

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
December 17, 2009**

CALL TO ORDER: Chair Thurston Smith called the meeting to order at 7:31 a.m. on December 17, 2009 in Room 146 at the VVWRA Administrative Offices, located at 15776 Main Street, Hesperia, California, with the following members present:

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

**Peter Allan
Thurston Smith
Rudy Cabriales
Jeff Rigney**

VVWRA Staff and Legal Counsel:

**Logan Olds, General Manager
Piero Dallarda, Legal Counsel (BB&K)
Angela Valles, Director of Administrative Services
Linda Ellsworth, Management Tech to GM
Brent Keaster, Maintenance Supervisor
Melanie Mendez, Accounting Supervisor
Kellie Patterson, Account Tech III
Miguel Mendoza, Operator in Training**

**Patricia Johnson, Secretary to the GM/Board
Gilbert Perez, Director of Operations
Chris Anthony, Construction Project Manager
Marce Delaney, Pretreatment Supervisor
Jome Navarat, EH&S Coordinator
Tacey Barclay, Account Tech III
Frank Sotomayor, EC Inspector in Training
Randy Gillette, Operator in Training**

Others Present:

**Bill Pattison, Town of Apple Valley
Sean McGlade, City of Victorville
Mike Podegracz, City of Hesperia
Kevin Schmidt, RBF Consulting
Joe Vail, Local resident**

**Amer Jakher, City of VV
Brian Johnson, City of Hesperia
Jake Wiley, RBF Consulting
Vasken Misserlian, RBF Consulting**

CALL TO ORDER

PUBLIC COMMENTS – CLOSED SESSION AGENDA

Chair Smith asked if there were any comments from the public regarding any item on the Closed Session agenda. Hearing no comments, he called for a motion to enter into Closed Session.

CLOSED SESSION

Commissioner Allen made a motion to enter into Closed Session at 7:31 a.m., which was seconded by Commissioner Cabriales and approved by unanimous voice vote.

REPORT FROM CLOSED SESSION

Piero Dallarda reported that under Item 1 of the Closed Session agenda, under Government Code Section 54957 - Conference with Legal Counsel – Public Employment, the Board discussed the General Manager's contract renewal. The Board is pleased to announce that the General Manager's contract has been extended for another three years and has been modified to provide for a nine-month severance provision. The agreement will be re-drafted by Counsel and provided for signature at the next Board meeting.

Piero also reported that under Item 3 of Closed Session under Government Code Section 54956.9 (b), Conference with Legal Counsel – Potential Litigation, Significant Exposure to Litigation – One case, the Board did meet in Closed Session and feels the need to continue that discussion until after the open session today.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Smith called upon the Commissioner from Apple Valley, Mayor Peter Allan, to lead the Pledge of Allegiance.

REGULAR SESSION

Chair Smith called the Regular Meeting to order at 9:16 a.m.

PUBLIC COMMENTS – REGULAR SESSION AGENDA

Chair Smith asked if any member of the public would like to comment on the agenda.

Mr. Joe Vail came forward and stated his residence address for the record. He said he was here today to ask a question. He said the City of Victorville voted to accept an increase in fees proposed by Mr. Harold Singer of Lahontan for regulatory improvements to the VVWRA. As a result of that, they will be raising approximately \$.5 million per month to pay for a \$15 million project that will be completed in less than three years. Mr. Vail said the question is, at that point in time are we going to have our money given back to us or will it be applied to something else? According to Mr. Cox, this fee increase can only be used to pay for this project. Am I correct? Is Mr. Cox correct or not?

The Commissioners thanked Mr. Vail for his comments.

Piero said because of time constraints the Board has expressed an indication to change the order of the agenda. He said what we will take first is the consent calendar and then Items 17 and 18, followed by the presentation by RBF Consulting on the Sewer Master Plan. After that, Items 13, 14, 15 and 16 will be addressed by the Board, followed by Announcements and Correspondence.

