

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

**CALL TO ORDER:** Chair Thurston Smith called the meeting to order at 7:31 a.m. on March 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  
Rudy Cabriales  
Jeff Rigney**

**VVWRA Staff and Legal Counsel:**

**Logan Olds, General Manager  
Piero Dallarda, Legal Counsel (BB&K)  
Chris Anthony, Construction Project Manager  
Linda Ellsworth, Management Tech to GM  
Robert Coromina, Network Supervisor**

**Patricia Johnson, Secretary to the GM/Board  
Gilbert Perez, Director of Operations  
Melanie Mendez, Accounting Supervisor  
Marce Delaney, Pretreatment Supervisor**

**Others Present:**

**Jim Cox, City of Victorville  
Sean McGlade, City of Victorville  
David Mueller, High Desert Politics.com  
Keith Lueken, VVC Student  
Pernell Nelson VVC Student  
Deborah Grace, VVC Student  
Krista Cacace, VVC Student  
Alejandro Orozco, VVC Student  
Pat Shields, VVC Student**

**Lisa Davis, VVC Student  
Brian Johnson, City of Hesperia  
Joe Flores, City of Victorville  
William Keene, VVC Student  
Walter Murphy, VVC Student  
Ken Smith, VVC Student  
Karen Patterson, VVC Student  
Clint Yates, VVC Student  
Albertha Crockan, VVC Student**

**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 Allan 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 announced that there was nothing to report except that one agenda item has been continued until after open session has been completed.

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

Chair Smith called upon Commissioner Allan of the Town of Apple Valley to lead the Pledge of Allegiance.

## **REGULAR SESSION**

Chair Smith called the Regular Meeting to order at 9:07 a.m.

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

Chair Smith announced that he received a speaker request card from David Mueller. David Mueller said he would like to comment on Item 12, the billing for reclaimed water. He said he noticed in the agenda packet that there is a recommendation from Accounting Supervisor Melanie Mendez to approve SCLA reclaimed water transactions. It is stated in the letter that VVWRA owes Victorville \$280,000 for a portion of its pipeline and the City of Victorville owes VVWRA due to billing errors \$65,000. There was a change or second amended agreement to the August 23, 2005 reclaimed water agreement with the City of Victorville to sell reclaimed water at \$35 per acre foot for the first five years which ends now and then the price would be restated. He said his question is why the Authority is subsidizing Victorville's costs when the Mojave Water Agency just changed their rate to replace water to \$410 per acre foot. David said this is an issue that needs to be addressed. He said it is a lot cheaper to get water at \$35 per acre foot. The thought in his mind was that the current VV1 power plant uses State Water Project Water, but if it is converted to reclaimed water the whole area subsidizes that plant.

## **ANNOUNCEMENTS AND CORRESPONDENCE:**

**3. Possible conflict of interest issues:** Manager Olds reported that he was not aware of any conflicts on the agenda.

**4. Senate Bill 2X7 – New Water Bond Legislation:** Manager Olds reported that a write-up was provided by Best Best & Krieger on the new water bond legislation. As the Commissioners are aware, we are currently in design of two subregional facilities and it is anticipated that all design documents will be completed as well as the environmental and all necessary planning and design so that our projects may meet the criteria to receive some of the \$1 Billion that is supposedly going to go toward reclaimed water projects.

**5. Letter of Response from the Town of Apple Valley to Hometown Communities**

**Regarding Los Ranchos Mobile Home Park:** Manager Olds reported that there has been an issue with a mobile home park located in the Town of Apple Valley that has had capacity and odor problems with its wastewater treatment system. He said the mobile home park has been investigated by the Lahontan Regional Board and there have been discussions between the Regional Board, Home Town Communities, and the Town of Apple Valley such that they may be interested in connecting to VVWRA. Manager Olds said he wanted to make the Commissioners aware that this was going on in the background and he does not yet know the final conclusion. He said they are interested in pursuing an SRF Loan for that connection. VVWRA would not be the lead on that it would be the Town of Apple Valley. Manager Olds said there are roughly 400 residences in the mobile home park that generate approximately 100,000 gallons per day.

**6. Renewable Energy Recovery Opportunities from Domestic Wastewater - White Paper:**

Manager Olds reported that the Commissioners were recently presented with an opportunity to recover energy at the treatment facility and reduce our long-term utility costs through a fuel cell project. The document now before the Commissioners is from the National Association of Clean Water Agencies, which is a very well-respected organization. The document talks about recovering energy at facilities and how that works. The fuel cell project is one in which we need to pursue once our other issues calm down. The opportunity to save our ratepayers approximately \$12 million over the term is important to consider.

**7. Letter to John Morales of the Lahontan Region California Regional Water Quality**

**Control Board Regarding Two Sanitary Sewer Overflows:** Manager Olds reported that VVWRA experienced several overflows on the I Avenue interceptor in the City of Hesperia and this letter is our response to the Regional Board regarding those overflows.

