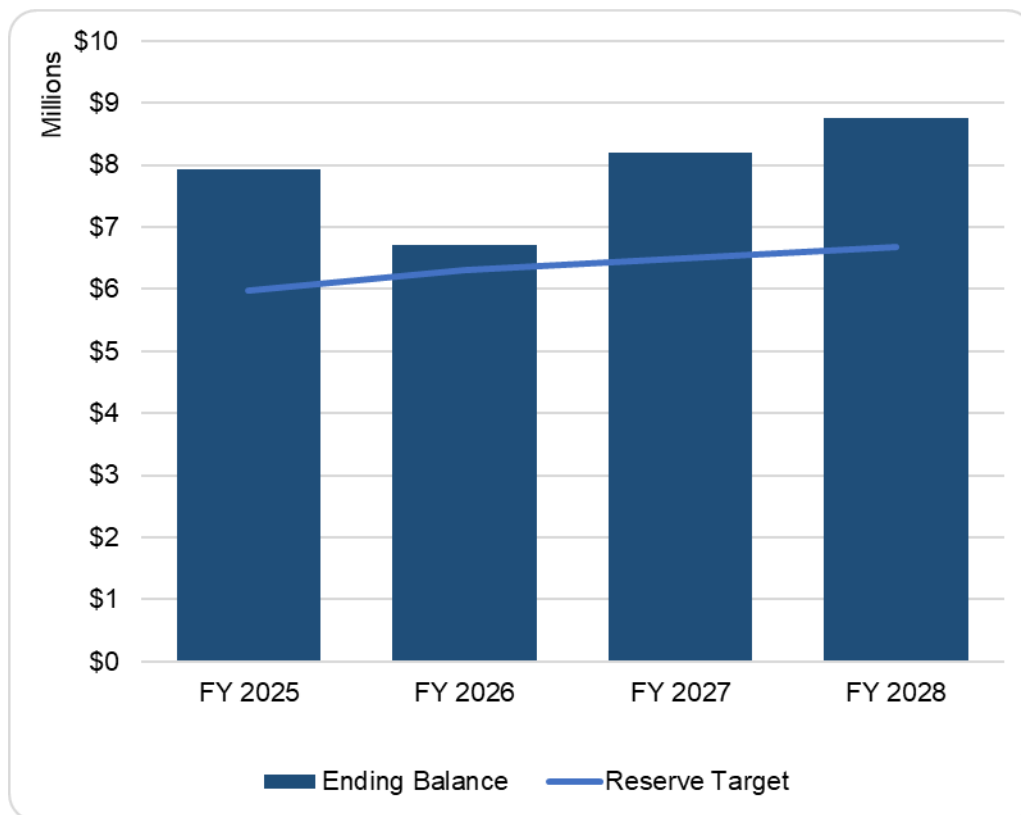


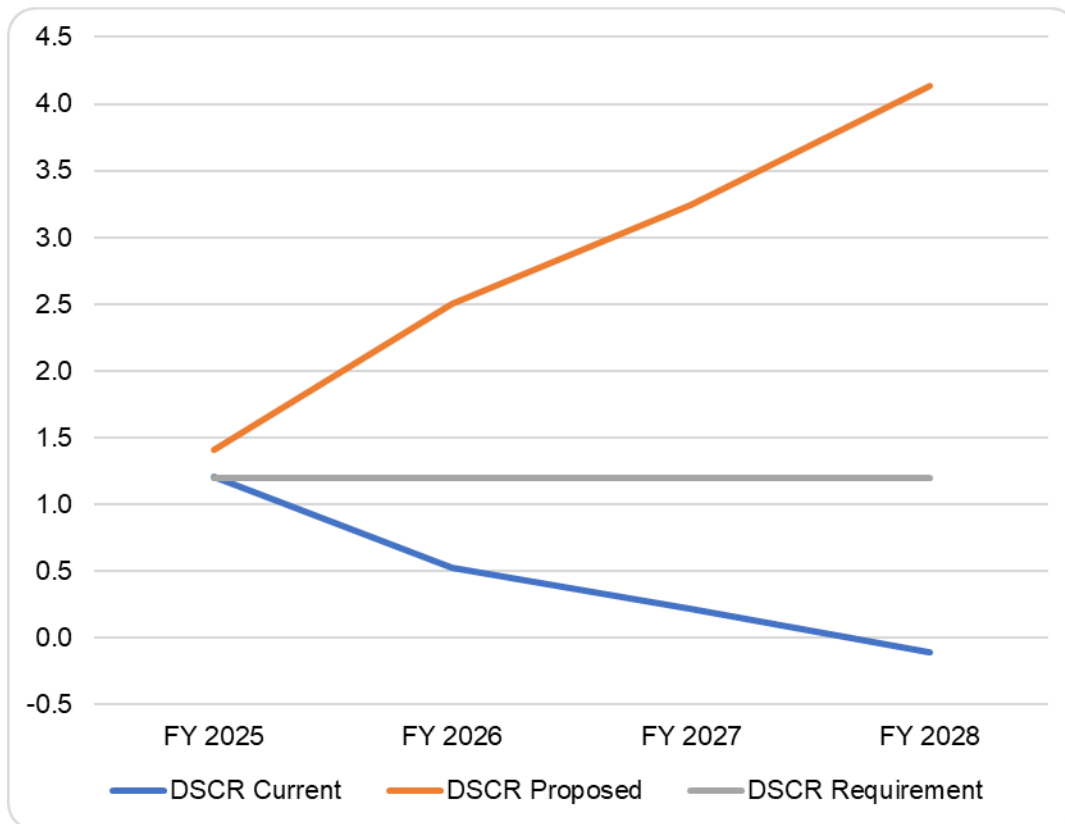
Figure 2 shows the ending cash balances under the proposed plan. The Authority’s rate reserve must maintain a target level determined by policy set in place by the Board of Commissioners. The target balance for each year is represented by the baby blue line in Figure 2. The reserve policy is addressed in greater detail in a subsequent section of the report.

Figure 2. Proposed Rate Cash Balances



Finally, the Authority’s debt covenants have a requirement of maintaining a debt service coverage ratio (DSCR) of 120 percent of net revenues. **Figure 3** shows the annual DSCR for each year of the study under the proposed plan.

Figure 3. Proposed Debt Service Coverage Ratio



3. Financial Assumptions

The purpose of the current study is to project the revenue needs for the next four years and provide solutions to accomplish the Authority’s financial goals. The main inputs to the financial plan include operating expenses and inflation, capital spending and funding sources, reserve targets, and debt service coverage requirements.

The Authority’s reserve policy includes an operating reserve designed to maintain 10 percent of the previous year’s operating and maintenance (O&M) expense, an emergency operating reserve totaling \$1 million, and reserves which maintain an amount equal to annual debt service payments. **Table 3** displays the VVWRA’s current reserve policies as described and **Table 4** shows the balances required for each year of the study period under the proposed financial plan.

Table 3. Authority Reserve Policies

| Reserve | Policy |
|-----------------------------|-----------------------------|
| Operating Reserve | 10% of Prior Year O&M |
| Emergency Operating Reserve | \$1,000,000 |
| SRF Loan Reserve | Sum of Annual Debt Payments |

Table 4. Target Reserves, FY 2025 - FY 2028

| Reserve | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Reserve | \$ 2,224,191 | \$ 2,556,246 | \$ 2,748,375 | \$ 2,932,692 |
| Emergency Operating Reserve | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| SRF Loan Reserve | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 |
| Total Reserve Target | \$ 5,974,690 | \$ 6,306,745 | \$ 6,498,874 | \$ 6,683,191 |

To project long-term changes in operating and maintenance expenses, RDN used 10 independent inflationary measures. The Authority's budgets for FY 2025 were used as a starting point for future inflationary measures. FY 2024 data was included to provide a background on past expenditures. **Table 5** shows each inflation factor used for this study. Because of recent record inflation, some of the factors are expected to reduce over time. The "Overall" inflation metric is a category given in Bureau of Labor Statistics data made up of prices paid by urban consumers for a market basket of consumer goods and services and was used to inflate costs which could not be directly attributed to other inflationary measures. The average projected annual inflation for operating expenses for the next four years is 6.9 percent. Inflation factors were developed using the best available data². The 20 percent inflation in automobiles in FY 2026 was used at the direction of VVWRA staff because of a known increase in costs for that fiscal year.

Table 5. Inflationary Adjustments, FY 2026 – FY 2028

| Category | FY 2026 | FY 2027 | FY 2028 |
|-----------------|---------|---------|---------|
| Payroll | 9.0% | 6.5% | 6.5% |
| Other Employee | 8.0% | 8.0% | 8.0% |
| Utilities | 5.0% | 5.0% | 5.0% |
| Chemicals | 6.0% | 6.0% | 6.0% |
| Water Treatment | 5.0% | 5.0% | 5.0% |
| Automobile | 20.0% | 5.0% | 5.0% |
| Maintenance | 7.0% | 5.0% | 5.0% |
| Insurance | 15.0% | 15.0% | 15.0% |
| Overall | 7.0% | 7.0% | 7.0% |
| Property Tax | 4.4% | 4.4% | 4.4% |

RDN additionally projected future customer flows, the billing unit used by the Authority, based on historical increases as well as input from VVWRA staff. The average projected increase in flows used in this study is **2.5 percent** per year for each of the Authority's customers. While increases have fluctuated in recent years, ranging between -1.4 percent and 7.2 percent between FY 2019 and FY 2023, 2.5 percent reflects a conservative estimate of flow increases for projecting revenues, which was agreed upon by Authority staff.

² Sources include: the US Bureau of Labor Statistics Consumer Prices Index, Quarterly Census of Employment and Wages; Federal Reserve Bank of St. Louis Producer Price Index; Engineering News Record Building Cost Index; and National Association of Insurance Commissioners Annual Inflation Report, as well as input from Authority staff.

Table 6. Projected Sewer Flows (MG) FY 2025 – FY 2028

| Agency | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------|--------------|--------------|--------------|--------------|
| Victorville | 2,808 | 2,878 | 2,950 | 3,024 |
| Apple Valley | 790 | 810 | 830 | 851 |
| Hesperia | 846 | 867 | 888 | 911 |
| CSA 64 Spring Valley Lake | 231 | 237 | 243 | 249 |
| Mojave Narrows Park | 1 | 1 | 1 | 1 |
| CSA 42 Oro Grande | 23 | 23 | 24 | 24 |
| Total | 4,698 | 4,816 | 4,936 | 5,060 |

4. Financial Projections

VVWRA collects revenue based on annual wastewater flows (User Charges); the amount (approximately 550 per year) of new customers who join the system (Capacity Fees); other various operating fees such as reclaimed water sales, fats oils and grease (FOG) fees, renewable natural gas (RNG) revenue, sludge flow and other septage receiving charges, and non-operating revenues such as land lease and interest revenue. **Table 7** shows the current rates and fees which are charged by the VVWRA for service. At the direction of Authority staff, only user charges are being evaluated in the current study. All other rates and fees as well as the revenue generated by them are assumed to remain at the current level. Non-operating revenues in FY 2025 include one-time settlement revenues that are not projected to repeat in future years.

Table 7. VVWRA Current Rates and Fees

| Fee | Current |
|---|--------------------|
| User Charge (per MG) | \$ 5,150.00 |
| Connection Fee (per EDU) | \$ 4,679.00 |
| Septage Receiving Facility Charges | \$ 0.12 |
| FOG | \$ 0.12 |
| Sludge Flow - Victorville (Avg. Monthly) | \$12,000.00 |
| High Strength Waste Surcharges (Avg. Monthly) | \$ 1,000.00 |
| Potable Well Water Sales (Avg. Monthly) | \$ 135.00 |
| Apple Valley Reclaimed Water Sales (Avg. Monthly) | \$ 617.93 |
| Hesperia Reclaimed Water Sales (Avg. Monthly) | \$ 352.60 |
| Victorville Reclaimed Water Sales (Avg. Monthly) | \$ 1,356.12 |
| America Organics (Avg. Monthly) | \$ 1,356.12 |
| AV Reclaimed Water Sales (per MG) | \$ 160.00 |
| Hes Reclaimed Water Sales (per MG) | \$ 237.00 |
| VV Reclaimed Water Sales (per MG) | \$ 418.00 |
| America Organics (per MG) | \$ 418.00 |

Table 8 shows the projected revenue for the study period with no rate change and only projected flow volume increases.

Table 8. Projected Revenues, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------|----------------------|----------------------|----------------------|----------------------|
| User Charge Revenue | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Connection Fee Revenue | \$ 2,842,783 | \$ 2,842,783 | \$ 2,842,783 | \$ 2,842,783 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non Operating Revenue | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenue | \$ 29,370,255 | \$ 29,535,036 | \$ 30,154,937 | \$ 30,790,336 |

Operating expenses contained in the FY 2025 budget are individually escalated based on the inflationary categories shown in **Table 5**. In addition to the inflation of individual expenses, some expenses were reduced for the FY 2025 budget due to the DSCR constraint were added back in this rate study. The updated financial plan provides sufficient funding for all O&M expenses at the projected level of full funding. **Table 9** shows VVWRA's expenses broken down by category. FY 2025 expenses are based on budgeted expenses provided by Authority staff. Note that the categories contained in **Table 9** were developed for this report. The employee salaries and benefits expense category is the sum of salaries, overtime, and fringe benefits including the cost of employees' retirement contributions and insurance expenses. The maintenance category is the sum of system and building maintenance, including field equipment repair and replacement. The operations category includes chemicals and utilities such as electricity and natural gas. The Administration category includes legal, IT, regulatory permits, professional services and other expenses which are not directly contained within any other category.

Table 9. Projected O&M Expenses, FY 2025 - FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Employee Salaries and Benefits | \$ 8,998,938 | \$ 9,780,197 | \$ 10,462,316 | \$ 11,192,485 |
| Maintenance | \$ 5,319,978 | \$ 5,692,376 | \$ 6,058,120 | \$ 6,447,828 |
| Operations | \$ 7,334,665 | \$ 7,741,101 | \$ 8,170,140 | \$ 8,623,382 |
| Administration | \$ 3,908,874 | \$ 4,270,079 | \$ 4,636,342 | \$ 5,038,750 |
| Total Operating | \$ 25,562,456 | \$ 27,483,754 | \$ 29,326,917 | \$ 31,302,446 |

The Authority's capital expenditures include both R&R projects and capacity expansion related projects. Additionally, VVWRA funds capital expenditures through a variety of sources, including user charge revenue, Capacity Fee revenue, grants, and loans. The capital improvement plan provided by staff includes approximately \$320 million in capital expenditure needs over the next 7 years. **Table 10** and **Table 11** show the planned capital expenditures used in this study by type and funding source, respectively. Where capital expenditures are funded by customer rates in a pay-as-you-go (Paygo) basis, those are tied to user charge revenues, either directly through rates, or by debt issuances which are refunded by rates. Optimally, Capacity Fee funded improvements should be paid for by growth as they are related to expanding system capacity; however, where Capacity Fee revenues are not available, these projects may be funded by user charges.

Table 10. Projected Capital Expenditures by Type, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------------------|---------------------|---------------------|----------------------|----------------------|
| Collection System | \$ 403,773 | \$ 6,120,495 | \$ 500,000 | \$ 500,000 |
| Facilities | \$ - | \$ 1,280,000 | \$ 1,920,000 | \$ - |
| Plant | \$ 1,000,000 | \$ 2,070,000 | \$ 2,259,000 | \$ 9,381,000 |
| Treatment and Laboratory | \$ 2,302,700 | \$ - | \$ 27,567,821 | \$ 27,567,820 |
| Total | \$ 3,706,473 | \$ 9,470,495 | \$ 32,246,821 | \$ 37,448,820 |

Table 11. Projected Capital Expenditures by Funding Source, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------|---------------------|---------------------|----------------------|----------------------|
| Paygo | \$ - | \$ 4,250,000 | \$ 4,537,690 | \$ 9,022,310 |
| Capacity Fee | \$ 3,556,473 | \$ 2,720,495 | \$ 21,783,717 | \$ 22,054,256 |
| Grant | \$ 150,000 | \$ 2,500,000 | \$ 5,925,414 | \$ 6,372,254 |
| Total | \$ 3,706,473 | \$ 9,470,495 | \$ 32,246,821 | \$ 37,448,820 |

The Authority's current debt service includes six issuances which are being repaid with either user charge revenues or Capacity Fee revenues. **Table 12** shows the current outstanding debt which has been issued by the Authority, the year it was issued, and the percent of the debt issuance which is to be repaid using either Capacity Fee revenues or user charge revenues.

Table 12. VVWRA Current Debt

| Debt Issuance | Year Issued | Total Issuance | Capacity Percent | Rate Percent |
|--------------------------------|-------------|----------------|------------------|--------------|
| North Apple Valley Interceptor | 2005 | \$ 4,084,688 | 100% | 0% |
| Phase IIIA Regulatory Upgrades | 2013 | \$ 15,717,668 | 25% | 75% |
| Upper Narrows Replacement | 2016 | \$ 4,286,380 | 0% | 100% |
| Nanticoke Bypass | 2018 | \$ 4,459,190 | 25% | 75% |
| Apple Valley Sub-Regional | 2019 | \$ 26,455,229 | 39% | 61% |
| Hesperia Sub-Regional | 2019 | \$ 37,758,385 | 39% | 61% |

The total debt service payments for the study period under the status quo financial plan are shown in **Table 13**. The total debt service is used to calculate debt service coverage ratios and reserve targets.

Table 13. Debt Service by Funding Category, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Total User Charge Principal | \$ 2,187,646 | \$ 2,223,435 | \$ 2,259,930 | \$ 2,297,148 |
| Total User Charge Interest | \$ 562,853 | \$ 527,064 | \$ 490,569 | \$ 453,351 |
| Total Capacity Principal | \$ 1,024,650 | \$ 1,038,900 | \$ 1,053,398 | \$ 1,068,147 |
| Total Capacity Interest | \$ 270,100 | \$ 255,849 | \$ 241,352 | \$ 226,602 |
| Total Debt Service | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 |

A summary of the financial inputs and results under the status quo financial plan is shown in **Table 14**. Because of the ratio of expenses to revenues, cash balances and debt service coverage levels are

projected to decrease significantly through the five years outlined in this report, with even steeper decreases in future years as the Authority's capital plan is fully implemented. According to the projections, the DSCR will fall under required levels in FY 2025; additionally, with no revenue increases or changes to the financial plan, cash balances will be negative by FY 2026. To counteract the rapid decline in financial position, RDN recommends a series of revenue adjustments to increase revenues from user charges.

Table 14. Status Quo Financial Plan Pro Forma³

| Status Quo Pro Forma | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|----------------------|-----------------------|------------------------|------------------------|
| User Charge Revenue | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non-Operating Revenue (non-cap fee) | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenues | \$ 26,527,473 | \$ 26,692,254 | \$ 27,312,155 | \$ 27,947,553 |
| Operating Expenses | \$ 24,567,812 | \$ 27,483,754 | \$ 29,326,917 | \$ 31,302,446 |
| Net Revenue | \$ 1,959,661 | \$ (791,500) | \$ (2,014,762) | \$ (3,354,893) |
| User Charge Debt Service | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 |
| Paygo | \$ - | \$ 4,250,000 | \$ 4,537,690 | \$ 9,022,310 |
| Supplemental Capital Purchase | \$ - | \$ 1,500,000 | \$ 1,500,000 | \$ 1,560,000 |
| Net Rate Revenue | \$ (790,838) | \$ (9,291,999) | \$ (10,802,951) | \$ (16,687,702) |
| Cash Balances | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Cash Balance | \$ 7,697,169 | \$ 6,906,331 | \$ (2,385,668) | \$ (13,188,619) |
| Ending Cash Balance | \$ 6,906,331 | \$ (2,385,668) | \$ (13,188,619) | \$ (29,876,321) |
| DSCR Calculation | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Net Revenue With Cap Fee Revenue | \$ 4,802,444 | \$ 2,051,283 | \$ 828,020 | \$ (512,110) |
| Total Debt Service | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 |
| DSCR | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Debt Service Coverage Ratio | 1.2 | 0.5 | 0.2 | -0.1 |

5. Proposed User Charge Adjustments

The proposed revenue adjustments shown in **Table 15** are scheduled to occur in January 2025 and July 2025. The recommended adjustments should be evaluated by the Authority before the beginning of each fiscal year to ensure that the financial plan has maintained projected levels.

Table 15. Proposed Wastewater Revenue Adjustments

| | Proposed | | Recommended | |
|--------------------|----------|---------|-------------|---------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue Adjustment | 15.0% | 15.0% | 12.0% | 12.0% |

³ Note that debt service coverage ratios are calculated by dividing all revenue, including capacity fee revenue, by the total annual debt payment

Under California law, property based utility rates must adhere to Proposition 26. Specifically, that revenues derived from a fee or charge shall not exceed the funds required to provide the service. The current user charges are shown in **Table 16**. User charges are paid per million gallons of sewer flow. After reviewing the Authority's current rate structure, RDN determined that it adheres to Proposition 26 requirements, thus no changes to the overall structure are proposed. The amount of the fee or charge imposed upon any customer does not exceed the proportional cost of service attributable to the customer, since rates are wholly based on levels of sewer flow. Because no changes are being recommended to the rate structure, these percentages are applied directly to the user charge per MG. The resulting user charge rates are shown in **Table 17**.

Table 16. Current User Charges

| | Current |
|----------------------|----------|
| User Charge (per MG) | \$ 5,150 |

Table 17. Proposed User Charges

| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

Under the proposed plan, an additional \$39 million will be generated by user charges between FY 2025 and FY 2028. **Table 18** shows revenues under the proposed financial plan. The line titled "Additional User Charge" tracks the additional revenue which is generated each year with the proposed compounding adjustments from **Table 15**.

Table 18. Projected Revenues with User Charge Adjustments, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Current User Charge | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Additional User Charge | \$ 1,814,730 | \$ 7,998,381 | \$ 12,232,624 | \$ 17,169,761 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non-Operating Revenue (non-cap fee) | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenue | \$ 28,342,203 | \$ 34,690,635 | \$ 39,544,779 | \$ 45,117,314 |

6. Updated Financial Plan

A summary of the financial inputs and results under the proposed rate adjustments is shown in **Table 19**. The proposed changes to the rates and fees will allow VVWRA to maintain debt service coverage ratios well above the requirements of the debt covenants. The increase in revenues from user charges will also reverse the overall decline in cash position.

Table 19. Rate Adjusted Financial Plan Pro Forma⁴

| Adjusted Pro Forma | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|----------------------|-----------------------|----------------------|----------------------|
| User Charge Revenue | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Additional User Charge Revenue | \$ 1,814,730 | \$ 7,998,381 | \$ 12,232,624 | \$ 17,169,761 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non-Operating Revenue (non-cap fee) | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenues | \$ 28,342,203 | \$ 34,690,635 | \$ 39,544,779 | \$ 45,117,314 |
| | \$ - | \$ - | \$ - | \$ - |
| Operating Expenses | \$ 25,562,456 | \$ 27,483,754 | \$ 29,326,917 | \$ 31,302,446 |
| | \$ - | \$ - | \$ - | \$ - |
| Net Revenue | \$ 2,779,747 | \$ 7,206,881 | \$ 10,217,862 | \$ 13,814,868 |
| | \$ - | \$ - | \$ - | \$ - |
| User Charge Debt Service | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 |
| Paygo | \$ - | \$ 4,250,000 | \$ 4,537,690 | \$ 9,022,310 |
| Supplemental Capital Purchase | \$ - | \$ 1,500,000 | \$ 1,500,000 | \$ 1,560,000 |
| Net Rate Revenue | \$ 29,248 | \$ (1,293,618) | \$ 1,429,673 | \$ 482,059 |
| | | | | |
| Cash Balances | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Cash Balance | \$ 7,697,169 | \$ 7,726,417 | \$ 6,432,799 | \$ 7,862,472 |
| Additional Connection Fee Revenue | \$ 7,726,417 | \$ 6,432,799 | \$ 7,862,472 | \$ 8,344,531 |
| | | | | |
| DSCR Calculation | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Net Revenue With Cap Fee Revenue | \$ 5,622,529 | \$ 10,049,664 | \$ 13,060,645 | \$ 16,657,651 |
| Total Debt Service | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 |
| | | | | |
| DSCR | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Debt Service Coverage Ratio | 1.4 | 2.5 | 3.2 | 4.1 |

7. Summary of Results and Recommendations

RDN proposes the following revenue and rate adjustments to accomplish the Authority's goals of capital and reserve funding as well as maintaining debt service coverage ratios. **Table 20** shows the proposed wastewater rate adjustments for the four-year rate study period. To maintain the proposed financial plan, the Authority should raise wastewater rate revenues by 15 percent in January 2025, followed by 15 percent in July 2025. Additional rate adjustments beyond that point are recommended at 12 percent per year and is included in the financial projections, but the Authority should evaluate the current financial plan before that point to ensure that rates are performing to the level projected.

Table 20. Proposed Wastewater Revenue Adjustments

| | Proposed | | Recommended | |
|--------------------|----------|---------|-------------|---------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue Adjustment | 15.0% | 15.0% | 12.0% | 12.0% |

⁴ Note that debt service coverage ratios are calculated by dividing all revenue, including capacity fee revenue, by the total annual debt payment

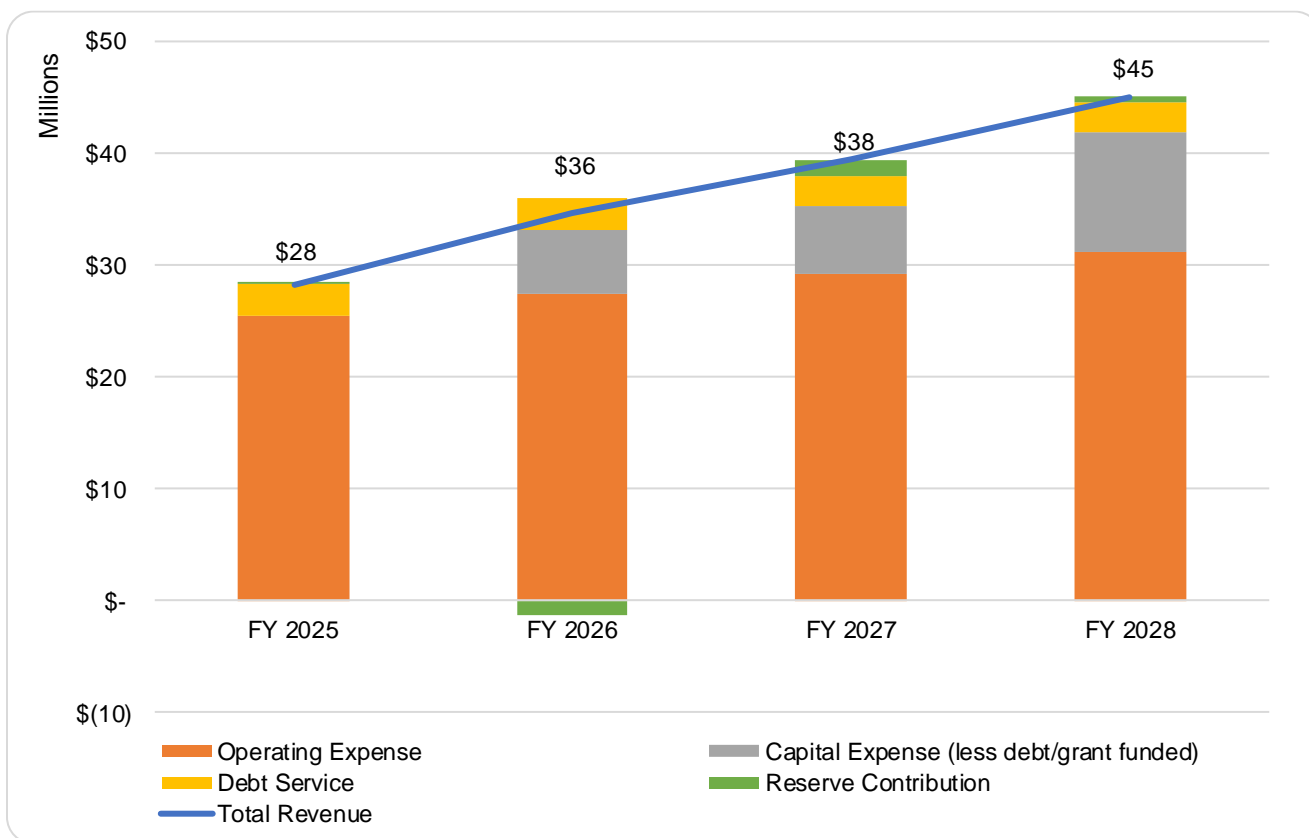
The proposed rates shown in **Table 21** are based on the results of the financial planning analysis. No change was made to the methodology used to calculate user charges per MG of sewer flows, which are escalated based on the proposed revenue adjustments.

Table 21. Proposed User Charges

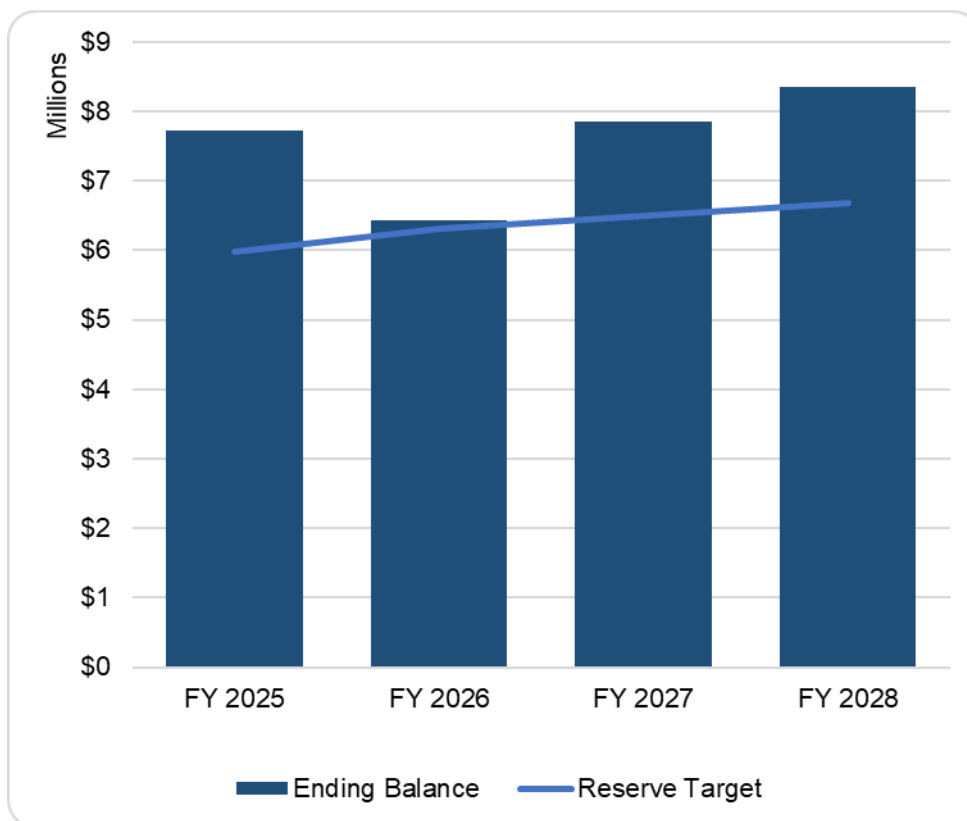
| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

Figure 4 through **Figure 6** show the financial plan results under the proposed debt issuances, rates, fees, and adjustments. The line in **Figure 4** shows the revenue under the proposed rate adjustments. Reserve contributions are shown in green, negative reserve contributions mean that the Authority is drawing cash from the reserves, positive means that cash is being contributed.

Figure 4. Proposed Total Cash Flow

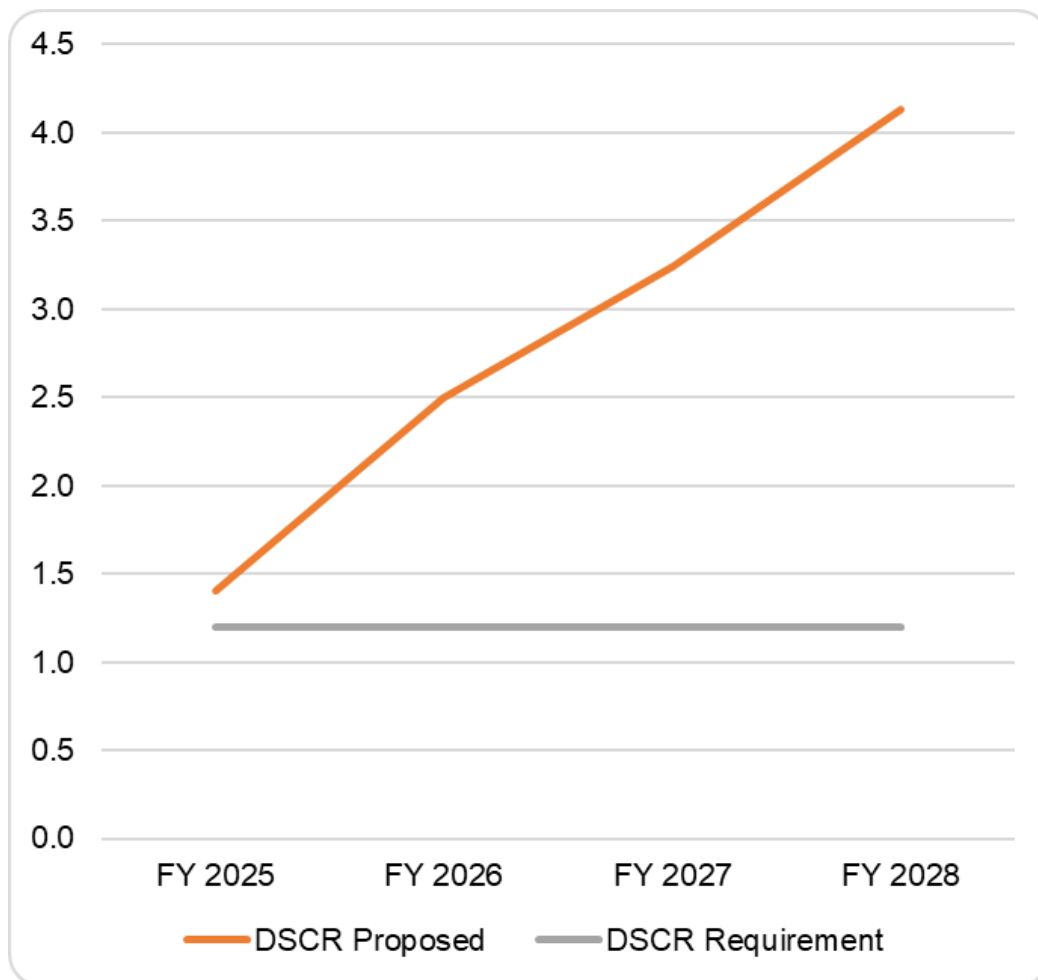


The cash balance is shown in **Figure 5**.