Chair Smith said he will now entertain a motion on Items 8 through 11 of the consent calendar.

ANNOUNCEMENTS AND CORRESPONDENCE:

4. Possible conflict of interest issues

Manager Olds reported that he was not aware of any possible conflicts.

5. Staff Introductions:

- **Frank Sotomayor, Environmental Compliance Inspector in Training**

Manager Olds said he would like to introduce Frank Sotomayor. Frank was hired on December 1 as an Environmental Compliance Inspector in Training. He is 23 years old and comes from a family of six children. He grew up in the City of Montclair, where he currently resides. Frank received his Water Technology certificate two years ago as a part-time student at Mount San Antonio College. He originally wanted to major in plant science, but now wants to pursue a career in wastewater treatment. Prior to VVWRA, he worked for six years at the Chino Basin Water Conservation District as a basin operator/gardener. In his leisure time, Frank enjoys outdoor activities especially fishing, camping and hiking. He also enjoys watching and playing sports. Manager Olds said please welcome Frank as a new member to our team.

- **Miguel Mendoza, Operator in Training**

Manager Olds announced that Miguel Mendoza was hired on November 12 as an Operator in Training. He was born in Fresnillo, Mexico and currently resides in the Town of Apple Valley. Miguel previously worked for 8 years as a flooring contractor for Empire Today LLC. He has been married for 20 years and has two step-daughters. In his spare time, Miguel likes to repair and construct projects at home. He also enjoys baseball and music. Manager Olds said please welcome Miguel to VVWRA.

- **Randy Gillette, Operator in Training**

Manager Olds announced that Randy Gillette was also hired as an Operator in Training on November 19. Randy was born in Los Angeles and currently resides in Hesperia. Prior to coming to VVWRA, he worked as an electrician for Quality Electric/Kern Electric for five years. Randy is single and enjoys church activities, hunting, fishing, and camping. Manager Olds said please welcome Randy to VVWRA.

Manager Olds asked Miguel and Randy to please stand. He said when he initially approached the Board two years ago about the possibility of teaching a wastewater course at the local community college, Miguel took that course. VVWRA then moved forward with an Internship Program at the Authority and Randy attended one of the seminars held in this room on how to obtain a career in wastewater. Manager Olds said after Miguel took his wastewater course, he took and passed his Grade I certification exam, which is very impressive because it requires both experience and the education components. After attending one of our seminars and learning how great it is to work with sewage, Randy signed up for the Internship Program and was accepted. These two gentlemen took it upon themselves to pursue

this option and there are quite a few hurdles. The Board was willing to consider this concept and to take action on it. The Program has been successful and it does work. Miguel said the Program gave us the opportunity. Randy said it is a great opportunity to help the environment to do our part in going green and be part of that.

6. VVWRA Honored with Five Awards from the California Water Environment Association (CWEA) for the Desert and Mountain Section in the following categories:

- **Wastewater Treatment Plant of the Year: Mid-size Facility**
- **Supervisor of the Year: Gilbert Perez, Director of Operations**
- **Laboratory Person of the Year: Gina Cloutier, Laboratory Supervisor**
- **Safety: Plant of the Year**
- **Electrical/Instrumentation Person of the Year: Patrick Nave, E/I Technician**

Manager Olds reported that VVWRA was recently honored with five awards from the Desert and Mountain Section of the California Water Environment Association. He would like to recognize the people who are responsible for ensuring this high degree of professionalism and give them some recognition before the Board. He said he would also like to let the Board know that the awards we have won from the local section will now be forwarded to the State level and now we will compete at the State level. In 2007, VVWRA won the Operator of the Year award at the State level for Mr. Joe Gomez.

Manager Olds said the first award is for Wastewater Treatment Plant of the Year: Mid-size Facility. He asked Wade Specht to please stand and show the award to the Commissioners. Manager Olds said that Wade, as Operations Supervisor, oversees the operations crew to ensure that the plant runs efficiently and can achieve great success.

