

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS
VICTOR VALLEY WASTEWATER RECLAMATION AUTHORITY
January 27, 2011**

CALL TO ORDER: Vice Chair Scott Nassif called the meeting to order at 1:07 p.m. on January 27, 2011 in Room 146 at the VVWRA Administrative Offices, located at 15776 Main Street, Hesperia, California, with the following members present:

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

**Jeff Rigney, Chair
Scott Nassif, Vice Chair
Jim Cox, Secretary
Thurston Smith, Treasurer**

VVWRA Staff and Legal Counsel:

**Logan Olds, General Manager
Piero Dallarda, Legal Counsel (BB&K)
Chieko Keagy, Accounting Supervisor
Robert Coromina, Network Supervisor**

**Patricia Johnson, Secretary to the GM/Board
Gilbert Perez, Director of Operations
Angela Valles, Director of Admin. Services
Ryan Orr, Public Information Officer**

Others Present:

**Amer Jakher, City of Victorville
Sean McGlade, City of Victorville
Bob Sagona, Former Board Commissioner
Kevin Schmidt, RBF Consulting
Mike Fleury, Carollo Engineers
David Mueller, High Desert Politics
Ruth Hinojosa, Intern
Jorge Felix, Intern**

**Dennis Cron, Town of Apple Valley
Tom Dodson, Dodson and Associates
Ed Pack, Former Board Commissioner
Frank Robinson, Town of Apple Valley
Jim Hagstrom, Carollo Engineers
Tom Piper, Resident
Victor Reid, Intern
Robert Townsend, Intern**

REGULAR SESSION

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Alternate Chair Nassif announced that he was filling in for Chair Rigney who is running a little late for the meeting due to traffic. He asked all attendees to make sure their cell phones are either turned off or set on vibrate.

PUBLIC COMMENTS – REGULAR SESSION AGENDA

Chair Nassif announced that one Speaker Request card was received from David Mueller.

David Mueller of High Desert Politics said he hopes there will be a report on the condition of the pipe today and that whatever has happened does not offset the water reclamation plants in Hesperia and Apple Valley. It is an important project that both Hesperia and Apple Valley need to have done soon because water is a major issue and we need that water. Chair Nassif said he concurred with that comment.

ANNOUNCEMENTS AND CORRESPONDENCE:

1. Possible conflict of interest issues

Manager Olds said he was not aware of any conflict of interest issues on today's agenda.

CONSENT CALENDAR:

2. Resolution 2011-1: Resolution of Appreciation to Robert G. Sagona

3. Resolution 2011-3: Resolution of Appreciation to Edwin Pack

4. Approve the December 2010 Cash Disbursements Register (No. 1210)

5. Approve the Minutes of the December 16, 2010 Regular Meeting and January 7, 2011 Special Meeting

Vice Chair Nassif called for a motion. Commissioner Smith said he would like to make a motion to approve the consent calendar, but he would like to let the public know that he has asked questions of staff on Item 4. If he sees any discrepancies he will bring them up at the next meeting. Commissioner Cox said he will second the motion, but he questioned the \$91,000 expense to Southern California Edison (SCE) for the relocation of a power pole under Item 4. Manager Olds said isn't that incredible? It is necessary for the Santa Fe interceptor project to move an SCE transmission pole about 40 feet to enable our line to make a straight path. He said he nearly choked when he saw that amount. He asked John Leveillee of the City of Hesperia to determine if it was a legitimate expense. It was determined that the cost for the relocation of a normal line is \$60,000 and the cost to relocate a transmission line is \$90,000. It has taken 1 ½ to 2 years working with SCE to get the pole relocated and he just received an email from the person in charge at SCE, who said that there will be another delay due to their own internal environmental review. Manager Olds said when he offered to provide all of VVWRA's environmental documentation to SCE, he was told it would not assist them and that they were fine on their own.

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

Manager Olds asked the Commissioners if they would like to wait for Chair Rigney to arrive before the presentation under Item 6 is given. Chair Nassif said he would prefer to wait. Manager Olds asked if the

Commissioners would consider hearing a 10-minute update on what has occurred on some of the other emergencies we are dealing with until Chair Rigney arrives. It was the consensus of the Commissioners to receive a project update from Manager Olds prior to the presentation by Carollo Engineers.