Figure 5. Proposed Combined Cash Balances

Finally, the Authority's debt covenants have a requirement of maintaining a DSCR of 120 percent of net revenues. **Figure 6** shows the annual DSCR for each year of the study under the proposed plan.

Figure 6. Proposed Combined Debt Service Coverage Ratio



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

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ORDINANCE NO. 001 RULES AND REGULATIONS FOR SEWERAGE SERVICE

November 7, 2024

AN ORDINANCE PRESCRIBING THE RULES AND REGULATIONS FOR SEWERAGE SERVICE AND THE OPERATION OF THE REGIONAL SEWERAGE SYSTEM WITHIN THE BOUNDARIES OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY AND ESTABLISHING THE SERVICE AND USER FEES CHARGES IN CONNECTION WITH PROVIDING SUCH SEWERAGE SERVICE AND THE OPERATION AND MAINTENANCE OF THE REGIONAL SEWERAGE SYSTEM, ALL PURSUANT TO STATEMENT OF FINDINGS AND BOARD ACTION SET FORTH IN THIS ORDINANCE NO. 001.

STATEMENT OF FINDINGS AND BOARD ACTION
REGARDING THE ADOPTION OF
ORDINANCE NO. 001

WHEREAS, Ordinance No. 001 of the Victor Valley Wastewater Authority (“VWVRA”) adopted by the Board of Commissioners (“Commission”) of VWVRA on October 8, 1980, (also known as Ordinance No. 80-19) established and imposed a schedule of user fees for services provided by the collection and treatment system owned, maintained and operated by VWVRA; and

WHEREAS, Article 11, Section 11-02 of Ordinance No. 001 provides in pertinent part that the Commission reserves the right to adopt charges and fees for the recovery of costs in connection with the commercial and industrial Pretreatment Program; and

WHEREAS, the funds collected pursuant to Ordinance No. 001 as amended are used to pay for the cost of operating and maintaining the collection and treatment systems owned, maintained and operated by VWVRA and to ensure compliance with regulatory requirements; and

WHEREAS, in 2016, Ordinance No. 001 was amended to allow a third party acting under the authority granted by a member entity to make a direct connection to a VWVRA interceptor and the member entities, in consultation with staff, have determined that only member entities should have such authority and the language added in 2016 should be deleted.

WHEREAS, VWVRA operates a pretreatment program for certain commercial and industrial customers who discharge wastewater into the regional collection system to ensure that such discharge is in compliance with VWVRA quality requirements and does not overload or cause disruptions in the wastewater treatment system; and

WHEREAS, VWVRA issues permits to the commercial and industrial customers who are required to participate in the pretreatment program and charges application and inspection fees, as well as annual permitting fees in connection with such permits to ensure that the commercial and

industrial users that are creating the additional burden on the system are paying the full costs associated with the program; and

WHEREAS, an independent analysis of VVWRA’s costs in connection with the pretreatment program was undertaken by Larry Walker Associates (“Report”) and VVWRA’s permitting fees and fee structure were reviewed and compared to the fees imposed by similar agencies; and

WHEREAS, the Report, a copy of which is attached hereto as Exhibit “A”, determined that VVWRA is not recovering the full cost of operating the pretreatment program and recommended an increase in pretreatment program fees to address this deficit;

WHEREAS, the Report also pointed out that certain commercial and industrial users create a higher compliance and enforcement burden within the pretreatment program and recommended that VVWRA charge annual permitting fees by permit type to reflect the actual cost of the different classes of commercial and industrial user; and

WHEREAS; the member entities (i) have local pretreatment programs for the handling of FOG (food, oil and grease) that is generated by restaurants, (ii) require local permits in connection with such programs, and (iii) enforce permit requirements through the local inspection process, it was determined that wastewater pretreatment for Food Service Establishments should be handled exclusively through member entity pretreatment programs to avoid duplication of cost and regulatory burden on Food Service Establishments;

WHEREAS, (1) after discussing these matters with staff for its member entities and the VVWRA Engineering Committee, (2) review and consideration of the Report by the Commission; and (3) conducting the necessary notice and public hearing process in the matter, the Commission believes that the proposed changes in the pretreatment program fees and the structure of those fees and the elimination of duplicate cost with respect to the permitting of Food Service Establishments, is necessary in light of the findings above.

WHEREAS, in July of 2021, the Board of Commissioners approved an amendment to Ordinance 001 to update the pretreatment program as recommended by the study completed by Larry Walker and associates attached here to as Exhibit “A” and reflecting the circumstances and findings stated above, and;

WHEREAS, on February 16, 2023, the Commission approved Resolution 2023-04, a true and accurate copy of which is attached hereto as Exhibit “B” and is incorporated herein by this reference; and,

WHEREAS, Resolution 2023-04 sets tipping fee for ADM, specifically, Fats, Oil, and Grease (FOG), disposal as authorized and contemplated by Section 07-04 of the Ordinance and,

WHEREAS, a Rate Study was completed in October of 2024 by RDN Inc. to evaluate future VVWRA users fee revenues necessary to fund regular operations and the capital improvement program (the “Rate Study”) and,

WHEREAS, a true and accurate copy of the Rate Study is attached hereto as Exhibit “C” and is incorporated herein by this reference;

WHEREAS, the Board of Commissioners approved the Rate Study on October 24, 2024, pursuant to Resolution 2024-10 a true and accurate copy of which is attached hereto as Exhibit “D” and is incorporated herein by this reference;

WHEREAS, the Rate Study determined that the current user fee rates charged by VVWRA are not sufficient to cover future operating costs and necessary capital improvements and;

WHEREAS, the Rate Study and Resolution 2024-10 provide that an increase in user fee rates is necessary to ensure that no deficit is further incurred in the operations of VVWRA; and,

WHEREAS, it is the decision of the Board of Commissioners that the recommended increase approved in Resolution 2024-10 be implemented

WHEREAS, on October 24, 2024, at a regularly scheduled meeting, the Board of Commissioners conducted a duly noticed public hearing and the First Reading of the Ordinance;

WHEREAS, on November 7, 2024, the Board of Commissioners conducted a duly noticed public hearing and the Second Reading of the Ordinance

NOW THEREFORE, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority hereby ordains as follows:

Section 1. Findings. The Board of Commissioners asserts and adopts the findings set forth above;

Section 2. Repeal of Table II of Ordinance No. 001 Table II is hereby repealed in its entirety and, as set forth below, is to be replaced by the Amended Table II attached hereto.

Section 3. Amendment of Table II of Ordinance No. 001 Table II, as referenced in Section 10-01 of Ordinance No. 001, is hereby amended and revised as set forth in the attachment hereto and is incorporated herein by the reference.

Section 4. Continued Effect of Remaining Provisions of Ordinance No. 001. The remaining provisions of Ordinance No. 001 not expressly repealed or amended by this Ordinance shall remain in full force and effect.

Section 5. Effective Date. This Ordinance shall take effect and be in full force more than thirty (30) days after its adoption, starting January 1, 2025. Prior to the expiration of the fifteen (15) days from its adoption, the Ordinance or a summary of it shall be published in The Daily Press, a newspaper of general circulation within the boundaries of the Victor Valley Wastewater Reclamation Authority, or a newspaper of substantially equivalent circulation.

Section 6. Notice of Exemption. Within five working days after the passage and adoption of this Ordinance, the Commission hereby authorizes and directs staff to prepare, execute, and file with the County Clerk a Notice of Exemption for the revisions to Ordinance No. 001.

BEGIN TEXT OF ORDINANCE NO. 001

LEGISLATIVE HISTORY

ORDINANCE NO. 001

(PREVIOUSLY REFERRED TO AS ORDINANCE 80-19)

ADOPTED: 10/08/80

AMENDED: 11/25/81

AMENDED: 06/03/82

AMENDED: 11/17/83

AMENDED: 06/28/84

AMENDED: 06/27/85

AMENDED: 06/26/86

AMENDED: 01/29/87

AMENDED: 06/25/87

AMENDED: 06/30/88

AMENDED: 07/01/89

AMENDED: 07/01/90

AMENDED: 07/01/91

AMENDED: 06/25/92

AMENDED: 05/27/93

AMENDED: 05/26/94

AMENDED: 03/30/95

AMENDED: 05/23/96

AMENDED: 08/27/97

AMENDED: 10/28/99

AMENDED: 07/25/01

AMENDED: 07/05/02

AMENDED: 06/22/07

AMENDED: 06/20/08

AMENDED: 06/29/09

AMENDED: 06/21/12

AMENDED: 03/20/14

AMENDED: 05/20/15

AMENDED: 02/18/16

AMENDED: 10/23/19

AMENDED: 6/17/21

REPEALED AND RESTATED: 11/07/2024

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ARTICLE 01: GENERAL

The purpose of these Rules and Regulations is to provide for the maximum possible beneficial public use of the Victor Valley Wastewater Reclamation Authority (VWVRA) facilities through adequate regulation of sewer design and construction, sewer use, and industrial wastewater discharges; to provide equitable distribution of the costs of the regional sewerage system and to provide procedures for complying with requirements placed upon the Reclamation Authority by other regulatory agencies.

The provisions of these Rules and Regulations shall apply to the direct or indirect discharge of all liquid carried wastes to facilities of the Reclamation Authority and the collection and processing of solid wastes that qualify as ADM and are approved by the Reclamation Authority from time to time. These Rules and Regulations, among other things, provide for the regulation of sewer service and construction in areas within the Reclamation Authority service area, the quality and quantity of discharged wastes, the degree of waste pretreatment required, the issuance of permits for wastewater discharge and of other miscellaneous permits, and the establishment of penalties for violation.

Unless otherwise provided herein, the Reclamation Authority, shall administer, implement, and enforce the provisions of this document. Each Member Entity will provide its own design and construction specifications for local systems. These specifications will be regulated and enforced individually by the Member Entities. The regulation of inflow into the sanitary sewer systems of each Member Entity is available under the following conditions:

- a) Domestic waste hook-up will be regulated by a permit procedure by each Member Entity.
- b) Industrial/commercial waste hook-up will be regulated by the individual Member Entities; however, all discharge of nondomestic wastewater will be subject to the standards and procedures set forth in this Ordinance as adopted and as hereafter amended; and with respect to Food Service Establishments, by the standards and procedures established by the Member Entities consistent with the requirements of this Ordinance.

The Reclamation Authority is a Joint Powers Agency created expressly for the purpose of treatment of wastewater and the ultimate disposal of effluent and solids in compliance with waste discharge requirements set from time to time by the California Regional Water Quality Control Board (Regional Board), Lahontan Region, and any and all applicable Federal, State, and Local statutes, ordinances regulations, and other requirements.

Sewerage service by the Reclamation Authority, subject to the availability of facilities, adequate capacity in facilities, funds or financing for the construction thereof, or all of the foregoing, is available to Member Entities on the terms of conditions herein established. The availability of such service is to be furnished to each Member Entity on the same basis, so that all such entities may be served in an equal and comparable manner.

The original financing for the regional sewerage system was established pursuant to Financial Policy Resolution 81-10 dated November 1981. On an ongoing basis, the Reclamation Authority Financial and Revenue Plan sets forth the means of funding capital and operational costs of the regional sewerage system. In general, the Reclamation Authority sets rates for service to the Member Entities that cover the costs of operating the regional sewerage system. The Reclamation Authority further establishes connection fees to fund capital infrastructure for the regional sewerage system. Connection fees are collected by each Member Entity from users at the local level on behalf of the Reclamation Authority.

It is additionally the intent of the Reclamation Authority to utilize reclaimed water to the maximum beneficial advantage of the community. This use may encompass all or a combination of ground water recharge, landscape irrigation, agricultural irrigation, industrial process water, recreational impoundment, or other beneficial use thereof.

The Reclamation Authority intends to provide regional sewerage service to its Member Entities through sound fiscal planning so as to provide capacity at all times to meet the growth of the area. The Reclamation Authority, however, urges that strong control measures be adopted within each Member Entity to encourage water conservation. In this manner, the Reclamation Authority would not only provide reuse of the treated wastewater, but even more importantly, reduce the consumptive use of high quality drinking water available within its boundaries.

The Reclamation Authority is committed to generating renewable energy through the collection and utilization of biogas that is a byproduct of the treatment process, including the processing of additional solid waste that qualifies as ADM within the digesters of the Reclamation Authority to maximize biogas generation.

ARTICLE 02: JURISDICTION

Pursuant to the regional "project concept", the "contracting communities" or "Member Entities" will collect sewage through locally owned and operated municipal collector systems within their respective boundaries and transmit same to the Reclamation Authority owned and operated regional sewerage system, via the Reclamation Authority's interceptor pipelines, for treatment and ultimate disposition of the treated effluent.

Reclamation Authority may establish policies and procedures for the acceptance of septage and solid waste products that qualify as ADM from waste haulers directly at its primary treatment facility. Reclamation Authority will further adopt standard operating procedures for the handling and treatment of solid waste products that qualify as ADM.

All Member Entities recognize that the violation of any rule and regulation regarding the use of the regional sewerage system by a Member Entity or any of its dischargers could jeopardize the integrity and operation of the regional system and the Reclamation Authority's ability to provide regional wastewater service to the entity in question and to the other Member Entities and their dischargers. In addition, all Member Entities recognize the importance of fair, equitable, and uniform enforcement of said Rules and Regulations throughout the regional system service area. Accordingly, each Member Entity pledges to comply with, honor, and enforce all Rules and Regulations in force relating to the regional sewerage system within their respective boundaries; and agrees to delegate to the Reclamation Authority the primary power and authority to regulate the discharge of nondomestic wastewater by Industrial Users into the tributary sewerage systems.

Notwithstanding anything contained herein which may appear to be to the contrary, the Member Entities shall have and retain exclusive jurisdiction and control over their local collector systems and the Reclamation Authority shall have and retain exclusive jurisdiction and control over the regional sewerage system.

ARTICLE 03: DEFINITIONS AND ABBREVIATIONS

03-01 - Definitions

For the purposes of this Ordinance, the following words and phrases are defined and shall be construed as hereinafter set out unless it shall be apparent from the context that they have a different meaning.

ACT shall mean the Federal Water Pollution Control Act of 1972, also known as the Clean Water Act, as amended, 33 USC 1251, et. seq. This Act has been incorporated by reference into California Law in the Water Code, Chapter 5.5.

ANAEROBICALLY DIGESTIBLE MATERIALS or ADM shall mean waste that can be accepted by the Reclamation Authority for treatment and disposal directly into the anaerobic digester at the wastewater treatment plant. These wastes include FOG, Food Waste and inedible kitchen grease as defined in section 19216 of the California Food and Agriculture Code and food material as defined in Title 14 of the California Code of Regulations, Chapter 3.1, Article 1, section 17852(a)(20).

APPROVED ANALYTICAL METHODS shall mean the sampling referred to in 40 CFR Part 403, Appendix E and analysis of these samples performed in accordance with the techniques prescribed in 40 CFR Part 136 and amendments thereto. Where 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, or where the EPA determines that the Part 136 sampling and analytical techniques are inappropriate for the pollutant in question, sampling and analysis shall be performed using other applicable sampling and analytical procedures approved by the VVWRA and the EPA.

APPROVAL AUTHORITY shall mean the State of California Water Resources Control Board and/or the California Regional Water Quality Control Board, Lahontan Region.

AUTHORITY INTERCEPTOR shall mean those interceptor sewers owned by the Reclamation Authority for the conveyance of liquid wastes from Member Entity tributary sewerage systems to the Reclamation Authority's wastewater treatment facilities.

AUTHORITY SEWERAGE FACILITY shall mean any property belonging to the Reclamation Authority used in the treatment, reclamation, reuse transportation, or disposal of wastewater.

AUTHORIZED OR DULY AUTHORIZED REPRESENTATIVE OF THE USER shall mean:

1. If the User is a corporation:
 - a. A president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or
 - b. The manager of one or more manufacturing, production, or operating facilities, provided, the manager is authorized to make management decisions which govern the operation of the regulated facility including having the explicit or implicit duty

of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for control mechanism requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.

2. If the User is a partnership or sole proprietorship: a general partner or proprietor, respectively;
3. If the User is a Federal, State, or local government facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee; or
4. The individuals described paragraphs 1, 2, and 3, above, may designate a Duly Authorized Representative if the authorization is in writing, the authorization specifies the individual or position responsible for the overall operation of the facility from which the discharge originates or having overall responsibility for environmental matters for the company, and the written authorization is submitted to VVWRA.

If authorization under item 4 of this definition is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, or overall responsibility for environmental matters for the company, a new authorization satisfying the requirements of item 4 of this definition must be submitted to the VVWRA prior to or together with any reports to be signed by an authorized representative.

AVERAGE DAILY FLOW shall mean the arithmetic average value for the number of gallons of wastewater discharged into the sewer system during a 24-hour period.

BEST MANAGEMENT PRACTICES (BMPs) shall mean schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions listed in Article 8. BMPs include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

BIOCHEMICAL OXYGEN DEMAND (BOD) shall mean the quantity of dissolved oxygen required to biochemically oxidize the organic matter in a wastewater sample in five (5) days at 20°C expressed in terms of milligrams per liter (mg/l) and analyzed in accordance with Approved Analytical Methods.

BUILDING SEWER shall mean any sewer or sewer lateral conveying wastewater from the premises of a User to the public sewer system.

BUILDING SEWER - SANITARY shall mean a sewer pipe receiving flow from a single building and connecting to a sewer main or lateral, and constructed on private property, except for street crossing.

CATEGORICAL INDUSTRIAL USER (CIU) shall mean an Industrial User who is subject to promulgated Categorical Standards.

CATEGORICAL STANDARDS shall mean any regulation containing pollutant discharge limits promulgated by EPA in accordance with sections 307(b) and (c) of the Act (33 USC section 1317) that apply to a specific category of Users and that appears in 40 CFR Chapter I, Subchapter N, Parts 405-421, as it exists and as it may be amended.

CHEMICAL OXYGEN DEMAND shall mean the quantity of dissolved oxygen required to chemically oxidize the contents of a waste sample under specific conditions of oxidizing agent, temperature, and time, expressed in terms of milligrams per liter (mg/l) and analyzed in accordance with Approved Analytical Methods.

CLASS I USER shall mean a Categorical Industrial User. (CIU)

CLASS II USER shall mean a Non-categorical Significant Industrial User. (NCSIU)

CLASS III USER shall mean a Non-Significant Industrial User. (NSIU)

CLASS IV USER shall mean a Temporary Industrial User. (TIU)

CLASS V USER shall mean a discharger of trucked or hauled wastewater to the POTW.

COLIFORM BACTERIA shall mean any of a number of species of bacterial organisms common to the intestinal tracts of humans and animals whose presence in sewage is an indicator of the potential presence of pathogens.

COLLECTION SEWER shall mean a public sewer owned and operated by a Member Entity, whose primary purpose is to collect wastewaters from individual point source discharges.

COMBINED SEWAGE shall mean a combination of both wastewater and storm or surface water.

COMBINED SEWER shall mean a sewer intended to receive both wastewater and storm or surface water.

COMMERCIAL WASTEWATER shall mean wastewater from any retail store, restaurant, office building, laundry, church, lodge, or other private business or service establishment.

COMMISSION shall mean the Board of Commissioners of the Reclamation Authority.

COMPATIBLE POLLUTANT shall mean BOD, suspended solids, pH, coliform bacteria, and such additional pollutants as are now or may be in the future specified and controlled by the Reclamation Authority's permit, for its wastewater treatment works as said works have been designed and are operated to reduce or remove such pollutants.

COMPLIANCE TIME SCHEDULE shall mean a formal timetable for achieving compliance required of Users in violation of the provisions of this Ordinance. Each Compliance Time Schedule shall contain milestone dates as well as a final compliance date, and shall be approved by the Manager.

COMPOSITE SAMPLE shall mean a sample which is collected from a wastewater discharge over a time period of twenty-four (24) hours. A composite sample may be collected using automatic continuous or discrete sampling equipment, or by manually collecting and compositing a minimum of four grab samples. Where specified by the Manager, composite samples shall be collected in a manner which is proportional to the flow rate of the discharge.

CONNECTION FEE shall mean a fee paid by a new system discharger to fund the capital costs associated with service capacity in the regional wastewater system.

CONSTITUENT shall mean any physical, chemical, or microbiological component or parameter of water or wastewater which can be quantified using Approved Analytical Methods.

CONSTRUCTION DRAINAGE shall mean water accumulated in excavations; water taken from the ground through a well-point, underdrain or other dewatering systems; water accumulated as a result of grading; and all other drainage associated with construction operations.

CONTROL AUTHORITY shall mean the General Manager of the VVWRA or his authorized representative, agent, or deputy.

CONTROL STRUCTURE shall mean a manhole, vault, or other chamber specially constructed for the purpose of sampling and measuring the flow of a nondomestic wastewater discharge to the POTW.

CONVENTIONAL POLLUTANT shall mean any pollutant or combination of pollutants listed as conventional in 40 CFR Part 401.16.

COUNTY shall mean the County of San Bernardino or the Board of Supervisors of the County of San Bernardino, California.

DAILY MAXIMUM shall mean the arithmetic average of all effluent samples for a pollutant collected during a calendar day.

DAILY MAXIMUM LIMIT shall mean the maximum allowable discharge limit of a pollutant during a calendar day. Where Daily Maximum Limits are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where Daily Maximum Limits are expressed in terms of concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken that day.

DEVELOPMENTS shall mean parcels of land on which dwelling units, commercial, or industrial buildings, or improvements are built.

DIRECT DISCHARGE shall mean the discharge of wastewater to the storm drain system or waters of the State of California or the United States.

DISCHARGE TO THE GROUND shall mean the discharge of wastewater to or into the soil and not contained in a facility approved by the Manager as being impermeable.

DISCHARGER shall mean any person who causes or contributes a discharge into the POTW.

DISSOLVED ORGANIC HALIDES (DOX) shall mean the measure of dissolved halogenated organic material in domestic or other wastewater as analyzed in accordance with Approved Analytical Methods.

DISSOLVED SOLIDS shall mean the residues of the dissolved constituents in water.

DOMESTIC WASTEWATER (DOMESTIC SEWAGE) shall mean water bearing wastes from residences and other premises resulting from personal use of water for ordinary living processes.

EASEMENT shall mean an acquired legal right for the specific use of land owned by others.

EFFLUENT shall mean the liquid outflow from any POTW facility; or the nondomestic wastewater discharged by a User to the POTW.

ELECTRICAL CONDUCTIVITY (EC) shall mean the ability of an aqueous solution to carry an electrical current, expressed in terms of micromhos per centimeter (umhos/cm) at 25°C, and analyzed in accordance with Approved Analytical Methods.

ENVIRONMENTAL PROTECTION AGENCY (EPA) shall mean the United States Environmental Protection Agency, or where appropriate, the Regional Water Management Division Director, the Regional Administrator, or other duly authorized official of said agency.

EXCHANGE-TYPE WATER CONDITIONING DEVICE shall mean a water conditioning device that is removed to and serviced at a commercial regeneration facility for regeneration from the premises at which it is normally operated.

EXISTING SOURCE shall mean any source of discharge that is not a “New Source”.

FLOATABLE OIL shall mean oil, fat, or grease that is made up of organic polar compounds derived from vegetable/plant or animal sources that are composed of long chain triglycerides (3 fatty acid molecules with one glycerol) and is in a physical state such that it will separate by gravity from wastewater by treatment in a pretreatment facility approved by the Reclamation Authority and Member Entity.

FATS, OIL, and GREASE (FOG) shall mean any substance such as vegetable or animal product that is used in, or is a byproduct of, the cooking for food preparation process, and that turns or may turn viscous or solidify with a change in temperature or other conditions.

FOOD PROCESSING FACILITY shall mean a wholesale or retail facility which handles, processes, or prepares foodstuffs intended for human and/or animal consumption.

FOOD SERVICE ESTABLISHMENT (FSE) shall mean means facilities defined in California Uniform Retail Food Facilities Law (CURFFL) Section 113785, and any commercial entity (such as, but not limited to, restaurants, commercial kitchens, caterers, hotels, bakeries, donut shops, public and private schools, hospitals, prisons, correctional facilities, and care institutions) within the service area, operating in a permanently constructed structure such as a room, building, or place, or portion thereof, maintained, used, or operated for the purpose of preparing, serving, or

manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members or employees, and which has any process or device that uses or produces FOG, or grease vapors, steam, fumes, smoke or odors that are required to be removed by a Type I or Type II hood, as defined in CURFFL Section 113785. A limited food preparation establishment is not considered a food service establishment when engaged only in reheating, hot holding or assembly of ready to eat food products and as a result, there is no wastewater discharge containing a significant amount of FOG. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food.

FOOD WASTE shall mean organic wastes derived from pre- and post-processed plants and animals (excluding those wastes generated at rendering facilities) for the explicit creation of foods for human and/or animal consumption. This includes, but may not be limited to, those foods and scraps processed or produced at restaurants, hospitals, food distributors, schools and residences.

FORCE MAIN shall mean a pipe in which wastewater is carried under pressure.

GARBAGE shall mean solid wastes from the domestic and commercial preparation, cooking and dispensing of food, and from the handling, storage and sale of food; and from solid waste recycling and separation facilities.

GENERAL MANAGER or MANAGER shall mean the General Manager of the VVWRA.

GRAB SAMPLE shall mean a sample which is collected from a wastewater discharge without regard for flow over a period of time not exceeding fifteen (15) minutes.

GRAVITY SEPARATION INTERCEPTOR shall mean an approved detention chamber designed to remove grease, oil, and solids from wastewater before discharge to the POTW.

HAZARDOUS SUBSTANCE shall mean any substance which is toxic, explosive, corrosive, flammable or an irritant, or which generates pressure through heat or decomposition including, but not limited to, any substance determined to be a toxic or hazardous substance pursuant to Section 307 and 311(b)(2) of the Clean Water Act, 33 USC, Section 1251, et. seq., or its implementing regulations at 40 CFR Section 307 and 311; any substance classified as a hazardous substance pursuant to California Water Code Section 13050(p) and; any imminently hazardous chemical substance subject to regulation under the Toxic Mixtures or Substances Control Act, 15 USC, Section 2601, et seq.

HAZARDOUS WASTE shall mean any hazardous substance which is either the resultant and/or intermediate or final by-product of any process.

HOLDING TANK WASTE shall mean any waste from holding tanks such as vessels, chemical toilets, campers, trailers, septic tanks, and vacuum-pump tank trucks.

INCOMPATIBLE POLLUTANT shall mean any non-treatable waste product including non-biodegradable dissolved solids.

INDIRECT DISCHARGE or DISCHARGE shall mean the introduction of pollutants into a POTW from any non-domestic source regulated under section 307(b), (c) or (d) of the Act.

INDUSTRIAL PLANT shall mean any facility which discharges industrial wastes. Each industrial plant will be considered and analyzed individually even though an owner may operate two or more industrial plants within the Reclamation Authority service area. A multi-building industrial plant located on a single site shall not be arbitrarily divided into separate units for the purpose of obtaining additional deductions and exemptions.

INDUSTRIAL SEWER shall mean a sewer owned and operated by an industry.

INDUSTRIAL USER (IU) The term Industrial User or User means a source of Indirect Discharge.

INDUSTRIAL WASTE ENFORCEMENT OFFICER shall mean a person authorized by the Reclamation Authority and Member Entities to inspect wastewater generation, conveyance, processing, and disposal facilities.

INDUSTRIAL WASTEWATER shall mean wastewater generated by industrial users.

INFILTRATION shall mean the water unintentionally entering the public sewer system, including groundwater seepage, through such means as, but not limited to, defective pipes, pipe joints, connections, or manhole walls.

INFILTRATION/INFLOW shall mean the total quantity of water from both infiltration and inflow without distinguishing the source.

INFLOW shall mean the water discharge into a sanitary sewer system, including building drains and sewers, from such sources as, but not limited to, roof leaders, cellar, yard, and area drains, foundation drains, unpolluted cooling water discharges, drains from springs and swampy areas, manhole covers, cross connections from storm sewers and/or combined sewers, catch basins, stormwaters, surface runoff, street wash waters or drainage. (Inflow does not include, and is distinguished from, infiltration.)

INSTANTANEOUS LIMIT shall mean the maximum concentration of a pollutant allowed to be discharged at any time, determined from the analysis of any discrete or composited sample collected, independent of the flow rate and the duration of the sampling event.

INTERCEPTOR shall mean a gravity separation interceptor.

INTERCEPTOR SEWER shall mean a sewer whose primary purpose is to convey wastewater from the collection sewers of a Member Entity to the Reclamation Authority's wastewater treatment facilities.

INTERFERENCE shall mean a discharge which alone or in conjunction with a discharge or discharges from other sources, both:

- a) Inhibits or disrupts the POTW, its treatment processes or operations, or its sludge processes, use or disposal; and
- b) Causes a violation of any requirement of the POTW's NPDES permit and/or WDR (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent State or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including State regulations contained in any State sludge management plan prepared pursuant to Subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

JOINT POWERS AUTHORITY shall mean members included in the Joint Exercise of Powers Agreement comprised of the following parties: City of Victorville, Town of Apple Valley, City of Hesperia, and County Service Areas No. 42 (Oro Grande) and No. 64 (Spring Valley Lake) or the entity known as VVWRA, however constituted.

LIQUID WASTE HAULER DISCHARGE PERMIT shall mean the regulatory procedure established and enforced by the Manager pursuant to Section 07-03 herein, to allow for the proper discharge of Septage into the POTW. LOCAL LIMIT shall mean specific discharge limits developed and enforced by the Reclamation Authority upon industrial or commercial facilities to implement the general and specific discharge prohibitions listed in 40 CFR Part 403.5(a)(1) and (b).

LOCAL SEWERING AGENCY shall mean the Member Entity, as designated in the Joint Powers Agreement, with authority to approve building plans for a particular User.

LOWER EXPLOSIVE LIMIT (LEL) shall mean the minimum concentration of a combustible gas or vapor in the air which will ignite if an ignition source is present.

MAINTENANCE shall mean keeping the sewer lines, sewer systems, sewer facilities or sewage works and structures in satisfactory working condition and good state of repair (including, but not limited, to preventing any obstructions or extraneous materials or flows from entering said facilities, protecting said facilities from any damage, and keeping same free from defects or malfunctions), and making necessary provisions and taking necessary precautions to assure that said sewer facilities are at all times capable of satisfactorily performing the services, and

adequately discharging the functions and producing the final results and purposes said facilities are intended to perform, discharge, or produce.

MASS EMISSION RATE shall mean the mass of material discharged to the POTW during a given time interval. Unless otherwise specified, the mass emission rate shall be expressed in pounds per day of a particular constituent or combination of constituents.

MAY is permissive.

MEMBER ENTITY shall mean one of the public functional entities that are legally accepted as members of the VVWRA and so designated in the JPAG.

MILLIGRAMS PER LITER (mg/l) shall mean a unit of the concentration of water or wastewater constituent. It is 0.001 g of the constituent in 1,000 ml of water. It has replaced the unit formerly used commonly, parts per million, to which it is approximately equivalent in reporting the results of water and wastewater analysis.

MONTHLY AVERAGE shall mean the sum of all “daily discharges” measured during a calendar month divided by the number of “daily discharges” measured during that month.

MONTHLY AVERAGE LIMIT shall mean the highest allowable average of “daily discharges” over a calendar month, calculated as the sum of all “daily discharges” measured during a calendar month divided by the number of “daily discharges” measured during that month.

NATIONAL PROHIBITIVE DISCHARGE STANDARD OR PROHIBITIVE DISCHARGE STANDARD shall mean any regulation developed under the authority of Section 307(b) of the Act and 40 CFR Part 403.5.

NATURAL OUTLET shall mean any outlet, including storm sewers and combined sewer overflows, into a water course; pond, ditch, lake or other body of surface or ground water.

NEW SOURCE shall mean

- (1) Any building, structure, facility, or installation from which there is or may be a discharge of pollutants to the POTW, the construction of which commenced after the publication of proposed Pretreatment Standards under Section 307(c) of the Act which will be applicable to such source if such Standards are thereafter promulgated in accordance with that Section.
 - a. The building, structure, facility, or installation is constructed at a site at which no other source is located; or
 - b. The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an Existing Source; or
 - c. The production or wastewater generating processes of the building, structure, facility, or installation are substantially independent of an Existing Source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the Existing Source, should be considered
- (2) Construction on a site at which an Existing Source is located results in a modification rather than a New Source if the construction does not create a new building, structure, facility, or installation meeting the criteria of Section (1) (b) or (c) above but otherwise alters, replaces, or adds to existing process or production equipment.

- (3) Construction of a New Source as defined under this paragraph has commenced if the owner or operator has:
- a. Begun, or caused to begin, as part of a continuous onsite construction program
 - i. any placement, assembly, or installation of facilities or equipment; or
 - ii. significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment;
 or
 - b. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph.

NON-CATEGORICAL SIGNIFICANT INDUSTRIAL USER (NCSIU) shall mean a Significant Industrial User which is not subject to promulgated Categorical Standards.

NON-CONTACT COOLING OR HEATING WATER shall mean water which is used solely for the purpose of cooling or heating, and which has no direct contact with any raw material, intermediate product, waste product, or finished product.

NONDOMESTIC WASTEWATER shall mean all wastewater except domestic wastewater and unpolluted water as defined herein. Nondomestic wastewater shall include, but not be limited to, wastewater resulting from industrial, commercial, producing, manufacturing, processing, institutional, governmental, and agricultural operations, and brine wastewater resulting from the regeneration of water conditioning devices. All liquid wastewater hauled by truck, rail, or another means shall also be considered as nondomestic wastewater, regardless of the original source of the wastes. Hauled domestic wastewater is included in the category of nondomestic wastewater.

NONDOMESTIC WASTEWATER DISCHARGE PERMIT (PERMIT) shall mean the regulatory procedure established and enforced by the Manager pursuant to Section 08-07 herein, to control the flow and quality of wastes discharged into the POTW.

NONRESIDENTIAL USER shall mean any Industrial User or Commercial Discharger.

NON-SIGNIFICANT INDUSTRIAL USER (NSIU) shall mean any Industrial User which is not a Significant Industrial User.

NORMAL WORKING DAY shall mean the period of time during one day during which production and/or operation is taking place.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT shall mean the permit issued to the POTW by the California Regional Water Quality Control Board, Lahontan Region pursuant to Section 402 of the Act (33 USC 1342).