Manager Olds said the next award was Supervisor of the Year – Gilbert Perez. He said unfortunately Gilbert had a family emergency this morning and was unable to attend the meeting, but suffice it to say that Gilbert is well-deserving of the award for Supervisor of the Year.

Manager Olds said the next Award was for Laboratory Person of the Year. He said a lot of what we do relies upon the professionalism of Gina and her staff. The water quality testing protocols are followed and we meet the State regulatory requirements. This is the first year we have won this award and he is extremely thrilled that Gina has helped us achieve that.

Manager Olds reported that the next award was for Safety of the Year. He introduced Jome Navarat and reported that Jome oversees the Safety Program at VVWRA and does a very good of it. Jome keeps everyone on their toes and he consistently motivates them to make sure the training occurs.

Manager Olds asked Pat Nave to please stand and then announced that Pat received the Electrical/Instrumentation Person of the Year award. He said that Pat works in our Maintenance department and takes care of electrical and instrumentation and does a very good job. Pat is a problem-solver not only in this area but also in other areas. Manager Olds said is very proud of the effort that has been put forth by staff and he asked everyone to join him in a round of applause. Chair Smith said he thinks we stand a good chance to win at the State level against other agencies within the state.

7. VVWRA Wins 2009 Best of Business Award from the Small Business Commerce Association (SBCA): Manager Olds announced that he received an email to inform him that VVWRA had been chosen as a 2009 Best of Business Award recipient from the Small Business Commerce Association. He said this came as a surprise and he is very pleased that there is a level of recognition occurring for the efforts that VVWRA is putting forth in the broader community.

CONSENT CALENDAR:

- 8. Approve the November 2009 Cash Disbursements Register (No. 1109)**
- 9. Approve the Minutes of the Regular Meeting held on November 19, 2009 and the Special Meeting held on November 23, 2009**
- 10. Approve the Annual Schedule of Meetings – 2010**
- 11. Notification of Emergency Condition and Use of Purchasing Authority to Purchase Parts Necessary to Overhaul Waukesha Engine No. 2 from Valley Power Products as Sole Source**

Commissioner Cabriales made a motion to approve the consent calendar, which was seconded by Commissioner Allan and approved by unanimous voice vote.

REPORTS OR PRESENTATIONS:

12. Sewer Master Plan, Modeling and Condition Assessment (RBF Consulting): Manager Olds said to give the Board a little background the document in question has been in preparation since several years prior to his arrival at VVWRA in 2006. Initially, it was designed to evaluate the lower reaches of the interceptor and then we moved into the upper reaches. He announced that Kevin Schmidt of RBF Consulting was present to provide a presentation on VVWRA's Sewer Master Plan.

Following Kevin's presentation, Commissioner Cabriales asked Sean McGlade to relay some concerns. Sean asked why is delivery of treated water is included since it has an astronomical cost to do so. He said he sent letters to Manager Olds and we are still working through the issues. Manager Olds said he reviewed Sean's comments with RBF and they will provide some clarification. Mr. McGlade's comments reminded us that we are very close to the projects and need to take a step back and need to provide more clarification so that the documents are clearer to the member agencies. It has never been VVWRA's intention to construct a reclaimed water system. It is just a side benefit if the member agencies choose to do it. The key is to provide sufficient capacity to meet the member agency's needs. As Kevin mentioned in his presentation, there have been documents submitted to the member agencies as far back as 2002 as possibly earlier suggesting that subregionals are the least cost option to address the capacity issues. Manager Olds announced that Pat will be scheduling an SSMP Workshop during the first or second week in January and it is his intention to resolve any differences or concerns that have been expressed at that Workshop and present the SSMP document for formal adoption at the January Board meeting.