Manager Olds reported that the Upper Narrows emergency is by far the most significant. At this time, we have three sites. Site 1 is Kemper-Campbell, Site 2 is the Lewis Center pump station, and Site 3 is the discharge location at manhole 5-1. Those sites are manned 24 hours a day seven days a week because of the need to constantly vary the speed of the pump. We are using the interceptor as a wetwell in each of those locations, which is working out well so far. We have had some odor complaints in Apple Valley due to using the area as a reservoir. We have not had any flow issues or backups. The Upper Narrows is now in a maintenance mode.

Manager Olds reported that the State Water Quality Control Board sent a letter indicating what monitoring was required. We have now stopped doing the majority of the monitoring because we were able to show that we had three consecutive days without exceedance of limitations for all constituents except coliform. We are continuing our testing efforts for coliform. Prior to Monday of this week, our daily expense for the laboratory testing required by Lahontan was close to \$14,000. That amount does not include staff for the sampling or the consultant's time to review the data. At this time, we are spending \$100,000 per week for testing and maintaining the facilities. After Monday, our expenses should be dropping to about \$30,000 per week going forward. Last night, President Obama declared San Bernardino a Federal Emergency Disaster Area, which is good news for us. We are now in a position where qualifying expenses will be paid at 75 percent. With the declaration, it goes to 87 percent. He said it is his understanding that if the State makes a further declaration, our liability comes out to 6.25 percent. He has also learned that there is a possibility that the expense to do the temporary solution may be covered 100 percent. He still anticipates bidding the Santa Fe Interceptor project in March and he will have to provide proof to those who would bid the projects that we will be reimbursed for those various projects. On Monday, we will start addressing the problems in the Lower Narrows, which includes removing the 32-ton boulder that is sitting on our 36-inch pipeline. We have the equipment and the contractor now in place. He said he did not want to rush in there and tackle that problem before we had all of the resources in place. The Lower Narrows bypass would be more expensive and would be two miles in length. The pipe cost is \$700,000 and several pumps will be needed. If everything goes correctly, it will cost less than \$300,000. If not, it could be as high as \$3,000,000.

Manager Olds said the issue at the Lower Narrows is at Rockview Nature Park. The City of Victorville has been very cooperative and we now have a key to the Park's gate. As a photograph of the boulder was distributed to the Commissioners, Manager Olds said we will drill into the boulder carefully. The rock fell when the sand was eroded and then the boulder settled onto the pipe. There is an equally significant rock slide upstream that is pressing against our pipe. For that one, we have to cherry pick the rocks and boulders out and then do the repair. The storm was so significant that we lost 6 to 10 feet of riverbed. This is the problem with putting pipelines into rivers. In 1994, this same thing occurred in the Lower Narrows. It is a stronger pipe because it is steel and it is anchored, but they call it the Rockview Nature Park for a reason and someday that line could be breached. The Upper Narrows interceptor carries all of the flow for Apple Valley, all flow for Spring Valley Lake, all flow for Hesperia and flow for the City of Victorville roughly between the I-15 and the river.

Manager Olds said the Emergency Declaration that he sent out yesterday morning is why he is not dressed in a suit today. He distributed a photo of the interior of a pipe that showed something protruding into the pipe. On the design drawings, it says that this is vitrified clay pipe. The as-built drawings say it is clay pipe. What is shown in the photo is very unusual for clay pipe. To know that it is clay pipe causes a high level of anxiety because that section of damaged pipe runs dead center under CEMEX and three rail lines. The first thing we had to do was confirm what the material of the pipe was. We hired a contractor to excavate that pipe and what we found was that there had been a transition from clay to steel pipe, but it was not indicated on the as-built drawings. This explains why what was shown in the photo did not make sense. If it had been steel pipe with a coating, it would have made sense. After determining what type of pipe it is, an engineer from Carollo is now doing an ultrasonic test to determine the thickness of the pipe. This will tell us how big of an emergency it actually is.