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) shall mean the classification of business establishments that was adopted in 1997 to replace the Standard Industrial Classification system as outlined in the 2012 U.S. NAICS Manual; or latest edition thereof.

PETROLEUM BASED OIL AND GREASE shall mean Petroleum derived products, e.g., oils, fuels, lubricants, solvents;

OWNER shall mean any individual, firm, company, association, society, corporation or group discharging any wastewater to the POTW.

PASS-THROUGH shall mean any discharge which exits the POTW into waters of the State of California or United States in quantities or concentrations which, alone or in conjunction with other discharges, causes a violation of any requirement of the POTW's NPDES permit (including an increase in the magnitude or duration of a violation).

PATHOGEN shall mean any bacterial, viral, protozoan or other microbial organism which has the ability to cause disease in man.

PERMITTEE shall mean any User who is issued a Nondomestic Wastewater Discharge Permit pursuant to Section 08-07 herein.

PERSON shall mean any individual, family, household, partnership, co-partnership, firm, industry, company, corporation, association, society, Joint Stock Company, trust, estate, governmental entity, or group, Member Entity, or any other legal entity or their legal representatives, agents, or assigns. The masculine gender shall include the feminine; the singular shall include the plural where indicated by the context.

pH shall mean the measure of the acidity or alkalinity of a solution, expressed in standard units and calculated as the logarithm (base 10) of the reciprocal of the concentration of hydrogen ions, as analyzed in accordance with Approved Analytical Methods.

PLUMBING OFFICIAL shall mean the Director of Building and Safety of the Local Sewering Agency or his authorized representative or deputy.

POLLUTANT shall mean any dredged spoil, solid waste, incinerator residue, filter backwash, sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal, and agricultural waste, and certain characteristics of wastewater (e.g., pH, temperature, TSS, turbidity, color, BOD, COD, toxicity, or odor).

POLLUTION shall mean the man-made or man-induced adverse alteration of the chemical, physical, biological, and radiological integrity of water.

POPULATION EQUIVALENT shall mean a term used to evaluate the impact of industrial or other waste on a treatment works or stream. One population equivalent of normal domestic sewage is 70 gallons of sewage per day, or 0.12 pounds of BOD or 0.15 pounds of suspended

solids per day. The impact on a treatment works is evaluated as the equivalent of the highest of the three parameters. Impact on a stream is the higher of the BOD and suspended solids parameters.

PUBLICLY OWNED TREATMENT WORKS (POTW) shall mean treatment works as defined by Section 212 of the Act, (33 USC 1292). This definition includes any devices or systems owned and operated by VVWRA and its Member Entities, which are used in the storage, treatment, recycling and reclamation of municipal sewage within the regional sewerage system, the tributary sewerage systems, and any other sewers, pipes, lift stations, and other conveyances which convey wastewater to the wastewater treatment facilities contained therein.

POTW TREATMENT PLANT shall mean the portion of the POTW designed to provide treatment to wastewater.

PRETREATMENT shall mean the reduction of the amount of pollutants, the 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. The reduction or alteration may be obtained by physical, chemical, or biological processes, process changes, or other means, except as prohibited by 40 CFR Part 403.6 (d).

PRETREATMENT REQUIREMENT shall mean any substantive or procedural requirement related to pretreatment, other than a Pretreatment Standard, imposed on a User.

PRETREATMENT STANDARD shall mean any regulation containing pollutant discharge limits or prohibitions promulgated by EPA or the VVWRA, applicable to Users, including promulgated Categorical Standards, National Prohibitive Discharge Standards, General Discharge Prohibitions contained in Section 08-04.2 herein, and Specific Local Discharge Limitations contained in or pursuant to Sections 08-05.1 and 08-05.2 herein.

PRETREATMENT WASTES shall mean all wastes, liquid or solid, removed from nondomestic wastewater by physical, chemical, or biological means.

PROCESS WASTEWATER shall mean nondomestic wastewater, excluding boiler blowdown and non-contact cooling water or cooling tower discharges.

PROHIBITED DISCHARGE STANDARDS OR PROHIBITED DISCHARGES shall mean absolute prohibitions against the discharge of certain substances; these prohibitions appear in Section 08.04 of this ordinance.

PUBLIC AGENCY shall mean the Federal Government, the State, or any City, County, District, JPA, or other public agency or body duly organized under the laws of the State of California or of the USA.

PUBLIC SEWER shall mean any sewer located in or maintained by the VVWRA or a Member Entity which is tributary to the wastewater treatment facilities operated by VVWRA. The term as used here does not include storm drains or channels for conveyance of natural surface waters.

RADIOACTIVE MATERIAL shall mean material containing chemical elements that spontaneously change their atomic structure by emitting any particles, rays, or energy forms.

RECLAMATION AUTHORITY shall mean the Victor Valley Wastewater Reclamation Authority.

REGIONAL BOARD shall mean the California Regional Water Quality Control Board, Lahontan Region.

REGIONAL SERVICE AREA shall mean the service area of the Reclamation Authority, the boundaries of which are determined as described in Article 04.

REGIONAL SEWERAGE SYSTEM shall mean the regional component of the sewerage system which is owned and operated by the Reclamation Authority, including the Authority Interceptor, Authority Sewerage Facility and POTW Treatment Plant, but excluding the Collection Sewers and Tributary Sewerage System.

REGULATORY AGENCIES shall mean those public agencies legally constituted to protect the public health and water quality in the United States, such as EPA, or State of California, such as the California Environmental Protection Agency; the California Department of Public Health; the State Water Resources Control Board; the California Regional Water Quality Control Board, Lahontan Region; and the San Bernardino County Department of Environmental Health Services.

RESTAURANT shall mean any retail establishment which prepares and sells foods and drinks on the premises for consumption on or off the premises.

SALT AND NUTRIENT MANAGEMENT PLAN means the plan adopted in 2015 by the California Regional Water Quality Control Board, Lahontan Region, to manage salts and nutrients in groundwaters in the Mojave River Watershed.

SANITARY SEWAGE shall mean domestic wastewater.

SANITARY SEWER shall mean a sewer which carries wastewater, and to which storm, surface, and ground water are not intentionally admitted.

SEPTAGE shall mean any wastewater or sludge removed from a cesspool, septic tank, holding tank, or chemical toilet, and which is trucked or hauled to the point of discharge.

SERVICE AGREEMENT shall mean the contract documents common to Member Entities, and executed during formation of JPA dated November 1976, as the same may be amended from time to time.

SEWAGE shall mean wastewater.

SEWAGE LIFT STATION shall mean a station positioned in a sewer system at which wastewater is pumped to a higher level.

SEWER shall mean a pipe or conduit that carries wastewater or drainage water.

SEWERAGE SYSTEM shall mean a network of wastewater collection, conveyance, treatment and disposal facilities interconnected by sewers, and owned by the Reclamation Authority or the Member Entities.

SHALL is mandatory.

SHREDDED GARBAGE shall mean garbage that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than 1/2" (1.25 centimeters) in any dimension.

SIGNIFICANT INDUSTRIAL USER (SIU) shall mean any Industrial User of the POTW who 1. is subject to Categorical Standards; 2. has an average daily discharge of 25,000 gallons or more of process wastewater (as defined herein); 3. has a process wastestream which makes up 5% or more of the average dry-weather hydraulic or organic capacity of the Wastewater Treatment Facilities receiving the wastewater; or 4. is designated by the Manager to have a reasonable potential for adversely affecting the POTW's operation or violating any applicable pretreatment standard or requirement.

SIGNIFICANT NONCOMPLIANCE (SNC) shall mean violations of pretreatment requirements, which include violations of effluent limits, sampling violations, analysis violations, reporting violations, compliance schedule and regulatory deadline violations, which satisfy one or more of the following criteria:

- a) Violations of wastewater discharge limits:
 1. Chronic Violations. Sixty-six percent or more of all the measurements taken during a six-month period exceed (by any magnitude) a numeric pretreatment standard or requirement, including instantaneous limits as defined by 40 CFR 403.3(l)
 2. Technical Review Criteria (TRC) Violations. Thirty-three percent or more of all the measurements for each pollutant or pollutant property taken during a six-month period equals or exceeds the product of the numeric pretreatment standard or requirement, including instantaneous limits as defined by 40 CFR 403.3(l) multiplied by the applicable criteria (1.4 for BOD, TSS, fats, oils and grease and 1.2 for all other pollutants except pH)
 3. Any other violation(s) of a pretreatment effluent limit (daily maximum, long-term average, instantaneous, or narrative standard) that the VVWRA determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of the POTW personnel or the public).
 4. Any discharge of a pollutant that has caused imminent endangerment to human health or welfare or to the environment or has resulted in the Reclamation Authority's exercise of its emergency authority to halt or prevent such a discharge.
- b) Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in Nondomestic Wastewater Discharge Permit, Compliance Time

Schedules or other enforcement order for starting construction, completing construction, or achieving final compliance.

- c) Failure to provide within forty-five (45) days after the due date, any required reports, including baseline monitoring reports, reports on compliance with Categorical Standard deadlines, periodic self-monitoring reports, and reports on compliance with compliance schedules.
- d) Failure to report noncompliance in an accurate and timely fashion.
- e) Any other violation or group of violations, which may include a violation of BMPs, which the Manager determines will adversely affect the operation or implementation of the pretreatment program.

SINGLE PASS, NON-CONTACT COOLING OR HEATING WATER shall mean non-contact cooling or heating water which is used only once and then disposed of.

SLUG DISCHARGE CONTROL PLAN shall mean a plan submitted to the VVWRA by a User pursuant to Section 08-09.4(b) herein, which specifies to the Manager's satisfaction the potential pollutants used and/or stored at the User's facility; potential pathways of entry of said potential pollutants into the POTW; and facilities and procedures for preventing or controlling the occurrence of slug loading.

SLUG LOAD or SLUG DISCHARGE shall mean any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards in Section 08.04 of this ordinance. A slug discharge is any discharge of non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause interference or pass through, or in any other way violates the Reclamation Authority's regulations, local limits, or nondomestic wastewater discharge permit.

SOLID WASTE shall mean the non-liquid carried wastes normally considered to be suitable for disposal with refuse at sanitary landfill refuse disposal sites.

SOLID WASTE ADM DISCHARGE PERMIT shall mean the regulatory procedure established and enforced by the Manager pursuant to Section 07-04 herein, to permit the treatment and disposal of solid waste which qualifies as ADM directly into the anaerobic digester at the wastewater treatment plant.

SOLVENT MANAGEMENT PLAN (TOXIC ORGANIC MANAGEMENT PLAN) shall mean a plan submitted to the VVWRA by an Industrial User pursuant to Section 08-09.4(a) herein, which specifies to the Manager's satisfaction the solvents and other toxic organic compounds used; the methods of disposal used; and procedures for assuring that solvents and other toxic organics do not routinely spill or leak into the wastewater.

SPECIFIC COMPLIANCE PLAN shall mean a plan submitted to the VVWRA by an Industrial User pursuant to Section 08-09.4(c) herein, which specifies to the Manager's satisfaction the cause of noncompliance; the corrective actions which will be taken to prevent recurrence of said noncompliance; and, if required by the Manager, a proposed Compliance Time Schedule.

STANDARD INDUSTRIAL CLASSIFICATION (SIC) shall mean a classification pursuant to the Standard Industrial Classification Manual issued by the Executive Office of the President, Office of Management and Budget, 1987; or latest edition thereof.

"STANDARD METHODS" shall mean "Standard Methods for the Examination of Water and Wastewater", latest edition, prepared and published by the American Public Health Association, American Water Works Association, and Water Environment Federation, which specifies accepted procedures used to assess the quality of water and wastewater.

STATE shall mean the State of California.

STATE WATER BOARD shall mean the State of California Water Resources Control Board.

STORMWATER shall mean any flow of water resulting from natural precipitation.

STORMWATER SYSTEM shall mean all stormwater conveyance and treatment facilities located within the VVWRA, including, but not limited to, storm drains, catch basins, storm drain manholes and manways, and stormwater pumping facilities.

SURCHARGE shall mean an assessment, in addition to the service charge, which may be levied on those Users whose wastes are greater in strength than surcharge threshold concentration values established by the Manager.

SUSPENDED SOLIDS OR "SUSPENDED MATTER" (TSS) shall mean the insoluble solid matter suspended in wastewater that is separable by laboratory filtration.

TEMPORARY INDUSTRIAL USER (TIU) shall mean any Industrial User who is granted temporary permission by the Manager to discharge unpolluted water or wastewater to the public sewer and controlled by a wastewater discharge permit. Such temporary permission shall not be granted to Industrial Users subject to promulgated Categorical Standards.

TOTAL DISSOLVED SOLIDS (TDS) shall mean the quantity of non-volatile substances remaining after filtration through a standard filter and drying to constant weight at 180°C, expressed in terms of milligrams per liter (mg/l) and analyzed in accordance with Approved Analytical Methods. TDS is synonymous with Total Filterable Residue (TFR).

TOTAL SOLIDS shall mean the sum of suspended and dissolved solids.

TOTAL TOXIC ORGANICS (TTO) shall mean the sum of the concentrations for each of the toxic organic compounds regulated by applicable Categorical Standards which are found in the User's discharge at a concentration greater than ten (10) micrograms per liter, and analyzed in accordance with Approved Analytical Methods. TTO is comprised of the following constituents:

| | | |
|----------------------------------|------------------------------|-------------------------|
| Acenaphthene | 4-Chlorophenyl phenyl ether | Benzo(ghi) perylene |
| Acrolein | 4-Bromophenyl phenyl ether | Fluorene |
| Acrylonitrile | Bis(2-chloroisopropyl) ether | Phenanthrene |
| Benzene | Bis(2-chloroethoxy) ether | Dibenzo(a,h) anthracene |
| Benzidine | Methylene chloride | Indeno(1,2,3-cd) pyrene |
| Carbon tetrachloride | Methyl chloride | Pyrene |
| Chlorobenzene | Methyl bromide | Tetrachloroethylene |
| 1,2,4-Trichlorobenzene | Bromoform | Toluene |
| Hexachlorobenzene | Dichlorobromomethane | Trichloroethylene |
| 1,2-Dichloroethane | Chlorodibromomethane | Vinyl chloride |
| 1,1,1-Trichloroethane | Hexachlorobutadiene | Aldrin |
| Hexachloroethane | Hexachlorocyclopentadiene | Dieldrin |
| 1,1-Dichloroethane | Isophorone | 4,4'-DDT |
| 1,1,2-Trichloroethane | Naphthalene | 4,4'-DDE |
| 1,1,2,2-Tetrachloroethane | Nitrobenzene | 4,4'-DDD |
| Chloroethane | 2-Nitrophenol | alpha-Endosulfan |
| Bis(2-chloroethyl) ether | 4-Nitrophenol | beta-Endosulfan |
| 2-Chloroethyl vinyl ether | 2,4-Dinitrophenol | Endosulfan sulfate |
| 2-Chloronaphthalene | 4,6-Dinitro-o-cresol | Endrin |
| p-Chloro-m-cresol | N-nitrosodimethylamine | Endrin aldehyde |
| Chloroform | N-nitrosodiphenylamine | Heptachlor |
| 2-Chlorophenol | N-nitrosodi-n-propylamine | Heptachlor epoxide |
| 1,2-Dichlorobenzene | Pentachlorophenol | alpha-BHC |
| 1,3-Dichlorobenzene | Phenol | beta-BHC |
| 1,4-Dichlorobenzene | Bis(2-ethylhexyl) phthalate | gamma-BHC |
| 3,3'-Dichlorobenzidine | Butyl benzyl phthalate | delta-BHC |
| 1,1-Dichloroethylene | Di-n-butyl phthalate | Arochlor 1242 |
| 1,2-trans-Dichloroethylene | Di-n-octyl phthalate | Arochlor 1254 |
| 2,4-Dichlorophenol | Diethyl phthalate | Arochlor 1221 |
| 1,2-Dichloropropane | Dimethyl phthalate | Arochlor 1232 |
| 1,3-Dichloropropylene | Benzo(a)anthracene | Arochlor 1248 |
| 2,4-Dimethylphenol | Benzo(a)pyrene | Arochlor 1260 |
| 2,4-Dinitrotoluene | Benzo(b)fluoranthene | Arochlor 1016 |
| 2,6-Dinitrotoluene | Benzo(k)fluoranthene | Toxaphene |
| 1,2-Diphenylhydrazine | Chrysene | Fluoranthene |
| Ethylbenzene | Acenaphthylene | Anthracene |
| Chlordane (tech and metabolites) | | |

TOXIC POLLUTANT shall mean any pollutant or combination of pollutants listed as toxic in 40 CFR Part 401.15 or 40 CFR Part 403, Appendix B.

TRADE SECRETS shall include, but not be limited to, any formula, plan pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not

patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value, and which gives its User an opportunity to obtain a business advantage over competitors who do not know or use it.

TRIBUTARY SEWERAGE SYSTEM shall mean any sewerage system under the jurisdiction of a Member Entity that is tributary to the Reclamation Authority's sewerage system and is connected thereto.

UNCONTAMINATED WATER shall mean unpolluted water.

UNPOLLUTED WATER shall mean non-contact cooling or heating water; air conditioner, condenser or chiller condensate; ice melt; or uncontaminated ground water, surface water, or stormwater.

USER shall mean any person who contributes, causes, or permits the contribution of wastewater into the POTW, including Households, Private Residences, Nonresidential Users, and Member Entities.

WASTE shall mean sewage and any and all other waste substances, liquid, solids, gaseous, or radioactive, associated with human habitation, or of human or animal origin, or from any producing, manufacturing or processing operation of whatever nature, including such wastes placed within containers of whatever nature, prior to and for the purpose of disposal.

WASTEWATER shall mean the liquid and water-carried domestic or nondomestic wastes from dwellings, commercial buildings, industrial facilities, and institutions, together with any ground water, surface water, and stormwater that may be present, whether treated or untreated, which is contributed into or permitted to enter the POTW.

WASTEWATER CONSTITUENTS AND CHARACTERISTICS shall mean the individual chemical, physical, bacteriological, and radiological parameters, including volume, flow rate, concentration, and such other parameters that serve to define, classify, or measure the quality and quantity of wastewater.

WASTEWATER DISCHARGE PERMIT shall mean a Nondomestic Wastewater Discharge Permit.

WASTEWATER TREATMENT FACILITIES shall mean the structures, equipment, and processes maintained by the VVWRA which accept untreated wastewater from the public sewer and are required to treat and dispose of domestic and nondomestic wastewater.

WASTEWATER TREATMENT PLANT shall mean the POTW Treatment Plant.

WATER CONDITIONING DEVICE shall mean any device or apparatus used to soften or otherwise condition water, including zeolite or resinous anion or cation exchange softeners, demineralizers, and any other like device.

WATERS OF THE STATE OF CALIFORNIA shall be in accordance with sections 13050-13051 of the California Code of Regulations.

WATERS OF THE UNITED STATES shall be in accordance with 40 CFR Part 230.3.

WATER SUPPLY shall mean the water supply serving the area tributary to the POTW.

WASTE DISCHARGE REQUIREMENTS (WDR) shall mean those requirements imposed by the Lahontan Regional Water Quality Control Board in connection with the disposal of solid wastes by the Reclamation Authority pursuant to Title 27 of the California Code of Regulations and Article 4 of Chapter 4 of Division 7 of the California Water Code (also known as the Porter-Cologne Water Quality Control Act).

WILL SERVE LETTER shall mean written authorization from the Reclamation Authority or its representative authorizing contributions of sewerage from an Industrial User into the tributary sewerage system.

ZERO DISCHARGER shall mean a User that does not discharge wastewater, pollutants, or other substances into the POTW.

03-02 - Abbreviations

For the purposes of this Ordinance, the following abbreviations shall have the designated meanings:

| Abbreviation | Designated Meaning | Abbreviation | Designated Meaning |
|--------------|--|--------------|---|
| AO | Administrative Order | NCSIU | Non-Categorical Significant Industrial User |
| ADM | Anaerobically Digestible Materials | NOV | Notice of Violation |
| APE | Alkyl Phenol Ethoxylates | NPDES | National Pollutant Discharge Elimination System |
| BMR | Baseline Monitoring Report | NSIU | Nonsignificant Industrial User |
| BOD | Biochemical Oxygen Demand | NWDP | Nondomestic Wastewater Discharge Permit |
| CAA | Clean Air Act | POTW | Publicly Owned Treatment Works |
| CDO | Cease and Desist Order | PPD | Pounds per Day |
| CFR | Code of Federal Regulations | RCRA | Resource Conservation and Recovery Act |
| CIU | Categorical Industrial User | SIC | Standard Industrial Classification |
| CO | Compliance Order | SIU | Significant Industrial User |
| COD | Chemical Oxygen Demand | SNC | Significant Noncompliance |
| CTS | Compliance Time Schedule | SWDA | Solid Waste Disposal Act, 42 USC 6901 et. seq. |
| DOX | Dissolved Organic Halides | TDS | Total Dissolved Solids |
| EAP | Ethylated Alkyl Phenols | TFR | Total Filterable Residue |
| EC | Electrical Conductivity | TIU | Temporary Industrial User |
| EPA | Environmental Protection Agency | TOC | Total Organic Carbon |
| FOG | Fats, oils, and grease | TOX | Total Organic Halides |
| FSE | Food Service Establishment | TRC | Technical Review Criteria |
| gpd | gallons per day | TSCA | Toxic Substances Control Act |
| IU | Industrial User | TSS | Total Suspended Solids |
| JPA | Joint Powers Authority | TTO | Total Toxic Organics |
| JPAG | Joint Powers Agreement | µg | micrograms |
| l | liter | µg/l | micrograms per liter |
| lb | pound | µmhos/cm | micromhos per centimeter |
| LEL | Lower Explosive Limit | UBC | Uniform Building Code |
| MBAS | Methylene Blue Activated Substances | UFC | Uniform Fire Code |
| mg | milligrams | UPC | Uniform Plumbing Code |
| mg/l | milligrams per liter | USC | United States Code |
| MOU | Memorandum of Understanding | VVWRA | Victor Valley Wastewater Reclamation Authority |
| MPRSA | Marine Protection Research and Sanctuaries Act | WDR | Waste Discharge Requirements |

ARTICLE 04: AREA SERVED

The Rules and Regulations set forth herein pertain to sewer service to land or improvements, or both, lying within the boundaries of the Reclamation Authority, unless otherwise stated.

Per JPA Agreement, Section A, Paragraph 3, "The territorial boundaries may be changed from time to time upon the approval of two-third (2/3) of the members of this Agency." Section A, Paragraph 5 of the JPA further states in regard to eligibility for membership (other than those specified) that "(h) other such public agencies as may hereafter be declared eligible by unanimous vote of existing members," and Paragraph 6 states, "in connection with the admission of any additional eligible public agency after formation of the Agency, each of the existing members and

The prospective member for contributions toward past and present agency and project expenditures." Policy Resolution 81-10 of the Reclamation Authority further provides:

"Before any territory outside the boundaries of the Reclamation Authority may be added or service may be provided to it, such area must first be annexed to the boundaries of a contracting community and must also be annexed to the boundaries of the VVWRA. Annexation to the VVWRA may only be accomplished through satisfaction of all applicable legal prerequisites and payment of applicable fees and charges".

Therefore, in accordance with the JPA and the policy resolution a public entity or applicant owner of property outside the boundaries of the Reclamation Authority must petition for inclusion of eligibility for membership or apply for service through a JPA member and request the service area to be expanded. Conditions of service must be reviewed first by the Member Entity, or entities involved, and then by the JPA since "annexation to the VVWRA may only be accomplished through satisfaction of all applicable legal prerequisites and payment of applicable fees and charges." Such costs will be reviewed by a consultant selected by the Reclamation Authority and approved at a regular Commission meeting.

Notwithstanding the foregoing, Reclamation Authority may accept and process ADM from sources outside of the boundaries of the Reclamation Authority for the purpose of maximizing the utilization of the Reclamation Authority's anaerobic digesters and the generation of biogas for the production of renewable energy, provided, however, that ADM which is generated within the boundaries of the Reclamation Authority will have priority.

ARTICLE 05: GENERAL REQUIREMENTS

05-01 - Sewer Service Conditions

Sewer service shall be provided by the Reclamation Authority only if the service area is included within or added to the Member Entity's and the Reclamation Authority's boundaries and the applicant meets the requirements of the Reclamation Authority and the interested Member Entity. Properties may from time to time petition the Member Entity and the Reclamation Authority for annexation in compliance with Service Agreements, the JPA, and the Authority's Rules and Regulations. Sewer Conveyance, treatment, and disposal shall be available only in accordance with the Reclamation Authority's and the Member Entity's Rules and Regulations, as well as applicable Federal, State, and local statutes, ordinances, regulations, and contracts, and other requirements. This includes, but is not limited to the California Water Code, the California Code of Regulations, and regulations imposed by the Regional Board, and State and local health departments, as well as the terms of any service agreement and permit issued by the Authority and/or the Member Entity. Any such permit may be revoked by the party granting same and thereupon all such sewer service shall cease in the manner provided in such granting Entity's Rules and Regulations.

05-02- Application Procedure

An Industrial User will have completed the following steps prior to direct or indirect sewerage discharges into the Reclamation Authority's facilities:

- a) Letter of intent to the Member Entity outlining project plans of development followed by;
- b) Written response from the Member Entity.

Pre-Initiation

- c) Application for service.
- d) Receipt of approved Certificate of Adequacy and permit from the Member Entity and a "Will Serve Letter" from the Reclamation Authority.
- e) Five-day notification to the Member Entity prior to commencement of construction.

Construction

- f) Request for final acceptance of completed works.
- g) Receipt of written authorization, from the Member Entity, to connect to facilities that will contribute to the Reclamation Authority's system.
- h) The Member Entity shall be responsible for informing the Reclamation Authority of planned developments that may significantly affect the operational or capacity limits of the Reclamation Authority's facilities. Additionally, the Member Entity must have obtained a "Will Serve Letter" from the Authority prior to issuing a "Certificate of Adequacy" to an Industrial User.

05-03 - Design and Construction Criteria

Design criteria as submitted in the letter of intent and service application shall conform to the following:

- a) The average flow rate is to be determined based on good engineering practice. The ranges shown in Plate I (Average Flow Rate Chart) may be used as a guide; however, flows outside of these ranges may occur. If flows are used which are less than those listed, the Reclamation Authority's approval must be obtained in advance of design.
- b) The peak sewage flow rate shall be obtained by entering the chart with average daily flow rates.
- c) For hydraulic design, use Manning's "n" = 0.013 or Hazen-Williams "C" = 100. For pipe sizes 10" or less in diameter, design pipe so peak flow rate will be carried when pipe is flowing at one-half depth. Discharge at one-half depth equals one-half discharge when full and velocity equals velocity when full. Tables and formulas to find slope may be used by entering with two times the peak flow rate.
- d) For pipes 12 inches and larger in diameter, design pipe so peak flow will be carried when pipe is flowing at two-thirds depth. Discharge at two-thirds depth equals three-quarters 4 discharge when full and velocity equals 1.16 times velocity when full. Tables and formulas to find slope may be used by entering with 1.33 times the peak flow rate.

All applications shall be accompanied by a "Certificate of Adequacy of Sewerage System" (Form of Certificate of Adequacy of Sewerage System).

05-04 - Illegal Connections

Only Member Entities or others under contract with the Reclamation Authority may make connection to interceptor sewers of the Reclamation Authority. Specifically, but not by way of limitation, as to any connection to the Member Entity's sewerage facilities, no roof downspouts, exterior foundation drains, areaway drains, or other sources of surface runoff or ground water shall be connected to a building sewer or building drain that may contribute to the tributary sewerage system.

A Member Entity may engage a third party contractor to make a connection to interceptor sewers of the Reclamation Authority pursuant to the authority granted to the Member Entities or may authorize a developer or other third party to connect to the interceptor sewers of the Reclamation Authority pursuant to a permit or approval issued by the Member Entity, provided, however, that any such connection will comply with all other requirements of this Ordinance. The Authority retains the right at all times to observe and inspect work being conducted by any third party in connection with the interceptor sewers.

ARTICLE 06: FACILITIES DESIGN AND CONSTRUCTION

06-01 - General

All sewers shall be constructed according to the requirements, conditions, and standards set forth in a separate supplement hereto, as adopted and revised by the Reclamation Authority from time to time, entitled "Standard Specifications for Public Works Construction" with extension and revisions, which document is on file at the office of the Reclamation Authority, and by this reference is incorporated herein.

06-02 - Member Entity Sewer

Any sewer collection and trunk system facilities, to the extent determined by the Member Entity, required to serve within developments of property within the Member Entity jurisdiction shall be provided as determined by the Member Entity. The Reclamation Authority will assume responsibility for providing interceptor sewers, regional wastewater treatment, and disposal of liquid and solid wastes.

ARTICLE 07: FACILITIES OPERATION

07-01 - Interceptor Sewer and Sewage Treatment and Disposal

Operation, maintenance, and surveillance of all of the Reclamation Authority's interceptor sewers and sewage treatment and disposal facilities and effluent disposal facilities including all interceptors, reservoirs, pumping stations, force mains, flow meters/monitoring stations and other appurtenances and property shall be under the management and control of the Reclamation Authority. No other persons except authorized representatives of the Reclamation Authority shall have the right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the foregoing or any of the Reclamation Authority's property. In the event that such trespass should occur, it shall be a misdemeanor and all charges and penalties provided for in this Ordinance shall be applicable and may be imposed and collected. Also such action shall be in violation of any and all applicable Federal, State and local statutes, ordinances, regulations, and other requirements.

07-02 - Member Entity Facilities

The operation, maintenance, and surveillance of onsite sewage collection and the Member Entity's collection system is the responsibility of the Member Entity.

07-03 – Septage Receiving Station

Reclamation Authority may authorize the disposal and treatment of Septage at one or more receiving stations located within the POTW by permitted liquid waste haulers. Reclamation Authority will adopt a set of policies and procedures for the issuance of Liquid Waste Hauler Discharge Permits, including qualifications for Septage hauling and disposal, limitations on the volume and quality of Septage that is discharged to the POTW and billing and collection procedures. The rates for Septage disposal shall be as set by the Commission from time to time in Ordinance 003.

07-04 – Solid Waste ADM Discharge

Reclamation Authority may authorize the disposal and treatment of solid waste which qualifies as ADM and has been approved by the Reclamation Authority directly into the anaerobic digesters at the wastewater treatment facility. Reclamation Authority will adopt a set of policies and procedures for the issuance of Solid Waste ADM Discharge Permits, including qualifications for solid waste ADM hauling and disposal, limitations on the volume and quality of solid waste ADM that is disposed of in the anaerobic digesters and billing and collection procedures. The rates for solid waste ADM disposal shall be as set by the Commission from time to time pursuant to a separate resolution to be attached to this Ordinance.

Prior to authorizing the disposal of solid waste ADM in the anaerobic digesters, Reclamation Authority will develop standard operating procedures (SOPs) for the acceptance of anaerobically digestible material consistent with applicable law and the requirements of the California

Department of Resources Recycling and Recovery. Such SOPs will be adopted by a separate resolution of the Commission. Reclamation Authority will notify the Regional Water Quality Control Board that those SOPs are being implemented. If required by law, a Standard Provision (permit condition) that reflects the acceptance of anaerobically digestible material will be incorporated in the Reclamation Authority's Waste Discharge Requirements or National Pollutant Discharge Elimination System permit. Anaerobically digestible material must be pumped or off-loaded directly into a covered, leak proof container and then pumped, or diluted or slurried and then pumped, and co-digested in an anaerobic digester at the POTW.

Reclamation Authority will comply with all reporting requirements of the Regional Water Quality Control Board, Lahontan Region, and any other applicable agency, in connection with ADM disposal.

ARTICLE 08: DISCHARGE OF NONDOMESTIC WASTEWATER

08-01 - Introduction

The Reclamation Authority's Wastewater Treatment Facilities are regional facilities designed and constructed to collect and process liquid wastes from Member Entities per approved service agreements and contracts. These facilities, constructed to meet Federal and State discharge requirements, have specific limitations on biological loadings, inert loadings, volumes of flow, and toxic pollutant concentrations that will permit operation of the facilities without serious violation of the discharge requirements. In order to provide for the maximum public benefit from the use of the Reclamation Authority's facilities, this Article defines these limitations and establishes policies and procedures to ensure compliance with same.

Additionally, the Reclamation Authority recently participated in an effort to develop the Mojave Salt and Nutrient Management Plan (SNMP) for the Mojave River Watershed to manage salts and nutrients. The SNMP documents several constituents that may impact groundwaters within the Mojave River Watershed. Any regulatory action(s) arising from the SNMP will be evaluated by the Reclamation Authority and may lead to a revision of this Ordinance.

08-02- Purpose and Policy

This Article sets forth uniform requirements for all Users of the Reclamation Authority's wastewater collection and treatment system who reside in the cities of Apple Valley, Hesperia, and Victorville, and unincorporated areas of San Bernardino County within the service area of the Reclamation Authority. This Ordinance enables the Reclamation Authority to comply with all applicable State and Federal laws required by the Act and the General Pretreatment Regulations (40 CFR Part 403). The objectives of this Article are:

- a) To prevent the introduction of pollutants into the wastewater system which will interfere with the operation of the system or contaminate the resulting sludge;
- b) To prevent the introduction of pollutants into the wastewater system which will pass through the system, inadequately treated, into surface waters, groundwaters, the atmosphere, or otherwise be incompatible with the system;
- c) To improve the opportunity to recycle and reclaim wastewaters and sludges from the system;
- d) To improve the opportunity to recycle solid wastes which qualify as ADM to maximize biogas production and to reduce the disposal of such solid wastes in landfills;
- e) To protect and preserve the health and safety of the personnel of the Reclamation Authority and the general public; and
- f) To enable the Reclamation Authority to comply with its NPDES permit conditions, sludge use and disposal requirements, and any other Federal or State laws to which the Reclamation Authority is subject.

To achieve these objectives, this Ordinance provides for regulation through issuance of permits to certain Industrial Users and enforcement of general requirements for other Users; authorizes inspection, monitoring and enforcement activities; provides for User reporting; and provides for the setting of fees for the equitable distribution of the Reclamation Authority's cost for sewer service.

08-03 - Revenues

The revenues to be derived from the application of this Ordinance shall be used to defray the costs of providing regional sewerage service, including, but not limited to, administration, operation, inspection, monitoring, maintenance, financing, capital construction, replacement and recovery, and provisions for necessary reserves.

08-04 - General Restrictions and Prohibitions

08-04.1 - Authorization for New or Increased Pollutant Discharges or Changes in the Nature of Pollutant Discharges

No person shall commence, increase or substantially change any discharge of nondomestic wastewater to the POTW except as authorized by the Manager in accordance with the provisions of this Ordinance.

