

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF COMMISSIONERS  
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY  
February 18, 2010**

**CALL TO ORDER:** Chair Thurston Smith called the meeting to order at 7:33 a.m. on February 18, 2010 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)**

**Bob Sagona  
Thurston Smith  
Jim Cox  
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  
Robert Coromina, Network Supervisor**

**Patricia Johnson, Secretary to the GM/Board  
Gilbert Perez, Director of Operations  
Chris Anthony, Construction Project Manager  
Melanie Mendez, Accounting Supervisor**

**Others Present:**

**Dennis Cron, Town of Apple Valley  
Sean McGlade, City of Victorville  
Frank Robinson, Town of Apple Valley  
Keith Luken, VVC Student  
William Keene, VVC Student  
Anthony Magnuco, VVC Student  
Brian Escalona, VVC Student  
Patrick Shields, VVC Student**

**Peter Allan, Town of Apple Valley  
Brian Johnson, City of Hesperia  
Amer Jakher, City of Victorville  
Clint Yates, VVC Student  
Angel Lewis, VVC Student  
Albertha Croken, VVC Student  
Ryan Orr, Passantino Andersen Communications**

**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 Sagona made a motion to enter into Closed Session at 7:33 a.m., which was seconded by Commissioner Cox and approved by unanimous voice vote.

## **REPORT FROM CLOSED SESSION**

Piero Dallarda reported that there were no items to report from Closed Session.

## **CALL TO ORDER & PLEDGE OF ALLEGIANCE**

### **REGULAR SESSION**

Chair Smith called the Regular Meeting to order at 9:03 a.m.

## **PUBLIC COMMENTS – REGULAR SESSION AGENDA**

Chair Smith asked if any member of the public would like to comment on the agenda. There were no comments made by a member of the public.

## **ANNOUNCEMENTS AND CORRESPONDENCE:**

### **3. Possible conflict of interest issues**

Manager Olds announced that he was not aware of any potential conflict of interest issues at this time.

### **4. Correspondence from Best Best & Krieger LLP: California State Water Resources**

**Control Board 2010 Governor's Budget:** Manager Olds reported that he is concerned about what is going to happen to the State Water Resources Control Board (SWRCB). We are going to face an additional increase in fees related to our NPDES Permit. More importantly, while only four percent of the SWRCB's income comes from General Fund, the staff reductions are across the board. So the State and the Regional Boards are having difficulty with their budgets and there may be additional time lags in their response to studies and requirements. He said he wanted to let the Commissioners know about the impending increase.

### **5. Income Tax Component of Contribution Change – New SCE Billing Invoice:**

Manager Olds reported that he is disappointed we received no advance knowledge of this unbudgeted expense of \$43,192 to be charged by Southern California Edison.

**6. Sewer Data Preliminary Analysis:** Manager Olds reported that this information was provided by Mojave Water Agency (MWA). He said if you look at the graphs provided, it talks about sewer versus non-sewered developments. He said he has taken a look at this and there are some inaccuracies presented. It almost seems to show individual septic tanks in particular areas and Hesperia's is the easiest to focus on. On the other side of the Mojave River on the southeast portion it shows sewer areas where there is definitely no sewer. MWA was questioning VVWRA on the accuracy of these maps. We will be working with them to provide our previous flow studies that show our service area

and maps. The reason they are doing this is that they are looking at return rates – at when our waters that are consumed in un-sewered areas will return to the water table below them.

**7. Draft Scope of Work – Salt/Nutrient Management Plan:** Manager Olds reported that Harold Singer, Executive Director for Lahontan, requested a meeting with him and Kirby Brill. When the SWRCB adopted the new recycled water regulations they gave some consideration to public agencies and municipalities that are interested in implementing reclaimed water projects. It basically says that we are going to make it a requirement for you to do this, however for your projects that are moving forward we will give you time and will not be overly stringent on the Permits. That is a simplification, but it is pretty accurate. Manager Olds said the TAC meeting was held the following day at the Mojave Water Agency and it was agreed upon that we would form a working group to move this project forward and address it. He said there is no cost currently associated with it and we will address those issues as they come.

**8. Request from the City of Adelanto to Pump Additional Effluent:** Manager Olds reported that due to the storm flows, the City of Adelanto requested the ability to send VVWRA an additional one-half million gallons per day until the end of business on February 10. They have now reverted back to regular flows, but he wanted to make the Board aware of this. Our highest recorded flow at the influent flow meter during the storm was 29.2 million gallons and the meter stops at 30 million gallons. We were able to handle it. Commissioner Rigney asked what the average flow is. Manager Olds said the average dry weather flow is about 12.3 MGD.

