

**MINUTES OF A REGULAR BOARD MEETING**  
**CITY OF BIG BEAR LAKE,**  
**DEPARTMENT OF WATER AND POWER**  
**BOARD OF WATER AND POWER COMMISSIONERS**  
**February 28, 2023**

**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 9:00 a.m. on February 28, 2023, 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**

Jason Hall, Water Production Supervisor and Jason Beck, Water Distribution Supervisor

**PUBLIC FORUM**

None.

**ACKNOWLEDGEMENTS**

Danny Ent, Water Superintendent, presented Jason Hall, Water Production Supervisor, and Jason Beck, Water Distribution Supervisor, with their 30-year service awards.

Danny presented Bruce Fellman, Water Production Technician II, with his 25-year service award.

At 9:05 a.m., Chair Tarras called a break to celebrate the 30-year anniversaries of Jason Hall and Jason Beck.

At 9:21 a.m., Chair Tarras resumed the open session.

**1. CONSENT CALENDAR****1.1 Approve Minutes of the Regular Board Meeting Dated January 24, 2023****1.2 Approve Minutes of the Special Board Meeting Dated February 9, 2023**

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

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

*NOES: -*

*ABSTAIN:*

**2. ITEMS REMOVED FROM CONSENT CALENDAR**

None.

**3. DISCUSSION/ACTION ITEMS****3.1 Authenticate Check Register 1/1/2023 to 1/31/2023**

Commissioner Smith inquired into check number 17504 paid to Tyler Technologies. Dani McGee, Chief Financial Officer, responded that the fee is for the ability for customers to make credit card payments through the Tyler platform. Commissioner Smith inquired into check number 17507 paid to Bear Valley Electric. Danny responded that the DWP is using some wells more than normal because other well pumping units are currently inoperable. Reggie Lamson, General Manager, added the three wells with the higher energy cost are DWP's larger producing wells. Treasurer Hjorth inquired into check number 17506 paid to Grainger Inc. and specifically, the fire hose being classified to Automotive Expense. Danny

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responded that the fire hose is for the temporary line in Fawnskin. Dani added that Accounting will reclassify the expense. Commissioner Cylwik inquired into check number 17498 paid to South Coast AQMD and specifically, asked what ICE stands for. Chair Tarras responded ICE stands for Internal Combustion Engine. Reggie added, the DWP has a permanent generator at the Knickerbocker site.

Commissioner Cylwik inquired into several checks paid to employees for boots and specifically asked about the boot policy. Danny responded that the boot policy enables field employees to purchase work boots for up to \$200 annually. Commissioner Cylwik inquired into check number 17484 paid to Kari Kurtz for postage charges. Dani responded that the postage charge was for the return of a DWP laptop from a prior employee who was working remotely. Commissioner Cylwik asked if we considered letting the employee keep the laptop given the expensive postage charges. Dani responded that we elected to have the employee return the laptop. In this case, the employee moved and agreed to train her replacement remotely.

Commissioner Cylwik inquired into the electrical bills and specifically the fact that he heard that California is modifying their solar panel program. Chair Tarras responded that tiers one and two are staying in place and that after April 1<sup>st</sup>, there will be a tier three which is intended to push people to battery backup. Reggie responded that as far as the DWP is concerned, our solar panels are on a net metering program. Reggie added that Bear Valley Electric has offered a special tariff to Bear Valley water agencies.

*Motion made by Treasurer Hjorth, seconded by Commissioner Smith, and carried 5-0 to authenticate the Check Register for January 2023.*

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

*NOES: -*

*ABSTAIN: -*

**3.2 Budget Adjustment – Close Out Purchase Orders**

Chair Tarras inquired into whether the project savings affected the USDA loan or grant. Reggie responded no; the DWP ensured we spent the full \$15 million on the 2018 Pipeline Replacement Project.