08-04.2 - General Discharge Prohibitions

No User shall introduce or cause to be introduced into the POTW any pollutant or wastewater which causes pass through or interference. These general prohibitions apply to all Users of the POTW whether or not they are subject to Categorical Standards or any other National, State, or local Pretreatment Standards.

08-04.3 - Specific Discharge Prohibitions

No User shall introduce or cause to be introduced into the POTW the following pollutants, substances, or wastewater:

1. Solids or Viscous Wastes

Any solid, semi-solid or viscous substances which may obstruct the flow of sewage, cause clogging of or adversely affect sewage pumping equipment, or sewage sludge pumping equipment, or the community sewer system, or interfere with the operation of the POTW, such as, but not limited to, grease, garbage with particles greater than one-half inch in any dimension, dead animals, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, excessive quantities of whole blood, feathers, ashes, cinders, earth, sand, mud, gravel, rocks, plaster, concrete, spent lime, stone or marble dust, metal, metal filings or shavings, wood, wood shavings, grass clippings, straw, spent grains, spent hops, waste paper, paper containers or other paper products, rags, plastics, tar, asphalt, asphalt residues, residues from refining or processing of fuel or lubricating oil, glass, or glass grinding or polishing wastes. Notwithstanding the foregoing, solid

wastes which (i) qualify as ADM; and (ii) are approved by the Reclamation Authority for processing in the anaerobic digesters, may be transported to the Reclamation Authority for processing in accordance with such permits, policies and procedures as may be adopted by the Reclamation Authority from time to time.

2. Health and Safety Hazards

Any discharge which may, alone or in combination with other waste substances, result in the presence of toxic or poisonous solids, liquids, gases, vapors, or fumes in the POTW in such quantities that would create a hazard, public nuisance, or acute worker health and safety problems.

3. Stormwater and Unpolluted Water

Any stormwater, rainwater, ground water, street drainage, subsurface drainage, roof drainage, yard drainage, water from yard fountains, ponds, lawn sprays or any other type of surface water, or single pass, non-contact cooling or heating water. The Manager may approve, on a temporary basis, the discharge of such waters to the POTW when no reasonable alternative method of disposal is available, subject to the payment of all applicable User charges and fees by the Discharger. Water from swimming pools, wading pools and therapy pools may be admitted to the sewer system during off-peak hours, subject to written authorization by the Manager.

4. Explosive Mixtures

Any liquids, solids or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire, explosion, or in any other way be, injurious to the POTW or to operation of the POTW, including but not limited to, wastestreams with a closed cup flashpoint of less than 140 degrees Fahrenheit or 60 degrees Centigrade, using the test methods specified in 40 CFR 261.21, or which result in conditions where two successive readings on an explosion hazard meter at the point of discharge into the system (or at any point in the system), are more than 5%, or any single reading is over 10%, of the Lower Explosive Limit (LEL) of the meter. Prohibited materials include, but are not limited to, gasoline, kerosene, naphtha, benzene, toluene, xylenes, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides, and sulfides; as discharged in such quantities as to potentially result in any of the hazards noted above. Closed cup flashpoint values may be found in the National Institute of Occupational Safety and Health (NIOSH) *Pocket Guide to Chemical Hazards*.

5. Corrosive Materials

Any wastewater having pH less than 5.0 or greater than 11.0, or wastewater having any other corrosive property capable of causing damage or hazard to structures, equipment and/or personnel of the POTW, provided, however, that the restriction on pH less than 5.0 will not apply to solid wastes which are qualified as ADM for disposal only in the anaerobic digesters to the extent permitted by applicable laws, regulations and regulatory agency interpretations and further provided that Reclamation Authority has made a determination that such low pH will not have a corrosive effect on the structures and equipment of Reclamation Authority.

6. Excessive Pollutants Concentrations
Any pollutants, including oxygen-demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration which, either singly or by interaction with other pollutants, will cause interference with the POTW.
7. Pollutants Causing Toxic Gases, Vapors, or Fumes
Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems.
8. Hazardous Wastes
Any wastewater containing hazardous substances or toxic pollutants in sufficient quantity, either singly or by interaction with other pollutants, to injure or interfere with any wastewater treatment process, including sludge disposal, constitute a hazard to humans or animals, create a toxic or hazardous effect in the receiving waters of the POTW. Any toxic waste as defined in Title 22, California Code of Regulations, Section 66261.24.
9. Noxious Materials
Any noxious or malodorous liquids, gases, or solids which either singly or by interaction with other wastes are sufficient to create a public nuisance or hazard to life or are sufficient to prevent access to the POTW for maintenance and repair.
10. Sludge Contaminants
Any substance which may cause the POTW's effluent, or any other product of the POTW such as residues, sludges, or scums, to be unsuitable for reclamation and reuse. In no case shall a substance discharged to the POTW cause the POTW to violate applicable sludge use or disposal regulations developed under Section 405 of the Act (33 USC 1345) or any criteria, guidelines, or regulations affecting sludge use or disposal developed pursuant to the Solid Waste Disposal Act (SWDA), the Clean Air Act (CAA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), the Marine Protection, Research and Sanctuaries Act (MPRSA), or State Regulations.
11. Discolored Materials in Excessive Quantities
Any wastewater with objectionable color not removed in the treatment process such as, but not limited to, dye wastes and vegetable tanning solutions.
12. Septage
Any wastewater or sludge removed from a cesspool, septic tank, or chemical toilet, unless discharged to the POTW in accordance with all provisions and restrictions of a Wastewater Discharge Permit issued by the Reclamation Authority, including restrictions on time and place of discharge.
13. Trucked/Hauled Wastes
Any trucked or hauled pollutants or wastewater, except at such place and in such manner as prescribed by the Manager.
14. Pesticides or Fertilizers in Excessive Quantities

Any quantity of any of the following pesticides: DDT (both isomers), DDD, DDE, Aldrin, Chlordane, Dieldrin, Endosulfan (alpha, beta, and sulfate), Endrin, Endrin Aldehyde, Heptachlor, Heptachlor Epoxide, Lindane, and/or Toxaphene.

15. Petroleum Products in Excessive Quantities

Any non-biodegradable cutting oil, petroleum oil, refined petroleum products, or products of mineral oil origin in amounts which could cause interference or pass-through.

16. Soluble Oils

Any non-biodegradable cuttings oils, commonly called soluble oils, which form persistent water emulsions.

17. Animal/Vegetable Oils in Excessive Quantities

Any excessive quantities of dispersed biodegradable oils or fats such as lard, tallow, or vegetable oil or any other substances that may precipitate, solidify, or become viscous at temperatures between 40°F and 100°F. Notwithstanding the foregoing, solid wastes which (i) qualify as ADM; and (ii) are approved by the Reclamation Authority for processing in the anaerobic digesters, may be transported to the Reclamation Authority for processing in accordance with such permits, policies and procedures as may be adopted by the Reclamation Authority from time to time.

18. High Temperature Wastes

Any wastewater having a temperature which will inhibit biological activity at wastewater treatment facilities resulting in interference, but in no case wastewater with a temperature higher than 60°C (140°F) or which causes the temperature at the POTW treatment plant to exceed 40°C (104°F).

19. Radioactive Wastes

Any wastewater containing any radioactive wastes or isotopes of such half-life or concentration as may cause violation of applicable State or Federal regulations.

20. Pretreatment Wastes

Any pretreatment wastes. All pretreatment wastes shall be disposed of in accordance with all applicable Federal, State, County, and local laws and regulations.

21. Water Softener Brines

Discharges from the regenerative process of onsite water softening units is not permitted to be discharged into the sanitary sewer system.

22. Dissolved Organic Halides (DOX)

Any quantity of Dissolved Organic Halides (Purgeable Halocarbons).

23. PCBs and Dioxins

Any quantity of any of the following compounds: Arochlors 1221, 1228, 1232, 1242, 1254, 1260, and 1262. Any quantity of TCDD equivalents.

24. Ethoxylated Alkyl Phenol Surfactants

Any quantity of surfactants or detergents based on Ethoxylated Alkyl Phenols (Alkyl Phenol Ethoxylates, APE, EAP).

25. Excessive Discharge Flow

Wastewaters at a flow rate or containing such concentrations or quantities of pollutants that exceed for any time period longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration; quantities or flow during normal operation and that would cause a treatment process upset and subsequent loss of treatment efficiency. An excessive discharge from a Member Entity is defined as total collection system peak discharge into Authority Interceptors that exceeds the plant design ratio between average dry weather flow and peak wet weather flow.

Pollutants, substances, or wastewater prohibited by this section shall not be processed or stored in such a manner that they could be discharged to the POTW.

08-04.4 - Prohibition against Discharging Solid or Fluid Material to Watercourses

No person shall circumvent or obviate the intent or purpose of this Ordinance by discharge, or by causing to be discharged, into any storm drain, channel, natural water course or public street, any material or waste prohibited or restricted as to its discharge into a sewer system.

08-04.5 - Prohibition against Discharging Pollutants to the Ground

No person shall deposit or discharge, or cause to be deposited or discharged, into any sump which is not impermeable, or into any pit or well, or onto the ground, or into any storm drain or watercourse, any material which, by seeping underground or by being leached or by reacting with the soil, can pollute usable groundwaters, or any pretreatment wastes as defined herein.

08-04.6 - Point of Discharge Limitation

No person, excluding authorized Reclamation Authority or Member Entity personnel involved in maintenance functions of sanitary sewer facilities, shall discharge or cause to be discharged any wastewater or any other matter directly into a manhole or other opening leading to the POTW other than through an approved building sewer, unless written permission for the discharge has been provided by the Manager. If during the performance of maintenance duties, Reclamation Authority personnel are required to add water to the interceptor for any reason, said water flow shall be deducted from the Member Entity flow. Any discharge of Septage or ADM shall only take place at receiving stations that have been authorized by the Reclamation Authority pursuant to permitting requirements, policies and procedures adopted by Reclamation Authority from time to time.

08-04.7 - Prohibition against Dilution

No person shall increase the use of process water or, in any way, attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with Categorical Standards. The Manager may impose mass emission limits on Users who are using dilution to meet applicable Pretreatment Standards.

08-04.8 - Prohibition against Interference with Reclamation Authority Equipment or Facilities

No person shall enter, break, damage, destroy, uncover, deface, or tamper with any temporary or permanent structure, equipment or appurtenance which is part of the POTW or is required or authorized by the provisions of this Ordinance.

08-05 - Specific Pollutant Limitations

08-05.1 - Specific Local Discharge Limitations

The Manager is authorized to establish Specific Local Discharge Limitations pursuant to 40 CFR Part 403.5(c). No person shall, except as specifically allowed by the Manager on a temporary basis or as hereinafter provided, discharge or cause to be discharged to the POTW any wastewater unless it conforms to all applicable Specific Local Discharge Limitations as listed in Table I. These pollutant limits are established to protect against pass through and interference. The Specific Local Discharge Limitations apply at the point where the wastewater is discharged to the POTW.

08-05.2 - Specific Local Pollutant Mass Emission Rate Limits

The Manager may authorize the discharge of nondomestic wastewater to the POTW which contains pollutants in concentrations exceeding the Specific Local Pollutant Concentration Limits contained herein when said concentrations, in combination with the measured discharge flow rate, do not exceed Specific Local Mass Emission Rate Limits which are computed for the individual discharger on the basis of said Specific Local Pollutant Concentration Limits and the discharger's permitted discharge flow rate limit, and which are issued to the discharger as part of the discharger's Wastewater Discharge Permit.

08-05.3- Categorical Standards

Users must comply with promulgated National Categorical Pretreatment Standards, located in 40 CFR Chapter I, Subchapter N, Parts 405-471, which are hereby incorporated into this Ordinance.

08-05.4- Best Management Practices

The Manager may develop Best Management Practices, by ordinance or in nondomestic wastewater discharge permits to implement Specific Local Discharge Limitations or the General and Specific Discharge Prohibitions in Section 08-04.2.

08-06 - Special Restrictions and Requirements

08-06.1 - Special Restrictions, Vehicle Servicing Facilities

- a) Any facility maintained for the servicing, washing, cleaning, or repair of vehicles, roadway machinery, construction equipment, industrial transportation or power equipment, and which discharges nondomestic wastewater to the POTW, shall install and maintain a gravity separation interceptor in accordance with Section 08-08.5, or other sand and oil

separator approved by the Manager. Wastewater from toilets shall not be allowed to pass through this interceptor, but all wastewater arising from the servicing and repair of vehicles shall pass through this interceptor before discharge to the POTW.

If the vehicle servicing facility does not include facilities for the washing of more than one vehicle at a time, the interceptor shall have a fluid detention capacity of not less than 100 gallons.

If the vehicle servicing facility has facilities for washing or cleaning more than one vehicle at a time, the interceptor shall be as large as necessary so that a seven day accumulation of sand and oil together will not fill more than twenty-five percent of the fluid capacity. The interceptor shall be designed so as to retain any petroleum based oil and grease which will float and any sand which will settle.

- b) Any interceptor legally and properly installed at a vehicle servicing facility before January 1, 1995, shall be acceptable as an alternative to the interceptor specified above, provided such interceptor is effective in removing sand and oil and is so designed and installed that it can be inspected and properly maintained.
- c) The Plumbing Official shall not approve the plumbing of a vehicle servicing facility if it does not have a gravity separation interceptor meeting the requirements of this Section.

08-06.2 - Special Restrictions, Food Processing Facilities

- a) All food processing facilities, except restaurants, which discharge food processing wastes to the POTW, shall direct all wastewater from floor drains and sinks in the food processing area, waste container wash racks, and dishwashers through a two-compartment gravity separation interceptor in accordance with Section 08-08.5. All domestic wastewaters from restrooms, showers, mop sinks, and drinking fountains shall be kept separate until the previously specified wastes have passed through the interceptor. The interceptor shall have a minimum fluid capacity of 100 gallons, or as required by Appendix "H" of the Uniform Plumbing Code (latest), whichever is greater.
- b) Any interceptor or grease trap legally and properly installed at a food processing facility before January 1, 1995, shall be acceptable as an alternative to the interceptor specified above, provided such interceptor or grease trap is effective in removing grease and is so designed and installed that it can be inspected and properly maintained.
- c) The Plumbing Official shall not approve the plumbing of a food processing facility if it does not have a gravity separation interceptor meeting the requirements of this Section, unless a conditional waiver has been granted by the Manager. Restaurants are exempted from this provision, see provision (e) below.
- d) Conditional waivers modifying or waiving the gravity separation interceptor requirements may be granted by the Manager in accordance with Section 09-06, for those food processing facilities determined not to have adverse effects on the POTW. Conditional waivers may be revoked for the following reasons:
 - 1. Changes in types of food processed.
 - 2. Falsification of information submitted to the Reclamation Authority.
 - 3. Changes in operating hours.

4. Changes in equipment used.
- e) Member Entities shall prevent the discharge of excessive quantities of grease and oil to their tributary sewerage systems by requiring all restaurants to properly install and maintain appropriately designed and effective grease traps.

08-06.3 - Special Restrictions, Anaerobically Digestible Material (ADM)

The Reclamation Authority may permit users to dispose of anaerobically digestible material at the wastewater treatment plant directly into the anaerobic digester in accordance with the permits, policies and procedures adopted by Reclamation Authority from time to time pursuant to Section 07-04. These Users will be permitted under a Solids Waste ADM Discharge Permit and subject to the applicable permit requirements.

08-06.4 - Special Restrictions, Food Service Establishment (FSE)

FSEs that propose to discharge nondomestic wastewater to the POTW shall complete and submit the appropriate FOG permit application and fee to the Member Entity where proposed FSE is located. The Member Entity responsibility will be to issue the appropriate FOG permit and enforce all its conditions.

08-06.5 - Special Restrictions, Sludge from Member Entities

The Reclamation Authority receives wet sludge at the wastewater treatment plant from Member Entities that operate wastewater treatment facilities. Member Entities must periodically conduct sampling of the wet sludge that is conveyed to the wastewater treatment plant as directed by the Manager. The Manager may implement controls to regulate wet sludge quantity and quality as necessary to prevent interference or pass through at the wastewater treatment plant. If necessary, the Manager may require a Member Entity to obtain a Nondomestic Wastewater Discharge Permit to discharge wet sludge to the wastewater treatment plant.

08-07 - Nondomestic Wastewater Discharge Permits

08-07.1 - Permit Requirement

All Significant Industrial Users and haulers of wastewater proposing to connect to or discharge to the POTW and all other Industrial Users so required by the General Manager, shall obtain a Nondomestic Wastewater Discharge Permit before connecting to or discharging to the POTW, or at any other time as required by the Manager. All Significant Industrial Users connected to or discharging into a collection sewer on the effective date such system is connected to the regional system shall apply for a Nondomestic Wastewater Discharge Permit within ninety (90) days of such date. The Industrial User shall maintain a copy of the current Permit readily accessible on the site of wastewater discharge at all times.

Any violation of the terms and conditions of a Nondomestic Wastewater Discharge Permit shall be deemed a violation of this ordinance and subjects the User to the sanctions set out in ARTICLE 13: ENFORCEMENT of this ordinance. Obtaining a Nondomestic Wastewater Discharge Permit

does not relieve the User of its obligation to comply with all Federal and State Pretreatment Standards or with any other requirements of Federal, State, or local law.

08-07.2 - Permit Classification

Nondomestic wastewater discharge permits shall be classified as follows:

| Permit Class | Industrial User Description |
|--------------|---|
| I | Categorical Industrial Users (CIU's) |
| II | Non-Categorical Significant Industrial Users (NCSIU's) |
| III | Non-Significant Industrial Users (NSIU's) |
| IV | Temporary Industrial Users (TIU's) |
| V | Dischargers of Trucked or Hauled Wastewater to the POTW |

08-07.3- Permit Application

All Industrial Users proposing to discharge nondomestic wastewater to the POTW shall complete and submit a Wastewater Discharge Permit Application to the Manager. Any existing User shall apply for a wastewater discharge permit within thirty (30) days after notification by the Manager. Application for reissuance of existing permits shall be submitted by the Industrial User in accordance with Section 08-07.8. The Permit application may require submittal of the following information:

- a) Identifying information:
 1. Name and address of the facility, including the name of the operator and owner;
 2. Contact information, description of activities, facilities, and plant production processes on the premises;
- b) A list of any environmental control permits held by or for the User's facility, and a copy of the San Bernardino County "Business Plan" which addresses the location, type, and quantity of hazardous materials handled by the User;
- c) Description of operations:
 1. NAISC number and SIC number according to 2012 U.S. NAISC Manual and the Standard Industrial Classification Manual, respectively, as amended;
 2. A brief description of the nature, average rate of production (including each product produced by type, amount, processes, and rate of production);
 3. An 8-1/2" X 11" process flow schematic diagram that includes identification of the point(s) of discharge to the POTW;
 4. Types of wastes generated, and a list of all raw materials and chemicals used or stored at the facility which are, or could accidentally or intentionally be discharged to the POTW;

5. Number and type of employees and hours of plant operation, and proposed or actual hours of operation;
 6. Type and amount of rate materials processed (average and maximum per day)
 7. Site plans, floor plans, mechanical and plumbing plans, including details showing all sewers, sewer connections, treatment facilities and appurtenances by the size, location and elevation. If required by the Manager, said plans shall be certified by a Civil Engineer registered in the State of California;
- d) Time and duration of discharge(s);
 - e) The location for monitoring all wastes covered by the permit;
 - f) Flow measurement. Information showing the measured average daily, peak daily, and 15-minute peak wastewater flow rates (in gallons per day), including daily, monthly and seasonal variations if any, to the POTW from regulated process streams and other streams as necessary;
 - g) Measurement of pollutants
 1. The Categorical Standards applicable to each regulated process and any new categorically regulated processes for existing sources;
 2. The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the Categorical Standard or by the Manager, of regulated pollutants in the discharge from each regulated process;
 3. Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported;
 4. Wastewater constituents and characteristics, as determined by a State certified analytical laboratory using Analytical Methods as defined herein and sampling procedures in accordance with 40 CFR 136 and 40 CFR 403.12(b)(5), including but not limited to, those referred to in Section 08-05 of this Ordinance;
 - h) A time schedule for compliance with any provisions of the Ordinance or Categorical Standard for which immediate compliance is not possible;
 - i) Any other information as may be deemed by the Manager to be necessary to evaluate the permit application.

08-07.4- Permit Application Evaluation

- a) The Manager will evaluate the data furnished by the User and may require additional information, such as critical parameter reporting. After evaluation of the data furnished, the Manager may issue a wastewater discharge permit subject to the terms and conditions provided herein.
- b) If the Manager determines that the proposed discharge will not be acceptable he shall disapprove the application and shall notify the applicant in writing, specifying the reason(s) for denial and the applicable appeals process. The applicant shall then be prohibited from discharging nondomestic wastewater, but may immediately submit a revised permit application for the evaluation of the Manager.

08-07.5 - Permit Contents

Nondomestic wastewater discharge permits shall be expressly subject to all provisions of this Ordinance and all other applicable regulations (including Federal, State, and local) charges and fees established by Reclamation Authority resolution or ordinance.

Class I and Class II permits shall contain at least the following:

- a) Statement of permit issuance and effective date and permit duration.
- b) Statement of permit non-transferability.
- c) Statement of prohibited discharges.
- d) Statement of applicable civil and criminal penalties for violation of Pretreatment Standards and requirements and any applicable compliance schedule.
- e) Limitations on the average and/or maximum wastewater constituents and characteristics in the discharge.
- f) BMP requirements based on applicable Pretreatment Standards.
- g) Requirements to control slug discharge, if determined by the Manager to be necessary.
- h) Specifications for monitoring programs, which may include: pollutants to be monitored (or BMPs); sampling location(s); frequency of sampling; sample type(s); number, types, and standards for tests; and reporting schedule; and may include total toxic organic (TTO) monitoring.
- i) Compliance Time Schedule(s) where required.

All classes of permits shall contain at least items (a)-(d), above; and may contain items (e)-(i) above, if applicable.

Permits may also contain the following:

- a) The unit charge or schedule of user charges and fees for the wastewater discharged to the POTW.
- b) Schedule of penalty fees for noncompliance.
- c) Limitations on average and/or maximum flow rates.
- d) Requirements for proper installation, operation, and maintenance of pretreatment technology, pollution control, or construction of appropriate containment devices designed to reduce, eliminate, or prevent the introduction of pollutants to the POTW.
- e) Requirements for installation and maintenance of inspection and sampling facilities, including flow measuring devices.
- f) Requirements for installation and maintenance of spill containment systems.
- g) Requirements for submission of technical or discharge reports.
- h) Requirements for maintaining and retaining plant records relating to the wastewater discharge as specified by the Manager.
- i) Requirements for submittal of a solvent management plan.
- j) A statement that compliance with the nondomestic wastewater discharge permit does not relieve the User of responsibility for compliance with all applicable Federal and State

Pretreatment Standards, including those which become effective during the term of the permit.

- k) Other conditions as deemed appropriate by the Manager to ensure compliance with this Ordinance and Federal and State laws, rules, and regulations.

08-07.6- Permit Modifications

The terms and conditions of the permit may be subject to modification by the Manager during the term of a permit if limitations or requirements, as referenced in Section 08-07.6 are modified or other just cause exists. The User shall be informed of any proposed changes in his permit at least fifteen (15) days prior to the effective date of change. Any changes or new conditions in a permit shall include a reasonable time schedule for compliance. The Manager may modify the permit, including, but not limited to the following reasons:

- a) Promulgation of Categorical Standards. Within three months of the promulgation of a Categorical Standard, permits for Users subject to such Standards shall be revised to require compliance within the time frame prescribed by such Standard. Where an affected User has not previously submitted an application for a permit as required by Section 08-07.3, the User shall apply within 180 days after the promulgation of the applicable Categorical Standard. In addition, Users with existing permits shall submit to the Manager within 180 days after the promulgation of an applicable Categorical Standard, a time schedule for compliance with the Categorical Standard.
- b) Changes in Operation. Industrial Users shall receive written approval from the Manager prior to initiating any changes in the User's facility's operation which may result in a change in quantity or quality of nondomestic wastewater contributed to the POTW. For the purposes of this Section "changes" shall include the following: A positive or negative change of 25% in the quantity of wastes discharged, additional waste-generating processes, additional or different waste-generating equipment, and an increase in production capacity.
- c) A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge.
- d) Information indicating that the permitted discharge poses a threat to the POTW, Reclamation Authority personnel, the general public, or receiving water.
- e) Violation of any terms or conditions of the permit.
- f) Misrepresentation or failure to fully disclose all relevant facts in the permit application or in any required reporting.
- g) To correct any typographical or other errors in the permit.

08-07.7 - Permit Transfer

Nondomestic Wastewater Discharge Permits are issued to specific Users for specific operations. A Nondomestic Wastewater Discharge Permit shall not be transferable, either from one location to another, or from one person to another. Statutory mergers or name change shall not constitute a transfer or a change in ownership. Following a change in ownership, and upon application for a new Nondomestic Wastewater Discharge Permit, an interim permit may be issued by the Manager.

08-07.8 - Permit Duration

Nondomestic Wastewater Discharge Permits shall be issued for a time period specified by the Manager, not to exceed three (3) years. The User shall apply for permit reissuance a minimum of ninety (90) days prior to the expiration of the User's existing permit. If the User submits a completed wastewater discharge permit application and through no fault of the User, a new wastewater discharge permit is not issued prior to the expiration of the existing wastewater discharge permit, the existing wastewater discharge permit shall remain in effect until the Reclamation Authority reissues, or denies, as the case may be, a new wastewater discharge permit. In no case shall a wastewater discharge permit have a duration of more than five (5) years. The terms and conditions of each permit may be subject to modification by the Reclamation Authority during the term of the permit in accordance with Section 08-07.6.

08-08 - Pretreatment Facility Requirements

08-08.1- Pretreatment of Nondomestic Wastewaters

- a) All Users shall provide necessary wastewater treatment as required to comply with this Ordinance and shall achieve compliance with all applicable, promulgated Categorical Standards (Subpart of 40 CFR Chapter I, Subchapter N, as it exists and as it may be amended) within the time limitations specified therein. If unable to immediately meet applicable Pretreatment Standards and Requirements, Users shall develop a compliance schedule for the installation of technology required to meet such requirements. Any facilities required to pretreat wastewater to a level acceptable to the Manager, including gravity separation interceptors, shall be provided, operated, and maintained at the User's expense.
- b) Detailed plans showing the pretreatment facilities and operating procedures shall be submitted to the Manager for review, and shall be acceptable to the Manager BEFORE construction of the facility. The Manager's review of such plans and operating procedures will not relieve the User from the responsibility of modifying the facility as necessary to produce an effluent which complies with all provisions of this Ordinance.

08-08.2 - Monitoring Facilities

The Reclamation Authority may require, at the User's expense, installation and operation of monitoring facilities to allow inspection of discharges to the POTW and collection of wastewater samples. The monitoring facilities shall include a suitably designed control structure and such other sampling, monitoring, and flow metering equipment as are deemed necessary by the Manager. The control structure shall be water tight, structurally sound, and durable. The monitoring facilities, including sampling, monitoring, and flow measuring equipment, shall be maintained and calibrated at all times in a safe and proper operating condition at the expense of the User.

Monitoring facilities shall normally be situated on the User's premises, but the Reclamation Authority and Member Entity may, when such a location would be impractical or cause undue hardship on the User, allow the facilities to be constructed in public right-of-way.

If the control structure is inside the User's fence, there shall be accommodations to allow access for Reclamation Authority or Member Entity personnel, such as a gate secured with a lock, with key provided to the Member Entity and the Reclamation Authority.

There shall be ample room and a 120 V power outlet in or near monitoring facility to allow installation of portable sampling and monitoring equipment by the Member Entity or the Reclamation Authority.

Whether constructed on public or private property, the sampling and monitoring facilities shall be constructed in accordance with the Reclamation Authority's requirements and all applicable local construction standards and specifications. Construction Drawings for proposed monitoring facilities shall be approved by the Manager and the Member Entity prior to construction. Construction shall be completed within 90 days following written approval by the Manager and Member Entity, unless the Manager grants a time extension.

08-08.3 - Flow Measuring Equipment

The Manager may require any User to install and operate a continuous monitoring flow meter capable of measuring the User's discharge to the Reclamation Authority's sewerage system as part of its Monitoring Facilities. The flow measurement device shall conform to standards established by the Manager.

08-08.4 - Separation of Domestic and Nondomestic Wastewaters

Every person who discharges nondomestic wastewater to the POTW shall keep the domestic wastewaters separate from all nondomestic wastewaters until the nondomestic wastewaters have passed through any required pretreatment facilities and the control structure.

08-08.5- Gravity Separation Interceptor

Each User so required by the Manager or Member Entity shall install and maintain a gravity separation interceptor to provide wastewater treatment for floatable and settleable pollutants. Domestic wastewater shall not be allowed to pass through this interceptor. This interceptor shall have an operational fluid capacity of not less than 100 gallons and shall be designed so as to retain any material which will float and any material which will settle. The interceptor shall be watertight, structurally sound, and durable. Interceptors shall have no less than two compartments. Interceptors of 750 gallons capacity or larger, except those designed for food processing facilities, shall have no less than three compartments.

a) Interceptor Requirements:

1. All interceptor chambers shall be immediately accessible at all times for the purpose of inspection and cleaning. At no time shall any material, debris,

obstacles or obstructions be placed in such a manner so as to prevent immediate access to the interceptor.

2. All interceptors of 300 gallons capacity or larger shall be equipped with a sampling chamber located at the downstream end of the interceptor. The sampling chamber shall have a minimum 18 inch square clear opening for the temporary installation of portable automatic sampling equipment.
3. Any interceptor legally and properly installed before January 1, 1995 shall be acceptable as an alternative to the interceptor specified herein, provided such interceptor is effective in removing floatable and settleable material and is so designed and installed that it can be inspected and properly maintained.
4. If the Manager or Member Entity finds that an interceptor is incapable of adequately retaining the floatable and settleable material in the wastewater flow or is structurally incomplete, he shall declare that such interceptor does not meet the requirements of this Section and shall require the User to install, at the User's expense, an acceptable interceptor.

b) Interceptor Approval:

If a gravity separation interceptor is required, the Plumbing Official shall only approve plumbing plans which include an interceptor which meets the requirements of this Section

c) Interceptor Maintenance:

The User who owns, operates, or maintains a gravity separation interceptor shall maintain it properly. It shall be cleaned as often as is necessary to ensure that sediment and floating materials do not accumulate to impair the efficiency of the interceptor. The use of chemicals to dissolve grease is specifically prohibited. When an interceptor is cleaned, the accumulated sediment and floating material shall be removed and legally disposed of otherwise than to the sewer. An interceptor is not considered to be properly maintained if for any reason it is not in good working condition or if the operational fluid capacity has been reduced by more than 25% by the accumulation of floating and settled solids, oils and grease. The owner of any facility required to install an interceptor, the lessee and sub-lessee, if there be such, and any proprietor, operator or superintendent of such facility are individually and severally liable for any failure of proper maintenance of such interceptor. If the interceptor is not properly maintained under the conditions of use, the Manager or Member Entity may require that the interceptor be resized and replaced.

08-08.6 - Spill Containment Systems

Users so required by the Manager or Member Entity shall install spill containment system(s) which conform to requirements established by the Manager and Member Entity. Users shall not operate a spill containment system that allows incompatible liquids to mix thereby creating hazardous or toxic substances in the event of failure of one or more containers. Spill containment systems shall consist of a system of dikes, walls, barriers, berms, secondary vessels, or other devices designed to contain spillage of the liquid contents of containers. Spill containment systems shall be constructed of impermeable and non-reactive materials with respect to the liquids being contained.

Spill containment systems shall conform to all State and County regulations and policies as to percent containment, container type, and size.

08-09 - Record Keeping and Reporting Requirements

08-09.1 - User Record Keeping

All Users shall keep records of waste hauling, reclamations, monitoring, pH and flow measuring device calibrations reports, sample analysis data, flow and pH meter chart recordings, records of pretreatment equipment maintenance, interceptor and clarifier maintenance and cleaning, and correspondence with the Reclamation Authority on the site of wastewater discharge. Sample analysis records shall include the date, exact place, method, and time of sampling, and the name of the person(s) collecting the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; the results of such analyses; and chain-of-custody forms. All these records are subject to inspection and shall be copied as needed. All records must be kept on the site of generation for a minimum period of three years. The records retention period may be extended beyond three years at the request of the Manager in the event criminal or civil action is taken or an extensive company history is required.

08-09.2 - Reporting Requirements

All Users are required to submit the following types of reports:

- a) **Reports of Potential Problems:** If, for any reason, pollutants are discharged at a flow rate or concentration which might cause interference with the POTW or Pass-Through, including any slug loadings, or which might result in a violation of NPDES Permit requirements or requirements of this Ordinance, or a hazard to Reclamation Authority and/or Member Entity personnel and/or the Public, the User shall verbally notify the Manager and POTW staff immediately. The notification shall include the location of the discharge, type of waste, concentration and volume, if known, and corrective actions taken by the User. The verbal notification shall be followed by a written report submitted to the Manager within five days. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the Reclamation Authority within 30 days after becoming aware of the violation.
- b) **Notification of Changed Discharge:** All Users shall promptly notify the POTW in advance of any substantial change in the volume or character of pollutants in their discharge. The Manager may require the User submit information as may be deemed necessary to evaluate the changed condition(s), including submission of a Nondomestic Wastewater Discharge Permit Application.
- c) **Notification of Hazardous Waste Discharge:** Discharge of hazardous wastes is prohibited by Section 08-04. However, should any discharge of hazardous waste occur, the User shall observe the following notification procedures:

- a. All Users shall notify the Reclamation Authority, the EPA Regional Waste Management Division Manager, and State hazardous waste authorities in writing of any discharge into the POTW of a substance, which, if otherwise disposed of, would be classified as hazardous waste pursuant to 40 CFR Part 261.
- b. Such notification must include the name of the hazardous waste as set forth in 40 CFR Part 261, the EPA hazardous waste number, and the type of discharge (continuous, batch, or other).
- c. The above required notifications must take place no later than 180 days after the discharge of the hazardous waste.

In the case of any notification made under these requirements, the Industrial User shall certify that it has a program in place to eliminate all hazardous waste discharges. A notice shall be permanently posted on the User's bulletin board or other prominent place advising employees who to call in the event of a discharge described in (a)-(c) above. Employers shall ensure that all employees, who could cause such a discharge to occur, are advised of the emergency notification procedures.