Kevin said there is a legitimate concern to see the whole picture. Manager Olds said he has been limited in receiving information, but when we get everyone in the room at the Workshop in January we can address all of the details. Commissioner Cabriales said getting all of the information will allow everyone to make an informed decision. The member agencies are still responsible for funding the subregionals. Manager Olds said the information on the subregionals in Apple Valley and Hesperia has now been developed and can be shared with all of the member agencies. Commissioner Cabriales said pumping costs for anything coming to the subregional would be the financial responsibility of each member agency.

ACTION & DISCUSSION ITEMS:

13. Town of Apple Valley Interceptor Odor Control Study Justification Letter: Manager Olds reported that the Board of Commissioners is aware that we are participating in a 50-50 study with the Town of Apple Valley to identify and address the odor issues related to the South Apple Valley Interceptor. The review phase of the project has been completed and recommendations have been made. A final document is going to be prepared that will include a design for what is called a bio-filter to be installed in the lower reaches at an old metering station location. The Town of Apple Valley has also come up with a very innovative concept to alleviate the 90 degree bend so that odors generated there are addressed. This is just to provide an update to refresh your memories about the purpose and scope of this study and answer any questions the Board may have or determine if the Board has any additional direction.

14. Recommendation to Approve Lease of Modular Office Space: Manager Olds reported that as indicated in his memo to the Board, there are a number of issues with the former Administration building located at the VVWRA wastewater treatment plant. We are currently progressing with the Phase III construction project and have still not received our State Revolving Fund (SRF) loan letter. What we want to do is to make certain that we are able to move forward as soon as that project hits the streets. Manager Olds said due to problems with the existing space, he asked Chris Anthony to evaluate the possibility of moving out of that location and to pursue the cost of obtaining additional work space. The proposal before you contains three quotes. Chris Anthony said the cheapest form of office space right now is in the form of modular space that can be purchased or leased. Manager Olds said we are trying to get ourselves prepared for the upcoming Phase III Expansion and the Interceptor projects.

Manager Olds said the Board has already authorized the Phase III Expansion. He received a letter from the SRF and the last environmental portions were worked out early this week. His hope is that he will receive a response from SRF in the first part of January. He will then be able to determine how much money they are going to give us. We asked for \$24 million, but there may be some things they will not fund. He will then evaluate our existing financial structure and what the other Capital Improvement projects are to determine which projects we can afford. Realistically, the bid process could occur within a three-month timeline and we could begin in April.

Chair Smith asked if there was any available office space in the Operations & Maintenance building. Manager Olds said there is no available space and we have already taken down walls and converted storage space into work space. Manager Olds said the Laboratory is located on the first floor of the old Administration building and a laboratory cannot just be picked up and moved. Construction

Management and Marce Delaney of the Environmental Compliance group also reside in that area. Moving them outside the treatment plant would be very difficult because the laboratory needs to be at the plant site for process control. Moving the construction management group offsite would inhibit them from interacting directly with the contractors. Marce's staff occupies space in the O & M building, so the Environmental Compliance group is split between two buildings. These positions are operations-related and to move them outside the treatment plant is very difficult.

Chair Smith asked how much it would cost to purchase modular space. Chris said the rental rates are so good right now that we did not pursue purchasing the modulares. On page 14-9 the purchase price is \$103,000 for a new trailer. The purchase price for a used trailer was \$40,000. Manager Olds said he was pursuing the least cost option and the lease option was less than the purchase option. If the Board would like us to re-evaluate this and come back to the Board with a cost comparison for lease versus purchase, we will do so.

Commissioner Cabriales asked how many staff members work at the plant at the same time. Manager Olds said about 30 employees. Commissioner Cabriales asked how many employees require offices. Manager Olds said we are already doubled up and there are 12 spots. Commissioner Cabriales said is it correct that the Administration building cannot be used because of its condition. Manager Olds said that there are electrical problems and the HVAC system has severe problems. Commissioner Cabriales said the laboratory is critical to the operation and it sounds almost hazardous. Gina said she has concerns that the eye wash station should be reliable and it is not. Manager Olds said he had a meeting last week and received some alternative options that he has not yet discussed with his staff.