**CONSENT CALENDAR:**

**8. Approve the February 2010 Cash Disbursements Register (No. 0210)**

Chair Smith said he had a question regarding the cash disbursements. He said on the first page there is a fuel pump listed twice. Manager Olds asked Gilbert Perez if he was aware of those expenses. Gilbert said a vehicle broke down in Victorville and it had to be towed and the fuel pump had to be replaced. Chair Smith said \$900 for a fuel pump and towing seems high. Gilbert said yes it does seem high and he will follow-up on that.

**9. Approve the Minutes of the February 18, 2010 Regular Meeting**

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

**ACTION & DISCUSSION ITEMS:**

**10. Status of the Final Version of the Amended and Restated Joint Powers Agreement and the Sludge Management Agreement between VVWRA and City of Victorville:** Manager Olds reported that he leaves this on the agenda for the Commissioners to discuss as they will. There was no discussion by the Commissioners.

**11. Recommendation to Purchase the City of Victorville's Vactor Truck:** Manager Olds reported that the City of Victorville approached us about purchasing one of their vactor trucks that they are no longer using. This vehicle predates the new diesel retrofitting law, so in order to obtain the vehicle we would first have to pay for the retrofits. As the Commissioners are aware, we frequently use the vactor services of our member agencies to help us with our housekeeping items at the wastewater treatment plant. As described in the staff recommendation, there are a number of areas where we could use this equipment at this facility. We currently have a very small truck that has a three-inch hose that is difficult to use. We would like to purchase this vehicle from the City of Victorville, make the required changes by the California Air Resources Control Board (CARB), and be able to utilize it onsite and at our Apple Valley lift station. Gilbert said we are currently paying \$28,000 per year to hire someone to come out to Apple Valley. It can also be used at all other pump stations in Hesperia, Apple Valley, Victorville, and the County Service areas. Piero said unfortunately no one knows what CARB is going to require in the future, but the retrofit would certainly comply with the existing regulations. He said he believes those regulations are for heavy diesel trucks over 4,000 pounds gross weight so obviously the heavy truck rules would apply that went into effect in 2006. There are no new rules right now so we would be complying with existing regulations. Commissioner Rigney Jeff asked if the cost of the retrofit was stated in the recommendation. Manager Olds said yes, the cost is \$42,000 to \$43,000. Gilbert said we are paying for the retrofit and then paying \$1.00 to purchase the vehicle from the City of Victorville. The next step would be to issue a Letter of Intent if the Board authorizes us to proceed.

Commissioner Allan made a motion to approve the recommendation to purchase a used Vactor Truck from the City of Victorville after it has been retrofitted to comply with CARB regulations at a cost not to exceed \$43,001.00, which was seconded by Commissioner Rigney and approved by voice vote. Commissioner Cox abstained from the vote.

**12. Billing for Reclaimed Water:** Manager Olds reported that he received a request from the City of Victorville to table this item because apparently there are still some outstanding questions regarding the item. He would like to request that the Commissioners rehear this item in April. Chair Smith called for a motion to table item 12.

Commissioner Cox asked if the total cost of the reclaimed water was shown anywhere on the backup documents. Manager Olds said there is another worksheet that covers the total cost of the pumping, etc. He said there are different ways to calculate what it actually costs VVWRA to produce the water that have been discussed with the member agencies, but the contract says pumping costs to operate and maintain the pumping station plus the \$35 per acre foot. He said he thinks the total cost is approximately \$140 or \$150 per acre foot. Melanie said and then the cost of Capital recovery is on top of that.

Commissioner Allan made a motion to table Item 12 until April 15, 2010, which was seconded by Commissioner Cox and approved by unanimous voice vote.

**13. Recommendation to Declare the Facility Propane System as Surplus Property; Resolution 2010-5: Amend List of Surplus Property Established Under Resolution 2006-10:** Manager Olds reported that VVWRA has a propane system onsite and that there was fire to the control mechanisms that basically destroyed it. We do not need the propane backup because we have backup generators so this system was redundant. This fire occurred in 2006 or 2007 and we have about 10,000 gallons of propane sitting onsite and the propane system has no current value. We would like to sell the propane and get rid of the system. Chair Smith asked if this would be done by auction or a junkyard. Manager Olds said we have done both in the past. The previous surplus property Resolutions were provided in the agenda package to give a historical reference of how we do this. This allows us to clean up the area and dispose of the items designated in Exhibit B.

Commissioner Allan made a motion to approve Resolution 2010-5 to amend the list of surplus equipment in Exhibit B, which was seconded by Commissioner Cox and approved by unanimous voice vote.

**14. Recommendation for Easement Acquisition Services by Cornerstone Right of Way LLC For Santa Fe Avenue Interceptor:** Manager Olds reported that this item pertains to the eventual construction of the Santa Fe relief interceptor on I Avenue. He said we are prepared to move forward with acquisition of the easement for the sewer line. This is at the location near Bear Valley Road where the railroad tracks are and we need to negotiate terms with the property owner. The firm that is recommended is one we have used for easement acquisition services in the past. The cost is for surveying and identifying the cost of the property and having those initial discussions with the property owner. The scope of work is provided on pages 14-4 and 14-5 of the agenda package.