Manager Olds said the red line on the drawing he distributed shows what we are likely to build as another bypass pipeline that will handle our flows so we can go in and clean out that pipe and re-coat it. He said he has no idea why, but there is no sleeve on the pipe. Usually when there is sensitive infrastructure there is a sleeve which is another big pipe that allows you to run your pipe through it and then fill the annular space with concrete. What we have here is just a steel pipe. Our options are to fix the existing pipe or to replace it, dig another hole, put in a sleeve and then put in a new pipe. Commissioner Smith asked how long ago the pipe was installed under the rails. Manager Olds said once he gets more information he will send an email to the Commissioners.

Commissioner Cox asked Manager Olds if he needs to go to the Board for anything. Manager Olds said he has the authority to fix it, but it is a matter of whether the Board wants to permanently fix this now or wait until there is a breach. This is why he wanted to televise the lines in that section of the interceptor for the past four years. We have a lot of issues with manholes at the Mojave Narrows Park, which we will address, but the pipe looks really good. Overall, we are really lucky. Chair Rigney asked how this was found. Manager Olds said the Board authorized him in December to televise the lines and that is how it was found. He asked if the Board had a preference to install a sleeve or just do a repair. Manager Olds said the best fix is the installation of a sleeve. Commissioner Smith said you are talking about building a 40-inch pipe and inserting it over the 36 inch pipe. Manager Olds said that is correct. After brief discussion, it was the consensus of the Commissioners to direct the General Manager to build a pipe sleeve. Manager Olds thanked the Board for providing their direction and said this will simplify the process for him. He announced that the other emergency at the Detention Center that he emailed the Commissioners about this morning has already been repaired.

Manager Olds said this gets you up to speed on all of the major damage issues. There are still about six minor issues here and there that we will be working on. Commissioner Smith asked Manager Olds to describe how the large boulder will be removed from the river. Manager Olds said we will remove chunks of the rock and it takes 24 hours for the expanding grout to cure. We do not want to split the boulder in half, so we will do it gradually and remove small sections at a time until it is small enough to pick up and relocate. A photograph was shown to each Commissioner depicting Mike Fleury of Carollo Engineers, who is six-foot tall, standing next to the boulder that is resting upon the sewer line.

Upon arrival of Chair Rigney, Commissioner Nassif said the meeting is now turned back over to the Chair who has arrived. He informed Chair Rigney that Item 6 was delayed until his arrival. Chair Rigney apologized for being caught in traffic.

REPORTS & PRESENTATIONS:

6. Presentation: Upper Narrows Repair Options by Carollo Engineers and RBF Consulting: Jim Hagstrom of Carollo Engineers said he is the Project Manager for this project and he appreciates the opportunity to share the work they have done for VVWRA. On January 10, Manager Olds called to ask if we would help him develop some concepts for solutions. We tried to quickly give pertinent information that we believed necessary for the Board to focus on these options. The timing it would take to implement the option, the advantages and disadvantages, and the Capital costs. Jim said he will now turn the presentation over to Mike Fleury who will talk about the options and then Mike will turn it over to Kevin Schmidt of RBF Consulting. Jim said we are here today to answer all of your questions.

Commissioner Smith asked if FEMA will cover any of the cost. Manager Olds said yes, he has spoken to consultants over the past two days and from what he has learned they will cover a portion. In this particular instance, FEMA does not like to put pipe back into locations where it is likely to fail again. So for the situation in the Lower Narrows where the big boulder is sitting on the pipe, there is something called Article 406 or Section 406 regarding mitigation to eliminate the threat. If that is the case, they would cover up to 100 percent to mitigate. The one element that came through loud and clear was that we paid over \$100,000 to FEMA last spring related to items that they disallowed for projects that were over 10 years old. They still came after us to get the money. Another element that came through in all of the conversations was that we should make sure that our documentation is as perfect as possible and that we have educated, qualified people overseeing that. Jim said that during Katrina, his company actually had to move a treatment plant. FEMA paid for that, although it took several years. Manager Olds said there is a summary of the options on page 15-4 in the agenda package.

