

**MINUTES OF A SPECIAL BOARD MEETING**  
**CITY OF BIG BEAR LAKE,**  
**DEPARTMENT OF WATER AND POWER**  
**BOARD OF WATER AND POWER COMMISSIONERS**  
**March 4th, 2025**

**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 9:00 a.m. on March 4, 2025, by Chair Bob Tarras.

**BOARD MEMBERS**

Bob Tarras, Chair  
Barbara Willey, Vice-Chair  
Craig Hjorth, Treasurer  
Joe Cylwik, Commissioner  
Jim Smith, Commissioner

**PLEDGE OF ALLEGIANCE**

Chair Tarras led the pledge of allegiance.

**PUBLIC FORUM**

None.

**1. DISCUSSION/ACTION ITEMS**

**1.1 Garstin Water Operations Facilities Project – USDA Loan**

General Manager Reggie Lamson gave an overview of the meeting that he and CFO Nathan Statham had with USDA regarding full loan funding for the Garstin Water Operations Facilities Project. This consisted of increasing the loan amount from \$11,200,000 to \$15,400,000, which includes a 15% construction cost contingency. Commissioner Smith and Commissioner Cylwik asked several questions pertaining to the cost of the Project and what is included in the cost, which Reggie and Nathan described. Nathan then proceeded with a presentation identifying the impacts of increasing the project loan amount. He went over the background of the Project and the original cost from when the Project first started to where it is now. Reggie and Nathan went over the questions that they planned to ask USDA at a meeting later that day, including whether design costs could be included in the financing, the solar aspect of the financing, the financing waiver that DWP applied for, and interest rates for the loan. Nathan then went over a comparison of the 2 loan options for the Project and how each option would impact DWP and rate payers. He also described how required interim financing will affect the project and related costs. When discussing the impact of a higher loan amount on water rates, Commissioner Cylwik noted his concern that projections include a 4% annual rate increase for rate payers despite the approved rate structure authorizing increases up to 4%. Nathan explained that approved rate increases of 4% were based on expected costs primarily for capital improvements. Since the full 4% increase is needed to cover all expected costs, staff always includes the full rate increase in projections. A lower rate increase would require defunding an expected project. Defunding an expected project is at the Board's discretion, so recommending lower rate increases is not something staff would do without Board direction.

*Motion made by Vice-Chair Willey, seconded by Commissioner Smith, and carried 5-0 to authorize staff to revise the USDA loan amount from \$11,200,000 to \$15,400,000.*

**AYES:** Cylwik, Smith, Tarras, Willey, Hjorth

**NOES:**

**ABSTAIN:**

**ADJOURNMENT**

No additional business came before the Board. At 10:11 a.m., Chair Tarras adjourned the meeting.