Chair Smith asked who would move into the trailer. He said a total of six employees. Commissioner Rigney asked if there is a need for staff to be at the treatment plant for the Interceptor projects. Manager Olds said not so much. Commissioner Rigney said he recommends that a purchase would be best in the long run. Manager Olds said there is a 30 to 45-day window on this so we wanted to address this now so we are ready for the start of the project next year. Chris said if we lease the trailer, the company will take care of the set up. If we own it, it is ours and we would have to take care of that.

Piero said he reviewed the lease quotation and it appears that the numbers that were quote to VVWRA are good for only 30 days. That is something to consider because these prices may no longer be good by the time staff is ready to proceed. Commissioner Rigney said if we approve this now and then we decided to purchase, we could probably change this from a lease to a purchase. Commissioner Allan said moving this unit around would be costly. Chair Smith said if we approved this now we could contact the vendor and ask that the 30 days can be extended. Piero said that is on the condition that the supplier wants to extend. Chair Smith said we do not need the trailer for three or four months and we would be paying for something we do not need right now. Commissioner Allan said vendor number 1 seems to be a good bargain.

Commissioner Allan made motion to approve the staff recommendation for the lease of a modular trailer, which was seconded by Commissioner Cabriales and approved by unanimous voice vote.

15. Proposal to Revise Methodology for Connection Fee Determination: Manager Olds reported that VVWRA wanted to address this several years ago but we simply did not have the resources. He

said the member agencies at one time or another have each bent his ear about how horrible our connection fee policy is and how difficult it is for member agency staff to understand and actually implement. In return, our staff receives four different forms that we have to coordinate. That is very difficult. He was informed by the Town of Apple Valley that due to changes in the Uniform Plumbing Code in the state of California, our Connection Fee policy is antiquated and no longer does what it was intended to do. To address the concerns of the member agencies, we need to create something that is simpler and that is acceptable to all of the member agencies. The proposal before the Board is to first identify the gap in our existing methodology and secondly to work with the member agencies and come up with a new connection fee policy that works for everyone. That is the goal of this proposal.

Commissioner Allan made a motion to approve the proposal to revise the methodology that is used for the determination of VVWRA Connection Fees, which was seconded by Commissioner Cabriales and approved by unanimous voice vote.

16. Resolution 2009-29: Adopt Surcharge Rate and Calculation Policy: Manager Olds reported that this item was an error and Mr. McGlade was wise enough to recognize it and bring it to our attention. Surcharge fees are for high strength waste that is in addition to the regular cost. Staff approached him and indicated that our policy has not been updated in a long time. He said he reviewed the methodology that was used to calculate the fee and where we failed was to go through the proper channels to make sure it was adopted because it was a fee. We had a situation where we are recommending to the Board that we refund the amount of \$12,348. On page 16-11 you can see how the money is distributed between SCLA and All Tech. We intend to refund \$579 to All Tech, a pharmaceutical company in Hesperia. We also intend to refund \$11,700 to the City of Victorville. Those are the only two companies that have been charged those fees. We then plan to move forward with incorporating this into our budgetary process and go through the proper protocols.

Commissioner Cabriales made a motion to approve Resolution 2009-29, which was seconded by Commissioner Rigney and approved by unanimous voice vote.

17. Resolution 2009-25: A Resolution of the Victor Valley Wastewater Reclamation Authority to Adopt an Amended and Restated Joint Powers Agreement: Manager Olds reported that as the Commissioners are aware he prepared a report to address concerns that some members raised to him. That memo has been distributed and discussed initially and he has nothing further to report other than what has already been discussed. He said he is not aware if the member agencies have reached a conclusion on the Joint Powers Agreement (JPA) or not. A paper that was sent by the City of Victorville last night was placed in the handout folders. Commissioner Cabriales asked Sean McGlade to comment on this.

