

MINUTES OF A REGULAR BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
April 28, 2020

OPEN SESSION

A Regular Meeting of the City of Big Bear Lake, Department of Water and Power Board of Water and Power (DWP) Commissioners was called to order at 9:05 a.m. on April 28, 2020 by Chair Bob Tarras.

BOARD MEMBERS PRESENT:

Bob Tarras, Chair
Barbara Willey, Vice-Chair
Craig Hjorth, Treasurer
Joe Cylwik, Commissioner
Scott Heule, Commissioner

PLEDGE OF ALLEGIANCE

Craig Hjorth, Treasurer

PUBLIC FORUM

1. CONSENT CALENDAR

1.1 Approve Minutes of the Regular Board Meeting Dated February 25, 2020

1.2 Approve Minutes of the Special Board Meeting Dated April 3, 2020

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

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

2. ITEMS REMOVED FROM CONSENT CALENDAR

3. DISCUSSION/ACTION ITEMS

3.1 Authenticate Check Register 2/1/2020 to 2/28/2020

The Board inquired into check number 13430 to Robert Smith. Dani McGee, Chief Financial Officer, responded that the expense was for Telemetry on the Oak Well and that Robert Smith is the sole proprietor for Byrd Electronics. The Board also inquired into check number 13467 to Gary Bogle/Golden West Electric, specifically reference to Federal Single Audit. Dani responded that Federal Single Audit refers to grant funding. The USBR grant supported small scale projects. In this case, VFD upgrades on the Sand Canyon Well.

3.2 Authenticate Check Register 3/1/2020 to 3/31/2020

The Board inquired into check number 13547 and specifically the electrical expense for the Division Wells to determine savings achieved by the Solar Project. Reggie Lamson, General Manager, responded that the monthly expense prior to the Solar Project was considerably higher at approximately \$14,000 a month (versus \$1,377.49).

Motion made by Treasurer Hjorth, seconded by Vice-Chair Willey and carried 5-0 to authenticate Check Registers 2/1/2020-2/28/2020 and 3/1/2020 – 3/31/2020.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.3 Capacity Charges and Meter Installation Fees

Vice-Chair Willey inquired into the monetary loss if the DWP waived the increase in fees. Dani responded that the financial impact is approximately \$8,000 and it depends on the volume of construction. The Board discussed that the fees are based on discretionary choices.

Motion made by Vice-Chair Willey, seconded by Commissioner Heule and carried 5-0 to approve the revised Capacity Charges and Meter Installation Fees.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.4 Standby Charges

Reggie shared that the Water Standby Charge was initially put into place in 1990 to pay off the loan for the purchase of the water system. The DWP has incurred additional debt for capital improvements to the DWP water system. Chair Tarras recalled that according to the last water rate study, there was a recommendation to increase the water standby charges. Commissioner Cylwik inquired into whether the standby charges apply to the unincorporated areas. Reggie responded that according to the City Charter, the unincorporated areas are within the City's jurisdiction.

Motion made by Commissioner Heule, seconded by Treasurer Hjorth and carried 5-0 to recommend the City Council adopt a resolution for the Water Standby Charge of \$53 for Fiscal Year 2020/21 and authorize the charge to be placed on the tax rolls for collection, along with the general taxes.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.5 Defeasance Options for the 1996 Revenue Refunding Bonds

Treasurer Hjorth inquired into whether there was any downside to in-substance defeasance. Dani responded that there were none and that the decision must be made by the Board. Chair Tarras clarified that with the in-substance defeasance option, the DWP could reduce the debt on April 1, 2021 by making the last payment to the trustee. Chair Tarras inquired into when we plan to have a water rate decrease. Dani responded that the rate decrease is scheduled to occur in July 2021. The Board discussed the impact of moving the rate decrease to April 2021 and the financial impact to the fiscal year 20/21 budget. Treasurer Hjorth recommended that the Board decide this agenda item and discuss the timing of the rate decrease with agenda item 3.10.

The City of Big Bear Lake, Department of Water and Power strives to make all of its public meetings accessible to everyone. If you need any special assistance or disability-related accommodation in order to participate in this meeting, please contact the Board Secretary at (909) 866-5050. Notification 48 hours prior to the meeting will enable the DWP to make reasonable arrangements to ensure accessibility to this meeting.