Mike Fleury of Carollo presented a description of the three options: (1) Repair the break, (2) Slip-lining the pipe, and (3) Remove and replace the pipe. He also provided the reliability and estimated cost of each option. Commissioner Smith asked what kind of environmental would be needed to go to the right of the pipe. Manager Olds said that can be discussed during Closed Session. Commissioner Smith said the entire distance is 3,000 feet. Commissioner Cox asked if we know at this point that the South Apple Valley Interceptor is not broken. Manager Olds said we do not know that yet. The only way to tell is to dewater that entire section, build a coffer dam to excavate, and then get the sand out to televise the line. But by the time you've done that, you are actually going to have the visual indicators from outside the pipe because you are now looking at it. We cannot get inside it now. It is done. The treatment plant experienced about \$50,000 in damage due to all of the sand. Our primary grit system failed and had to be replaced. For all intents and purposes, if we were to build a new pipe, we would rip out the old one and put in a larger diameter stronger structure because you do not want to put sewage through an already compromised pipe.

At the request of Manager Olds, Kevin Schmidt provided a brief summary of the work he did for VVWRA prior to the time of Manager Olds' arrival. Manager Olds said the Upper Narrows Bypass

pump station was formerly owned by the County and it was the Spring Valley Lake pump station. Once the line was built that serves Spring Valley Lake, that pump station was abandoned because it only has a capacity of less than one million gallons per day. Kevin reported that the pump station at the Lewis Center was built for two purposes (1) to pump Apple Valley's sewage to Brewster Park and (2) to create a bypass. He then presented repair option 4 to the Commissioners, including cost and reliability information. He said this option is a spin-off of the work originally done. He said it is a directional drill and an inverted siphon that would carry Apple Valley's flow to the river. Each option involves tunneling through the Upper Narrows to a gravity sewer. Option A is a jack and bore underneath the railroad and Option B could go through the highway.

Manager Olds said the Consent Calendar has already been approved and suggested issuing plaques to the former Commissioners at this time. Chair Rigney announced that following the presentation of the plaques, the Public Hearings will be held and then the Board will enter into Closed Session.

Chair Rigney awarded a plaque of appreciation to Mr. Ed Pack for his one year service as Alternate Commissioner from December 2009 to December 2010. Chair Rigney said it is a pleasure to award this plaque. He thanked Mr. Pack for his service.

Chair Rigney awarded a plaque of appreciation to Mr. Bob Sagona for his 11-year service as Primary Commissioner from December 1999 to December 2010 and thanked him for his service. Mr. Sagona said you cannot believe how great it is to be a civilian.

Chair Rigney announced that this concludes the consent calendar.

PUBLIC HEARINGS

8. Receive & File Environmental Impact Report (EIR) and Cumulative Impact Report (CIA) for Sub-regional Water Reclamation Plants in the City of Hesperia and Town of Apple Valley: Piero advised that Item 8 will be opened for Public Hearing and then the action for Item 8 will come under Item 11. The purpose of the Public Hearing will be to receive any comments. He will be happy to provide some background on this item and Mr. Tom Dodson our environmental consultant is here to provide a presentation and to answer any questions. Piero said he would recommend that the Public Hearing be opened after presentation has been given to allow the public to make any comments they wish to make. Then if the Board wishes, you can move immediately to Item 11 to receive and file the EIR and the CIA. Piero said the CIA is an analysis that was originally required by the Regional Board for VVWRA. It was the wisdom of the Board to decide that the document should also cover other areas so that in the future if projects arose in this area it would provide a head start for those other projects. That has been done and the CIA is now in front of the Commissioners. The EIR is a different document that is more focused on the projects themselves. The CIA is a more comprehensive look at the design issues and other things that are not necessarily just environmental issues. Tom Dodson has taken the lead on that and was assisted by Larry Walker Associates, a sub-consultant who has performed a lot of the work. Piero advised the Commissioners that the document before them today does not require any approval action. The Board is not approving any projects under Items 8 and 11. The Board is receiving and filing these documents. These items will be put before the Board for approval in February. This

will allow time in between for the Board, the member entities and the public to review this public document. We thought it was better for everyone to give a one month leeway to allow adequate opportunity for this review.