Industrial Users may be required to submit the following types of reports:

- d) **Self-Monitoring Reports:** Permittees may be required to submit periodic self-monitoring reports containing a description of the nature, concentration, and flow of pollutants required to be reported by the Reclamation Authority, and the time, date, and place of sampling and methods of analysis. Sampling for self-monitoring reports shall be performed during the period covered by the report. All required analyses shall be performed by a State Certified Laboratory using Analytical Methods as defined herein. Significant Industrial Users shall be required to submit self-monitoring reports at least once every six months. If any User subject to this section, monitors any regulated pollutant at the designated sampling location more frequently than required by the Reclamation Authority using Approved Analytical Methods, the results of this monitoring shall be included in the report.
- e) **Sampling Specifications:** All self-monitoring reports required under Section 08-09.2 (d) and reports required under Section 08-09.4 must be based upon data obtained through appropriate sampling and analysis, which data are representative of conditions occurring during the reporting period. Grab samples must be used for pH, cyanide, total phenols, petroleum based oil and grease, FOG, Food Waste, sulfide, and volatile organic compounds. For all other pollutants, 24-hour composite samples must be obtained through flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the Reclamation Authority. Where time-proportional composite sampling or grab sampling is authorized by the Reclamation Authority, the samples must be representative of the discharge and the decision to allow the alternative sampling shall be documented in the Industrial User file for that facility or facilities. Using protocols (including appropriate preservation) specified in 40 CFR Part

136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: For cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil & grease the samples may be composited in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the Reclamation Authority, as appropriate. For sampling required in support of baseline monitoring and 90-day compliance reports required in Sections 08-09.2 and 08-09.3, a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, petroleum based oil and grease, FOG, Food Waste, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the Reclamation Authority may authorize a lower minimum sample requirement. For self-monitoring reports and periodic compliance reports for Class I users, the Reclamation Authority shall require the number of grab samples necessary to assess and assure compliance by Industrial Users with Applicable Pretreatment Standards and Requirements.

- f) Periodic measurements of flow, suspended solids and BOD for surcharge determination and other appropriate waste characteristics shall be made by those Users specifically designated by the Manager.
- g) Any other reports required by California State Law, including such reports as are required by Chapter 6.95 of the California Health and Safety Code.

08-09.3- Categorical Industrial User Reporting Requirements

In addition to the reports specified in Section 08-09.2, Categorical Industrial Users must submit Initial Baseline Monitoring Reports (BMRs) and periodic compliance reports, and, if necessary, schedule compliance reports, and final compliance reports.

- a) **Initial Baseline Monitoring Reports (BMRs):** Baseline Monitoring Reports shall be submitted to facilitate evaluation of initial compliance status with respect to categorical standards, and any modifications or conditions necessary to achieve full compliance with categorical standards.

Baseline Monitoring Reports shall include all information listed in Section 08-07.3, and shall include a statement, reviewed by an authorized representative of the Industrial User, and certified as to accuracy by a qualified professional, indicating whether Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance and/or additional pretreatment is required for the Industrial User to meet the Pretreatment Standards and requirements. New sources shall submit a Baseline Monitoring Report at least 90 days prior to commencement of discharge.

If immediate compliance with the Categorical Standard is not possible and additional pretreatment or operation and maintenance is necessary, the report must specify the shortest time necessary to achieve compliance. The completion date must not be later than that specified in the applicable Categorical Standards. New sources must achieve compliance with all applicable Pretreatment Standards within 90 days of commencing discharge.

- b) **Schedule Compliance Reports:** Schedule compliance reports shall be submitted, if necessary, to demonstrate compliance with conditions of a time schedule requiring full compliance with Categorical Standards by a specified date. Schedule compliance reports shall contain dates for pretreatment equipment design completion, building permit submittal date, construction commencement date, construction updates, construction completion date, employee training completion date, and date of achieving final compliance. Samples shall be collected and analyzed to demonstrate compliance. The samples shall be taken in accordance with 40 CFR Part 136 and 40 CFR Part 403.12(b) (5). Schedule compliance reports shall be submitted at the completion of all major events necessary to achieve full compliance with Categorical Standards, but not less frequently than thirty (30) days. Schedule compliance reports must be submitted within fourteen (14) days of a milestone date. In no case shall any event in the compliance schedule exceed nine (9) months.
- c) **Final Compliance Reports:** Final compliance reports shall be submitted, if necessary, to demonstrate that full compliance with Categorical Standards has been achieved. Final compliance reports shall include all information contained in a Baseline Monitoring Report. Final compliance reports shall be submitted within ninety (90) days of achieving compliance with Categorical Standards. Final compliance reports from new sources must be submitted immediately after the facility commences discharge.
- d) **Periodic compliance reports:** Periodic compliance reports shall be submitted to demonstrate continued compliance with Categorical Standards. Periodic compliance reports shall include all monitoring data specified in the applicable Categorical Standard and any additional monitoring data obtained by the User. Sampling for periodic compliance reports shall be performed during the period covered by the report. Analyses shall be performed by a State certified laboratory using Approved Analytical Methods as defined herein. Sampling shall be performed in accordance with 40 CFR Part 136 and 40 CFR Part 403.12(b) (5). Periodic compliance reports shall be submitted every six (6) months in June and December of each year, unless required to be submitted more frequently by the Manager. Periodic compliance reports may be combined with self-monitoring reports pursuant to Section 08-09.2(d) herein.

08-09.4 - Industrial User Compliance Plans

- a) **Solvent Management Plans:** All Industrial Users subject to effective Categorical Standards which include a Total Toxic Organic (TTO) limitation shall be required to file a Solvent Management Plan. The Manager may also require other Users to submit Solvent Management Plans where, in his judgment, said plans are necessary to assure proper containment and disposal of solvents.
- b) **Slug Discharge Control Plans:** All Users so required by the Manager shall file a Slug Discharge Control Plan. The plan shall contain at least the following elements:
 - 1. Description of discharge practices, including nonroutine batch discharges;
 - 2. Description of stored chemicals;
 - 3. Procedures for prompt verbal notification of the Reclamation Authority of slug discharges, including any discharge that would violate a specific prohibition under Section 08-04.2 or 40 CFR Part 403.5(b), within twenty-four (24) hours of becoming aware of the discharge and procedures for follow-up written notification within five days (5) days;
 - 4. If necessary, procedures to prevent adverse impact from accidental spills or slug discharges, including inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site run-off, worker training, building of containment structures or equipment, measures for containing toxic organic pollutants (including solvents), and/or measures and equipment for emergency response; and
 - 5. If necessary, follow-up practices to limit the damage suffered by the POTW or the environment.
- c) **Specific Compliance Plans:** All Users so required by the Manager shall file a Specific Compliance Plan. The Specific Compliance Plan shall indicate the cause of noncompliance, the corrective actions which will be taken to prevent recurrence of said noncompliance, and, if required by the Manager, a proposed Compliance Time Schedule indicating the dates those corrective actions will be completed.

08-09.5- Bypass Reporting

- a) For the purpose of this Section,
 - 1. Bypass means the intentional diversion of wastewater from any portion of the User's treatment facility.
 - 2. Severe property damage means substantial physical damage to property, damage to the treatment facilities which cause them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- b) Bypass is prohibited, and the Manager may take enforcement action against a User for bypass, unless

1. Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 2. There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance.
 3. The User is required to submit notices are required in Section 08-09.5(d).
- c) The Manager may approve an anticipated bypass, after considering its adverse effects, if the Manager determines that it will meet the three conditions listed in paragraph (b) above.
- d) Bypass Notifications
1. If a User knows in advance of the need for a bypass, it shall submit prior notice to the Manager, at least ten (10) days before the date of the bypass, if possible.
 2. A User shall submit oral notice to the Manager of an unanticipated bypass that exceeds applicable Pretreatment Standards within twenty-four (24) hours from the time it becomes aware of the bypass. A written submission shall also be provided within five (5) days of the time the User becomes aware of the bypass. The written submission shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times, and if the bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, or prevent reoccurrence of the bypass. The Manager may waive the written report on a case-by-case basis if the oral report has been received within twenty-four (24) hours.

08-09.6 - Signatory and Certification Requirement

All permit applications, reports, and plans submitted to the Reclamation Authority by Industrial Users pursuant to Sections 08-07.3, 08-07.6, 08-09.2, 08-09.3, 08-09.4, and 08-09.5 shall be signed and dated by an authorized representative of the Industrial User. The signature shall accompany the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations".

Analytical reports submitted directly to the Reclamation Authority by a certified analytical laboratory at the request of the Industrial User for samples of wastewater collected at User facilities may be signed, dated, and certified by the laboratory manager in lieu of an authorized

representative of the User; however, such reports shall be accompanied by a statement, signed, dated, and certified by an authorized representative of the User, as above, which verifies that the sample identified in the analytical report was collected on the date and time indicated at the location indicated, and using the method indicated on the analytical report. Said signed, dated, and certified statement may be included as part of the chain-of-custody form for the sample.

08-09.7 - Member Entity Reporting Requirements

Each Member Entity shall promptly inform all applicants for business licenses within its jurisdiction of the requirements of Sections 08-04.1, 08-07.1, and 08-07.3 herein.

Each Member Entity shall submit a monthly report to the Manager, which contains the following information from each business license application received during the previous month: applicant's name, business name, mailing address, telephone number, type of business, and whether a nondomestic wastewater discharge is proposed. The monthly report shall also summarize all pretreatment program activities conducted by the Member Entity in accordance with the provisions of this Ordinance.

ARTICLE 09: ADMINISTRATIVE PROCEDURES

09-01 - Administration

Except as otherwise provided, the Manager shall administer, implement and enforce the provisions of this Ordinance. Any powers granted or imposed on the Manager may be delegated by him to other persons or authorized agents acting in the beneficial interest of or in the employ of the Reclamation Authority.

09-02 - Inspection and Sampling

The Manager may enter upon the Nondomestic User's premises during reasonable hours for the purpose of inspecting sewer systems and other facilities to ensure compliance with these Rules and Regulations, including the provision that self-regenerating water softeners shall not be connected to the sanitary sewer system contributing to the POTW, and the provisions that stormwater systems are separated from sanitary sewers.

The Manager shall inspect the facilities of each Significant Industrial User a minimum of once each year, and shall sample the discharge of each Significant Industrial User a minimum of once each year.

Persons or occupants of premises where nondomestic wastewater is created or discharged, or where the Manager has reason to believe that nondomestic wastewater may be created or discharged, shall allow the Manager ready access at all reasonable times to all parts of the premises for the purposes of inspection, sampling, examination and copying of records, taking photographs, and performance of any of his duties.

Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the User at the written or verbal request of the Manager and shall not be replaced. The expense of clearing such access shall be born by the User.

The Manager shall have the right to set up on the Industrial User's property such devices as are necessary to conduct sampling inspection, compliance monitoring, and/or metering operations. Where a User has security measures in force, which would require proper identification and clearance before entry into the User's premises, the User shall make necessary arrangements with its staff so that upon presentation of suitable identification, the Manager will be permitted to enter, without delay, for the purpose of performing inspection and sampling. Unreasonable delays in allowing the Manager access to the User's premises shall be a violation of this ordinance.

If the Manager has been refused access to a building, structure, or property, or any part thereof, and is able to demonstrate probable cause to believe that there may be a violation of this ordinance, or that there is a need to inspect and/or sample as part of a routine inspection and sampling program designed to verify compliance with this ordinance or any permit or order issued hereunder, or to protect the overall public health, safety, and welfare of the community, the Manager may seek

issuance of a search warrant from the Municipal or Superior Court of San Bernardino County through the Reclamation Authority Attorney

09-03 - Public Access to Information

Information and discharge data provided to the Reclamation Authority by a User shall be available without restriction to the EPA, the State Water Board, and the Regional Board. Such information shall also be available to the public without restriction, except where there is a claim of confidentiality by the User. All other information which is submitted by the User to the Reclamation Authority shall be available to the public, at least to the extent provided by 40 CFR Part 2.302. With the exception of Regulatory Agencies, any person requesting this information from the Reclamation Authority shall be required, prior to receipt of the information, to pay the reasonable costs of said data gathering reproduction and transmission incurred by the Reclamation Authority.

09-04 - Confidentiality

Any information submitted to the Reclamation Authority pertaining to the pretreatment program may be claimed by the User to be confidential, except for effluent data which will be available to the public without restriction. Any confidentiality claim must be asserted at the time of submission of the information to the Reclamation Authority. The claim may be asserted by stamping the words "Confidential business information" on each page containing such information or by other means; however, if no claim is asserted at time of submission, the Reclamation Authority may make the information available to the public without further notice. If such a claim is asserted, the information will be treated in accordance with the procedure in 40 CFR Part 2 (Public Information).

09-05 - Extension of Time Limits

Any time provided in any written notice or any provision of this Ordinance may be extended only by a written directive of the Manager.

09-06 - Conditional Waivers and Special Agreements

If any discharge or connection to the POTW fails to conform to any of the standards or requirements set forth or referenced in Sections 08-04.5, 08-05.1, 08-05.2, 08-06.1, 08-06.2, or 08-08.1, 08-08.2, 08-08.3, 08-08.4, or 08-08.5 herein, but the Manager finds that: a) the discharge will not cause harm to the POTW; b) the discharge will not unreasonably or inequitably burden the operation of the POTW; c) when considered together with discharges by other Users, the discharge will not materially affect the ability of the POTW to meet its requirements; and d) the requirement or requirements to be waived or modified are not part of a Categorical Standard or Prohibitive Discharge Standard; the Manager may grant approval for discharge to the POTW with a special agreement, waiver or modification of the requirement or requirements which could not be met; subject to any payments or User charges as may be applicable.

In the letter of approval, the Manager shall include a statement regarding the requirement that is waived or modified along with reasons as to why the waiver is issued. Any waiver granted pursuant to the section shall be subject to withdrawal at any time the Manager makes a subsequent finding that the POTW is unreasonably burdened or the ability of the POTW to meet its NPDES Permit discharge requirements or other permit or use requirements is materially affected.

09-07 - Appeal from Decisions

Administrative orders, waivers, permit conditions or disapproval of permit applications made by the Manager, pursuant to this Ordinance may be appealed to the Commission. The Commission may amend, modify, confirm, or reject any such decision provided the purpose and intent of this Ordinance is not violated. No appeal shall be made with respect to the specific Ordinance requirements pertaining to quality, content or method of disposal of wastewater that may be discharged, pursuant to Sections 08-04.2, 08-04.3, 08-04.4, and 08-05.3 herein, nor to any requirement of State or Federal Law.

ARTICLE 10: SERVICE AND USE CHARGES

10-01 - Service Charges

10-01.1 - Establishment of Rates

Rates to be charged and collected and terms, provisions, and conditions to be effective respecting such rates for regional sewer service supplied by the Reclamation Authority using the regional sewerage system to Member Entities within the Reclamation Authority Service Area shall be as fixed and established by the Commission from time to time and shall become an attachment of these Rules and Regulations (see Table II). A rate study utilized to develop any new rates will also be attached to this ordinance as Exhibit “C” The payment of service charges to the Reclamation Authority is the responsibility of each Member Entity, which in turn establishes the rates and service charges for Users within its local service area. This provision is in addition to and not by way of derogation of any other remedies or procedures available to the Reclamation Authority pursuant to any law or regulation or by any of the provisions of these Rules and Regulations.

10-01.2 - Change of Service Charge

The Commission reserves the right to change the schedule of regional sewer service charges and other charges and fees from time to time as necessary for the proper operation, maintenance, repair, replacement, and expansion of the regional system.

10-01.3 - Service Charge Billing

Regional sewer service charges to Member Entities will be rendered as part of the Reclamation Authority Service Bill at monthly intervals.

10-01.4 - Metering

For the purpose of computing charges, the Reclamation Authority will contract with an approved third party to provide accurate measurement of flow rate and cumulative totals at all connections to the Reclamation Authority's Interceptor Sewer. Such measurements will be made prior to entry of contributing flows into the interceptor and shall be used to determine a percentage allocation of the total flow for each connected entity. The percentage allocation will be applied to the total monthly influent flow, as measured at the WWTP influent mag meter, to determine the monthly flow contributed by each connected entity. Invoice billings will be sent to each connected Entity on a monthly basis. If, for any reason, the influent mag meter is out of service or flow measurements cannot be taken, the Reclamation Authority will estimate contributions based on the best available information including previous flows and existing conditions.

10-02 - Charges for Use

The purpose of a charge for use is to insure that each recipient of sewage service from the Reclamation Authority pays its reasonably proportionate share of all the costs of providing that sewerage service. Charges for use are used for recovering the cost of conveying, treating and disposing of sewage in the regional sewerage system and are exclusive of any fees levied by Local Sewering Agencies. The charge for use shall be based on the total maintenance, operation, capital expenditures and reserve requirements for providing regional wastewater collection, treatment and disposal and the related administration of the regional sewerage system.

ARTICLE 11: CONNECTION AND PRETREATMENT PROGRAM FEES

11-01 - Connection Fees

11.01.1 - Introduction

The regional sewerage system will provide adequate capacity for sewer service within the regional service area for a limited period of time. The Reclamation Authority must take into consideration future capacity requirements within the regional service area to ensure that the infrastructure necessary to provide reliable service to the Member Entities and their Users is constructed in advance. Failure to adequately plan for future capacity requirements can result in service interruption and the inability of the regional community to accommodate growth. In order to provide for future capacity requirements, Capital must be accumulated before it is required (pay-as-you-go) by levying connection fees. Connection fees have traditionally been the pay-as-you-go method for financing the expansion of a sewerage system. This follows the logic that, upon connection, a new discharger pays for its capacity just as the existing dischargers had paid to develop the original capacity in the sewerage system. The connection fees are accumulated in a fund for use when the sewerage system requires expansion.

11-01.2 - Connection Fees

- a) Connection fees will not be applied to properties developed prior to July 1, 1982, which are connected to existing local collection systems.
- b) Properties developed prior to July 1, 1982, unconnected to existing local collection systems will not be charged regional (Reclamation Authority) connection fees for the first five years after the completion of the interceptor to the contracting community. Thereafter, applicable Reclamation Authority connection fees will apply to such properties.
- c) Properties developed after June 30, 1982 will pay a connection fee applicable at the time of connection. Likewise, any additions or improvements to properties developed prior to July 1, 1982, which are connected and generate additional sewage, will pay a connection fee at the time applicable permits are issued.
- d) "Properties developed" as defined in Paragraph 5 of VVWRA Policy Resolution No. 81-10 shall be deemed to include all properties designated to be sewerred within the regional service area for which a building permit for residential, commercial, or industrial structures has been issued and all applicable fees therefor have been paid on or prior to June 30, 1982.
- e) Connection fees shall be determined and assessed in accordance with VVWRA Connection Fee Ordinance No. 002, as amended, or successor.

11-01.3 - Duty of Enforcement

The Reclamation Authority sets the connection fees for Users within the regional service area and Member Entities set the connection fees for Users which are associated with the expansion of the tributary sewerage systems. The responsibility of calculating and enforcing connection fees is shared between the Reclamation Authority and the Member Entities, provided, however, that each Member Entity has the primary responsibility of enforcing the collection of regional and local connection fees in conjunction with its local authority to regulate land use and development within its boundaries. The provisions of this Section shall be applicable to any building, structure, or property contributing to the Reclamation Authority's regional sewerage system, whether the same is owned, operated, or controlled by a private party or by a public or quasi-public agency, corporation or association, other than the Reclamation Authority. The Member Entity shall, through the "Will Serve" process enforce payment of these connection fees. The Member Entity may, in addition thereto, add connection fees for their own purposes. Further, administrative and lateral charges may also be applicable.

Unless specified otherwise, all fees, charges and penalties imposed pursuant to this Ordinance are due and payable upon receipt of notice.

11-02- Pretreatment Program Fees

It is the purpose of this Section to provide for the recovery of costs from Industrial Users of the POTW for the implementation of the pretreatment program. The Reclamation Authority may adopt charges and fees, by resolution, which may include:

- a) Fees for the processing of applications.
- b) Fees for reimbursement of costs of developing and operating the Reclamation Authority pretreatment program.
- c) Fees for monitoring, inspections, surveillance procedures and laboratory costs.
- d) Fees for reviewing plans and construction inspections.
- e) Fees for reviewing accidental discharge procedures.
- f) Fees for filing appeals.
- g) Noncompliance fees.
- h) Extra strength charges; surcharge fees. These fees shall be assessed based on the pounds discharged of a constituent above stated permit conditions or allowable limits. AT NO TIME shall any user affected by Categorical Standards be permitted to discharge wastewater to the POTW in violation of Categorical Standards.
- i) Administrative fees for compensation for damages in accordance with Section 13-01.
- j) Other fees deemed necessary by the Reclamation Authority to implement the provisions of this Ordinance.

The Reclamation Authority may incorporate the equivalent amount of any of the above fees into its sewer charges. The current Pretreatment Program fees are in Table III.

11-03 - Payment of Fees

Except as otherwise provided, all fees charged pursuant to the provisions of this Regulation are due and payable upon receipt of notice thereof.

The connection fee for a parcel shall be payable and collected at the time of final inspection or the date the certificate of occupancy is issued for improvements to the subject parcel, whichever occurs first.

All fees shall become delinquent thirty (30) days after mailing notice thereof to the mailing address of the discharger subject to such charges. The Reclamation Authority may impose a late fee on any charge that becomes delinquent as determined by the collection policy adopted by the Reclamation Authority from time to time. Such late fee shall accumulate on the unpaid balance of the delinquent charge until payment is received by the Reclamation Authority. The Reclamation Authority may further recover costs associated with the recovery of delinquent charges.

ARTICLE 12: EXECUTIVE PROVISIONS

12-01 - Right of Revision

The Reclamation Authority may from time to time, in its discretion and by resolution or Ordinance, amend the Rules and Regulations which govern the discharge of wastewater so as to keep the Reclamation Authority in compliance with evolving State and Federal Law.

12-02 - Right of Waiver

In the event of any declared local, State, or Federal emergency, the provisions of this Ordinance may be waived by resolution of the Board of Commissioners.

12-03 - Severability

If any provision, paragraph, word, section or article of this Ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections and articles shall not be affected and shall continue in full force and effect.

12-04 - Conflict

If any discrepancy between this Ordinance and the Rules and Regulations of a Member Entity exists, the more restrictive ordinance shall govern.

All other Reclamation Authority ordinances and parts of other Reclamation Authority ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of such inconsistency or conflict.

ARTICLE 13: ENFORCEMENT

13-01 - Compensation for Damages

Any person who, by discharge of wastewaters or by any other means, damages monitoring equipment, detrimentally affects wastewater treatment processes, significantly increases POTW operation costs, requires non-routine inspection and/or sampling, causes blockages of, damage to, interference with or pass-through from the POTW, or causes any other damages including the imposition of fines or penalties on the Reclamation Authority by Federal, State or local regulatory agencies, shall be liable to the Reclamation Authority for all damages and additional costs, including said fines or penalties, occasioned thereby. An administrative fee of twenty-five (25) percent of the Reclamation Authority's costs may be added to these charges and shall be payable within thirty (30) days of invoicing by the Reclamation Authority.

13-02 - Revocation of Permit

Any User who violates the following conditions of this Ordinance, or applicable State and Federal regulations, is subject to having his permit revoked:

- a) Failure of the User to factually report the wastewater constituents and characteristics of his discharge;
- b) Failure of the User to report significant changes in operations or wastewater constituents and characteristics;
- c) Failure of the User to provide reasonable access to the User's premises for the purpose of inspection or monitoring;
- d) Tampering with monitoring requirement;
- e) Failure to complete a wastewater survey or the Nondomestic Wastewater Discharge Permit Application;
- f) Failure of the User to pay fees, fines, and charges for use established pursuant to these Rules and Regulations; or
- g) Violation of conditions of any permit, ordinance, and/or compliance schedules, including the requirements of any Non-Domestic Water Discharge Permit, Liquid Waste Hauler Discharge Permit or Solid Waste ADM Discharge Permit.

13-03 - Notification of Violation

Whenever the Manager finds that any User has violated or is violating any applicable Pretreatment Standard or requirement contained in this Ordinance or the Nondomestic Wastewater Discharge Permit, or the requirements of any Liquid Waste Hauler Discharge Permit or Solid Waste ADM Discharge Permit, the Manager may serve upon such person a written notice stating the nature of the violation and stating the penalties for continued noncompliance. If required in the notice, such User shall submit to the Manager, within a prescribed period specified in the notice, a Specific Compliance Plan pursuant to Section 08-09.4(c). Submission of such a plan in no way relieves the User of liability for any violations occurring before or after receipt of the Notice of Violation.

Nothing in this Section shall limit the authority of the Manager to take any action, including emergency actions or any other enforcement action, without first issuing a Notice of Violation.

13-04 - Compliance Time Schedule

The Manager may adopt a proposed Compliance Time Schedule submitted by the User, or may adopt a revised Compliance Time Schedule if, in the judgment of the Manager, the proposed Compliance Time Schedule is unreasonable. The Manager will notify the User of the Adopted Compliance Time Schedule in a timely manner. The Manager shall not adopt a Compliance Time Schedule which extends beyond applicable federal deadlines. Nothing in this Section shall limit the authority of the Manager to take any action, including emergency actions or other enforcement action, without first adopting a Compliance Time Schedule

13-05 - Administrative Orders

The Manager may require compliance with any prohibition, limitation, or requirement of this Ordinance or the provisions of a Nondomestic Wastewater Discharge Permit, a Liquid Waste Hauler Discharge Permit or a Solid Waste ADM Discharge Permit, by issuing administrative orders that are enforceable in a court of law or by directly seeking court action. Nothing in the following Sections shall limit the authority of the Manager to take any action, including emergency actions or any other enforcement action, without first issuing administrative orders. Administrative orders may include:

- a) **Stop Work Orders:** The Manager may direct the Local Sewering Agency to serve a written stop work order on any person(s) engaged in doing or causing to be done new construction, tenant improvements, alterations, or additions, if violations of this Ordinance are found at the site of the new construction, tenant improvements, alterations, or additions. Any person served a Stop Work Order shall stop such work forthwith until written authorization to continue is received from the Manager and the Member Entity.
- b) **Compliance Orders:** When the Manager finds a discharge of wastewater has violated or threatens to violate any prohibition or limitation of this Ordinance or the provisions of a Nondomestic Wastewater Discharge Permit, the Manager may issue a Compliance Order and direct those persons not complying with such prohibitions, limitations, requirements, or provisions to:
 1. Comply immediately; or
 2. Comply in accordance with a specific compliance time schedule.

A Compliance Order may include modifications in the frequency and extent of monitoring sampling and analysis, and submission of self-monitoring reports. A Compliance Order may also establish a noncompliance monitoring program, or include modifications to an existing noncompliance monitoring program.

- c) **Cease and Desist Orders:** When the Manager finds that any User has violated or threatens to violate any provision of this Ordinance or its Nondomestic Wastewater Discharge Permit, the Manager may issue a Cease and Desist Order directing the User to:

1. Comply immediately; or
2. Comply in accordance with a time schedule specified in the Cease and Desist Order.

A Cease and Desist Order may include modifications in the frequency of monitoring, testing, and submission of self-monitoring reports. A Cease and Desist Order may also establish a noncompliance monitoring program.

- d) **Cease Discharge Orders:** When the Manager finds that any User has violated or threatens to violate any provision of this Ordinance or its Nondomestic Wastewater Discharge Permit, the Manager may revoke or suspend the User's Wastewater Discharge Permit and terminate sewer service to that User upon issuance of a Cease Discharge Order. The User shall be liable for all costs for termination of sewer service incurred by the User and the Reclamation Authority.

This provision is in addition to other statutes, rules, or regulations authorizing termination of service for delinquency in payment, or for any other reason. Sewer service shall be reinstated by the Manager after the User has complied with all provisions in the Administrative Order. The User shall be liable for all costs for reinstating sewer service.

- e) **Immediate Termination of Service:** The Manager may immediately suspend wastewater treatment service and any Nondomestic Wastewater Discharge Permit when such suspension is necessary, in the opinion of the Manager, to stop an actual or threatened discharge which presents or may present an imminent or substantial endangerment to the health or welfare of persons, the environment, or causes interference to the POTW. Other conditions that may subject the User to termination of service include:

1. Failure to accurately report the wastewater constituents and characteristics of its discharge;
2. Failure to report significant changes in operations or wastewater volume, constituents, and characteristics prior to discharge; or
3. Refusal of reasonable access to the User's premises for the purpose of inspection, monitoring, or sampling

Any User notified that wastewater treatment service and any Nondomestic Wastewater Discharge Permit has been suspended, shall immediately stop and eliminate the applicable contributions to the POTW. In the event of failure to comply voluntarily with the suspension order, the Manager shall take steps as deemed necessary including directing the Member Entity to immediately sever the sewer connection. The User shall be liable for all costs incurred by the Reclamation Authority in terminating sewer service.

Sewer service shall be reinstated by the Manager after the actual or threatened discharge has been eliminated. A detailed written statement, submitted by the User, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence shall be submitted to the Manager within fifteen (15) days of the date of sewer service termination.

- f) **Notices of Discharge Prohibition:** The Manager may serve a written Notice of Discharge Prohibition on any person(s) engaged in any activity or activities which, while not resulting in a discharge of nondomestic wastewater to the POTW at the time, may, in the Manager's

judgment, result in a discharge of nondomestic wastewater at some time in the future. A Notice of Discharge Prohibition shall include at least the following:

1. A list or citation of general discharge restrictions and prohibitions;
2. A list of any Categorical Standards that would be applicable upon commencement of nondomestic wastewater discharge;
3. A requirement to apply for and obtain a nondomestic wastewater discharge permit prior to commencing discharge of nondomestic wastewater to the POTW;
4. A requirement for notification of slug or accidental discharges; and
5. A statement of applicable civil and criminal penalties for violation of Pretreatment Standards and requirements.

A Notice of Discharge Prohibition may also contain one or more of the following:

1. A requirement to prepare and submit a Slug Discharge Control Plan;
 2. A requirement to install and maintain one or more spill containment systems;
 3. A requirement for maintaining and retaining plant records relating to wastes removal from the facility; and
 4. A requirement to submit an annual written statement to the Manager certifying that no nondomestic wastewater has been discharged to the POTW during the previous year other than discharges of which the Manager was properly notified, and that no nondomestic wastewater will be discharged during the forthcoming year without proper notification and/or obtaining a Nondomestic Wastewater Discharge Permit.
- g) **Suspension or Termination of Discharge Rights:** With respect to the violation of the requirements of a Liquid Waste Hauler Discharge Permit or Solid Waste ADM Discharge Permit, the Manager may revoke or suspend the right of the permit holder to discharge Septage or ADM to the POTW until such time as the permit holder is in compliance with the terms of the applicable permit.

13-06- Noncompliance Monitoring Program

- a) If sampling by Reclamation Authority or User indicates that the User is discharging constituents in violation of the mass emission or concentration limits established by Reclamation Authority resolution or contained in User's Nondomestic Wastewater Discharge Permit, then the User must notify the Manager within twenty-four (24) hours of becoming aware of the violation. The User shall collect a follow-up sample (as directed by Manager). The User shall submit the completed sample analysis to the Reclamation Authority within thirty (30) days of notification by the Reclamation Authority.
- b) If the follow-up sample indicates noncompliance with permit requirements, the User may be required by the Reclamation Authority to immediately initiate a noncompliance monitoring program requiring additional sampling and reporting by the User in accordance with a schedule issued by the Manager. During the program, the User may be subject to noncompliance fees established by Reclamation Authority resolution. Fees may be required for each sample analysis indicating violation or violations of limits specified in

User's permit or established by Reclamation Authority resolution. User may also be subject to a fee for each sample analysis not submitted by the User to the Reclamation Authority in accordance with the schedule specified in the program.

- c) The noncompliance monitoring program may be terminated by the Reclamation Authority upon the User's demonstration of a return to compliance. To demonstrate a return to compliance, the User must either terminate discharge or provide analyses showing consistent compliance over a period of not less than 30 days or as specified in the Program.
- d) The payment of noncompliance fees by Users shall not bar the Reclamation Authority from undertaking any other enforcement procedures specified herein.

13-07 - Administrative Hearing

Any User may request, or the Manager may order, an Administrative Hearing, at which a User who causes or allows or who has caused or allowed an unauthorized discharge to enter the POTW shall show cause why the proposed enforcement action should not be taken. An Administrative Hearing Officer who is a Reclamation Authority Officer not directly involved in the enforcement of this Ordinance, shall preside over the Administrative Hearing, at which each party, including the User and the Manager, shall have the right to present evidence. A notice shall be served on the User specifying the time and place of the hearing regarding the violation, the reasons why the action is to be taken, the proposed enforcement action, and directing the User to show cause before the Administrative Hearing Officer why the proposed enforcement action should not be taken. The notice of the hearing shall be served personally or by registered or certified mail (return receipt requested) at least ten (10) days before the hearing. Service may be made on any agent or officer of the User.

13-08 - Annual Public Notice of Significant Noncompliance

In March of each year, the Reclamation Authority shall publish in the newspaper with the largest daily circulation in the Victor Valley Wastewater Reclamation Authority service area a list of all Industrial Users which have been in Significant Noncompliance with applicable Pretreatment Standards or Requirements during the previous calendar year.

13-09 - Legal Action

If any User violates the provisions of this Ordinance, Federal or State Pretreatment requirements, or any order of the Reclamation Authority, the Reclamation Authority Attorney may commence an action for appropriate legal, equitable, and/or injunctive relief in the Municipal or Superior Court of San Bernardino County.

In addition to the penalties provided herein, the Manager may recover reasonable attorney fees, court costs, court reporters' fees, and other expenses of litigation by appropriate suit at law against the person found to have violated any of the provisions of this Ordinance or the orders, rules, regulations, and permits issued thereunder.

13-10 – Injunctive Relief

When the Manager finds that a User has violated, or continues to violate, any provision of this Ordinance, its Nondomestic Wastewater Discharge Permit, or order issued hereunder, or any other Pretreatment Standard, the Manager may petition the Municipal or Superior Court of San Bernardino County through the Reclamation Authority Attorney for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the Nondomestic Wastewater Discharge Permit or other requirements imposed by this Ordinance on activities of the User. The Manager may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the User to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a User.

13-11 - Civil Penalties

Any User who is found to have violated any prohibition, limitation or requirement of this Ordinance or of his Nondomestic Wastewater Discharge Permit or an administrative order shall be subject to civil penalty of not less than one thousand dollars (\$1,000) nor more than twenty-five thousand dollars (\$25,000) for each offense per day. Each violation shall be considered a separate and distinct offense, and each day on which a violation shall occur or continue shall be deemed a separate and distinct offense. In addition to the penalties provided herein, the Reclamation Authority may recover reasonable attorneys' fees, court costs, court reporters' fees and other expenses of litigation by appropriate suit at law against the person found to have violated this Ordinance or the orders, rules, regulations, and permits issued hereunder.