We are an equal opportunity provider and employer.

Motion made by Commissioner Heule, seconded by Vice-Chair Willey, and carried 5-0 to request the staff retire the 1996 Bonds using in-substance defeasance of debt using existing resources on April 1, 2021 .

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

Note: The Board discussed the following agenda items out of order. The Board skipped agenda item 3.6 and discussed agenda items 3.7 – 3.11. Subsequently, the Board discussed agenda item 3.6, 3.12, and 3.13.

3.6 Fiscal Year 2020/21 Budget Presentation

Treasurer Hjorth inquired into status of the budget given the Board decision made in agenda item 3.10. Dani responded that she would revise the budget to incorporate the elimination of the 2% water rate increase scheduled for July 2020 and the waiver of fees related to non-payment, through September 1, 2020. The Board discussed again the water rate deduction scheduled for July 2021 and decided against accelerating the deduction because the financial impact was significant (over \$400,000). Chair Tarras inquired into the Urban Water Management Plan (UWMP) budget item. Reggie responded that we are required to prepare an UWMP every five years. Chair Tarras inquired into status of the Replenish Big Bear Project. Reggie responded that the DWR just recently accepted the BVBGSA's grant application and granted the Agency \$4.5 million for the design and construction of the Replenish Big Bear Project. Chair Tarras inquired into how the CJPIA calculates our insurance portion. Rachel Franklin, Human Resources/Risk Management, stated she would get the information to the Board after the meeting. Chair Tarras inquired into the increased labor for the pipeline construction support. Reggie responded that due to the six plus miles to be replaced this year, the DWP will need at least two inspectors to observe the contractors. Chair Tarras further inquired into how the pandemic has impacted the contractors. Reggie responded the impact is primarily been related to the availability of materials because many contractors are now buying American made products. Treasurer Hjorth inquired if we locked in the rates. Reggie confirmed that we did so in February 2020. Commissioner Cylwik inquired into what has been done previously for office yard improvements. Reggie responded that we previously did a redesign of the lobby and customer service area and that the bids were three times more than anticipated, so the improvements were deferred. Reggie further added that we recently published a Request for Proposals for a Master Space Plan asking consultants to evaluate our current facilities and make recommendations for improvements. The Board agreed to meet again before the May Regular Board Meeting if the revisions to the budget exceed \$300,000.

3.7 Change Order to Roman's Construction Agreement for the Fawnskin Pipeline Project

Commissioner Cylwik inquired into if there is an existing pipeline for this portion of the project. Reggie responded that the proposed pipeline would be replacing an existing 2-inch steel watermain. Commission Cylwik further inquired if the Fawnskin Drive portion of the Project will lead to new water standby charges. Reggie responded that there will be five to six new standby charges on the next tax rolls. Chair Tarras inquired into whether there was consent amongst all property owners affected by the proposed change order pipeline segment. Reggie responded that all property owners had agreed to the project and would pay their proportionate share of the pavement restoration costs. Steve Wilson, Water Superintendent, added that the maximum financial impact to the DWP is \$4,200 for the cost of paving if some owners change their minds.

The City of Big Bear Lake, Department of Water and Power strives to make all of its public meetings accessible to everyone. If you need any special assistance or disability-related accommodation in order to participate in this meeting, please contact the Board Secretary at (909) 866-5050. Notification 48 hours prior to the meeting will enable the DWP to make reasonable arrangements to ensure accessibility to this meeting.

We are an equal opportunity provider and employer.

Motion made by Treasurer Hjorth, seconded by Commissioner Cylwik, and carried 5-0 approving the Change Order to the Roman's Construction Agreement in the amount of \$34,400 with a contingency of \$4,200 for the potential paving restoration costs.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.8 Change Order to Borden Excavating Inc. Agreement for the 2018 USDA Pipeline Replacement Project

Chair Tarras clarified that this change order request is a result of an acceleration of the replacement pipeline project. Commissioner Cylwik inquired into the pavement repair included in bid items number 25 and 26 on Borden Excavating's bid form. Reggie responded that the pavement repair savings were only related to the City's bike path project. There are portions of the Stanfield Cutoff pipeline which are located outside of the City's project and those portions will require pavement restoration in compliance with County and Caltrans requirements.