Tom Dodson said he worked with staff that completed much of the input for the environmental project. This is a project that the citizens of the Victor Valley have been looking forward to for a long time. We have put so much information into our documents to address the scoping process. There were many questions and we have addressed those concerns. There are no outstanding issues. There may be some concerns, but the Regional Board only had two. This is a document you will be able to certify and use to build two treatment plants. You are ready to embark on a major step. The work that Larry Walker Associates did was the foundation that allowed us to address any concerns and they deserve a lot of credit. The Commissioners thanked Tom for his presentation.

At 2:35 p.m., Chair Rigney announced that the Public Hearing for Item 8 was now open. He asked if there any comments from the public. Hearing none, Chair Rigney closed the public hearing for Item 8.

Chair Rigney asked legal counsel if Item 8 can now be combined with Item 11. Piero said absolutely, the Board may now consider a motion for Item 11. A motion was made under Item 11 at this time.

9. Consider a CEQA Mitigated Negative Declaration, Potentially Approve the Project, and Authorize Filing of a Notice of Determination for Santa Fe Interceptor Project:

Piero said the environmental document now before the Commissioners indicates there are certain findings that need to be done. The Notice of Public Hearing has been provided to the public and you will be opening the Public Hearing to receive any comments and Mr. Dodson can give a presentation. This deals with the Santa Fe Interceptor Project and it is purely an environmental document. Tom Dodson said this is where he compliments the City of Hesperia. In 2008, they completed the environmental documentation for their Sewer Master Plan. We specifically included the Santa Fe interceptor in that document. What the Board is being asked to do today is to rely upon that environmental document to authorize the filing of a Notice of Determination (NOD). With that authorization, Manager Olds will sign the NOD and when it is filed you are ready to install the Santa Fe Interceptor to the Regional treatment plant. Piero said the Resolution under Item 12 puts into legal form the steps that Mr. Dodson mentioned. Once you open and close the Public Hearing, the Board may move to Item 12 for approval.

At 2:45 p.m., Chair Rigney opened the Public Hearing for Item 9 and asked if there were any questions from a member of the public. Hearing no questions, Chair Rigney closed the Public Hearing and called for a motion under Item 12. Item 12 passed by unanimous motion.

10. Make CEQA Consistency Findings, Potentially Approve the Project, and Authorize Filing of a Notice of Determination for Laboratory Building Project: Piero said much like item 9 this is also an environmental document that deals with environmental issues that relate to the potential design and construction of the Laboratory building. Tom Dodson is present to answer any questions. You are required to open and close a Public Hearing and the approval would come under Item 13.

Tom said one of the nice things that can happen is to have a document that is programmatic in nature to address a whole program. The Board and the Authority gets the advantage to move forward. In 2008, your staff had the foresight to do that. What we are doing today is saying that we are going to install a laboratory. What you will be saying today is that the proposed action is consistent with that previous document. Based upon that document, you will be able to build a new facility that will support your operation.

At 2:47 p.m., Chair Rigney announced that the Public Hearing for Item 10 was now open. He asked if there were any comments from the public. Hearing no questions, Chair Rigney closed the Public Hearing for Item 10.

Chair Rigney called for a motion under Item 13. Following the motion, Chair Rigney announced that the Board will now enter into Closed Session.

CLOSED SESSION

CALL TO ORDER

PUBLIC COMMENTS – CLOSED SESSION AGENDA

REPORT FROM CLOSED SESSION

Upon returning from Closed Session, Piero Dallarda announced that there was nothing to report from Closed Session. Chair Rigney announced that Item 14 would now be discussed.

ACTION & DISCUSSION ITEMS:

11. Recommendation to Receive & File Environmental Impact Report and Cumulative Impact Analysis for Subregional Water Reclamation Plants in the City of Hesperia and Town of Apple Valley:

Commissioner Smith made a motion to receive and file the Environmental Impact Report and Cumulative Impact Analysis for the subregional water reclamation plants in the City of Hesperia and Town of Apple Valley, which was seconded by Commissioner Nassif and approved by unanimous voice vote.