Civil Penalties may be imposed, assessed and recovered by action commenced in the Superior Court through petition by the Manager pursuant to Section 54740 of the California Government Code, or by Administrative Hearing in accordance with Section 13-07. Assessment of Civil Penalties through the Administrative Hearing Process shall be in accordance with Section 54740.5 of the California Government Code.

13-12 - Criminal Penalties

Any person who willfully violates any provision of this Ordinance or permit condition; who knowingly violates any stop work order, cease and desist order, prohibition or effluent limitation; who knowingly makes any false statements, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this Ordinance or a Nondomestic Wastewater Discharge Permit; or who falsifies, tampers with, or knowingly causes inaccuracy in any monitoring device or method required or authorized under this Ordinance, shall, upon conviction, be guilty of a misdemeanor which is punishable by a fine not to exceed one thousand dollars (\$1,000.00) or by imprisonment for a period of not more than six (6) months or by both such fine and imprisonment. Each such person shall be deemed guilty of a separate offense for every day during any portion of which any violation of any provisions of

this Ordinance is committed, continued, or permitted by such person, and shall be punishable for that violation as provided by this Section.

13-13 - Remedies Nonexclusive

The remedies provided for in this ordinance are not exclusive. The Manager may take any, all, or any combination of these actions against a noncompliant User. Enforcement of pretreatment violations will generally be in accordance with the Enforcement Response Plan. However, the Manager may take other action against the User when the circumstances warrant. Further, the Manager is empowered to take more than one enforcement action against any noncompliant User.

13-14 - Payment of Penalties

Except as otherwise provided, all penalties made pursuant to the provisions of this Ordinance are due and payable upon receipt of notice thereof. All such penalties shall be delinquent thirty (30) days after mailing notice thereof to the mailing address of the User subject to such penalties. A penalty that becomes delinquent may have added to it a delinquency charge equal to the maximum interest permitted by law.

13-15 - Collection

Upon motion of the Board of Commissioners of the Reclamation Authority, any charge and all penalties and delinquency charges thereon shall be collected by lawsuit in the name of the Reclamation Authority. Any such action for collection may include an application for an injunction to prevent repeated and recurring violations of this Ordinance.

13-16 - Enforcement Response Plan

The Manager shall prepare, implement, and, if necessary, periodically update an Enforcement Response Plan in conformance with EPA guidelines contained in 40 CFR Part 403.8(f) (5).

END OF TEXT OF ORDINANCE

APPROVAL AND ADOPTION

THIS ORDINANCE NO. 001 IS APPROVED AND ADOPTED ON: November 7, 2024

Debra Jones,
Chair VVWRA Board of Commissioners

APPROVED AS TO FORM:

ATTEST:

Piero C. Dallarda of Best Best & Krieger
LLP VVWRA General Counsel

Dakota Higgins,
Secretary VVWRA Board of Commissioners

CERTIFICATION

I, Kristi Casteel, Secretary to the Board of Commissioners (“Commission”) of the Victor Valley Wastewater Reclamation Authority, certify that the foregoing Ordinance was introduced at a regular meeting of the Board of Commissioners on October 24, 2024, and was adopted by the Commission at a regular meeting held on November 7, 2024 by the following vote of the Commissioners:

AYES:

NOES:

ABSTAINED:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Victor Valley Wastewater Reclamation Authority on this November 7, 2024.

Kristi Casteel
Secretary to the Board of Commissioners

FORM OF CERTIFICATE OF ADEQUACY OF SEWERAGE SYSTEM

It is hereby understood by all persons signing this certificate that the Member Entity will not consider allowing use of its facilities by this land development without having received the representations contained herein.

I certify that the following statements are true:

1. I hold a currently valid certificate of registration as a Civil Engineer issued pursuant to Section 6700 et. seq. of the Business and Professions Code, State of California. I am further qualified by experience to design sewage systems.
2. The sewerage system has been designed in accordance with good engineering practice and meets all of the requirements of Victor Valley Wastewater Reclamation Authority and the Member Entity having jurisdiction.
3. All design criteria and the materials and methods of construction specified for use in this sewerage system meet or exceed standards adopted and approved by the Victor Valley Wastewater Reclamation Authority and the Member Entity.

Signature

Date

4. The Member Entity hereby agrees that adequate capacity is available or will be made available to accept sewerage contributions from this development within _____ year(s) from the execution date of this certificate.

Member Entity Signature

Date

TABLE I: SPECIFIC LOCAL POLLUTANT CONCENTRATION LIMITS**Daily Maximum Concentration for Permitted Industrial Dischargers:**

| | |
|------------------------------------|-----------------------------------|
| pH | 5 to 11 |
| Pollutant | Concentration Limit (mg/l) |
| Arsenic | 1.5 |
| Barium | 10.0 |
| Biochemical Oxygen Demand (BOD) | 50,000 |
| Boron | 1.04 |
| Cadmium | 0.2 |
| Chromium, Total | 2.0 |
| Copper | 2.2 |
| Cyanide | .012 |
| Fluoride | 1,000 |
| Iron | 200 |
| Lead | 1.7 |
| MBAS (Surfactants) | 100 |
| Mercury | 0.1 |
| Methyl Tert Butyl Ethylene (MTBE) | 0.0005 |
| Nickel | 2.0 |
| Nitrogen, Ammonia | 500 |
| Selenium | 1.0 |
| Silver | 0.4 |
| Tetrachloroethene (TCE or PCE) | 0.53 |
| Toluene | 1.53 |
| Total Dissolved Solids (TDS) | 1,000 |
| Total Petroleum Hydrocarbons (TPH) | 500 |
| Zinc | 2.3 |

Adopted July 25th 2001

Table II: Fee Schedule

Victor Valley Wastewater Reclamation Authority Fee Schedule

Effective January 1st, 2025

| User Charge Rate per Million Gallons (\$/MG) | |
|--|---------|
| FY 2024-2025 (1/1/2025-6/30/2025) | \$5,923 |
| FY 2025-2026 | \$6,811 |

| High Strength Surcharges | |
|--------------------------|---|
| BOD | See the Adopted Budget for the corresponding fiscal year rate |
| TSS | See the Adopted Budget for the corresponding fiscal year rate |
| NH3 | See the Adopted Budget for the corresponding fiscal year rate |

| Other Fees | |
|---|-------------------|
| Septage Receiving Fee | \$0.12 per gallon |
| Fats, Oil, and Grease (FOG) Tipping Fee | \$0.12 per gallon |

TABLE III: PRETREATMENT PROGRAM FEES

Wastewater Discharge Permit Application Fee (Class I, II, IV): \$220

Wastewater Discharge Permit Fees

| Permit Type | Annual Fee |
|--------------------|-------------------|
| Class I | \$3,000 |
| Class II | \$3,000 |
| Class III | \$175 |
| Class IV | \$800 |

Plan Check Fee: \$110

Follow-up Inspection Fee: \$330

Follow-up Compliance Sampling Fee: \$220 plus analytical costs

EXHIBIT A: LARRY WALKER ASSOCIATES REPORT

**EXHIBIT B: RESOLUTION 2023-04 REGARDING SOLID WASTE
ADM DISPOSAL FEES**

EXHIBIT C: FY 2025-2029 RATE STUDY BY RDN INC

EXHIBIT D: RESOLUTION 2024-05

EXHIBIT A

Memorandum



DATE: March 24, 2021

TO: Latif Laari, Victor Valley Wastewater Reclamation Authority

SUBJECT: Victor Valley Wastewater Reclamation Authority Pretreatment Program Fee Evaluation - DRAFT

cc: Betsy Elzufon, Larry Walker Associates

Gorman Lau, P.E.

1480 Drew Avenue, Suite 100
 Davis, CA 95618
 530.753.6400 (phone)
 530.753.7030 (fax)
 gormanl@lwa.com

INTRODUCTION

Victor Valley Wastewater Reclamation Authority (VWVRA) is a joint powers authority that consists of the Cities Victorville and Hesperia, Town of Apple Valley, and two San Bernardino County Service Areas (No. 42 Oro Grande and No. 64 Spring Valley Lakes). VWVRA owns and operates the Victor Valley Regional Wastewater Treatment Plant (Plant), which provides treatment of domestic, commercial, and industrial wastewater from its service area. Since 1995, VWVRA has implemented a Pretreatment Program to regulate non-domestic users discharging wastewater from its service area to the Plant. VWVRA's National Pollutant Discharge Elimination System (NPDES) permit (CA0102822, Order No. R6V-2020-0028) and Ordinance No. 001, which was most recently updated in December 2016, provide the legal authority to implement the Pretreatment Program.

Title 40 of the Code of Federal Regulations (40 CFR) Part 403.8(f)(3) requires that a Pretreatment Program be sufficiently funded with resources and qualified personnel to implement the program. The purpose of this technical memorandum is to evaluate the current Pretreatment Program fee structure and identify potential fees that may be implemented to fund the Pretreatment Program.

PRETREATMENT PROGRAM BACKGROUND

VVWRA structured the administration and implementation of its Pretreatment Program into five types of wastewater discharge permits:

- Class I – categorical industrial users (CIUs)
- Class II – non-categorical significant industrial users (NCSIUs)
- Class III – non-significant industrial users (NSIUs)
- Class IV – temporary industrial users (TIUs)
- Class V – dischargers of trucked or hauled wastewater to the Plant

At the end of 2020, VVWRA had one Class I, ten Class II, and two Class IV industrial users that were permitted under the Pretreatment Program. Additionally, VVWRA also permits and regulated 418 Class III dischargers that include, but are not limited to, food service establishments (FSEs), car and truck washes, grocery stores, hospitals, and automotive service facilities. VVWRA is currently evaluating the feasibility of transitioning certain types of dischargers (e.g., FSEs) to its member agencies for oversight. This may reduce the number of Class III permits that VVWRA issues.

The VVWRA Pretreatment Program is currently implemented by one equivalent full-time employee (FTE) with responsibilities split between a manager (25%), an inspector (50%) and an administrative assistant (25%). In 2020, VVWRA spent approximately \$153,000 in the implementation of its Pretreatment Program. The costs included salary and benefits of staff, third-party analytical and regulatory consulting fees, and equipment and supplies. Pretreatment Program revenue in 2020 was approximately \$50,000, which was primarily collected from annual permit fees and some enforcement actions.

PRETREATMENT PROGRAM FUNDING SOURCES

Generally, sewer service is funded by rates, fees, and surcharges that are applied to dischargers using the system. Rates, fees, and surcharges vary depending on the classification of the discharge (e.g., residential, commercial, industrial) and the strength or type of the waste that is discharged. Sewer rates are typically flat rates based on classification of the wastewater source but can also be based on water meter size and/or potable water usage. Fees can include impact fees (i.e., fees charged to a developer when the sewer connection is first established), fees associated with reviewing and checking plans for sewer connections, and permit fees. Surcharges are charges for the use of sewer and/or treatment capacity above a standard threshold that may incorporate discharger-specific flow volumes and/or pollutant loads.

Ideally, VVWRA's Pretreatment Program should be fiscally self-sustaining through collection of applicable charges. The following sections describe the current fees implemented by VVWRA and a comparison of similar fees implemented by other publicly-owned treatment works (POTWs). For the purposes of this discussion, sewer rates and surcharges are not discussed in this evaluation as these types of funding sources are typically based on wastewater discharge rates while the implementation of the Pretreatment Program is typically funded through fees for permit applications, permits,

and follow-up requirements. Applicable Pretreatment Program fees should sufficiently account for the cost of labor and materials associated with an activity (e.g., review of documents, sampling, inspection).

Plan Check and Permit Application Fees

When new businesses are proposed to enter the service area, proper sanitary sewer connections need to be made. As part of this process in planning, designing, building, and/or retrofitting existing businesses, a municipal sewer agency is consulted as part of the plan review process to review and approve sanitary system connection applications and plans. This step ensures that any treatment devices (e.g., pretreatment, grease interceptors) and connection sizes meet the applicable standards, and that the connection of the business will not negatively impact the sanitary sewer system and/or wastewater treatment plant. Typical fees that may apply during the planning phase of introducing a new or modifying an existing wastewater discharge to the sanitary sewer system may include plan check fees. Additionally, if a discharger requires a wastewater discharge permit, there may be an application fee.

VVWRA currently implements the following fees for plan checking:

- Sampling manhole installation – \$100
- Discharge flow meter review – \$100
- Gravity separation interceptor – \$100
- Other pretreatment facilities – \$100

Most POTWs implement plan check fees, but some POTWs include a permit application fee with the plan check fees. Of the POTWs that were reviewed, Delta Diablo and Napa Sanitation District separated plan check fees from application fees. For Delta Diablo, an initial plan check fee of \$250 is applied with a subsequent \$50 charged per subsequent plan check. Napa Sanitation District has a list of various plan check fees, similar to VVWRA, depending on the type of structure that is intended to be constructed. For example, a grease interceptor plan check is \$179. On the further extreme, Orange County Sanitation District implements a charge of 20 percent of the sewer construction cost for new tract sewer, sewer extensions, or special facilities for plan check and inspection fees.

Most POTWs appear to include a wastewater discharge permit application fee with the wastewater discharge permit fees, described in the following section. However, several POTWs identified separate wastewater discharge permit application fees. The City of Burbank implements a \$53.50 application fee while the City of Riverside implements an application fee of \$120 for most permits, including SIUs, CIUs, and NSIUs, and \$25 for a waste hauler permit application. VVWRA does not currently have a fee for a wastewater discharge permit application.

It is recommended that VVWRA evaluate if the plan check fees adequately cover the cost of doing plan checks and determine whether additional fees (e.g., subsequent plan checks) are needed. For wastewater discharge applications, fees can either be implemented as a separate fee or incorporated into the wastewater discharge permit fee.

Wastewater Discharge Permit Fees

VVWRA currently charges \$500 annually for wastewater discharge permits for all classes of dischargers except for Class III dischargers, which have an annual fee of \$100. Wastewater discharge permit fees are intended to cover costs of administering wastewater discharge permits and include regular activities such as inspections, sampling, and review of submittals and discharge reports.

For CIUs and NCSIUs, pretreatment regulations require a minimum of one annual sampling event and one inspection conducted by the POTW administering a pretreatment program to verify compliance and submittal of two semi-annual reports. Under specific conditions, a POTW may waive some monitoring requirements. Analytical costs to assess compliance with federal categorical limits and/or local limits can range from \$600 to \$1,600 per year depending on the type of discharger and the pollutants that need to be monitored. The higher end of the analytical costs may include analyses of organic compounds. If the discharger has more than one discharge location or sampling point, the analytical costs can increase. For non-CIUs and NCSIUs, there may be more flexibility in how these requirements (e.g., sampling or inspection frequency) are administered.

In reviewing wastewater discharge permit fee information collected from other POTWs, it appears that the VVWRA wastewater discharge permit fees are on the lower end of the spectrum. A summary of wastewater discharge permit fees from other POTWs is presented in Table 1.

Table 1. Wastewater Discharge Permit Fees

| Publicly-Owned Treatment Works | Permit Type | Fee |
|--|---|---|
| Victor Valley Wastewater Reclamation Authority | Class I (CIU), II (NCSIU), IV (TIU), V (hauled waste) | \$500/year (or \$2,500/5 years) |
| | Class III (NSIU) | \$100/year (or \$500/5 years) |
| City of Burbank | Class I | \$439/5 years |
| | Class II | \$922/5 years |
| | Class III | \$2,848/5 years |
| | Class IV (SIU, CIU) | \$8,300/5 years |
| Delta Diablo | SIU | \$4,600/year (\$23,000/5 years) |
| | SIU without TTO analyses | \$2,750/year (\$13,750/5 years) |
| | SIU with zero discharge | \$690/year (\$3,450/5 years) |
| East Bay Municipal Utilities District | Industrial permit | \$2,920/year (\$14,600/5 years) |
| | | \$1,550/year (\$7,750/5 years) for monitoring |

Pretreatment Program Fee Review - DRAFT

| Publicly-Owned Treatment Works | Permit Type | Fee |
|-----------------------------------|---|--|
| Inland Empire Utilities Agency | CIU | \$4,375/2 or 5 years (new permittee) |
| | | \$3,250/2 or 5 years (permit renewal) |
| | NSCIU | \$3,188/2 or 5 years (new permittee) |
| | | \$813/2 or 5 years (permit renewal) |
| | NSIU | \$2,625/2 or 5 years (new permittee) |
| | | \$563/2 or 5 years (permit renewal) |
| Orange County Sanitation District | Class I (SIU, CIU) | \$1,265/year (or \$6,325/5 years) |
| | Class II (commercial) | \$380/year (\$1,900/5 years) |
| | Special purpose | \$1,116/year (\$5,580/5 years) |
| City of Riverside | Class I (SIU, CIU) | \$1,000/year (or \$5,000/5 years) |
| | Class II (NSIU) | \$500/year (or \$2,500/5 years) |
| | Class III (smaller NSIU), IV (zero discharger) | \$250/year (or \$1,250/5 years) |
| | Class VI (hauled) | \$120/year (\$600/5 years) |

The average annual permit fee of the six POTWs (excluding VVWRA) identified Table 1 is \$2,200 for SIU/CIU permits. A potential increase of the VVWRA Class I and II permit fees to the average would potentially yield \$18,700 annually in additional revenue. The average annual fee currently charged by VVWRA likely does not sufficiently cover the cost of administering permit activities such as inspections, sampling and analysis, review of submittals, and possibly wastewater discharge permit application processing.

NSIU permit fees for other POTWs are also higher than what VVWRA currently charges. Depending on the additional NSIUs for which VVWRA will continue to administer permits, there could be further generation of revenue from an increase in annual permit fees. While the level of effort necessary to administer a Class III permit is lower, the current Class III permit fees likely do not cover the costs.

It is recommended that VVWRA consider implementing wastewater discharge permit fees based on the class of permit issued. Class I and II permits require a higher level of VVWRA engagement and should have higher fees. Class III and IV permits would have lower fees since they require less oversight and time to administer. Depending on the

approach taken, wastewater discharge permit application fees may be rolled into the wastewater discharge permit fee as well.

Non-Compliance-Related Fees

VVWRA current implements a wide range of fees associated with follow-up activities related to permittees in non-compliance. These activities and fees include follow-up inspections and sampling fees, issuance of administrative orders, and enforcement penalties. Fees associated with non-compliant wastewater discharge permittees are presented in Table 2.

Table 2. Victor Valley Wastewater Reclamation Authority Enforcement Action Fees

| Enforcement Action Fee Type | Fee Amount |
|--|------------------|
| Follow-up Sampling (non-compliance) | \$100 per sample |
| Non-compliance for sample analyses not submitted | \$100 per sample |
| Stop Work Order | \$100 |
| Compliance Order | \$250 |
| Cease and Desist Order | \$500 |
| Cease Discharge Order | \$500 |
| Termination of Service | \$500 |
| Follow-up Inspection | \$100 |
| Notice of Violation/Inspection | \$150 |
| Obtaining Inspection Warrant | \$500 |
| Compliance Meeting | \$250 |
| Enforcement Hearing | \$500 |

Most POTWs include language in their Sewer Use Ordinances outlining conditions for cost recovery related to enforcement activities, including labor and expenses associated with addressing the non-compliance (e.g., additional inspections, additional sampling). These are typically determined upon conclusion of an enforcement action through penalties or fines. Of the POTWs reviewed, only the City of Burbank included fees for follow-up enforcement inspections in their fee schedule. Depending on the class of discharger in non-compliance, follow-up inspection fees can range from \$449-\$1,992 with the higher amount being associated with CIUs/SIUs.

It makes sense to include fees for some lower levels of enforcement activity (e.g., follow-up inspection, administrative fines). However, a follow-up sampling event can be a higher cost depending on the analyses needed. Because enforcement efforts can vary significantly in level of effort to resolve and duration, it may be inhibitory to provide fees for higher levels of enforcement as it may limit the cost recovery that VVWRA can obtain. These types of fees should be determined on a case-by-case basis to ensure that VVWRA receives proper compensation for the enforcement activities.

It is recommended that VVWRA reconsider some of the fees associated with higher levels of enforcement and perhaps use narrative language in the Sewer Use Ordinance to administer these fees. Similarly, fees associated with follow-up sampling should be at-cost based on the required analyses. Lastly, VVWRA should evaluate if the fees for lower-level enforcement activities sufficiently cover the costs associated with performing the enforcement actions.

PROPOSED FEE STRUCTURE

Based on discussions with Pretreatment Program staff, the level of effort required to implement the Pretreatment Program on a permit-by-permit basis was assessed. A breakdown of the labor hours associated with wastewater discharge permit implementation and compliance for VVWRA staff is presented in Table 3. For Class I/II permits, tasks include annual sampling and inspections, self-monitoring report review, annual and quarterly report development, and permit-related tasks (e.g., communication with permittees, follow-up on submittals, issuance of first Notice of Violation). For Class III permits, tasks include inspections and miscellaneous permit related-tasks. For Class IV permits, tasks include annual inspection, self-monitoring report review, and miscellaneous permit-related tasks. The total annual labor hours do not include other Pretreatment Program activities, such as Pretreatment Compliance Inspections or Audits (PCI/PCA), wastewater discharge permit modifications, and training.

Table 3. Breakdown of Annual Labor Hours by Permit Type

| Permit Type (Number of Permits) | Total Annual Labor Hours | Average Labor Hours per Permit |
|---------------------------------|--------------------------|--------------------------------|
| Class I/II (10 permits) | 264 | 26.4 |
| Class III (406 permits) | 1,218 | 3 |
| Class IV (2 permits) | 27 | 13.5 |

In addition to labor costs, other expenditures for Pretreatment Program implementation associated with wastewater discharge permitting include materials (e.g., sampling tubing), equipment (e.g., portable samplers), and analytical costs. Based on discussions with Pretreatment Program staff, these other expenditures are approximately \$15,000 annually for Class I/II permittees and \$3,000 annually for Class III permittees.

Based on these expenditures on wastewater discharge permit compliance activities, a proposed annual wastewater discharge permit fee structure would be as follows:

- Class I/II: \$2,952
- Class III: \$172
- Class IV: \$743

This annual wastewater discharge permit fee structure would be expected to generate approximately \$101,000 in revenue based on a labor rate of \$55 per hour.

In addition to the annual wastewater discharge permit fee, other fees that can be implemented include a wastewater discharge permit application fee for the Class I, II, and IV permits, plan check fees, and non-compliance follow-up fees. Class III permit application fees would be covered by the annual permit fee. Based on expected labor hours at \$55 per hour, these proposed fees may be:

- Class I/II/IV permit application fee: \$220
- Plan check fee: \$110
- Follow-up compliance sampling fee: \$220 plus analytical costs
- Follow-up inspection fee: \$330

Because enforcement actions can vary from case to case, any cost recovery associated with enforcement, aside from the first Notice of Violation, should be assessed based on the labor hours needed to correct the compliance issue.

SUMMARY AND RECOMMENDATIONS

This technical memorandum summarized an evaluation of the VVWRA Pretreatment Program fees to determine the following:

- Are VVWRA Pretreatment Program fees providing sufficient revenue to fund the program?
- What fees are being applied by Pretreatment Programs implemented by other POTWs?
- What additional fees can be implemented by VVWRA to increase revenue to cover the costs of Pretreatment Program implementation?
- What is a proposed fee structure that will provide additional Pretreatment Program cost recovery?

At present, revenue generated by the Pretreatment Program do not sufficiently recover the cost of administering the program. A review of VVWRA's wastewater discharge permit fees indicates that the annual fees are low compared to several other POTWs surveyed. The annual fees should consider time and material costs of administering permits that may include, but are not limited to, inspections, sampling, and review of submittals (e.g., periodic compliance reports, applications). Because the level of effort can vary between permit classes, the fees may be different and need to be structured based on the permit classes. Additionally, fees for plan checks and lower-level enforcement activities (e.g., follow-up inspections, administrative fines) may need to be evaluated to ensure that they sufficiently recover costs for the activity since they have not been updated since 1995.

It is also recommended that VVWRA reconsider the need for including fees associated with higher levels of enforcement as the level of effort needed for these types of enforcement activities can vary significantly on a case-by-case basis. It may be more beneficial for VVWRA to utilize general ordinance language that allows for the recovery of costs for implementing enforcement actions in these cases.

Based on this evaluation, LWA proposes the following fee structure to provide additional cost recovery for the Pretreatment Program:

- Annual Wastewater Discharge Permit Fee
 - Class I/II: \$2,952
 - Class III: \$172
 - Class IV: \$743
- Other As-Needed Pretreatment Program Fees
 - Class I/II/IV permit application fee: \$220
 - Plan check fee: \$110
 - Follow-up compliance sampling fee: \$220 plus analytical costs
 - Follow-up inspection fee: \$330
- Enforcement Fees
 - To be determined on a case-by-case basis

The proposed annual wastewater discharge permit fees would generate approximately \$101,000 in revenue compared to the 2020 revenue of \$50,000. The other proposed fees would provide cost recovery based on level of effort expected to complete the service needed. The proposed fees would be in-line with what other POTWs charge wastewater discharge permit holders for similar services.

EXHIBIT B

RESOLUTION 2023-04**RESOLUTION OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE TIPPING FEE OF \$.12 PER GALLON EFFECTIVE JULY 1, 2023, FOR THE FOG PROGRAM**

WHEREAS Ordinance 001 of the Victor Valley Wastewater Reclamation Authority (“VWVRA” or the “Authority”) provides that its fees for the receipt and processing of ADM and Food, Oils and Grease (“FOG”) may be established and set by Resolution; and,

WHEREAS, pursuant to its contractual relationship with SoCal Biomethane, VWVRA is to receive and treat in excess of 50,000 gallons per day of ADM/FOG; and,

WHEREAS, VWVRA Staff has recommended and the VWVRA Board of Commissioners has determined and ordered that VWVRA recuperate the cost of all expenses associated with ADM/FOG facilities and operations; and,

WHEREAS, in or about July of 2021, VWVRA adopted Resolution 2021-06, a true and accurate copy of which is hereto attached as Attachment A; and,

WHEREAS, Resolution 2021-06 sets the rate for both ADM (Food Waste) and FOG at the same value of \$.05 per gallon for both; and,

WHEREAS, from the time of passage of Resolution 2021-06, Staff at VWVRA (“Staff”) has observed and reported a drastic difference between how FOG must be received, handled and processed as opposed to how ADM must be received, handled and processed; and,

WHEREAS, from the time of passage of Resolution 2021-06, Staff has also observed and reported that the gas production from FOG is much lower than the gas production originated from ADM; and,

WHEREAS, from the time of passage of Resolution 2021-06, Staff has also observed and reported that the impact of receiving, handling and processing of FOG on VWVRA’s equipment and operations is much higher, and therefore costly, than the receiving, handling and processing ADM; and,

WHEREAS, in light of those observations and impacts, VWVRA Staff commissioned a study and report by John Robinson Consulting, Inc. (the “Robinson Report”) (a true and accurate copy of the Robinson Report is attached hereto as Attachment B); and,

WHEREAS, the Robinson Report finds that the true impact of receiving, handling and processing FOG on VWVRA’s operations and equipment is consistent with the costs of receiving, handling and processing septage; and,

WHEREAS, in light of the Robinson Report, Staff recommends that the fees for receiving, handling and processing of FOG should be equal to the fees charged for receiving, handling and processing septage (a true and accurate copy of Staff Recommendation is attached hereto as Attachment C); and,

WHEREAS, Staff recommends that the fees for receiving, handling and processing of FOG should be equal to and in the future track the fees charged for receipt, handling and processing of septage; and,

WHEREAS, Staff recommends that the receiving, handling and processing fees for ADM remain at this time as set forth in Resolution 2021-06;

NOW THEREFORE, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority hereby ordains as follows,

Section 1. Findings. The Board of Commissioners asserts and adopts the findings set forth above as well as the studies, reports that support the fee being adopted, including the staff report and exhibits attached to this Resolution;

Section 2. Repeal of Past FOG Fee/Establishment of New FOG Fee. The current Fee Schedule for FOG attached to Resolution 2021-06 is hereby repealed and a new FOG fee is established as follows:

- the Board adopts a fee of \$.12 per gallon of FOG;

Section 3. The fee for FOG set by this resolution shall supersede any previous FOG fees established by VVWRA contractually or otherwise;

Section 4. The ADM fee set forth by Resolution 2021-06 shall remain unchanged and is not modified by this Resolution;

Section 5. From the time that this Resolution becomes effective, the charges and fees for receipt, handling and processing of FOG shall be the same as the fees charged for the receipt, handling and processing of septage;

Section 6. Effective Date. This Resolution shall become effective upon its approval or adoption. The established rate of \$.12 per gallon for the FOG Program shall be effective on July 1st, 2023, following the adoption of this Resolution.

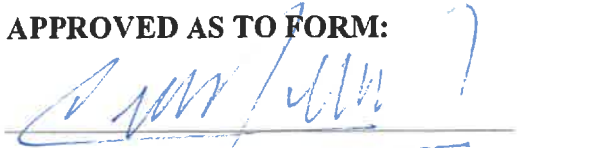
ADOPTED this 16th day of February 2023.



 Dakota Higgins, Chair
 VVWRA Board of Commissioners

ATTEST:

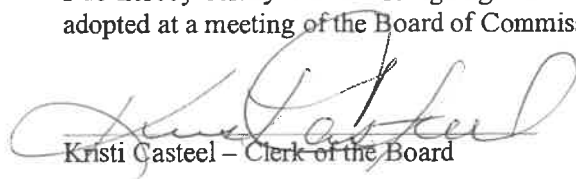

 Debra Jones, Secretary
 VVWRA Board of Commissioners

APPROVED AS TO FORM:


 Piero Dallarda of
 Best Best & Krieger LLP, Counsel for 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 February 16, 2023.



Kristi Casteel – Clerk of the Board

EXHIBIT A

Resolution 2023-04

RESOLUTION 2021-06

RESOLUTION OF THE VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY TO APPROVE TIPPING FEE OF \$0.05 PER GALLON EFFECTIVE JULY 1, 2021, FOR THE ADM/FOG PROGRAM

WHEREAS Ordinance 001 of the Victor Valley Wastewater Reclamation Authority ("VWVRA" or the "Authority") provides that its fees for the receipt and processing of ADM and Food, Oils and Grease ("FOG") may be established and set by Resolution; and,

WHEREAS, pursuant to its contractual relationship with SoCal Biomethane, VWVRA is to receive and treat in excess of 50,000 gallons per day of ADM/FOG; and,

WHEREAS VWVRA Staff recommends that VWVRA recuperate the cost of all expenses associated with ADM/FOG facilities and operations; and,

WHEREAS, in order to recuperate the costs of said expenses, VWVRA Staff recommends a \$0.05 per gallon user fee schedule as set forth in the Staff Report, a copy of which is attached hereto as Exhibit "A"

WHEREAS, as provided in the Staff Report based on the current volume of materials received, a potential total amount of revenue of \$658,212 would cover both the costs of treating the materials as well as the long impacts on the system;

NOW THEREFORE, the Board of Commissioners of the Victor Valley Wastewater Reclamation Authority hereby ordains as follows,

Section 1. Findings. The Board of Commissioners asserts and adopts the findings set forth above as well as the studies, reports that support the fee being adopted, including the staff report and exhibits attached to this Resolution;

Section 2. Establish ADM/FOG Fee. The current Fee Schedule, for ADM/FOG attached hereto as Exhibit "B", is hereby established, as follows:

- the Board adopts a fee of \$0.05 per gallon of ADM/FOG;

Section 3. The fee for ADM/FOG set by this resolution shall supersede any previous ADM/FOG fees established by VWVRA contractually or otherwise.

Section 4. Effective Date. This Resolution shall become effective upon its approval or adoption. The established rate of \$0.05 per gallon for the ADM/FOG Program shall be effective on July 1st, 2021, following the adoption of this Resolution.

ADOPTED this 17th day of June 2021,


 Debra Jones Chair
 VWVRA Board of Commissioners

ATTEST:

Paul Cook, Secretary
VWVRA Board of Commissioners

APPROVED AS TO FORM:


Piero Dallarda of
Best Best & Krieger LLP, Counsel VWVRA

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 17, 2021.

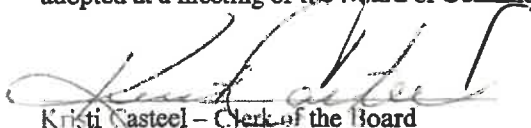

Kristi Casteel - Clerk of the Board

EXHIBIT B



TECHNICAL MEMORANDUM

Subject: Victor Valley Wastewater Reclamation Authority – FOG Tipping Fee Rate Evaluation Technical Memorandum

Prepared For: Darron Poulsen, General Manager with Victor Valley Wastewater Reclamation Authority

Prepared By: John Robinson, Principal with John Robinson Consulting, Inc.

Date: November 8, 2022

INTRODUCTION

Victor Valley Wastewater Reclamation Authority (VWVRA) is a joint powers authority that consists of the City of Victorville, the City of Hesperia, the Town of Apple Valley, and two San Bernardino County Service Areas (No. 42 Oro Grande and No. 64 Spring Valley Lake). VWVRA owns and operates the Victor Valley Regional Wastewater Treatment Plant (Plant), which provides domestic, commercial, and industrial wastewater treatment from its service area.

In 2016, VWVRA began a program of receiving FOG to assist local haulers dispose of this difficult waste. The receiving of this waste is environmentally beneficial as it produces a good amount of methane gas that when captured during the digestion process can be used to operate the 2G generators instead of being released into the atmosphere. The previous tipping fee was established by evaluating the additional costs of receiving these materials divided by the estimated volume of material at the established rate. This rate was established to cover the costs of the FOG program so as not to be fiscally impactful to other operations at the regional facility.

One of the goals is to have portions of the Plant be sufficiently funded with resources and qualified personnel to implement the FOG tipping program. This technical memorandum aims to evaluate the current FOG fee structure and identify potential fees that may be implemented to support improvements to the FOG tipping program.

BACKGROUND:

As part of the TM, the FOG tipping volumes were evaluated for 2014 through 2020. The volumes for 2021 were not included as COVID significantly impacted the FOG tipping as the average was 1,329 gallons per day. The volumes for 2022 were not included as we did not have a full year worth of data and COVID was still impacting the FOG generations.

The average volume over those seven (7) years was 4,792 gallons per day. Refer to Table 1 below for the summary:

TECHNICAL MEMORANDUM

Table 1. FOG Tipping – Last Seven Years

| Year | Volume (Gallons) | Days Discharged |
|---------|------------------|--------------------|
| 2014 | 6,425 | 46 |
| 2015 | 4,130 | 84 |
| 2016 | 4,457 | 115 |
| 2017 | 5,008 | 148 |
| 2018 | 5,416 | 182 |
| 2019 | 4,193 | 167 |
| 2020 | 3,917 | 304 |
| Average | 4,792 | 183 ⁽¹⁾ |

(1) Average of 2016 through 2020

The average number of days FOG tipping over the last seven years (2014 to 2020) is approximately 139 days but over the last five years (2016 to 2020) the average days of discharge increase dramatically to 183 days.

