

MINUTES OF A REGULAR BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
April 22, 2025

OPEN SESSION

A regular Meeting of the City of Big Bear Lake, Department of Water and Power (DWP) Board of Commissioners was called to order at 9:03 a.m. on April 22, 2025, by Chair Bob Tarras.

BOARD MEMBERS

Bob Tarras, Chair
 Craig Hjorth, Treasurer
 Jim Smith, Commissioner

ABSENT

Barbara Willey, Vice-Chair, excused
 Joe Cylwik, Commissioner, excused

PLEDGE OF ALLEGIANCE

Chair Tarras led the pledge of allegiance.

PUBLIC FORUM

None.

ACKNOWLEDGEMENT

None.

INTRODUCTION

Ben Berge introduced Cole Burk as DWP's new Water Production Technician I.

1. CONSENT CALENDAR**1.1 Approve Minutes of the Regular Board Meeting Dated March 25, 2025**

Motion made by Commissioner Smith, seconded by Treasurer Hjorth, and carried 3-0 to approve the Consent Calendar.

AYES: Hjorth, Smith, Tarras

NOES:

ABSTAIN:

2. ITEMS REMOVED FROM CONSENT CALENDAR

None.

3. DISCUSSION/ACTION ITEMS**3.1 Authenticate Check Register 03/01/2025 to 03/31/2025**

Commissioner Smith inquired about Draft Numbers 409 and 418 to Water System Consultants for Wolf Reservoir, Garstin Water Operations Facility and Division Well 9. General Manger Reggie Lamson explained that these project invoices are for work related to the first five years of the ten-year capital improvement program. Commissioner Smith asked if there is a cap on WSC's on-call services contract. Reggie stated it is \$6 million.

Commissioner Smith asked about employee reimbursements for work use of personal cell phones and if it is cheaper than providing work cell phones to employees. Chair

Tarras and Reggie confirmed that reimbursement is the more cost-effective approach.

Motion made by Treasurer Hjorth, seconded by Commissioner Smith, and carried 3-0 to authenticate the Check Register for March 2025.

AYES: Hjorth, Smith, Tarras

NOES:

ABSTAIN:

Regular Meeting Minutes

April 22, 2025

Page 2 of 3

3.2 FY 2026 Draft Budget

Chief Financial Officer Nathan Statham gave a presentation on the Fiscal Year 2026 Draft Budget. Chair Tarras and Commissioner Smith had some comments and questions about ongoing projects listed on the Fiscal Year 2025 Highlights and Summary Revenues and Appropriations sections of the presentation, which Nathan and Reggie expanded upon. Chair Tarras requested that a year be added to the Revenue Projections chart of the budget presentation. Nathan and Reggie gave an overview of the Revenue Projections. Nathan touched on the current 4% rate increase and a comparison to rates over the previous 12-year period. Over the last 12 years DWP water rates have increased roughly 9% while inflation for the same period was 44%. Treasurer Hjorth asked if there will be a slide with a summary of the water rate increase compared to inflation. Reggie said that a slide will be added, and it will be discussed during the presentation to City Council. Regarding the Personnel Expenses section of the presentation, Chair Tarras asked about pension contributions changing. Human Resources Administrator, Rachel Franklin verified that the tier one employer contribution rate is going from 34.98% to 32.29% and tier two is going from 29.8% to 26.73%. Nathan touched on project funding and estimated project costs for the four ongoing capital improvement projects. Nathan discussed the Capital Machinery and Equipment Plan, highlighting the recommended vector trailer purchase and meter base station upgrades. Chair Tarras asked how many valves have been exercised. Nathan estimated 375. Chair Tarras asked if any valves have been broken during valve exercising. Water Superintendent Jason Hall commented that no valves have been broken when exercising, but several have broken due to insufficient exercising. Nathan remarked on the two, 14-year-old Radio Read Base Stations, at the Wolf and Ironwood sites. Upgrading both units would significantly increase meter system performance.

3.3 Standby Charges

Nathan gave an overview of the Water Standby Charges that were established in 1991, how they have remained unchanged since 1992, and that DWP staff is not recommending increases. Chair Tarras asked if DWP were to recommend increases, would it require City Council approval. Nathan confirmed that it would. Reggie explained that there is a process to follow if the charge were to be changed and that it only impacts about 2,000 parcels.

Motion made by Treasurer Hjorth, seconded by Commissioner Smith and carried 3-0 to recommend that the City Council adopt a resolution for Water Standby Charge of \$53 for Fiscal Year 2026 placing the charges on the property tax rolls for collection, along with the general property taxes.

AYES: Hjorth, Smith, Tarras

NOES:

ABSTAIN:

3.4 Quarterly Financials for Q3 2025

Nathan gave an overview of the third Quarter Financials. He explained that total revenues were lower than projected for the quarter, water sale revenues were higher, and operating expenses were under budget compared to the third quarter of 2024. Nathan explained why there was significant variance in 5 department budgets. Chair Tarras asked why the Administration Department was under budget. Nathan explained this was due to work scheduling on the ongoing reservoir inspection project. Reggie commented that the third quarter is typically busy because that is when construction can resume in the valley, however, there have been less expenses due to late-season weather.