12. Resolution 2011-5: Consider a CEQA Mitigated Negative Declaration, Potentially Approve the Project, and Authorize Filing of a Notice of Determination for Santa Fe Interceptor Project:

Commissioner Smith made a motion to approve Resolution 2011-5, which was seconded by Commissioner Cox and approved by unanimous voice vote.

13. Resolution 2011-6: Make CEQA Consistency Findings, Potentially Approve the Project, and Authorize Filing of a Notice of Determination for Laboratory Building Project:

Commissioner Cox made a motion to approve Resolution 2011-6, which was seconded by Commissioner Nassif and approved by unanimous voice vote.

At this time, the Commissioners entered into Closed Session.

14. CPUC Reclaimed Water Invitation: Following Closed Session, Chair Rigney asked Manager Olds to provide background information for this item. Manager Olds reported that the California Public Utilities Commission (CPUC) is investigating the use and production of reclaimed water as it relates to the entities that they oversee, which are private water companies. The letter from the CPUC asked about 40 questions and it was apparent in the letter that the California Department of Public Health, the CPUC and the State Water Resources Control Board really operate as independent entities because many of the answers to the questions would have been known if they had spoken to those other two entities. VVWRA was listed by the Apple Valley Ranchos Water Agency as an entity that would be providing reclaimed water within their service area. The CPUC then sent a letter to VVWRA asking if we would like to be involved in the Rule-Making proceedings involved with that topic. Since the letter was received during the transition of Board Commissioners, he contacted Mr. Frank Robinson of the Town of Apple Valley and received an affirmative response that Apple Valley would appreciate VVWRA's participation in this process.

Manager Olds said that he and VVWRA legal counsel reviewed the letter and provided a response. Piero said this was an invitation to VVWRA to participate in the process of providing guidelines for the use of recycled water. If you do not provide an answer to the questions and ask to be included, you will be excluded from the process. We decided to respond and get our foot in the door and then come back to the Board. Commissioner Nassif asked if VVWRA would represent the Town of Apple Valley in this process. Manager Olds said VVWRA would participate as an entity. Piero said that Apple Valley could not do this separately.

Chair Rigney announced that a Speaker Request card was received from Mr. Mueller for this item. David Mueller said he wanted to speak on this item because he has been complaining about the reclaimed water price of \$35 and how Victorville has had an unfair advantage. He received a telephone call and was told that Apple Valley Ranchos is not happy about the use of reclaimed water in their area. Any time we try to save money, someone steps in and says let's make some money on this. He said his thoughts are changing on the price of the water per acre foot. If VVWRA is going to participate in the CPUC, it should allow this whole area to set the price. If we don't participate, they will take that whole process over. If we don't participate and set the standards, they will set the standards. If we do not set the price we want to set, they will set the price. That would be counterproductive. The phone caller said he listened to Mr. Weldy complain about reclaimed water and its affect on replacement water. David said he thinks there is something else going on here between the political side and the legal side. The objective is to keep the water inexpensive for all to use to offset the cost of drinking water. Mr. Mueller thanked the Commissioners.

Commissioner Nassif said they need to replace that with revenue. This is the argument that they will bring to the CPUC. We will take care of Ranchos. Dennis said he read the full response that was prepared by Piero as it relates to this process. It was completely appropriate. He thinks he knows what the CPUC is trying to pull off here. Apple Valley Ranchos is opposed because it improves our position and takes back something they have been trying to steal for some time. Their intention is to keep us and VVWRA from entering the reuse market.

Chair Rigney called for a motion.

Commissioner Smith made a motion to authorize the General Manager to participate in CPUC Rule-Making Proceedings relating to reclaimed water, which was seconded by Commissioner Cox and approved by unanimous voice vote.

15. Recommendation to Approve Repair Option for Upper Narrows: Manager Olds said that based upon the discussions that occurred and the information that was presented by RBF and Carollo, it is his recommendation to the Board to authorize him to issue a Request for Proposals (RFP), to evaluate Options 3 and 4 as presented, and retain a firm that will be able to tell us which option will result in the most monies received from FEMA for the repair work. Commissioner Nassif said, "That would provide the most benefit from FEMA". Piero said his understanding from the presentation that has been given is that four potential alternatives have been presented to resolve this matter. Your General Manager is asking for authority to issue an RFP for people to consider those two alternatives and then come back to the Board with a recommendation at the next meeting regarding as to which firm to select to assist in the design. That design should maximize whatever recovery of funds from FEMA may be available in order to prevent this agency from having to increase rates for the construction of the preferred design.