As part of the TM, the FOG tipping rates were evaluated for other agencies. The FOG tipping rates have not been reviewed or updated since 2016, which is similar to the Septage Receiving rates evaluated earlier in 2022. For the last seven years (2016 through 2022), these rates have remained at \$0.05 per gallon for FOG tipping. The current FOG tipping service is not balanced with the FOG tipping rate information collected from other Public Owned Treatment Works (POTWs) as the VVWRA's FOG tipping fees are on the lower end of the spectrum. A summary of wastewater discharge permit fees from other POTWs is presented in Table 2.

Table 2. FOG Tipping Rates Fees

| Publicly-Owned Treatment Works | Tipping Fee |
|--|---------------|
| Victor Valley Wastewater Reclamation Authority | \$0.05/gallon |
| Burbank Water and Power | \$0.15/gallon |
| City of Los Angeles Sanitation and Environment (Hyperion WRP only) | \$0.12/gallon |
| City of Riverside | \$0.10/gallon |



TECHNICAL MEMORANDUM

| | |
|--|---------------|
| Eastern Municipal Water District | \$0.10/gallon |
| Los Angeles County Sanitation District (Lancaster WRP and Palmdale WRP) | \$0.18/gallon |
| Inland Empire Utilities Agency | \$0.15/gallon |
| Orange County Sanitation District | \$0.20/gallon |

The average FOG tipping fee for the seven POTWs (excluding VVWRA) identified is \$0.143/gallon. A potential increase of the VVWRA septage receiving tipping rate from \$0.05/gallon to \$0.12/gallon would potentially yield an additional \$61,385 annually in additional revenue. This is calculated based on $\$0.07/\text{gallon} * 4,792 \text{ gallons/day} * 183 \text{ days/year} = \$61,385$. The current FOG tipping fee charged by VVWRA does not sufficiently cover the cost of administering FOG receiving activities for operations and maintenance or to cover the cost for future planning and construction for the FOG receiving station.

SUMMARY

This technical memorandum summarized an evaluation of the VVWRA current FOG tipping fee and researched FOG tipping programs in Southern California in order to determine the following:

- Are VVWRA FOG tipping fees providing sufficient revenue to fund the program?
- What tipping fees are being applied for FOG implemented by other POTWs in Southern California?

RECOMMENDATIONS

At present, revenue generated by the FOG tipping program does not sufficiently provide funds for future planning and modifications for FOG equipment. A review of VVWRA's FOG tipping fees indicates that the price (\$) per gallon is approximately 65% lower than seven POTWs located in Southern California. The FOG tipping should consider increasing the same percentage rate as to service charges fees increase that were applied to the Septage receiving program.

Based on this evaluation, JRC proposes the following recommendations for the VVWRA's FOG tipping system:

- Increase septage receiving tipping fee from \$0.05/gallon to \$0.12/gallon for Fiscal Year 23
- FOG tipping fee recommendations should be evaluated annually to ensure that they sufficiently recover costs for the program since they have not been updated since 2016.



TECHNICAL MEMORANDUM

CONCLUSION

The recommended increase in the FOG tipping fee from \$0.05/gallon to \$0.12/gallon will allow VVWRA additional revenue for both operations and maintenance as well as planning and construction of future modifications to the system. While there will be an economic impact on the FOG waste hauling companies, the cost per truck seems minimal compared to the benefits.

EXHIBIT C

Resolution 2023-04

25



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report

TO: VWRA Board of Commissioners
FROM: Darron Poulsen, General Manager
SUBMITTED BY: Latif Laari Environmental Compliance Manager
DATE: February 16, 2023

SUBJECT: **STAFF RECOMMENDATION TO ADOPT RESOLUTION NO. 2023-04 TO ESTABLISH A NEW FOG TIPPING FEE OF \$.12 PER GALLON**

| | | | | |
|-------------------------------------|-------------------------|--------------------------|----------------------------------|-----------|
| <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 adopt Resolution No. 2023-04 to establish a new FOG tipping fee of \$.12 per gallon.

PREVIOUS ACTION(S)

On July 21, 2016, the Commission approved Resolution 2016-3 to approve a tipping fee of \$.05 per gallon effective July 1, 2016, for both ADM and FOG program.

BACKGROUND INFORMATION

FOG refers to Food Oils and Grease. In 2016, VWRA began a program of receiving FOG to assist local haulers dispose of this difficult waste. The receiving of this waste is environmentally beneficial as it produces a good amount of methane gas that when captured during the digestion process can be used to operate the 2G generators instead of being released into the atmosphere. The previous tipping fee was established by evaluating the additional costs of receiving these materials divided by the estimated volume of material at the established rate. This rate was established to cover the costs of the FOG program so as not to be fiscally impactful to other operations at the regional facility.

At the time, we advised the Board that we would be keeping track of the costs of receiving, handling and processing FOG; how it impacted our operations and

its contribution to our biomethane production process. One of the goals is to have portions of the Plant be sufficiently funded with resources and qualified personnel to implement the FOG tipping program. In order to do this, we engaged a consultant, John Robinson Consulting, Inc. (“Robinson Consulting”) to prepare a technical memorandum that would review the costs associated with the receiving handling and processing of FOG, the impact on our operations and also a comparison with the operations and charges of other facilities engaged in similar activities. Robinson Consulting prepared a technical memorandum (the “Robinson Report”) that aims to evaluate the current FOG fee structure and identify potential fees that may be implemented to support improvements to the FOG tipping program and ensure that it is as self-sustaining as possible. A copy of the Robinson Report is attached hereto as Exhibit 1.

As part of the Robinson Report the FOG tipping volumes were evaluated for 2014 through 2020. The volumes for 2021 were not included as COVID significantly impacted the FOG tipping as the average was 1,329 gallons per day. The volumes for 2022 were not included as we did not have a full year worth of data and COVID was still impacting the FOG generations. The average volume over those seven (7) years was 4,792 gallons per day. Refer to Table 1 below for the summary:

Table 1. FOG Tipping – Last Seven Years

| Year | Volume | Days |
|----------------|---------------|--------------------------|
| 2014 | 6,425 | 46 |
| 2015 | 4,130 | 84 |
| 2016 | 4,457 | 115 |
| 2017 | 5,008 | 148 |
| 2018 | 5,416 | 182 |
| 2019 | 4,193 | 167 |
| 2020 | 3,917 | 304 |
| Average | 4,792 | 183⁽¹⁾ |

(1) Average of 2016 through 2020

The current FOG tipping service is not balanced with the FOG tipping rate information collected from other Public Owned Treatment Works (POTWs) as the VVWRA’s FOG tipping fees are on the lower end of the spectrum. A summary of wastewater discharge permit fees from other POTWs is presented in Table 2.

TABLE 2. FOG TIPPING RATES FEES

| Publicly Owned Treatment Works | Tipping Fee |
|---|--------------------|
| Victor Valley Wastewater Reclamation Authority | \$0.05/gallon |
| Burbank Water and Power | \$0.15/gallon |
| City of Los Angeles Sanitation and Environment (Hyperion WRP only) | \$0.12/gallon |
| City of Riverside | \$0.10/gallon |
| Eastern Municipal Water District | \$0.10/gallon |
| Los Angeles County Sanitation District (Lancaster WRP and Palmdale WRP) | \$0.18/gallon |
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| Orange County Sanitation District | \$0.20/gallon |

The average FOG tipping fee for the seven POTWs (excluding VVWRA) identified is \$0.143/gallon. A potential increase of the VVWRA septage receiving tipping rate from \$0.05/gallon to \$0.12/gallon would potentially yield an additional \$61,385 annually in additional revenue. This is calculated based on $\$0.07/\text{gallon} * 4,792 \text{ gallons/day} * 183 \text{ days/year} = \$61,385$. The current FOG tipping fee charged by VVWRA does not sufficiently cover the cost of administering FOG receiving activities for operations and maintenance or to cover the cost for future planning and construction for the FOG receiving station.

In light of the Robinson Report and Staff's experience with the FOG program, it is recommended that the Board of Commissioners approve and adopt Resolution No. 2023-04 to establish a new FOG tipping fee of \$.12 per gallon, which is similar to the fee VVWRA charges for receiving, handling and processing septage. Staff also recommends that, going forward, the FOG fees track the fees VVWRA charges for septage. In order to make sure that FOG haulers have enough notice and time to prepare, Staff recommends that the recommended FOG fees become effective on July 1, 2023.

Attachment(s):

Exhibit | 1 | – Resolution 2023-04

EXHIBIT C



VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY

**2024 Wastewater Financial Plan
and Rate Study**

Draft Report

October 15, 2024



Robert D. Niehaus, Inc.
 140 East Carrillo Street
 Santa Barbara, CA 93101
 Phone: (805) 962-0611
 Fax: (805) 962-0097

www.rdniehaus.com

Email: anthony@rdniehaus.com
sgaur@water-economics.com

File: K-349

October 15, 2024
 Xiwei Wang
 Accounting Supervisor
 Victor Valley Wastewater Reclamation Authority
 20111 Shay Road
 Victorville, CA 92394

SUBJECT: Wastewater Financial Plan and Rate Study

Dear Mr. Wang,

Robert D. Niehaus, Inc. (RDN) is pleased to provide this 2024 Wastewater financial Plan and Rate Study Report (Report) for the Victor Valley Wastewater Reclamation Authority (VWVRA or Authority). This study accompanies an extensive review of the Authority's financial position and user charges for the Authority's consideration.

All of the data used in the report was provided by Authority staff and documents published by the Authority. The key variables used in this Report are budgeted revenues and expenses, capital expenses for replacement and future growth, outstanding debt principal, current reserves, and current system-wide sewer flow.

It has been an absolute pleasure to work with you and your staff. We thank you and other VWVRA Staff for the support provided during this study.

Respectfully submitted,

Robert D. Niehaus, Ph.D.
 Managing Director/Principal Economist - RDN

Sanjay Gaur M.S., M.P.A.
 Project Manager - Water Resource
 Economics

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1. Introduction

The Victor Valley Wastewater Reclamation Authority is a joint power public agency of the State of California formed in 1977 to maintain compliance with the Federal Clean Water Act and to provide wastewater treatment within a 279 square mile service area in San Bernardino County. The primary function of the Authority is to receive and treat wastewater from the four member agencies, listed below, as well as the Mojave Narrows Park:

- Town of Apple Valley
- City of Hesperia
- City of Victorville
- County of San Bernardino Special District Service Areas No. 42 (Oro Grande) and No. 64 (Spring Valley Lake)

The Authority is governed by a Board of Commissioners that consists of four elected officials representing each member agency listed above. The Authority operates a Regional Wastewater Treatment Plant with 18 million gallons per day (MGPD) of treatment capacity in the City of Victorville. Additionally, the Authority completed construction in April 2018 of two Sub-regional Wastewater Reclamation Plants with 1 MGPD of treatment capacity each in the Town of Apple Valley and the City of Hesperia. Wastewater treated by the Authority is either discharged to the Mojave River or utilized as recycled water for irrigative use after undergoing an extensive cleaning and purification process.

The Authority engaged RDN in 2023 to conduct a wastewater rate study and Capacity Fee update (Study). The purpose of the Study was to update the Authority's financial plan, user charges, and Capacity Fees. User charges assessed per million gallons (MG) of billed wastewater flows and one-time Capacity Fees assessed per equivalent dwelling unit (EDU) of new development constitute the vast majority of the Authority's annual revenues. Since the previous report¹, Authority staff have revised the scope of the Study to provide a two-year financial plan which includes implementing two years of rate adjustments and no changes to the Capacity Fees.

The Authority last conducted a Financial Plan Update Study and Capacity Fee Study in 2019. The prior study established proposed user charges and Capacity Fees through fiscal year (FY) 2024. Since the 2019 study, the Authority has developed a significant capital improvement schedule update. Major capital improvements are needed to continue to serve current customers as well as allow for additional capacity to serve new customers. This Study was conducted in order to develop an updated financial plan that accounts for financial challenges which have emerged since the prior study was conducted in 2019, and to develop updated user charges that enhance the financial stability of the Authority. All analyses, results, and recommendations related to this Study are outlined in this Wastewater Financial Plan and Rate Study Report.

Given these considerations, the major objectives of this Study include the following:

1. Develop an updated four-year financial plan through FY 2028 to ensure financial sufficiency, meet operating costs, ensure sufficient funding to meet debt obligations, and fund necessary capital expenditures; and,
2. Develop proposed user charges and rates for mid-year FY 2025 and the beginning of FY 2026.

¹ Victor Valley Wastewater Reclamation Authority 2024 Wastewater Rate Study and Capacity Fee Update Final Report. April 5, 2024. RDN.

2. Results and Recommendations

RDN proposes the following revenue and rate adjustments to accomplish the Authority's goals of capital and reserve funding as well as maintaining debt service coverage ratios. **Table 1** shows the proposed wastewater rate adjustments for the two-year rate study period and the recommended adjustments for the future years included in the financial plan. To maintain the proposed financial plan, the Authority should raise wastewater rate revenues by 15 percent in January 2025, followed by 15 percent in July 2025. The recommended adjustments should be evaluated at a later date to ensure that the financial plan has performed as projected.

Table 1. Proposed Wastewater Revenue Adjustments

| | Proposed | | Recommended | |
|--------------------|----------|---------|-------------|---------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue Adjustment | 15.0% | 15.0% | 12.0% | 12.0% |

The proposed rates shown in **Table 2** are based on the results of the financial planning analysis. No change was made to the methodology used to calculate user charges per MG of sewer flows, which are escalated based on the proposed revenue adjustments.

Table 2. Proposed User Charges

| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

Figure 1 through **Figure 3** show the financial plan results under the proposed and recommended rates and adjustments. The green line in **Figure 1** shows the revenue under the proposed adjustments. Where the line is above the bars, the Authority is contributing to reserves, where it falls below, the reserves are being drawn down.

Figure 1. Proposed Cash Flow

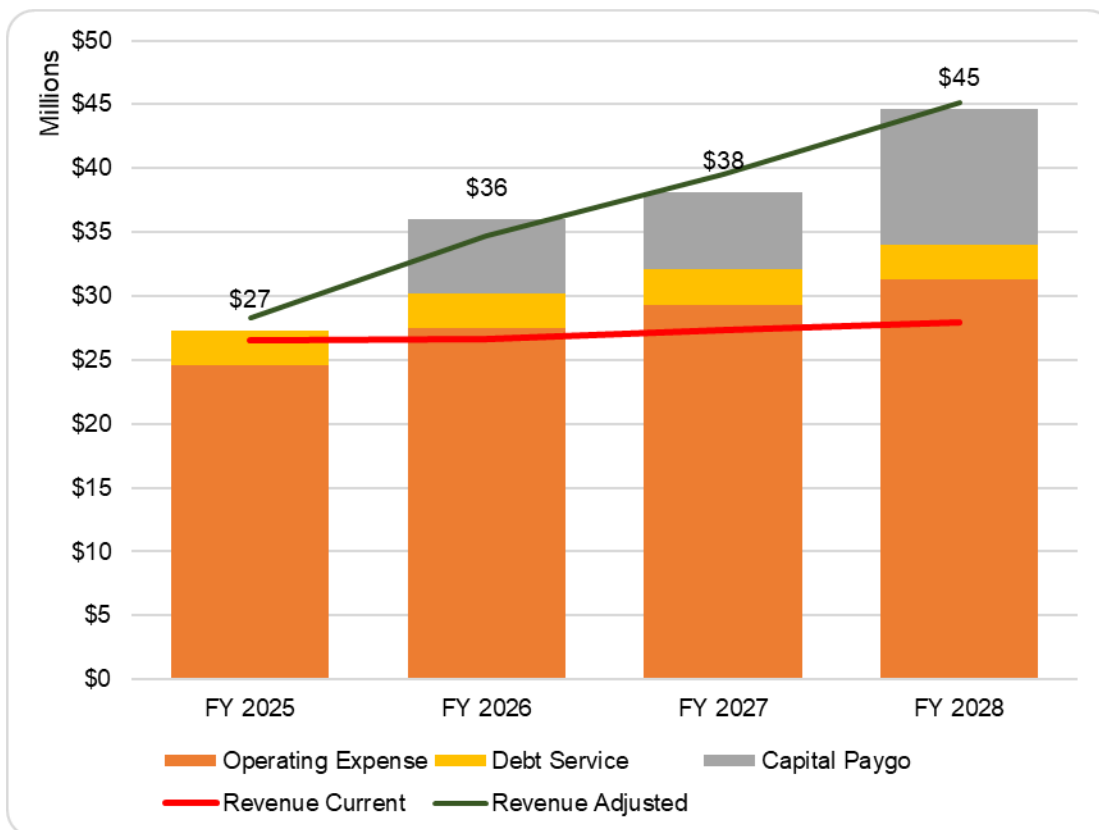
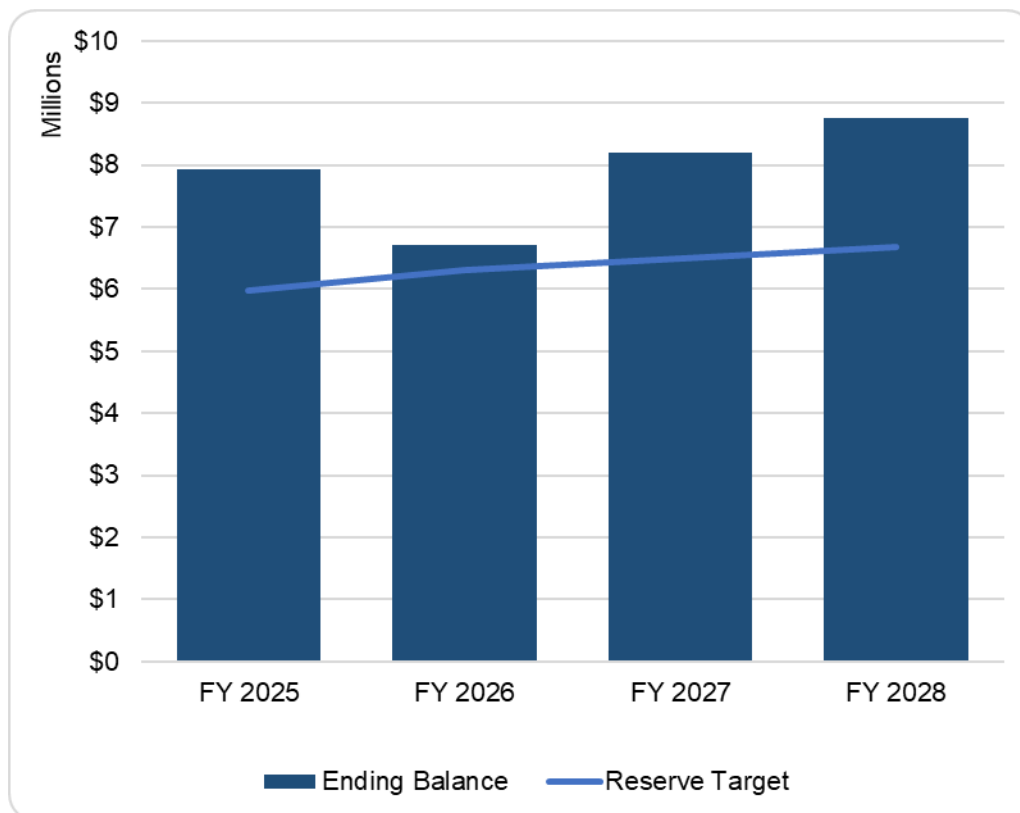


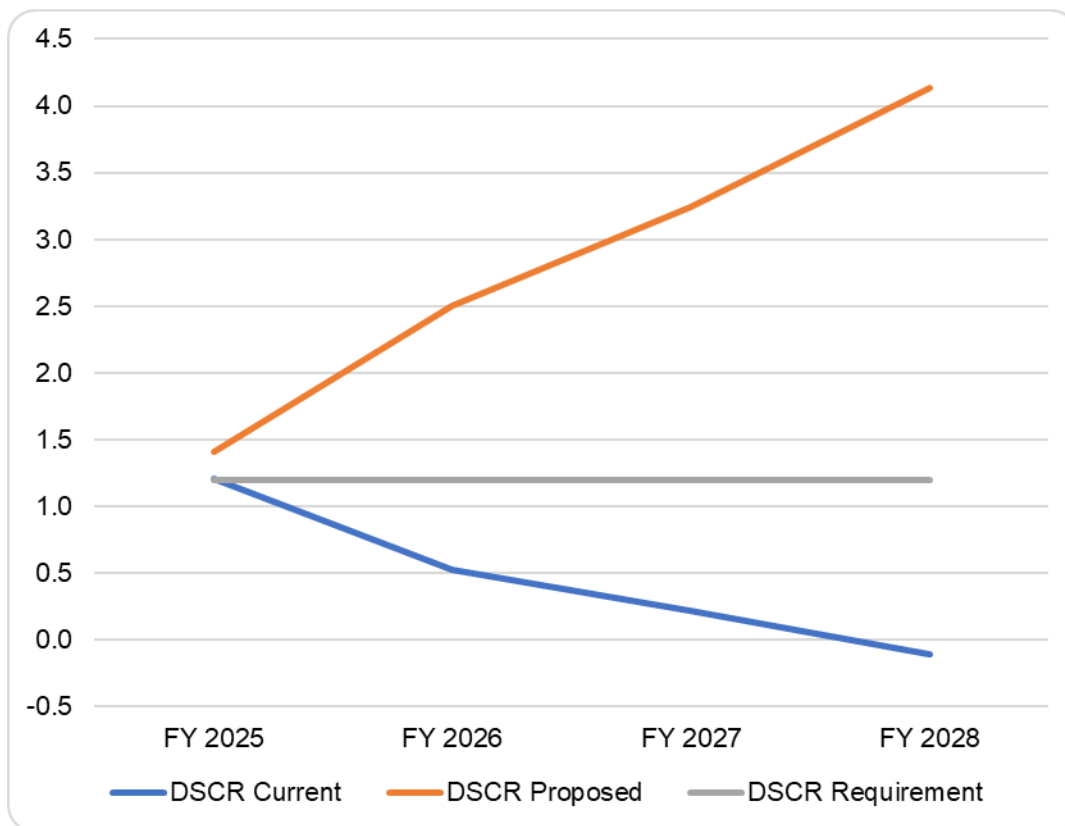
Figure 2 shows the ending cash balances under the proposed plan. The Authority’s rate reserve must maintain a target level determined by policy set in place by the Board of Commissioners. The target balance for each year is represented by the baby blue line in Figure 2. The reserve policy is addressed in greater detail in a subsequent section of the report.

Figure 2. Proposed Rate Cash Balances



Finally, the Authority's debt covenants have a requirement of maintaining a debt service coverage ratio (DSCR) of 120 percent of net revenues. **Figure 3** shows the annual DSCR for each year of the study under the proposed plan.

Figure 3. Proposed Debt Service Coverage Ratio



3. Financial Assumptions

The purpose of the current study is to project the revenue needs for the next four years and provide solutions to accomplish the Authority’s financial goals. The main inputs to the financial plan include operating expenses and inflation, capital spending and funding sources, reserve targets, and debt service coverage requirements.

The Authority’s reserve policy includes an operating reserve designed to maintain 10 percent of the previous year’s operating and maintenance (O&M) expense, an emergency operating reserve totaling \$1 million, and reserves which maintain an amount equal to annual debt service payments. **Table 3** displays the VVWRA’s current reserve policies as described and **Table 4** shows the balances required for each year of the study period under the proposed financial plan.

Table 3. Authority Reserve Policies

| Reserve | Policy |
|-----------------------------|-----------------------------|
| Operating Reserve | 10% of Prior Year O&M |
| Emergency Operating Reserve | \$1,000,000 |
| SRF Loan Reserve | Sum of Annual Debt Payments |

Table 4. Target Reserves, FY 2025 - FY 2028

| Reserve | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Operating Reserve | \$ 2,224,191 | \$ 2,556,246 | \$ 2,748,375 | \$ 2,932,692 |
| Emergency Operating Reserve | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| SRF Loan Reserve | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 |
| Total Reserve Target | \$ 5,974,690 | \$ 6,306,745 | \$ 6,498,874 | \$ 6,683,191 |

To project long-term changes in operating and maintenance expenses, RDN used 10 independent inflationary measures. The Authority's budgets for FY 2025 were used as a starting point for future inflationary measures. FY 2024 data was included to provide a background on past expenditures. **Table 5** shows each inflation factor used for this study. Because of recent record inflation, some of the factors are expected to reduce over time. The "Overall" inflation metric is a category given in Bureau of Labor Statistics data made up of prices paid by urban consumers for a market basket of consumer goods and services and was used to inflate costs which could not be directly attributed to other inflationary measures. The average projected annual inflation for operating expenses for the next four years is 6.9 percent. Inflation factors were developed using the best available data². The 20 percent inflation in automobiles in FY 2026 was used at the direction of VVWRA staff because of a known increase in costs for that fiscal year.

Table 5. Inflationary Adjustments, FY 2026 – FY 2028

| Category | FY 2026 | FY 2027 | FY 2028 |
|-----------------|---------|---------|---------|
| Payroll | 9.0% | 6.5% | 6.5% |
| Other Employee | 8.0% | 8.0% | 8.0% |
| Utilities | 5.0% | 5.0% | 5.0% |
| Chemicals | 6.0% | 6.0% | 6.0% |
| Water Treatment | 5.0% | 5.0% | 5.0% |
| Automobile | 20.0% | 5.0% | 5.0% |
| Maintenance | 7.0% | 5.0% | 5.0% |
| Insurance | 15.0% | 15.0% | 15.0% |
| Overall | 7.0% | 7.0% | 7.0% |
| Property Tax | 4.4% | 4.4% | 4.4% |

RDN additionally projected future customer flows, the billing unit used by the Authority, based on historical increases as well as input from VVWRA staff. The average projected increase in flows used in this study is **2.5 percent** per year for each of the Authority's customers. While increases have fluctuated in recent years, ranging between -1.4 percent and 7.2 percent between FY 2019 and FY 2023, 2.5 percent reflects a conservative estimate of flow increases for projecting revenues, which was agreed upon by Authority staff.

² Sources include: the US Bureau of Labor Statistics Consumer Prices Index, Quarterly Census of Employment and Wages; Federal Reserve Bank of St. Louis Producer Price Index; Engineering News Record Building Cost Index; and National Association of Insurance Commissioners Annual Inflation Report, as well as input from Authority staff.

Table 6. Projected Sewer Flows (MG) FY 2025 – FY 2028

| Agency | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|---------------------------|--------------|--------------|--------------|--------------|
| Victorville | 2,808 | 2,878 | 2,950 | 3,024 |
| Apple Valley | 790 | 810 | 830 | 851 |
| Hesperia | 846 | 867 | 888 | 911 |
| CSA 64 Spring Valley Lake | 231 | 237 | 243 | 249 |
| Mojave Narrows Park | 1 | 1 | 1 | 1 |
| CSA 42 Oro Grande | 23 | 23 | 24 | 24 |
| Total | 4,698 | 4,816 | 4,936 | 5,060 |

4. Financial Projections

VVWRA collects revenue based on annual wastewater flows (User Charges); the amount (approximately 550 per year) of new customers who join the system (Capacity Fees); other various operating fees such as reclaimed water sales, fats oils and grease (FOG) fees, renewable natural gas (RNG) revenue, sludge flow and other septage receiving charges, and non-operating revenues such as land lease and interest revenue. **Table 7** shows the current rates and fees which are charged by the VVWRA for service. At the direction of Authority staff, only user charges are being evaluated in the current study. All other rates and fees as well as the revenue generated by them are assumed to remain at the current level. Non-operating revenues in FY 2025 include one-time settlement revenues that are not projected to repeat in future years.

Table 7. VVWRA Current Rates and Fees

| Fee | Current |
|---|--------------------|
| User Charge (per MG) | \$ 5,150.00 |
| Connection Fee (per EDU) | \$ 4,679.00 |
| Septage Receiving Facility Charges | \$ 0.12 |
| FOG | \$ 0.12 |
| Sludge Flow - Victorville (Avg. Monthly) | \$12,000.00 |
| High Strength Waste Surcharges (Avg. Monthly) | \$ 1,000.00 |
| Potable Well Water Sales (Avg. Monthly) | \$ 135.00 |
| Apple Valley Reclaimed Water Sales (Avg. Monthly) | \$ 617.93 |
| Hesperia Reclaimed Water Sales (Avg. Monthly) | \$ 352.60 |
| Victorville Reclaimed Water Sales (Avg. Monthly) | \$ 1,356.12 |
| America Organics (Avg. Monthly) | \$ 1,356.12 |
| AV Reclaimed Water Sales (per MG) | \$ 160.00 |
| Hes Reclaimed Water Sales (per MG) | \$ 237.00 |
| VV Reclaimed Water Sales (per MG) | \$ 418.00 |
| America Organics (per MG) | \$ 418.00 |

Table 8 shows the projected revenue for the study period with no rate change and only projected flow volume increases.

Table 8. Projected Revenues, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------|----------------------|----------------------|----------------------|----------------------|
| User Charge Revenue | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Connection Fee Revenue | \$ 2,842,783 | \$ 2,842,783 | \$ 2,842,783 | \$ 2,842,783 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non Operating Revenue | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenue | \$ 29,370,255 | \$ 29,535,036 | \$ 30,154,937 | \$ 30,790,336 |

Operating expenses contained in the FY 2025 budget are individually escalated based on the inflationary categories shown in **Table 5**. In addition to the inflation of individual expenses, some expenses were reduced for the FY 2025 budget due to the DSCR constraint were added back in this rate study. The updated financial plan provides sufficient funding for all O&M expenses at the projected level of full funding. **Table 9** shows VVWRA's expenses broken down by category. FY 2025 expenses are based on budgeted expenses provided by Authority staff. Note that the categories contained in **Table 9** were developed for this report. The employee salaries and benefits expense category is the sum of salaries, overtime, and fringe benefits including the cost of employees' retirement contributions and insurance expenses. The maintenance category is the sum of system and building maintenance, including field equipment repair and replacement. The operations category includes chemicals and utilities such as electricity and natural gas. The Administration category includes legal, IT, regulatory permits, professional services and other expenses which are not directly contained within any other category.

Table 9. Projected O&M Expenses, FY 2025 - FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Employee Salaries and Benefits | \$ 8,998,938 | \$ 9,780,197 | \$ 10,462,316 | \$ 11,192,485 |
| Maintenance | \$ 5,319,978 | \$ 5,692,376 | \$ 6,058,120 | \$ 6,447,828 |
| Operations | \$ 7,334,665 | \$ 7,741,101 | \$ 8,170,140 | \$ 8,623,382 |
| Administration | \$ 3,908,874 | \$ 4,270,079 | \$ 4,636,342 | \$ 5,038,750 |
| Total Operating | \$ 25,562,456 | \$ 27,483,754 | \$ 29,326,917 | \$ 31,302,446 |

The Authority's capital expenditures include both R&R projects and capacity expansion related projects. Additionally, VVWRA funds capital expenditures through a variety of sources, including user charge revenue, Capacity Fee revenue, grants, and loans. The capital improvement plan provided by staff includes approximately \$320 million in capital expenditure needs over the next 7 years. **Table 10** and **Table 11** show the planned capital expenditures used in this study by type and funding source, respectively. Where capital expenditures are funded by customer rates in a pay-as-you-go (Paygo) basis, those are tied to user charge revenues, either directly through rates, or by debt issuances which are refunded by rates. Optimally, Capacity Fee funded improvements should be paid for by growth as they are related to expanding system capacity; however, where Capacity Fee revenues are not available, these projects may be funded by user charges.

Table 10. Projected Capital Expenditures by Type, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------------------|---------------------|---------------------|----------------------|----------------------|
| Collection System | \$ 403,773 | \$ 6,120,495 | \$ 500,000 | \$ 500,000 |
| Facilities | \$ - | \$ 1,280,000 | \$ 1,920,000 | \$ - |
| Plant | \$ 1,000,000 | \$ 2,070,000 | \$ 2,259,000 | \$ 9,381,000 |
| Treatment and Laboratory | \$ 2,302,700 | \$ - | \$ 27,567,821 | \$ 27,567,820 |
| Total | \$ 3,706,473 | \$ 9,470,495 | \$ 32,246,821 | \$ 37,448,820 |

Table 11. Projected Capital Expenditures by Funding Source, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|--------------|---------------------|---------------------|----------------------|----------------------|
| Paygo | \$ - | \$ 4,250,000 | \$ 4,537,690 | \$ 9,022,310 |
| Capacity Fee | \$ 3,556,473 | \$ 2,720,495 | \$ 21,783,717 | \$ 22,054,256 |
| Grant | \$ 150,000 | \$ 2,500,000 | \$ 5,925,414 | \$ 6,372,254 |
| Total | \$ 3,706,473 | \$ 9,470,495 | \$ 32,246,821 | \$ 37,448,820 |

The Authority's current debt service includes six issuances which are being repaid with either user charge revenues or Capacity Fee revenues. **Table 12** shows the current outstanding debt which has been issued by the Authority, the year it was issued, and the percent of the debt issuance which is to be repaid using either Capacity Fee revenues or user charge revenues.

Table 12. VVWRA Current Debt

| Debt Issuance | Year Issued | Total Issuance | Capacity Percent | Rate Percent |
|--------------------------------|-------------|----------------|------------------|--------------|
| North Apple Valley Interceptor | 2005 | \$ 4,084,688 | 100% | 0% |
| Phase IIIA Regulatory Upgrades | 2013 | \$ 15,717,668 | 25% | 75% |
| Upper Narrows Replacement | 2016 | \$ 4,286,380 | 0% | 100% |
| Nanticoke Bypass | 2018 | \$ 4,459,190 | 25% | 75% |
| Apple Valley Sub-Regional | 2019 | \$ 26,455,229 | 39% | 61% |
| Hesperia Sub-Regional | 2019 | \$ 37,758,385 | 39% | 61% |

The total debt service payments for the study period under the status quo financial plan are shown in **Table 13**. The total debt service is used to calculate debt service coverage ratios and reserve targets.