*Motion made by Commissioner Smith, seconded by Commissioner Cylwik, and carried 5-0 to approve the Budget Adjustment in the amount of \$618,413.*

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

*NOES: -*

*ABSTAIN: -*

**3.3 Financial Plan and Professional Services for the Master Space Plan**

In regard to the proposed solar panels, Chair Tarras asked if there was Cost Benefit Analysis. Staff responded there is not at this time. Reggie responded that the estimated annual energy savings is \$64,000 and the solar panels will enable the DWP to run two additional wells with solar power. Chair Tarras inquired if running certain wells more will overdraft the wells. Reggie responded no; we have controls to ensure we are not over drafting any sub-aquifer. Chair Tarras inquired into the amount of the proposed USDA loan. Reggie responded that the proposed loan amount is \$5 million dollars. Chair Tarras inquired into the time frame. Reggie responded that with Board approval to go forward, the design of the new operations building and site improvements will take approximately 9-12 months, construction can begin in the Spring of 2024, and it will take a year to construct the operations building. Reggie added the design for the new warehouse can be completed during the construction of the operations building.

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Chair Tarras asked if the Master Space Plan was included in the 2023 Water Rate Study. Reggie responded no; the Master Space Plan improvements will not impact the Water Rate Study because (1) the acquisition a USDA and CEC loan; and (2) the DWP is ahead of schedule on improvements for the 10-year Capital Improvement Plan (CIP). Reggie added that we can begin design and construction of the operations building and site improvements and not increase water rates beyond that proposed in the current Rate Study. Chair Tarras inquired into how much additional revenue the increased rates from the rate study are projected to provide. Dani responded approximately \$400,000 annually. Reggie added the Rate Study includes prioritized projects in the 10-year CIP at \$3.25 million annually and stated again the DWP is ahead of schedule on the CIP. Chair Tarras requested a spreadsheet to visually see the annual impact on reserves.

Commissioner Smith stated that he appreciates the analysis and agrees that seeing the information in a spreadsheet format would be helpful. Commissioner Smith further stated that he continues to have an issue with approving an Amendment for the Consultant and suggested a workshop to discuss further. Commissioner Cylwik stated that because this project was not funded through the proposed water rate increases, the DWP should not be raising rates for the project. Dani responded that the plan to fund the operations building is current funding sources and reduction to reserves. Commissioner Cylwik stated he shares Commissioner Smith's concerns and suggested an ad hoc committee to pursue this project. Commissioner Cylwik requested a list of all projects in the 10-year CIP and how the project for a new office building fits in with all other prioritized projects.

Commissioner Cylwik asked about the seismic report that was recently published regarding upgrades to DWP's water facilities. Reggie responded that the 10-year CIP includes the retrofitting of reservoirs which was a required component of the 2020 Urban Water Management Plan. Reggie added that the 2023/24 budget includes funding for a corrosion analysis on our 15 existing reservoirs. Treasurer Hjorth inquired into what the costs and impact would be if we decide to pursue loans and decide not to continue with the project. Reggie responded that we would incur expenses with the loan and grant applications because the applications are quite comprehensive. Reggie added that the cost for preparation on these applications would be less than \$50,000. Treasurer Hjorth stated that he thought it prudent to get going on applying for loans and grants as he is concerned with waiting longer.

Chair Tarras asked if you have to have the design in place to apply for loans and grants. Reggie responded that we can start pursuing loans and grants and begin the design after authorized by the Board. Chair Tarras asked if you need a plan to submit applications. Commissioner Smith responded that we have a concept. Reggie added that we have a rough proposal for the footprint of the new building and site improvements. Commissioner Cylwik inquired into the square footage of the existing office building and the proposed new building. Reggie responded the existing office building is approximately 9,100 square feet and the existing warehouse is 3,750 square feet. The proposed office building is approximately 11,000 square feet and the proposed new warehouse is approximately 10,000 square feet. Commissioner Cylwik requested a copy of the site plan for the new building.