Sean said the document was intended to do two things. One is in regard to purchased capacity which is the capacity that was quit claimed by the George Air Force Base to the Victorville Sanitary District. It included a second concession that would allow the VVWRA to retain 50 percent of the capacity that the City would divert over and above the one million gallons. Language not unreasonably withholding that capacity is something that would be acceptable to the City and we would agree to allow half the 1.5 MGD as a one-time concession.

Manager Olds said he would like to discuss the other comment. He said the paper before you suggests a 120 day period in which the diversion back into VVWRA would occur. From a technical viewpoint, you could reduce it to 90 days and that would give us sufficient time to do whatever we need to do. Sean said the 120 days originally came from a suggestion by Mike Podegracz and that he would be fine with 90 days. Commissioner Cabriales said this goes back to the other entities now. Manager Olds said since VVWRA is not directly involved in those discussions Mr. McGlade would be taking it to the member entities.

Commissioner Rigney asked that the City Manager group get together as soon as possible after the Holidays to work on this. He would also like to ask that Manager Olds be able to attend that meeting. He said, based upon what we have heard in Closed Session, he thinks quite frankly after that we are there and he would like to have a meeting after January 4 even if it takes a Special Board Meeting to get the agreement approved.

18. Resolution 2009-26: A Resolution of the Victor Valley Wastewater Reclamation Authority to Approve a Sludge Management Agreement between VVWRA and City of Victorville: Commissioner Cabriales made a motion to approve Resolution 2009-26. Commissioner Allan said he needs a legal opinion. Piero said there has been a concern about the approval of the sludge agreement prior to an amendment to the JPA to allow flow diversions. You could if you wish approve the sludge agreement first, but then there is a risk that VVWRA and the City of Victorville will be found to be in breach of the Service Agreement which will affect the financing. He said an option would be to approve the sludge agreement subject to approval of a JPA that is acceptable to all parties. Perhaps with a time limit of 30, 60 or 90 days for approval of the sludge agreement. Then if the JPA is not approved, the sludge agreement is null and void. This would be one option to move things forward. He said of course Victorville has expressed a concern about that because understandably they would feel uncomfortable that new demands would be made on the JPA that they cannot accept and then the City of Victorville cannot do what it needs to do. Piero said it is really up to the Board, but from a legal standpoint he would advise against approving the Sludge Agreement unless you have an approved JPA agreement. The one thing you could do is approve the sludge agreement subject to the approval of the JPA. That has not been acceptable to Victorville in the past, but maybe it is acceptable to Victorville today.

Chair Smith asked if the current version of the sludge agreement contains a provision regarding the approval of the JPA. Piero said right now the sludge agreement does not have a provision to that effect and it would have to be modified. It was suggested before, but it made the City of Victorville understandable nervous because if they were to rely on the sludge agreement and then somehow the JPA amendment does not occur then it puts Victorville against the wall. He said he can see their concern and perhaps that concern no longer exists given the progress made in the JPA negotiations. Commissioner Cabriales said Victorville's concern will continue to exist because we are under a time limit. We have been dealing with this and there is always something else that comes up.

Commissioner Cabriales repeated his motion to approve the sludge agreement. Commissioner Allan said he would be willing to second the motion if there was a paragraph added that required the JPA amendment to be completed within 30 days. Chair Smith asked if that provision would be legally binding. Piero said, "Absolutely. It would be a condition subsequent to the agreement whereby the agreement is rendered null and void if the condition is not met within the established timeframe.