Table 13. Debt Service by Funding Category, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Total User Charge Principal | \$ 2,187,646 | \$ 2,223,435 | \$ 2,259,930 | \$ 2,297,148 |
| Total User Charge Interest | \$ 562,853 | \$ 527,064 | \$ 490,569 | \$ 453,351 |
| Total Capacity Principal | \$ 1,024,650 | \$ 1,038,900 | \$ 1,053,398 | \$ 1,068,147 |
| Total Capacity Interest | \$ 270,100 | \$ 255,849 | \$ 241,352 | \$ 226,602 |
| Total Debt Service | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 |

A summary of the financial inputs and results under the status quo financial plan is shown in **Table 14**. Because of the ratio of expenses to revenues, cash balances and debt service coverage levels are

projected to decrease significantly through the five years outlined in this report, with even steeper decreases in future years as the Authority's capital plan is fully implemented. According to the projections, the DSCR will fall under required levels in FY 2025; additionally, with no revenue increases or changes to the financial plan, cash balances will be negative by FY 2026. To counteract the rapid decline in financial position, RDN recommends a series of revenue adjustments to increase revenues from user charges.

Table 14. Status Quo Financial Plan Pro Forma³

| Status Quo Pro Forma | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|----------------------|-----------------------|------------------------|------------------------|
| User Charge Revenue | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non-Operating Revenue (non-cap fee) | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenues | \$ 26,527,473 | \$ 26,692,254 | \$ 27,312,155 | \$ 27,947,553 |
| Operating Expenses | \$ 24,567,812 | \$ 27,483,754 | \$ 29,326,917 | \$ 31,302,446 |
| Net Revenue | \$ 1,959,661 | \$ (791,500) | \$ (2,014,762) | \$ (3,354,893) |
| User Charge Debt Service | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 | \$ 2,750,499 |
| Paygo | \$ - | \$ 4,250,000 | \$ 4,537,690 | \$ 9,022,310 |
| Supplemental Capital Purchase | \$ - | \$ 1,500,000 | \$ 1,500,000 | \$ 1,560,000 |
| Net Rate Revenue | \$ (790,838) | \$ (9,291,999) | \$ (10,802,951) | \$ (16,687,702) |
| Cash Balances | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Beginning Cash Balance | \$ 7,697,169 | \$ 6,906,331 | \$ (2,385,668) | \$ (13,188,619) |
| Ending Cash Balance | \$ 6,906,331 | \$ (2,385,668) | \$ (13,188,619) | \$ (29,876,321) |
| DSCR Calculation | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Net Revenue With Cap Fee Revenue | \$ 4,802,444 | \$ 2,051,283 | \$ 828,020 | \$ (512,110) |
| Total Debt Service | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 | \$ 4,045,249 |
| DSCR | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Debt Service Coverage Ratio | 1.2 | 0.5 | 0.2 | -0.1 |

5. Proposed User Charge Adjustments

The proposed revenue adjustments shown in **Table 15** are scheduled to occur in January 2025 and July 2025. The recommended adjustments should be evaluated by the Authority before the beginning of each fiscal year to ensure that the financial plan has maintained projected levels.

Table 15. Proposed Wastewater Revenue Adjustments

| | Proposed | | Recommended | |
|--------------------|-----------------|----------------|--------------------|----------------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| Revenue Adjustment | 15.0% | 15.0% | 12.0% | 12.0% |

³ Note that debt service coverage ratios are calculated by dividing all revenue, including capacity fee revenue, by the total annual debt payment

Under California law, property based utility rates must adhere to Proposition 26. Specifically, that revenues derived from a fee or charge shall not exceed the funds required to provide the service. The current user charges are shown in **Table 16**. User charges are paid per million gallons of sewer flow. After reviewing the Authority's current rate structure, RDN determined that it adheres to Proposition 26 requirements, thus no changes to the overall structure are proposed. The amount of the fee or charge imposed upon any customer does not exceed the proportional cost of service attributable to the customer, since rates are wholly based on levels of sewer flow. Because no changes are being recommended to the rate structure, these percentages are applied directly to the user charge per MG. The resulting user charge rates are shown in **Table 17**.

Table 16. Current User Charges

| | Current |
|----------------------|----------|
| User Charge (per MG) | \$ 5,150 |

Table 17. Proposed User Charges

| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

Under the proposed plan, an additional \$39 million will be generated by user charges between FY 2025 and FY 2028. **Table 18** shows revenues under the proposed financial plan. The line titled "Additional User Charge" tracks the additional revenue which is generated each year with the proposed compounding adjustments from **Table 15**.

Table 18. Projected Revenues with User Charge Adjustments, FY 2025 – FY 2028

| Category | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Current User Charge | \$ 24,196,400 | \$ 24,801,181 | \$ 25,421,082 | \$ 26,056,480 |
| Additional User Charge | \$ 1,814,730 | \$ 7,998,381 | \$ 12,232,624 | \$ 17,169,761 |
| Other Operating Revenue | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 | \$ 1,891,073 |
| Non-Operating Revenue (non-cap fee) | \$ 440,000 | \$ - | \$ - | \$ - |
| Total Revenue | \$ 28,342,203 | \$ 34,690,635 | \$ 39,544,779 | \$ 45,117,314 |

6. Updated Financial Plan

A summary of the financial inputs and results under the proposed rate adjustments is shown in **Table 19**. The proposed changes to the rates and fees will allow VVWRA to maintain debt service coverage ratios well above the requirements of the debt covenants. The increase in revenues from user charges will also reverse the overall decline in cash position.

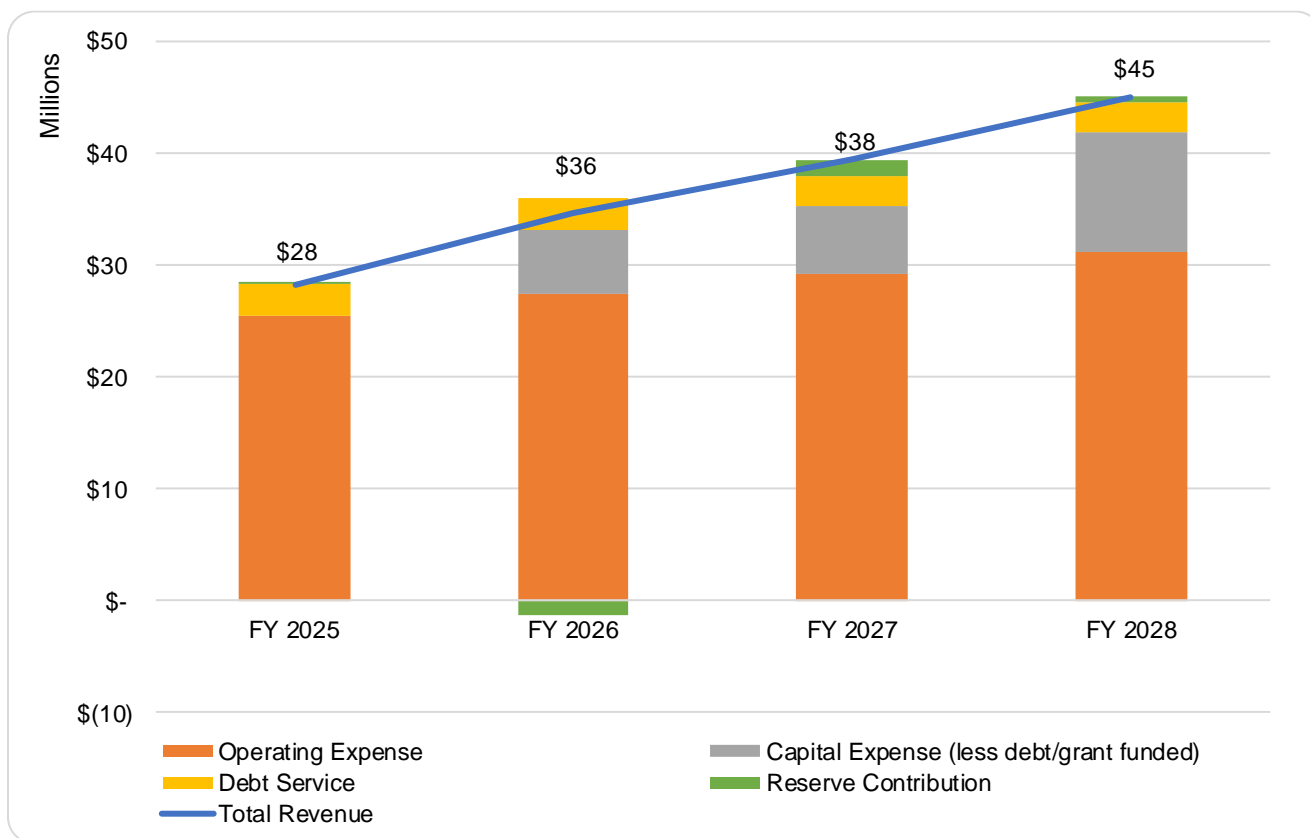
The proposed rates shown in **Table 21** are based on the results of the financial planning analysis. No change was made to the methodology used to calculate user charges per MG of sewer flows, which are escalated based on the proposed revenue adjustments.

Table 21. Proposed User Charges

| | Proposed | | Recommended | |
|----------------------|----------|----------|-------------|----------|
| | FY 2025 | FY 2026 | FY 2027 | FY 2028 |
| User Charge (per MG) | \$ 5,923 | \$ 6,811 | \$ 7,628 | \$ 8,544 |

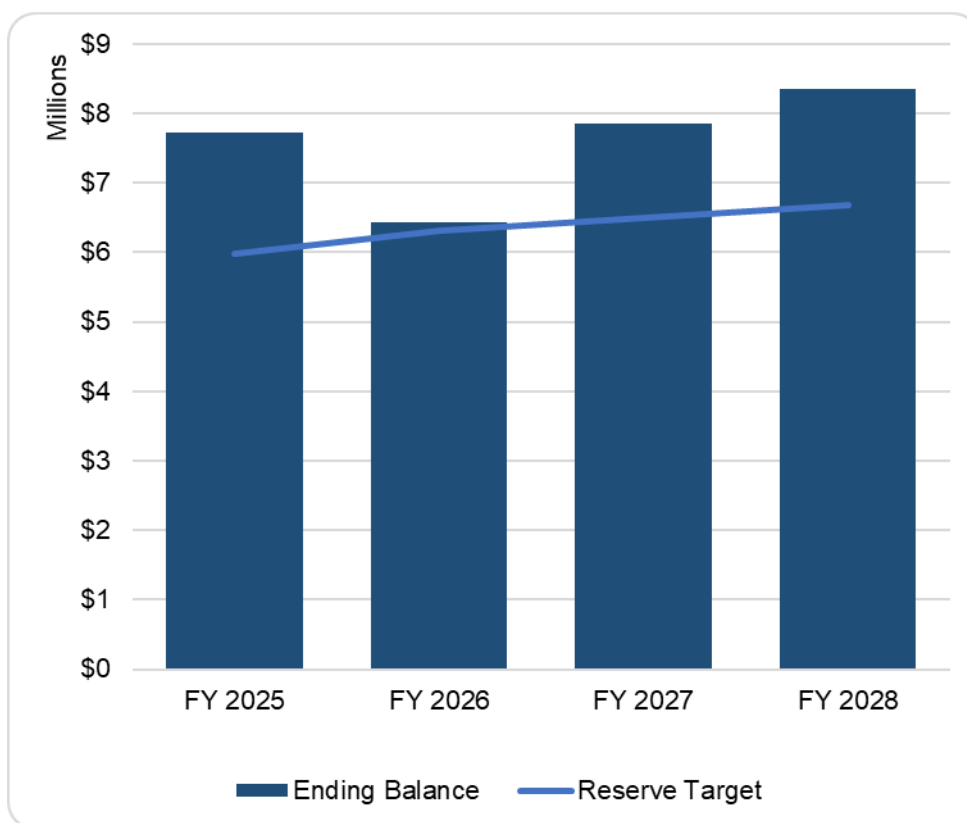
Figure 4 through **Figure 6** show the financial plan results under the proposed debt issuances, rates, fees, and adjustments. The line in **Figure 4** shows the revenue under the proposed rate adjustments. Reserve contributions are shown in green, negative reserve contributions mean that the Authority is drawing cash from the reserves, positive means that cash is being contributed.

Figure 4. Proposed Total Cash Flow



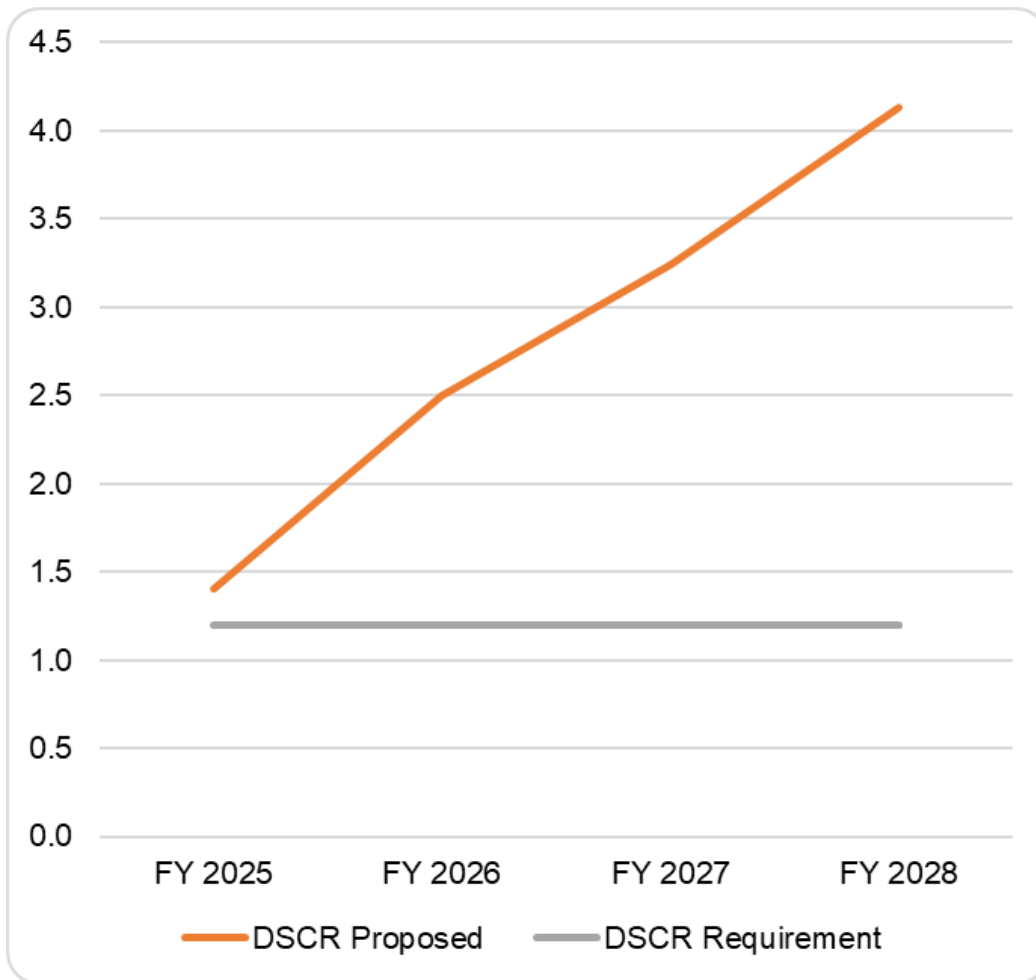
The cash balance is shown in **Figure 5**.

Figure 5. Proposed Combined Cash Balances



Finally, the Authority's debt covenants have a requirement of maintaining a DSCR of 120 percent of net revenues. **Figure 6** shows the annual DSCR for each year of the study under the proposed plan.

Figure 6. Proposed Combined Debt Service Coverage Ratio





**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VVWRA Board of Commissioners
FROM: Darron Poulsen, General Manager
SUBMITTED BY: Darron Poulsen, General Manager
DATE: October 24, 2024
SUBJECT: **RECOMMENDATION TO SCHEDULE THE SECOND READING OF ORDINANCE 001: ADOPTION OF SEWER USER CHARGE**

| | | |
|---|---|------------|
| <input checked="" type="checkbox"/> For Action | <input type="checkbox"/> Fiscal Impact | \$0 |
| <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 authorize the General Manager to schedule the second reading of Ordinance 001: Adoption of Sewer User Charge for November 7, 2024 at 8:00 AM.

PREVIOUS ACTION(S)

None

BACKGROUND INFORMATION

On direction from the Board, the first reading of Ordinance 001 was scheduled for October 24, 2024. Two public hearings are required to revise an ordinance. Because the Board needs to take action and direct staff to do so, staff is requesting such direction.

Attachment(s):

NONE

EMPLOYMENT AGREEMENT
BETWEEN VICTOR VALLEY WASTEWATER RECLAMATION
AUTHORITY AND KODY TOMPKINS

This EMPLOYMENT AGREEMENT ("Agreement") is made by and between KODY TOMPKINS ("Tompkins") and the Board of Commissioners of the VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY, a joint powers authority ("Authority"), hereinafter also referred to as "Board of Commissioners." The Parties hereto agree as follows:

Section 1. Employment.

1.1 The Authority agrees to employ Tompkins in the position of Director of Operations and Maintenance for a five (5) year term, and Tompkins agrees and does accept employment in the position of Director of Operations and Maintenance for a five (5) year term upon the terms and conditions set forth herein.

1.2 Tompkins agrees to perform the functions and duties of the position of Director of Operations and Maintenance as specified in the job description set forth in Exhibit "A," attached hereto and incorporated herein by this reference, and any other functions or duties as may be established or directed by the Authority General Manager ("General Manager"). Tompkins agrees to perform all such functions and duties to the best of his ability and in an efficient and competent manner.

Section 2. Term of the Agreement.

2.1 This Agreement shall be for a term of Five (5) years, beginning **10/14/2024**, and ending **10/14/2029**. Subject to the Authority's right to terminate this Agreement and Tompkins's employment at any time pursuant to Section 3 of this Agreement, this Agreement shall automatically be renewed for subsequent one (1) year periods unless the Authority provides written notice to Tompkins no less than six (6) months prior to the expiration of the current term or an extended term that the Agreement will be terminated. Unless otherwise provided for by a subsequent written agreement between the Parties, the terms and conditions of this Agreement shall apply to any extended term of this Agreement.

2.2 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the General Manager to terminate the services of Tompkins at any time, subject only to the provisions set forth in this Agreement.

2.3 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Tompkins to resign at any time from his position with the Authority, subject only to the provisions set forth in this Agreement.

2.4 Tompkins agrees to remain in the exclusive employment of the Authority

during the term of this Agreement, and he shall neither accept other employment nor become employed by any other person, business, or organization during the term of this Agreement. As used in this section, the term "employed" shall not be construed to include occasional teaching, writing, or consulting on Tompkins' time off, which may be undertaken by Tompkins with the express written consent of General Manager.

2.5 Except as otherwise specified herein, Tompkins is subject to the Authority's Personnel Rules and Regulations.

Section 3. Termination and Severance Pay.

3.1 Tompkins serves at the will and pleasure of General Manager and may be terminated with or without cause at any time. Consequently, nothing in this Agreement shall in any way affect General Manager's right to terminate the employment of Tompkins and this Agreement on an at will basis, with or without cause, at any time, as provided herein.

3.2 In the event Tompkins' employment and this Agreement are terminated without cause, Authority agrees to provide Tompkins with severance pay as a lump sum cash payment equal to nine (9) months base salary, including any annual adjustment, less deductions required by law. Also, in addition to the lump sum payment, Authority shall provide for continuance of Authority portion of Tompkins' health insurance benefits provided herein for nine (9) months from and after the date of termination or until Tompkins finds other employment, whichever occurs first.

3.3 In the event Tompkins is terminated for cause, Tompkins shall not be entitled to any severance pay or continued benefits. Termination for cause is defined as follows:

- (a) A willful breach of this Agreement.
- (b) Habitual neglect of duties required to be performed under this Agreement.
- (c) Any acts of dishonesty, fraud, misrepresentation, or other acts of moral turpitude.
- (d) Refusal or failure to act in accordance with any specific written directive or order of the General Manager.

3.4 In the event that Tompkins is terminated for cause, Tompkins will be presented with written notice of the basis for said cause. Upon receipt of said written notice, Tompkins, within five (5) business days, may request a hearing before the Authority Board of Commissioners. The issue at the hearing shall be limited solely to whether or not there is sufficient evidence to support a finding of termination for cause such that Tompkins would not be entitled to any severance pay and benefits. Under no circumstances shall Tompkins be entitled to reinstatement as a result of such hearing.

3.5 Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Tompkins to voluntarily resign at any time from his position with Authority, subject

only to the provisions set forth in this Agreement. In the event Tompkins desires to voluntarily resign from his position with Authority, Tompkins shall provide General Manager thirty (30) days' notice in advance, unless the Parties agree otherwise. In the event Tompkins voluntarily resigns, he shall not be entitled to any severance pay or benefits, but Authority shall pay Tompkins for accrued vacation benefits.

3.6 Notwithstanding any other provision herein, in accordance with Government Code Section 53260, the cash payment that Tompkins may receive in the event of the termination of this Agreement, as set forth in Section 3.2 above, shall not exceed an amount equal to the monthly base salary of Tompkins multiplied by the number of months left on the unexpired term of this Agreement.

Section 4. Salary and Expenses.

4.1 Authority agrees to pay Tompkins for his services rendered an annual base salary of Two Hundred and Thirty Thousand Dollars (\$230,000), \$19,166.67 monthly in installments at the same time as other employees of the Authority are paid, commencing **10/14/2024**. Tompkins's base salary shall be increased annually beginning on July 1, 2025, by the same percentage increase published as the calendar year average Consumer Price Index for All Urban Consumers in the Ontario, San Bernardino, and Riverside area.

4.2 Except for the use of his personal vehicle for the performance of his duties, for which a vehicle allowance is provided under Section 5.8 of this Agreement, Authority shall reimburse Tompkins within its budget and upon approval of General Manager for all actual and necessary expenses incurred in connection with the performance of his official duties. Tompkins agrees to maintain and submit accurate records of all expenses for which reimbursement is claimed.

Section 5. Benefits.

5.1 Vacation. Tompkins vacation accrual rate shall be calculated based on the total service credit of years Tompkins has been active in CalPERS in accordance with and subject to WWRA employee guidelines and policies

5.2 Administrative Leave. Tompkins shall accrue paid administrative leave at a rate of two (2) weeks per year, commencing on **10/14/2024**. Tompkins may use administrative leave for personal business and/or other personal reasons. Notwithstanding the above, administrative leave is subject to a maximum accrual cap of three (3) weeks. Any administrative leave not used by the end of business on December 1 of the following year shall be forfeited.

5.3 Retirement. Authority agrees to provide for participation in and pay all

Employer and Employee contributions in the California Public Employees Retirement System (PERS) described as 2.5% at 55, not integrated with social security, or if unavailable, an equivalent retirement program. In addition, and except as provided hereinafter, the Authority will match Tompkin's contributions to a 457(b) deferred compensation plan, sponsored by the Authority, up to an amount equal to fifty percent (50%) of the maximum contribution limitations, subject to limitations on the contributions under section 457(b) of the Internal Revenue Code. The said contribution shall be deposited during each pay period into Tompkins's designated deferred compensation account administered by the Authority for all employees.

5.4 Disability, Health, and Life Insurance. Authority agrees to keep in force and to pay the total amount of the premium payments for Tompkins for health insurance policies covering Tompkins and his dependents. Authority agrees to purchase and to pay the required premium on a term life insurance policy in an amount equal to twice Tompkins's annual salary. Authority also agrees to purchase and to pay the required premium on short-term and long-term disability insurance the same as are provided to all general employees of Authority under Authority's Personnel Rules and Regulations. If required by the insurance provider, Tompkins agrees to submit once per calendar year to a complete physical examination by a qualified physician of his choice, the cost of which shall be paid by Authority. Authority agrees to maintain Tompkins's medical records in confidence.

5.5 Dues, Subscription, and License Fees. To the extent the Authority's approved annual budget designates sufficient funds for the purposes identified in this section, the Authority agrees to pay for the professional dues and subscriptions necessary for Tompkins continued and full participation in national, state, regional and local associations, and organizations necessary and desirable for his continued professional participation, growth, and advancement, and for the good of Authority.

5.6 Professional Development. To the extent Authority's approved annual budget designates sufficient funds for the following purposes, Authority agrees to pay registration fees and travel subsistence expenses of Tompkins for professional and official travel, meetings, and occasions adequate to continue the professional development of Tompkins and to adequately pursue necessary official business and other functions for Authority. Upon the prior approval of General Manager, Authority also agrees to pay for related tuition, fees, and travel and subsistence expenses of Tompkins for educational degree programs, short courses, institutes, and seminars that are necessary for his professional development and the good of Authority.

5.7 Other Leave. Tompkins shall accrue sick leave and shall be provided with holiday leave and bereavement leave as are provided to other employees of Authority under Authority's Personnel Rules and Regulations.

5.8 Vehicle Allowance. Tompkins shall provide his own vehicle to be used in the performance of his duties, and Authority shall provide an automobile allowance of six hundred dollars (\$600.00) per month for said use unless General Manager chooses to allow the use of an Authority vehicle. Tompkins shall be responsible for paying for liability insurance as required by State law, fuel, maintenance, repair of his vehicle and other costs associated with the ownership and use of his own personal vehicle.

5.9 Technology Allowance. Tompkins shall receive a technology allowance of seventy-five dollars (\$75) per month. It is understood that this technology allowance may be subject to state and federal withholdings.

Section 6. Performance Evaluation.

Authority shall review and evaluate the performance of Tompkins each year within thirty (30) days prior to this Agreement's anniversary date or as close to such date as possible. Said review and evaluation shall be conducted by General Manager. The evaluation process shall include, but not be limited to, use of "360 evaluations." With a positive evaluation and, at the discretion of the General Manager, Tompkins may be eligible for an annual one-time lump sum payment, and/or additional vacation or personal time off.

Section 7. Bonding.

Authority shall bear the full costs of any fidelity or other bonds required of Tompkins under any law or ordinance.

Section 8. General Provisions.

8.1 This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the employment of Tompkins by Authority and contains all of the covenants and agreements between the parties with respect to the employment of Tompkins by Authority.

8.2 Each party agrees and acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on either party.

8.3 Any modification of this Agreement will be effective only if made in writing and signed by both Tompkins and Authority.

8.4 If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

8.5 This Agreement shall be governed by and construed in accordance with the law of the State of California.

8.6 This Agreement shall be construed as a whole, according to its fair meaning, and not in favor or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement.

8.7 Tompkins acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

By: _____
Kody Tompkins

VICTOR VALLEY WASTEWATER
RECLAMATION AUTHORITY

By: _____
Darron Poulsen, General Manager

APPROVED AS TO FORM:

By: _____

General Counsel, VVWRA for Best & Krieger
LLP



**VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
Board of Commissioners Staff Report**

TO: VWVRA Board of Commissioners
FROM: Darron Poulsen, General Manager
SUBMITTED BY: Latif Laari, Environmental Compliance Manager
DATE: 10/24/2024

SUBJECT: RECOMMENDATION TO AUTHORIZE THE GENERAL MANAGER TO APPROVE THE PURCHASE OF ULTRAVIOLET DISINFECTION SYSTEM REPLACEMENT PARTS IN THE AMOUNT OF \$224,758.78 FROM XYLEM WATER SOLUTIONS, OUR SOLE SOURCE PROVIDER

| | | | | |
|-------------------------------------|-------------------------|-------------------------------------|--|----------------------|
| <input checked="" type="checkbox"/> | For Action | <input checked="" type="checkbox"/> | Fiscal Impact | \$ 224,758.78 |
| <input type="checkbox"/> | Information Only | <input checked="" type="checkbox"/> | Account Code: 01-02-545-6010-9999 | |
| | | <input checked="" type="checkbox"/> | Funds Budgeted/ Approved | |

STAFF RECOMMENDATION

It is recommended that the Board of Commissioners authorize the General Manager to approve the purchase of ultraviolet disinfection system replacement parts in the amount of \$224,758.78 (Quoted amount plus related taxes) from Xylem Water Solutions, our sole source provider. This is a budgeted purchase under General Ledger Account 01-02-545-6010-9999.

PREVIOUS ACTION(S)

None

BACKGROUND INFORMATION

The VWVRA regional plant uses Ultraviolet (UV) light as a disinfection method for destroying microorganisms, leaving them dead and unable to grow further in wastewater effluent before discharge to the Mojave River.

The regional plant operates a Xylem Water Solutions UV system composed of two channels of four banks each; every bank has 234 UV lamps and several other components. Xylem Water Solutions routinely maintains and inspects this system to ensure VWVRA complies with its NPDES permit disinfection requirements. Recent maintenance reports developed by Xylem have recommended replacing lamps and other parts on several banks to increase their availability, reliability, and redundancy.

Following an in-depth review of the UV parts proposal from Xylem Water Solutions (Exhibit 1), Staff selected the parts needed to continue maintaining the UV system and allow the regional plant to remain in compliance.

It is recommended that the Board of Commissioners authorize the General Manager to approve the purchase of ultraviolet disinfection system replacement parts in the amount of \$224,758.78 (Quoted amount plus related taxes) from Xylem Water Solutions, our sole source provider (Exhibit 2). This is a budgeted purchase under General Ledger Account 01-02-545-6010-9999

Attachments:

Exhibit 1- Xylem Water Solutions quote.

Exhibit 2- Sole Source Letter from Xylem Water Solutions

EXHIBIT 1


**Xylem Water Solutions USA, Inc.
Wedeco Products**

October 3, 2024

 4828 Parkway Plaza Blvd.
 Suite 200
 Charlotte, NC 28217
 Tel 704/409-9700
 Fax 704/409-9839

 VICTOR VLY WSTWTR RECLAMATION
 20111 SHAY RD
 VICTORVILLE CA 92394-8539

 Project Name: VICTOR VALLEY - 168852
 Job Name: SPARES

 Quote # 2024-WED-1189
 Account #: 168852

Xylem Water Solutions USA, Inc. WEDECO is pleased to provide a quote for the following equipment and/or services for your approval.

UV SPARES

| Qty | Part Number | Description | Disc.% | Unit Price | Extended Price |
|----------------------------|--------------|--|--------|-------------|----------------------|
| 480 | 76-610 23 94 | LAMP, UV ECORAY ELR30 | 12.00 | \$ 187.00 | \$ 78,988.80 |
| 60 | 76-612 21 95 | BALLAST TDX KMV | 12.00 | \$ 977.00 | \$ 51,585.60 |
| 192 | 76-03 65 52 | LAMP INSERT, TAK | 12.00 | \$ 110.00 | \$ 18,585.60 |
| 160 | 76-03 33 09 | QUARTZ SLEEVE 48X2X1512 | 12.00 | \$ 214.00 | \$ 30,131.20 |
| 40 | 76-611 03 40 | LAMP CONN INCLUD ORANGE CABLE ORANGE CABLE | 12.00 | \$ 380.00 | \$ 13,376.00 |
| 10 | 76-76 04 43 | SENSOR HOUSING FOR TAK | 12.00 | \$ 1,485.00 | \$ 13,068.00 |
| UV SPARES Price USD | | | | | \$ 233,790.00 |
| Total Discount % | | | | | 12.00 |
| UV SPARES Price | | | | | \$ 205,735.20 |

TAXES

| Qty | Part Number | Description | Disc.% | Unit Price | Extended Price |
|-------------------------|-------------|---------------|--------|--------------|----------------------|
| 1 | TAXES | TAXES - 8.75% | 0.00 | \$ 18,001.83 | \$ 18,001.83 |
| TAXES Price USD | | | | | \$ 18,001.83 |
| Total Discount % | | | | | 0.00 |
| TAXES Price | | | | | \$ 18,001.83 |
| Total Price | | | | | \$ 223,737.03 |
| Freight Charge | | | | | \$ 1,021.75 |
| Total Price | | | | | \$ 224,758.78 |

Terms & Conditions
WEDECO

a xylem brand

8-4

This order is subject to the Standard Terms and Conditions of Sale – Xylem Americas effective on the date the order is accepted which terms are available at <http://www.xyleminc.com/en-us/Pages/terms-conditions-of-sale.aspx> and incorporated herein by reference and made a part of the agreement between the parties.

- Freight Terms:** 3 DAP - Delivered At Place 08 - Jobsite (per IncoTerms 2020)
See Terms of Delivery below for freight payment terms.
- Taxes:** State, local and other applicable taxes are not included in this quotation.
- Back Charges:** Buyer shall not make purchases nor shall Buyer incur any labor that would result in a back charge to Seller without prior written consent of an authorized employee of Seller.
- Shortages:** Xylem will not be responsible for apparent shipment shortages or damages incurred in shipment that are not reported within two weeks from delivery to the jobsite. Damages should be noted on the receiving slip and the truck driver advised of the damages. Please contact our office as soon as possible to report damages or shortages so that replacement items can be shipped and the appropriate claims made.
- Purchase Orders:** Please make purchase orders out to: Xylem Water Solutions USA, Inc.
- Terms of Delivery:** PP/Add Order Position
- Warranty:** Standard warranty terms apply to the items in this quotation.
- Validity:** This Quote is valid for thirty (30) days.
- Taxes:** The prices quoted above do not include any state, federal, or locals sales tax or use taxes. Any such taxes as applicable must be added to the quoted prices.

Terms of Payment: 100% N30 standard.
Xylem's payment shall not be dependent upon Purchaser being paid by any third party unless Owner denies payment due to reasons solely attributable to items related to the equipment being provided by Xylem Water Solutions.

Schedule: Delivery lead times are approx. 3-4 weeks after receipt of order acceptance.

Shortages: Seller will not be responsible for any apparent shipment shortages or damages incurred in shipment that are not reported within two weeks from delivery to the jobsite. Damages should be noted on the receiving slip and the truck driver advised of the damages. Please contact our office as soon as possible to report damages or shortages so that replacement items can be shipped and the appropriate claims made.

Back Charges: Purchaser shall not make purchases nor shall Purchaser incur any labor that would result in a back charge to Seller without prior written consent of an authorized employee of Seller.

Customer Acceptance: A signed facsimile of this quote is acceptance as a binding contract.

Signature: _____

Name (please print) _____

Date: _____ PO# _____

Site Contact Name: _____

Site Contact Phone Number: _____

Sincerely,

Lisa Axtman
Aftermarket Sales Coordinator
Phone: 980-276-9934

LISA.AXTMAN@XYLEM.COM

EXHIBIT 2

November 2, 2023

City of Victor Valley WWRF
ATTN: Latif Laari
20111 Shay Rd
Victorville, CA 92394

Dear Mr. Laari:

This letter certifies that Xylem Water Solutions – WEDECO, is the sole source supplier for the ECORAY® UV Lamps, Quartz Sleeves, ECORAY® Ballasts, Sensors and related spare parts for the UV Disinfection System at Victor Valley WWRF.

Please contact me if you have any questions.

Best Regards,



Jenny Banci

Aftermarket Territory Manager - Treatment
Mobile: 951 903 8509 Tel: 951 332 3670
Jenny.banci@xylem.com