Manager Olds said he would like to make one final comment about an item in the handout folders. It is an article published in the Wastewater Professional magazine. This article talks about changes made at VVWRA. We did not submit the article stating that VVWRA had won the State award. That is now being determined. He said that Gilbert is setting up a tour on Friday morning for the State folks and he is sure it will go very well. VVWRA is one of the top three finalists in the State. There are usually 15 agencies that make it to that point and then they choose the top three. Manager Olds said we have made it to the final selection and this will be the second time we have made it to the finals.

#### **CONSENT CALENDAR:**

- 9. Approve the January 2010 Cash Disbursements Register (No. 0110)**
- 10. Approve the Minutes of the January 21, 2010 Regular Meeting and the January 25, 2010 Special Meeting**

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

#### **REPORTS & PRESENTATIONS:**

**11. FY 2009-10 Mid-Year Budget Review:** Angela Valles and Melanie Mendez provided a presentation on the mid-year 2010-11 budget review. Following the presentation, Commissioner Rigney said it was reported that the revenue was down for the Septage Receiving facility due to a lack of haulers. He asked if that means that all of the haulers are so busy they cannot pump there. Manager Olds said the issues with the Septage Receiving facility are that the facility must provide full cost recovery. We have determined a price point to achieve full cost recovery at just under \$0.10 per gallon which actually exceeds the cost of other facilities around. In this tight economy, drivers are frequently using other facilities such as Barstow where tipping fees are less. When gasoline and diesel was up over \$4.00 per gallon, VVWRA's income was higher because the haulers used our facility instead of paying the high gasoline prices. VVWRA has instituted a new policy where the haulers are required to put a deposit down because we had too many payment delinquencies and there are significant dollars owed to VVWRA by the septage haulers. The majority of income that occurred before was primarily due to transfers of property ownership, which have decreased. Each time a property is transferred, the septage tank must be pumped out. Commissioner Sagona said every time there is a sale of a home the tanks are pumped.

Chair Smith said he would like to see a revenue comparison back to 2007. Manager Olds said he would be happy to provide that to the Commissioners. Revenue has dropped dramatically, which skews the comparison chart. In 2007, \$12 million was budgeted and it came in at about \$8 million. For the next fiscal year, he intends to budget no more than \$1 million.

#### **ACTION & DISCUSSION ITEMS:**

**12. Resolution 2010-3: A Resolution of the Victor Valley Wastewater Reclamation Authority to Adopt an Amended and Restated Joint Powers Agreement:** Manager Olds reported that the members working on the revised agreement are in the room today and he would defer to them. However the request has been made to not adopt Resolution 2010-3 and to defer the final version back to the respective member agencies for adoption. The materials provided in the agenda package do not include the final version because it was not received from the City of Victorville until after the agenda packages had been distributed. Therefore, the final version has been provided to the Commissioners in their handout folders and this is the version that is intended to go back to the member agencies for approval.

Commissioner Smith made a motion to forward the final version of the Joint Powers Agreement to the member agencies for approval before it comes back to this Board, which was seconded by Commissioner Cox and approved by unanimous voice vote.

Commissioner Rigney asked if we are looking at a timeframe to return the approved JPA document. Commissioner Sagona said the earliest possible date this could go before the Town Council for consideration is the second Tuesday in March. Piero said the Commissioners may also want to consider that there are two Exhibits that are supposed to be attached to the Joint Powers Agreement as it has been forwarded. Those Exhibits are not there so you may want to talk to your staff to figure out when those Exhibits are going to be there because those Exhibits are very important in terms of your analysis for your member entities. Chair Smith asked Piero when the Exhibits will be available. Piero said he

does not know because that is not something we have been handling. The member agencies have been working on that individually. The Exhibits consist of two subareas A and B. One is an area that dedicates flow to VVWRA and the other is a subarea that provides that the member entities can serve separately and calculate their own flows. He said he is not sure when those Exhibits will be prepared. Sean said the City of Victorville's Exhibit is ready and he would coordinate with the other entities to get their Exhibits and pull it all together. Piero said he is unsure of the status of each entity's Exhibits and his concern is that the member entities will not have the full JPA agreement to agree to without those Exhibits.

It was the consensus of the Board that Sean McGlade of the City of Victorville will coordinate obtaining the necessary Exhibits from each member agency.

