

MINUTES OF A SPECIAL BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
August 5, 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 9:01am on August 5, 2025, by Chair Bob Tarras.

BOARD MEMBERS PRESENT

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. CONSENT CALENDAR

1.1 Approve Minutes of the Regular Board Meeting Dated June 24, 2025

Motion made by Treasurer Hjorth, seconded by Vice Chair Willey, and carried 5-0 to approve the Consent Calendar.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

2. ITEMS REMOVED FROM CONSENT CALEDAR

1.1 Approve Minutes of the Regular Board Meeting Dated August 5, 2025

Commissioner Smith requested that a statement that was made during the discussion of item 3.8 for the backup generator be added to the minutes. The board agreed to add the statement and defer this item to the next meeting.

3. DISCUSSION/ACTION ITEMS

3.1 Authenticate Check Register 06/01/2025 to 06/30/2025

Commissioner Smith inquired into check number 30117 paid to Brian Cohen and asked if DWP has a computer loan program. Rachel Franklin, Human Resources and Risk Management, explained that DWP allows employees to take out a loan to purchase a new computer at the LAIF interest rate which is adjusted on July 1st of each year. Commissioner Smith inquired into check number 30139 paid to UpCycle Products Inc. and asked how the rain barrel conservation program worked. Bennett Rossell, Conservation Supervisor, responded that customers can get their first rain barrel free and can get more rain barrels for a \$50 rebate on their water bill, provided they meet certain criteria. Commissioner Smith inquired into check number 30160 paid to Tri County Pump Company and asked if the pump replacement was budgeted out of maintenance. Reggie Lamson, General Manager, responded that two pump replacements are budgeted each year out of maintenance. Commissioner Smith inquired into check number 30162 and asked why there were so many line items for one check. Nathan Statham, CFO, responded that the check was paying a monthly statement, but that staff will most likely go back to paying invoices in small batches rather than waiting on the monthly statement. Commissioner Smith inquired into EFT number 517 paid to Water Systems Consulting Inc. and asked what the line item for \$1,590 relating to the Garstin project was for specifically. Reggie responded that he would verify which grant program these consulting services were for.

Commissioner Cylwik asked for clarification on what seemed to be duplicate expenses on check number 30162 paid to Grainger and check number 30175 paid to Cintas. Nathan responded that Cintas' payments were routinely duplicative

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because they provide the same services each month and this check paid multiple invoices. Nathan added that he would investigate check number 30162 paid to Grainger. Commissioner Cylwik inquired into draft number DFT0000535 paid to Costco Wholesale and asked if the cost is recouped from DWP employees. Reggie responded that some items purchased may be for employee reimbursement while other items like paper plates and plastic cutlery are for the DWP office supplies. Nathan stated that DWP generally doesn't make purchases for employees but that he would verify the invoice and provide details. Commissioner Cylwik asked how funds from employees are captured. Nathan responded that in general they are not since purchases are not made for employees but he would confirm.

Motion made by Treasurer Hjorth, seconded by Commissioner Willey, and carried 5-0 to authenticate the Check Register for June 2025.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.2 Carryforward Encumbrances

Chair Tarras asked why a pump replacement would be considered operational and not fall under capital improvements. Nathan responded that the pump replacement was budgeted in maintenance. Chair Tarras asked how many pumps were currently out of commission. Jason Hall, Water Superintendent, responded that two are currently being worked on. He explained that Lake Plant Well #6 is up and running as of this week and that Lake Plant Well #5 will be working within the next few days. Jason added that Division Well #2 still needs a pump test to determine capacity before the pumping unit design can be completed. Chair Tarras asked how the pump replacements impact water delivery. Jason responded that water had to be moved from the east end of the valley to the west end on 4th of July weekend, but that otherwise it has not impacted water delivery.

Motion made by Commissioner Willey, seconded by Commissioner Smith, and carried 5-0 to adopt Resolution DWP No. 2025-07 increasing appropriations for Fiscal Year 2026.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.3 Policy Update – Contractor Debarment

Commissioner Cylwik remarked that an official contractor debarment policy was a good tool to have and that it could apply to purchasing, consulting, and construction services. Nathan emphasized that the policy is being put in place in case issues arise in the future. Commissioner Cylwik asked what the process would look like if a contractor were to make an appeal after debarment. Nathan responded that the appeal would first go to the District Engineer, then the General Manager, and then the Board (if needed).

Motion made by Commissioner Smith, seconded by Treasurer Hjorth, and carried 5-0 to adopt Resolution DWP No. 2025-06 adding contractor debarment procedures to DWP's Purchasing Policy.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

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3.5 Notice of Completion for the Pontell Hydropneumatic System Project

Reggie Lamson provided a brief summary of the completed project.