Chair Smith made a motion to approve the recommendation for easement acquisition services by Cornerstone Right of Way LLC, which was seconded by Commissioner Allan and approved by unanimous voice vote.

**15. Recommendation for Aeration Improvements:** Manager Olds reported that there have been some difficulties with our aeration system and Gilbert will explain those. Gilbert reported that there is an ongoing problem with the new blower building relating to the engines that were installed in the 18 MGD expansion. He said we cannot meet the regulations because the engine is oversized. Chair Smith said we have to kick up the revolutions per minutes (rpms). Chris said they run at 1,800 rpms and we have to increase the loading. They are currently producing just enough air to run the bays. Gilbert said we do heat recovery to the anaerobic digesters by aerating the basin and then transferring the heat. We have had to bypass some of the digesters to our sludge lagoons. With the recommended aeration improvements, we can meet AQMD regulations.

Manager Olds said there are two additional points he would like to make. The reason why the loading is so much lower is because we have improved the efficiency of the plant performance so greatly that it is simply not needed. So the original numbers that were used in 2005 to design the loadings are no longer accurate. The second point is that these engines currently run purely on natural gas. Because of the AQMD regulations and the dirtiness of our biogas, we are not able to run them on the methane gas we

produce onsite. Even at the engine's lowest load, there is a bleed off. About 30 percent of the air they produce is just being vented to the atmosphere. Manager Olds said that concerns him because we are paying for natural gas to run these engines at their lowest point possible, but are still having to vent to the atmosphere so that is a waste. Through this interconnection we will increase the loading on these engines and decrease the loading on the other engines and it should balance out give us the additional benefit of heat recovery. Gilbert said that RBF Consulting looked at the engines and recommended these improvements. If we do not do something, the next step will be to install boilers. We are hoping that this recommendation will eliminate the use of boilers in the future. Commissioner Rigney asked what it would cost to install a boiler. Manager Olds said it would cost \$200,000 to install one if we had to go that route. Gilbert said the recommended improvement is relatively inexpensive in comparison. The new blower building is in the right location and we are only going 80 feet. Commissioner Rigney asked if this will take care of the issue if it works. Gilbert said if this works, it will take care of the issue.

Commissioner Cabriales made a motion to approve the recommendation for aeration improvements, which was seconded by Commissioner Rigney and approved by unanimous voice vote.

**16. Resolution 2010-6: Amend Language in Resolution 2009-27 to Replace "loan/grant" with "financial assistance" per Direction from the State Water Resources Control Board:** Manager Olds reported that we are in the final stages of our State Revolving Fund loan. Apparently, the Division of Financial Assistance changed the terminology that they use and the Resolution needs to be amended to replace loan/grant with financial assistance and that is the only change. He said it is his understanding that this change was requested so it allowed the State more flexibility in giving grants and loans to agencies as a result of ARRA monies. Piero said the State Water Resources Control Board wanted a Resolution from VVWRA. A Resolution was provided and then they came back to us saying they would prefer different wording in the Resolution to open up more opportunities for both parties. The Commissioners would need to approve Resolution 2010-6 to amend Resolution 2009-27 to change the terms as requested by the State.

Commissioner Rigney made a motion to approve Resolution 2010-6 to amend Resolution 2009-27 at the request of the State Water Resources Control Board, which was seconded by Commissioner Allan and approved by unanimous voice vote.

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

**17. Financial and Investment Report – January 2010:** Accepted as submitted.

**18. Operations and Maintenance Report/Performance Efficiencies – February 2010:** Accepted as submitted.

**19. Pretreatment and Interceptor Cleaning and Inspection Reports – February 2010:** Accepted as submitted.

**20. Septage Receiving Facility Reports – February 2010:** Accepted as submitted.

**AGENDA ITEMS FOR FUTURE MEETINGS:**

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

**Interfund Loan Review (April)**

**Subregional Outreach Update (April)**

**Presentation: FY 2010-11 Budget (May)**

**Presentation: Sanitary Sewer Master Plan, Modeling and Condition Assessment (May)**

**Resolution 2010-2: Adopt a Sewer Master Plan, Modeling and Condition Assessment  
Prepared by RBF Consulting dated August 2009 (June)**

**Past Board Actions Relating to VVWRA Subregional Water Reclamation Plants (June)**

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

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

**Update on GE/Zenon Agreement**

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

**Resolution to 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, April 15, 2010 - Regular Meeting of the Board of Commissioners**

**COMMISSIONER COMMENTS**

Chair Smith announced that the October Board meeting that is scheduled on October 21 is in conflict with the High Desert Opportunity event and we many want to move that Board meeting.

**ADJOURNMENT**

Chair Smith called for a motion to adjourn the Regular meeting and return to closed Session. Commissioner Allan made a motion to adjourn the regular to meeting and reenter into Closed Session, which was seconded by Commissioner Cabriaes and approved by unanimous voice vote.

Piero announced that if there is anything to report after Closed Session it will be reported in open session.

Manager Olds asked all students who were in attendance at the meeting to make sure that Pat Johnson had their name to ensure they receive class credit.

**APPROVAL:**

DATE: 4/15/10  
Approved by VVWRA Board

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