Commissioner Cabriales said he needed to confer with the Manager and Engineer for the City of Victorville. Victorville City Manager Jim Cox said we have negotiated the sludge agreement for about a year and as he previously indicated, every time we thought we had an agreement on the JPA, something else came up. He said we have concluded that we have made all the concessions we can make. This is the last concession we will make. This cannot keep going. It is unreasonable. We raised a question about adding CSA No. 70. We are not comfortable with putting CSA 70 into the JPA and we do not know why it is in there. They are outside our service area. Jim said this paper from Sean was the last item to be agreed upon. It would be nice if we had not spent \$2 million on this project, but we are spending it. Now this will be put off again. It is a condition we have no control over. Now suddenly there is another 30-day delay. It is not incumbent upon the City. It is incumbent upon whether the agreement is approved but it is not up to us. If one more issue is raised one more time we are dead in the water.

Commissioner Allan said we have a legal issue. The legal issue is that we cannot legally approve the sludge management agreement without first restating the JPA. That is the legal issue. We spent 1 ½ hours in Closed Session today discussing this. He said he believes that Mr. Cox is correct that Sean's proposal has been accepted, but we cannot create a JPA while we are sitting here. Victorville has a commitment from us that we are diligent in getting the JPA agreement satisfied and resolved. He said the Board is willing, or at least he is willing, to second the motion to approve Resolution 2009-26 on the condition that all JPA revisions have been resolved. He said he cannot in all good conscience approve Resolution 2009-26 unless Resolution 2009-25 is also satisfied and resolved.

Commissioner Cabriales said there is still the issue of CSA No.70. Manager Olds said he would like to address that concern. He said the County of San Bernardino approached him many months ago about a particular development project they had in mind. It is a 20-acre project near Stoddard Wells Road, which is not within the VVWRA service boundary. He said two projects have been put forward, neither of which are currently within the VVWRA service area. The County was asking if VVWRA could provide sewer service for those projects using the North Apple Valley Interceptor. Manager Olds said he has had situations in his career with previous organizations where if you try to manage half a dozen small projects that have unique characteristics you try to address them globally. The suggestion he made to the Supervisor's office was to perhaps deal with this by including CSA No. 70 into the service area so that as these development projects occur if they are immediately adjacent or it is financially viable for them to tie into the collection system it would create a livable situation to it.

Manager Olds said the City of Victorville may be concerned because it leads to difficulties in other areas that he is not aware of. When we went through the service review that was conducted by LAFCO, they asked what this meant. He was asked to include clarifying language in his report to the LAFCO Board to explain that the project area is adjacent to our service area and the situation is kind of unique. It was a suggestion to the Supervisor's office to deal with those two development projects. He said if it is a problem for one of the member agencies it is not a big deal and would just pull it out. Commissioner Rigney thanked Manager Olds for explaining the situation. He said he understands the concern and we could specify the location within County Service Area No. 70 and deal with it that way. Or as a concession to keep the JPA process moving he will recommend to the Supervisor that we take it out and go through the current annexation process. Commissioner Rigney said as far as he is concerned, this is really a non-issue.

Jim Cox said the City of Victorville has a disagreement with LAFCO regarding a large annexation northeast of Victorville near Silver Lakes that does not go east of the freeway. He said we worked with the Congressman and with the County, but there is a huge project that needs to have water and wastewater services. There is a process within the JPA that allows for annexation. We have built an interceptor line and we have paid for this agency. Someone outside the original buy-in and the taxes for the bond issue should have to pay the amount that was originally paid as a buy in. Manager Olds said he had not thought about it in that context and he now sees the broader concern. Commissioner Allan said that it could set a precedent for the future and open the door.

Commissioner Cabriales amended his motion to include the provision that all issues relating to the JPA Agreement must be resolved and agreed upon within 30 days, which was seconded by Commissioner Allan with the same amendment and approved by unanimous voice vote.

Chair Smith said he would like to make it clear that we are approving the Sludge Agreement with a 30-day time limit to resolve the JPA and we are really not there yet. We have tried to get the City Managers together to work through this many times. Commissioner Cabriales suggested holding a meeting one more time before the holidays. He said we have a big concern about the ability to get this done in 30 days. This Board does not approve the JPA. The member agencies approve the JPA.