**13. Resolution 2010-4: A Resolution of the Victor Valley Wastewater Reclamation Authority to Approve a Sludge Management Agreement between VVWRA and City of Victorville:** Piero said the Sludge Agreement was already approved pending the approval of the Joint Powers Agreement so he is not aware of any action that needs to be taken on this item.

**14. Recommendation to Revise FY 2009-10 Budget: Manager Olds reported that he recommends revising the 2009-10 Budget:** Manager Olds said this item is for the Commissioners to consider revising the FY 2009-10 budget to reflect a decrease in the Repair & Replacement budget of \$126,138.02 and an increase in the Operations & Maintenance budget of \$133,738.02 and an increase in the Capital Outlay budget of \$6,400.00. Chair Smith said once again we have no comparison data for these numbers. Manager Olds said perhaps we gave a little too much detail because the background you are requesting is listed on pages 2 and 3 of the staff recommendation and is specific to those accounts. Perhaps we should have presented the information by group showing what dollars are proposed to go where. Manager Olds said we can simplify it and provide the information at the next Board meeting.

Commissioner Sagona made a motion to approve the recommendation to revise the FY 2009-10 Budget, which was seconded by Commissioner Cox and approved by unanimous voice vote.

**15. Recommendation to Request Construction Bids for Metering Stations Repairs:** Manager Olds reported that this is something that is done on an annual basis. Last year we started with the worst four and this year we will do the second worst four. Chair Smith asked if any preference will be given for local bidders in the valley. Manager Olds said yes. Oddly enough, there was only one bidder last year and that bidder was from the High Desert.

Commissioner Sagona made a motion to approve the recommendation to request construction bids for metering stations repairs, which was seconded by Chair Smith and approved by unanimous voice vote.

**16. Proposal from Passantino Andersen Communications for Public Relations Campaign:** Manager Olds reported that this item is related to the Public Relations campaign pertaining to the subregionals to be located in the Town of Apple of Valley and the City of Hesperia to ensure that the decisions that are made are with the consent and buy-in of the members of those communities. The Scope of Work was presented to those two specific member agencies to be sure it is believed it will meet

and address their specific concerns. Manager Olds announced that Mr. Ryan Orr was present to answer any questions.

Chair Smith made a motion to approve the proposal from Passantino Andersen Communications for a public relations campaign, which was seconded by Commissioner Sagona and approved by unanimous voice vote.

**17. Request from the Lewis Center Regarding Floating Islands Planted with Native Vegetation to Enhance Habitat for an Endangered Fish, the Mojave Tui Chub:** Manager Olds reported that he received a request from an instructor at the Lewis Center, Mr. Matthew Huffine. His letter indicates that the students want to do a project using a floating island on the pond on their property to measure water quality data to determine how the floating island will impact it. As the Commissioners are aware, the Lahontan Regional Board required us in February 2008 to address the nitrate issue in the ground waters below our facility. We have been conducting a multi-year study to answer those questions and there is a possibility with the submittal of that document that we may be required to do some kind of pump and treat system. He said the least cost option that he has identified is essentially to remove the ground waters below our percolation ponds, put it into our percolation ponds and use a natural process to remove the nitrate and just allow it to percolate back in rather than putting that water back through the treatment plant. This technology may assist us in that effort. The Lewis Center's total project cost is approximately \$5,000. The Mojave Water Agency (MWA) has indicated their support, but has not indicated the dollar amount of their support. This would be an unbudgeted expense, but they are willing to collect nitrogen data for VVWRA. There is a potential that this project could help us in the future.

Manager Olds said he recommends that the Commissioners consider no more than \$2,000 as a contribution amount. Commissioner Sagona asked if the Board would consider \$2,500 so that it would be more palatable for the Mojave Water Agency to come in with the other half.

Commissioner Sagona made a motion to approve a contribution to the Lewis Center for the floating islands project in an amount not to exceed \$2,500.00, which was seconded by Commissioner Cox and approved by unanimous voice vote.

#### **STAFF/PROFESSIONAL SERVICES REPORTS:**

**18. Public Relations Update - Final Report from Passantino Andersen Communications:** Accepted as submitted. Ryan Orr provided a brief summary of the final report and overview of Passantino & Andersen's activities for VVWRA that were accomplished over the past year that was provided in the agenda package. Ryan also provided a brief overview of the activities to be performed during 2010 for the subregional outreach effort.