3.5 Resolution No. DWP 2025-02 – Real Property Purchase APN 2328-102-12-0000

Reggie gave an overview of the discovery that a strip of land adjacent to DWP's operations facility parcel is not owned by DWP as previously thought. Reggie explained that this was discovered when reviewing land rights as required to obtain USDA financing for the new Garstin Water Operations Facility project. Reggie gave a brief history of the parcel and why DWP recommends purchasing it. Reggie explained that DWP staff had a local real estate broker analyze the property and provide a valuation report. Reggie explained that he has been in contact with the owner of the parcel and offered them \$10,000 based on the valuation report, and that the owner is willing to accept the offer. Commissioner Smith asked if paying \$10,000 for the parcel for usability is an advantage to DWP. Treasurer Hjorth commented that it would cost DWP more than \$10,000 to move the fence to accommodate project changes if DWP did not purchase the parcel.

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Regular Meeting Minutes

April 22, 2025

Page 3 of 3

Motion made by Commissioner Smith, seconded by Treasurer Hjorth and carried 3-0 to approve Resolution No. DWP 2025-02 authorizing the purchase of APN 2328-102-12-0000 for the Garstin Water Operations Facility Project for \$10,000 and authorizing the General Manager to execute required documents and take required actions including execution of a Certificate of Acceptance necessary to complete the purchase.

AYES: Hjorth, Smith, Tarras

NOES:

ABSTAIN:

3.6 Record Retention Policy

Nathan gave an overview of the Record Retention Policy and explained that the policy was being updated to reflect retention periods recommended by legal counsel and remove duplications. Treasurer Hjorth asked about setting up a dynamic time period for electronic records. Nathan explained that for systems that can accommodate this, it will be automatic, otherwise it will be manual.

3.7 Garstin Financing Update

Nathan and District Engineer Daniel Baguyo gave updates on project financing and construction bid advertisement timeline. Nathan talked about DWP initiating the process to obtain a Moody's credit rating that will allow DWP to borrow at a lower rate. Commissioner Smith and Reggie had a conversation pertaining to the bid process for the Project. Reggie explained that nothing will be awarded until the Project is successfully funded. Daniel discussed the \$1.5 million federal grant that DWP has applied for through Congressman Obernolte's office. Daniel highlighted the items that DWP is working on completing to meet the USDA requirements before the Project can go out to bid.

3.8 CPI Comparison

Rachel gave an overview of CPI indexes used by DWP for wage adjustments. She provided a comparison and a brief history of the Urban Wage Earners and Clerical Workers - Los Angeles-Long Beach-Anaheim and Urban Wage Earners and Clerical Workers - Riverside-San Bernardino-Ontario, CA, indexes. She explained the differences between the indexes. Chair Tarras commented on the limited data available in the Urban Wage Earners and Clerical Workers - Riverside-San Bernardino-Ontario, CA. Chair Tarras recommended continued usage of the Urban Wage Earners and Clerical Workers - Los Angeles-Long Beach-Anaheim, CA index for personnel cost related COLA calculations, and stated that DWP can continue to compare the CPI indexes as more data becomes available. Rachel explained that this item was informational only and no Board action was needed.

3.9 Management Reports

Commissioner Smith commended staff for not having any outstanding insurance claims. Treasurer Hjorth asked if Kaiser is still an HMO option. Rachel responded that it is. Chair Tarras asked how the service is. Rachel explained that our Broker is wonderful to work with and steps in if we have any issues with insurance companies. Reggie commented that we have been with the same Broker for the last 8 years and they are great to work with.

Commissioner Smith remarked on the Earth Day event at Bear Valley Electric. Reggie remarked that Bennett and Steve had an interactive booth setup at the Earth Day event, and they kept the kids very engaged. Jason also commented that staff took the EV Backhoe to the event and kids enjoyed honking the horn, and contractors conversed about it.

Commissioner Smith commented that he likes the format of the Water Superintendent's Report.

Nathan commented on an issue with credit card fee increases and will bring it back to the Board if necessary. Nathan gave an update on the customer portal discussion. He is working with Tyler on a comprehensive portal. Treasurer Hjorth expressed his appreciation for the work being done on this and his hopes that the portal won't be too costly.

Commissioner Smith asked for an update on the Replenish Big Bear Project. Reggie talked about the BBARWA Board certifying the EIR and that staff can now proceed with the design. The 4 agencies (DWP, CSD, MWD and BBARWA) are all meeting monthly now. They have started a new public information campaign to keep people informed on the Replenish Big Bear

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Regular Meeting Minutes

April 22, 2025

Page 4 of 3

Project. Reggie gave a presentation to the Rotary Club and there was nothing but positive comments. Commissioner Smith asked about the funding needed for the Project. Reggie explained that the Project is estimated to cost \$86 million, \$27 million of the total cost will come from grants and the balance will be funded from a loan. Commissioner Smith asked how the loan will be paid back. Reggie explained that it will be paid back through rates. The current sewage treatment rates are \$300 per year, and they will increase to \$600 per year, however \$600 is an average statewide price for advanced wastewater treatment. Chair Tarras remarked that the Project is several years away from any resolution. Reggie stated that he thinks the design will be completed in about 18-months.

Commissioner Smith commended Daniel on the project schedules that he put together, he is pleased with the simplicity and consistency.

3.10 Board Member Reports

Commissioner Smith commented on three employee work anniversaries.

4. BOARD FOLLOW-UP ITEMS

None.

5. ADJOURNMENT

No additional business came before the Board. At 11:09 a.m., Chair Tarras adjourned the meeting.

Sam Armstrong

Sam Armstrong, Board Secretary, DWP Board of Commissioners

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