

MINUTES OF A SPECIAL BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
JANUARY 13, 2026

Open Session

A Special Meeting of the City of Big Bear Lake, Department of Water and Power (DWP) Board of Commissioners was called to order at 9:17am on January 13, 2026, by Chair Tarras.

BOARD MEMBERS PRESENT

Bob Tarras, Chair
Barbara Willey, Vice-Chair
Craig Hjorth, Treasurer
Joe Cylwik, Commissioner
Matt Scriven, Commissioner

PLEDGE OF ALLEGIANCE

Commissioner Scriven led the pledge of allegiance.

PUBLIC FORUM

Daniel Gulbranson spoke during the public forum.

1. DISCUSSION/ACTION ITEMS

1.1 Resolution No. DWP 2026-01 - Interim Financing

Staff discussed information regarding proposed interim financing related to the Garstin Water Operations Facility Project. Chief Financial Officer Nathan Statham presented details about the financial structure to obtain \$16.4 million in interim financing to cover construction and financing costs over a three-year period, though the project is expected to be completed in approximately two years. Nathan and General Manager Reggie Lamson noted that interim financing will be refinanced through an existing USDA loan upon project completion. Nathan noted that the total interim financing amount is not-to-exceed \$16.4 million, which includes construction costs and Capitalized interest. Nathan stated Capitalized interest and financing costs are estimated at \$2 million for three years but are expected to be closer to \$1.2 million for the two year project period, and that DWP is required to contribute \$1 million toward capitalized interest, placed into a reserve account. Chair Tarras asked if staff and bond counsel were aware of any hidden contingencies, to which staff responded no and bond Counsel confirmed. Chair Tarras asked if the financial figures presented were created internally and Nathan responded that they were largely from DWP's underwriter.

Commissioner Cylwik identified a misspelling of his name in the financing documents.

Daniel Gulbranson spoke during Public Comment on this item.

Motion made by Treasurer Willey, seconded by Commissioner Scriven, and carried 5-0 to adopt Resolution No. DWP 2026-01 authorizing the issuance of bond anticipation certificates of participation in an amount not to exceed \$16,400,000 to fund the Garstin Water Operations Facility Project.

AYES: Cylwik, Hjorth, Scriven, Tarras, Willey

NOES:

ABSTAIN:

1.2 Reservoir Inspections

District Engineer Daniel Baguyo presented the results of a recently completed system-wide reservoir inspection and cleaning project done by Harper and Associates Engineering, Inc. (Harper). Daniel discussed inspection methods, findings, and recommended prioritization for rehabilitation or replacement. Daniel provided general background on the reservoir system, noting that most were constructed decades ago, only one reservoir had undergone full interior and exterior recoating during its lifetime. Staff described methodologies used in the inspections. Vice Chair Willey asked for clarity regarding hazardous materials discovered during the process, where traces of zinc were found on five of the fourteen reservoirs. Daniel stated that noted lead findings were associated primarily with exterior coatings. Daniel explained that Harper stated that many reservoirs that they evaluate do not meet current codes with respect to current structural, seismic and safety standards. However, Harper stated there is no automatic regulatory requirement to replace or rehabilitate reservoirs solely because codes have changed. Daniel stated that upgrades to safety components are required at all reservoirs. Board members and staff compared rehabilitation costs to replacement costs. Daniel stated that the findings of the final inspection report and potential rehabilitation or replacement projects will be incorporated into DWP's next Master Plan and 10-Year Capital Improvement Program, which

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will be developed starting around June 2026, and that costs for rehabilitating or replacing reservoirs will be considered in DWP's next rate study.

Daniel Gulbranson spoke during Public Comment on this item.

2. ADJOURNMENT

No additional business came before the Board. At 11:06 a.m., Chair Tarras adjourned the meeting.



Bennett Rossell, Acting Board Secretary, DWP Board of Commissioners

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