**19. Financial and Investment Report – December 2009:** Accepted as submitted. Manager Olds reported that this and all other staff reports are provided for the information of the Commissioners. He provided a brief overview of the report contents. Chair Smith said he would also like to see a prior year comparison for bonds. Manager Olds said our accounts are not necessarily structured in that way. The accounts that are structured are the O & M Reserve and R & R Reserve. The hold for bonds is the

amount that was recommended by our financial consultants to have available as a back stop to get a better bond rating.

**20. Customer Account Past Due Report – January 2010:** Accepted as submitted.

**21. Operations and Maintenance Report/Performance Efficiencies – January 2010:** Accepted as submitted.

**22. Pretreatment and Interceptor Cleaning and Inspection Reports – January 2010:** Accepted as submitted. Manager Olds reported that several excursions were experience during the recent rains on the Hesperia Interceptor. He said we should anticipate receiving a letter from Lahontan. The situation is being proactively addressed, but we believe that based on the overflows that were experienced Lahontan will be contacting us.

Commissioner Cox asked if the manhole lids have any identification on them. Manager Olds said they actually do say VVWRA. A form has been created by staff and provided to the local metal recyclers. They get about \$10 each for a manhole lid and the lids cost us \$100 each. When VVWRA manhole lids are stolen, they are being replaced with locking lids.

**23. Septage Receiving Facility Reports – January 2010:** Accepted as submitted.

**AGENDA ITEMS FOR FUTURE MEETINGS:**

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

**Resolution 2010-2: Adopt a Sewer System Management Plan (March)**

**Prior Board Actions Relating to Subregional Water Reclamation Plants**

**Resolution to Amend Surplus Property List (March)**

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

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

**Update on GE/Zenon Agreement**

**Adopt Amended VVWRA Conflict of Interest Code (September)**

**Amend and Adopt 2010 CEQA Guidelines (September)**

**Interceptor Connection Requirements and Enforcement and Industrial Pretreatment Program**

**Upper and Lower Narrows Sonar Investigation of Sewer Interceptor**

## **NEXT BOARD MEETING:**

**Thursday, March 18, 2010 - Regular Meeting of the Board of Commissioners**

## **COMMISSIONER COMMENTS**

Commissioner Rigney said he had a question relating to Item 16 that was already approved. He said he apologizes for not asking it earlier, but the question came to mind during Ryan's presentation. Piero advised that the action that was taken cannot be changed, but a question may be asked. Commissioner Rigney asked what it is we hope to get out of this and if it is because of the public perception of using water that was once sewage for something else and trying to get the public over that mindset. He asked, "What is it at the end of all this that we will have or be able to do"? Manager Olds said the goal here is to hold the public meetings prior to the time the VVWRA Board approves construction of those projects so that citizens do not try to derail the project. He said he just learned yesterday from the Mojave Water Agency that they did not perform any local outreach activities for one of their projects and as a result of that there was a strong contingent of people who objected and it derailed the project. MWA had to choose another location and then redesign the project. Due to the nature of the waste stream you are treating, it brings to mind various concerns and we want to very carefully address those concerns through education and outreach. In order to address those concerns, we have to know what the concerns are. By going into the communities and conducting the focus groups, we can do that. When we did the focus groups last time, Passantino & Andersen was hired to help VVWRA and the member entities go through the last rate adjustment. We were able to target our messages and educate the public. The same goals are in mind for this effort, but we are focusing on facilities in specific neighborhoods. Ryan said we will canvas neighborhoods over the next six to nine months. Commissioner Sagona said it is all about education. At one time, people had no idea what the Mojave Water Agency was. MWA has made tremendous strides. Many people still do not know that VVWRA exists.

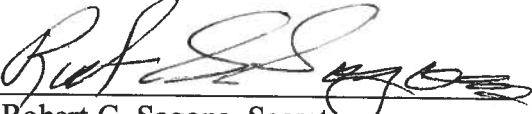
Manager Olds said the focus groups for the user rate increase consisted of one older group and one younger group. The older group was very concerned and the type of language they used was very forceful as the messaging was being discussed with them. He said he likes walking into a difficult room. They made their comments and he felt it was important to come in and educate them. He said he explained what we were trying to do, why it was important and what those dollars would be used for. After his presentation which was completely off the cuff, they had changed their opinion and were actually willing to move forward with the proposals. That was at a time when we were considering fee adjustments of 40 or 50 percent higher than what was actually implemented. Commissioner Sagona said it is so important.

## **ADJOURNMENT**

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

**APPROVAL:**

**DATE:** 3/18/10  
Approved by VVWRA Board

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