Motion made by Treasurer Hjorth, seconded by Vice-Chair Willey, and carried 5-0 approving the Change Order to the Borden Excavating Inc. Agreement in the amount of \$765,793.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.9 Federal Water Infrastructure Funding Letters

The Board consented to the General Manager's action of adding the DWP as a signatory to the letters.

3.10 Relief for DWP Customers Impacted by COVID-19

Commissioner Heule inquired into how the DWP will know when the emergency will be rescinded. Reggie responded that we do not have that information at this time. Commissioner Heule suggested setting a tentative date for the deferral of fees related to non-payment. Chair Tarras suggested reviewing the issue monthly. Treasurer Hjorth suggested that we freeze water rates until the end of the calendar year. Chair Tarras further suggested freezing water rates through the next fiscal year 20/21. Dani performed a calculation and determined the financial impact of freezing water rates through the end of the fiscal year 20/21 to cost approximately \$150,000. Chair Tarras clarified that the decrease in revenue from freezing the water rates (-\$150,000) will be primarily offset by the savings from the in-substance defeasance of the 1996 Revenue Refunding Bonds (\$127,100). The Board discussed timing of the waiving fees and the water rate decrease scheduled for July 2021.

Motion made by Commissioner Heule, seconded by Treasurer Hjorth, and carried 5-0 to waive all fees associated with non-payment until September 1, 2020 and to suspend the 2% water rate increase scheduled for fiscal year 20/21, freezing water rates through the fiscal year 20/21.

AYES: Cylwik, Heule, Hjorth, Tarras, Willey

NOES: -

ABSTAIN: -

3.11 Emergency Administrative Leave

Chair Tarras inquired into what the City was doing. Reggie responded that he is aware many City employees are working from home and that the DWP has five employees working from home. Commissioner Heule

The City of Big Bear Lake, Department of Water and Power strives to make all of its public meetings accessible to everyone. If you need any special assistance or disability-related accommodation in order to participate in this meeting, please contact the Board Secretary at (909) 866-5050. Notification 48 hours prior to the meeting will enable the DWP to make reasonable arrangements to ensure accessibility to this meeting.

inquired into whether any DWP employee tested positive for COVID-19. Reggie responded that there are none. Commissioner Cylwik inquired into whether there was a plan to open the lobby. Reggie responded that the lobby would remain closed throughout the stay at home order. The Board decided to not make a decision at this time and defer the discussion to when conditions warrant such a change.

At 11:16 a.m., the Board took a break until 11:29 a.m.

3.12 Management Reports

Commissioner Heule inquired into the software conversion. Dani responded that Tyler has been inflexible and that we are trying to get a commitment on workarounds. Chair Tarras inquired into Cityworks. Dani responded that Cityworks is a GIS software like SEDARU that integrates with Tyler. Chair Tarras inquired into the cost and how far along we are at evaluating the software. Dani responded that we are not very far along in our evaluation and that the software is more expenses than expected. Chair Tarras inquired into when the Board will get to see the 5-Year Capital Improvement Plan. Reggie responded that we would see the presentation when we can be together in the Board Room. Commissioner Heule inquired into whether Reggie has had the opportunity to meet with Frank Rush, City of Big Bear Lake's new City Manager. Reggie responded that he has met him and has phone calls with him.

3.13 Board Member Reports

Vice-Chair Willey shared that she reads Frank Rush's daily email updates for the COVID-19 Emergency and finds them informative.

ADJOURNMENT

No additional business came before the Board. At 12:42 p.m. Chair Tarras adjourned the meeting.



Leeanne Eagleson, Secretary to the Board of Commissioners
DWP Board of Commissioners

The City of Big Bear Lake, Department of Water and Power strives to make all of its public meetings accessible to everyone. If you need any special assistance or disability-related accommodation in order to participate in this meeting, please contact the Board Secretary at (909) 866-5050. Notification 48 hours prior to the meeting will enable the DWP to make reasonable arrangements to ensure accessibility to this meeting.

We are an equal opportunity provider and employer.