Motion made by Commissioner Willey, seconded by Commissioner Smith, and carried 5-0 to approve the Notice of Completion for the Pontell Hydropneumatic System Project.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.6 Cell Tower Lease Revision

Nathan explained that he has been dealing with the finance department of Vertical Bridge (the private equity firm that recently purchased Verizon's cell tower properties), because an agent of Vertical Bride contacted him about possible revisions to DWP's cell tower lease. Commissioner Willey asked how much it would cost for the cell tower to be moved if Vertical Bridge decided to end the lease. Commissioner Cylwik responded that it would be approximately \$100,000 to move not only the tower but also remove the foundation of the tower that goes approximately twenty feet into the ground. Chair Tarras asked if there were any other comparable leases in the valley. Reggie responded that there is a cell tower in Baldwin Lake with similar lease terms. Commissioner Smith added that land leasing is not DWP's primary business. All board members agreed to keep the existing lease terms the way they are. Commissioner Cylwik commented on the Cell Tower in the parking lot at City Hall.

Chair Tarras closed the open session for a short break at 9:53am.

Chair Tarras re-opened the open session at 10:02am.

3.4 Garstin Water Operations Facility Project

Reggie explained that bids for the project came in higher than the funding USDA had provided for the project. Reggie added that there aren't enough funds in the California USDA funding pool so now the local USDA office is going to the federal USDA funding pool. Reggie said he will have funding estimates from this pool by August 18th. Commissioner Smith asked what the bid was for specifically. Reggie responded that the bid was a lump sum bid for the whole project. Commissioner Smith asked if there were any concerns about the mathematical error with the low bidder, Facility Builders & Erectors, Inc. Reggie responded that he was confident in FB&E and that they had done a great job with the City's Public Works building. Commissioner Cylwik stated that the original cost for just a new operations building was estimated at \$8,000,000 and then increased to \$12,000,000. He added that staff should work with the contractor to cut out unnecessary parts of the project to get the project costs back in line with the budget. Commissioner Smith suggested to re-bid with a new project, as carving out pieces of the project with the contractor could invite problems with the other bidders. Commissioner Willey emphasized that she disagreed with changing the current project, as any changes could put the USDA funding in jeopardy. Commissioner Willey added that the project needs to be kept whole and should not be split up.

Reggie stated that he spoke with PBK's project manager multiple times about updating the original project cost estimate of \$12,400,000 from December 2023. The current project manager reached out to a construction firm, located in Tahoe, in July for a new cost estimate. This cost estimate was received the week that bids were due and it was approximately \$22,000,000. Chair Tarras asked why the bid deadline couldn't have been extended. Reggie explained that the California USDA funding pool option would be removed on August 8th, so he didn't want to extend the bid deadline any further. Reggie stated that there are certain parts of the project that could be deferred that would reduce costs by \$6,000,000-\$7,000,000.

Albert M. Giacomazzi, President of AMG Contractors, interjected stating that he had filed a bid protest for the project. Reggie responded that discussing his bid protest was inappropriate and that he would speak to him after the board meeting was over.

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Treasurer Hjorth asked when Reggie will know about possible grant funding for the project. Reggie responded that he will know by August 18th for the second funding option Treasurer Hjorth requested that this item be deferred to the next meeting when Reggie will have more information about funding. Commissioner Smith asked if Resolution 2025-08 was binding to the board. Reggie responded that it will not be, and the Resolution only authorized the GM to continue to pursue funding from USDA.

Motion made by Commissioner Smith, seconded by Commissioner Willey, and carried 5-0 to adopt Resolution DWP No. 2025-08 authorizing the GM to sign documents to apply to USDA for additional project funding and increase interim financing as required by USDA.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.7 Management Reports

Commissioner Willey asked how the One Big Beautiful Bill Act will affect DWP. Rachel responded that the new no tax on overtime rule will not affect employer taxes but it will affect employees' taxable income as it relates to overtime. Commissioner Smith asked if rainfall projections fell into the "severe drought" category. Reggie confirmed that was correct and that Big Bear had an unseasonably dry winter. Treasurer Hjorth asked if there were any surprises from the tank inspections. Daniel Baguyo, District Engineer, responded that there have been no major surprises yet, but that he also hasn't received the final analysis. Treasurer Hjorth asked how much retrofitting the tanks for earthquakes will cost. Jason responded that he is waiting on prioritization reports before he can estimate those costs. Commissioner Smith asked how the Smart Meter customer portal worked. Nathan responded that it would allow customers to monitor their water usage more closely and would provide usage data in gallons. Nathan added that bills need to be converted from cubic feet to gallons before the portal can be launched.

Chair Tarras asked if there was an update about a customer that the City requested DWP shut off. Reggie responded that the customer rectified the property issue at the eleventh hour before the City requested DWP shut off their water utilities. Commissioner Willey asked if locking them off at the request of the City was something DWP would do. Nathan responded that the situation was very complex and such an action would depend on relevant circumstances but that it was not a given. Commissioner Smith asked if there was a bid protest for the Garstin Operations Facility project. Reggie responded that there was and that he reached out to Mike Riddell from BB&K for a response that DWP will review.

3.8 Board Member Reports

Commissioner Willey stated that she will be attending the next board meeting via zoom as she will be in North Carolina.

4 BOARD FOLLOW-UP ITEMS

4.1 None.

5 ADJOURNMENT

No additional business came before the Board. At 11:07am, Chair Tarras adjourned the meeting.

Sam Armstrong

Sam Armstrong, Board Secretary, DWP Board of Commissioners

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