Chair Rigney called for a motion for Item 15.

Commissioner Nassif made a motion to authorize the General Manager to issue a Request for Proposals for evaluation of repair options 3 and 4 and present a recommendation to the Board at the February 17 meeting, which was seconded by Commissioner Cox and approved by unanimous voice vote.

16. Recommendation to Request Proposals for Construction Management Assistance for the Phase IIIA Regulatory Upgrades Project: Chair Rigney announced that this item and all backup information have been submitted into the record. Manager Olds reported that the problem with the Upper Narrows will take between eight months to one year to resolve. The construction is supposed to begin at any time and he is waiting to receive a schedule from SSC. We do not have enough staffing resources to cover both projects. What we are requesting is to hire someone for construction assistance for Phase IIIA so the person who is currently overseeing activities related to the Upper Narrows emergency can remain focused on that and not have to split their time and effort. Once the Upper Narrows project resolves itself, then we will be able to place that resource onto the Phase IIIA project.

Piero said your staff is saying they do not want to hire an employee. They want to hire a construction management independent contractor that they can terminate at any given time, once there is enough room for your employee to shift to the other project. Manager Olds said the person that was hired by

VVWRA is now focused on the Upper Narrows Emergency. What we would do is have a Professional Services contract for construction management services to cover the Phase IIIA project until such time that the Upper Narrows Emergency project is completed. The employee will then be transferred back to oversee the Phase IIIA project. Chair Rigney called for a motion for Item 16.

Commissioner Smith made a motion to authorize the General Manager to issue a Request for Proposals for construction management assistance for the Phase IIIA Regulatory Upgrades Project, which was seconded by Commissioner Nassif and approved by unanimous voice vote.

STAFF/PROFESSIONAL SERVICES REPORTS:

- 17. Financial and Investment Report – December 2010**
- 18. Operations and Maintenance Report/Performance Efficiencies – December 2010**
- 19. Construction and Energy Efficiency Report – December 2010**
- 20. Pretreatment and Interceptor Cleaning and Inspection Reports – December 2010**
- 21. Septage Receiving Facility Reports – December 2010**

AGENDA ITEMS FOR FUTURE MEETINGS:

Mid-Year Budget Review (March)

Interfund Loan (March/April)

Recommendation to Approve Revisions to VVWRA Financial Plan (May)

Recommendation to Amend VVWRA Reserve Policy (May)

Interceptor Connection Requirements and Enforcement and Industrial Pretreatment Program

Upper and Lower Narrows Sonar Investigation of Sewer Interceptor

NEXT BOARD MEETING:

Thursday, February 17, 2011 - Regular Meeting of the Board of Commissioners

COMMISSIONER COMMENTS

Commissioner Smith said he would like a letter to be sent to Harold Singer of Lahontan regarding the statement made by one of his employees in the Daily Press newspaper article that "there will be fines". She is not the one who issues fines. If there is going to be a fine, it would be imposed by the Lahontan Board. You should not be saying that or kicking someone while they are down while we are dealing with an emergency. Chair Rigney said it was a premature statement. Commissioner Smith said elected officials are very careful when talking to the press. It was the consensus of the Commissioners to direct the General Manager to write a letter to Harold Singer of the Lahontan Region Water Quality Control Board expressing the Board's concern of the comments made by the Assistant Executive Office in a newspaper article. Manager Olds said he will ask legal counsel to review the letter before it is sent. Commissioner Smith requested that the Board of Commissioners be copied on this letter.

ADJOURNMENT

At 4:40 p.m., Chair Rigney called for a motion to adjourn the meeting.

Commissioner Cox made a motion to adjourn, which was seconded by Commissioner Nassif and approved by unanimous voice vote.

APPROVAL:

DATE: 2/17/11
Approved by VVWRA Board

BY: Rudy Cabrales
Rudy Cabrales, Secretary
VVWRA Board of Commissioners