Piero said as a result of this new JPA there will no longer be a Service Agreement because it is being incorporated into the JPA agreement. VVWRA is a party to the Service Agreement and for VVWRA to enter into a new JPA it basically has to agree that the old Service Agreement is gone. So there is a certain degree of approval that the VVWRA Board still has to give. That approval could be given prior to the member entity approvals. Manager Olds said if the Commissioners are agreeable, we could schedule a Special Meeting for that approval.

Piero clarified that the motion set forth for the approval of Resolution 2009-26 is with a provision that the sludge agreement would be null and void if the member entities do not agree to an amended and restated Joint Powers Agreement within 30 days of this date.

Commissioner Rigney said he would like to comment that he understands that this really does not do anything for the City of Victorville, but to use Mr. Cox's comment hopefully it shows good faith. He would also like to comment on the statement made about one more thing coming up each week at each meeting. He said no one member entity is at fault for that. Each member entity has brought up things that they wanted to be looked at throughout this process and we have actually gotten through all of those one more things.

Chair Smith called for a Roll Call vote, which was taken by the Board Secretary with the following result:

Commissioner Rigney	Aye
Chair Smith	Aye
Commissioner Cabriales	Aye
Commissioner Allan	Aye

STAFF/PROFESSIONAL SERVICES REPORTS:

- 19. Public Relations Update – November 2009:** Ryan Orr reported that Passantino Andersen just finished the design on a new information brochure about VVWRA that we have been working on for some time. It is intended that this brochure will boost awareness of VVWRA and the importance and benefits of wastewater. We achieved press coverage of the CWEA awards that Manager Olds mentioned on the front page of the High Desert section and we are currently working on a new flyer for the Internship Program.
- 20. Financial and Investment Report – October 2009:** Accepted as submitted.
- 21. Customer Account Past Due Report – November 2009:** Accepted as submitted.
- 22. Operations and Maintenance Report/Performance Efficiencies – November 2009:** Accepted as submitted.

AGENDA ITEMS FOR FUTURE MEETINGS:

Contract Renewal – General Manager (January)

Resolution to Adopt April 2009 Flow Projection Study by RBF Consulting (January)

Approve Memorandum of Understanding with Old Dominion University for Algae to Biofuel Project (January)

Resolution 2009-28: Adopt Sewer System Management Plan (January)

Resolution 2009-14: Repayment of Interfund Loan/Adopt Repayment Policy

Presentation - Comprehensive Annual Financial Report (CAFR) (January 2010)

Receive & File Comprehensive Annual Financial Report (CAFR) (January 2010)

Passantino Andersen Communications Proposal for Public Relations Campaign (January 2010)

Reclaimed Water Fees (January)

FY 2009-10 Mid-Year Budget Review (February 2010)

Quarterly CIP Version 5c Implementation Update (June/September/December/March)

Resolution to Approve FY 2010-11 Budget (June 2010)

Resolution to Approve FY 2010-11 Holiday Calendar (June 2010)

Adopt Amended VVWRA Conflict of Interest Code (September 2010)

Amend and Adopt 2010 CEQA Guidelines (September 2010)

Interceptor Connection Requirements and Enforcement and Industrial Pretreatment Program

Upper and Lower Narrows Sonar Investigation of Sewer Interceptor

NEXT BOARD MEETING:

Thursday, January 21 - Regular Meeting of the Board of Commissioners

COMMISSIONER COMMENTS

Chair Smith said he would like to wish all staff and their families a Merry Christmas and Happy Holidays. Be safe and we will see you next year.

ADJOURNMENT

Upon returning from Closed Session, Piero Dallarda announced that there were no items to report from Closed Session.

Commissioner Allan made a motion to adjourn the meeting, which was seconded by Commissioner Cabriales and approved by unanimous voice vote.

APPROVAL:

DATE: 1/21/10
Approved by VVWRA Board

BY: 
Robert G. Sagona, Secretary
VVWRA Board of Commissioners