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*Motion made by Commissioner Cylwik, seconded by Commissioner Smith, and carried 5-0 to authorize Staff to pursue funding such as a \$5,000,000 USDA Loan for a new operations building and authorize Staff to pursue a \$1,700,000 CEC Loan for solar panels.*

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

*NOES: -*

*ABSTAIN:*

### **3.4 Resolution DWP No. 2023-02 – Adopting City of Big Bear Lake, Department of Water and Power Water Rate Final Study/January 31, 2023**

*Motion made by Vice-Chair Willey, seconded by Treasurer Hjorth, and carried 5-0 to adopt Resolution DWP No. 2023-02 – adopting the City of Big Bear Lake Department of Water and Power Water Rate Study Final Report / January 31, 2023 .*

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

*NOES: -*

*ABSTAIN: -*

### **3.5 Management Reports**

Commissioner Smith asked if we are pushing out the timeline for the Risk Management policies. Rachel Franklin, Human Resources Administrator, responded that her department is one person, she is interrupted frequently, and if other priorities come up, she has to shift her focus. Commissioner Smith asked if we have considered a temporary service to ease the workload. Chair Tarras asked how far along is the progress of the Risk Management policies. Rachel responded that the policies are approximately 50-60 percent along and that she has to adjust the templates she received from CJPIA to DWP's practices. Commissioner Smith asked if we have a staffing issue. Dani responded that she had emailed the Board to advise them that staffing levels at DWP should be re-evaluated. Reggie suggested discussing this topic at the budget workshop. Commissioner Smith asked if there is a proposal from management to address workload.

Vice-Chair Willey stated that the replacement for Dani's position will not necessarily want to work the amount of overtime that Dani has worked. Rachel stated the DWP does not have space in our existing building to expand headcount. Treasurer Hjorth asked about the timing of the budget workshop. Dani responded that the draft budget is due to the Treasurer in March and the budget workshop is scheduled in April. Reggie suggested a separate meeting to discuss workload issues and the new operations building. Commissioner Cylwik stated that there are companies who will perform risk management work for agencies, and we could keep Human Resources in-house. Treasurer Hjorth stated that he recalled at the CJPIA workshop they discussed risk management. Rachel responded that the CJPIA provides agencies template policies and inspects buildings, but CJPIA does not have a branch that performs risk management for agencies.

Commissioner Cylwik stated that we should look at what tasks that can be outsourced. Rachel responded that the DWP is in compliance as we fall under the City's policies and that CJPIA suggested the DWP develop its own policies. Treasurer Hjorth suggested a Human Resources Committee meeting.

Commissioner Cylwik asked if he can be notified of blood drives and asked about the trial video cameras.

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Rachel responded yes regarding notification of blood drives, and we received two cameras, but one was not working so we shipped it back. Rachel added that we plan to install one camera in the lobby facing the front door and we plan to install another camera outside the front entrance.

Commissioner Smith asked about percolation projections. Reggie responded that we monitor our ground levels in the spring and fall annually. We then adjust our pumping patterns, if necessary. Commissioner Cylwik asked if we install solar panels in-house. Danny responded that field workers work with the SCADA contractor to install the solar panels. Treasurer Hjorth inquired into the reason for the solar panels. Reggie responded that the meter readings are not consistent in Lake Williams. The most economical way to power the meter reading collector booster at the remote reservoir site was solar panels and batteries. Dani provided the Board with an update regarding the research into a customer portal. Dani stated the start-up cost for customer portals is \$12,000-\$17,000 with an annual fee of \$21,000. Based on information gleaned from other water agencies, 15-50% of customers use customer portals with the higher percentage being those agencies that require customers to report their own leaks. Treasurer Hjorth stated that he was surprised at the recurring cost. The Board agreed to table the request for a customer portal.

Chair Tarras inquired into the how DWP's portion of the Replenish Big Bear Project Cost will get rolled into the Rate Study. Dani responded that the consultant is just getting started on the Capacity Charges portion of the Rate Study. Dani added that one option is revise the base Capacity Charges and another option is a supplemental charge when the Replenish Big Bear Project comes on line. Reggie stated the Replenish Big Bear Project will not impact customers until the last year and a half of the Rate Study.

### 3.6 Board Member Reports

None

## 4. FOLLOW-UP ITEMS

### 4.1 Board Follow-Up Items

None

At 10:50 a.m., Chair Tarras closed the open session and called a short break.

At 11:01 a.m., Chair Tarras opened the closed session.

## 5. CLOSED SESSION

### 5.1 Closed Session Pursuant to Section 54956.9 Pending Litigation

At 11:22 a.m., Chair Tarras closed the closed session with no reportable action.

## ADJOURNMENT

No additional business came before the Board. At 11:22 a.m., Chair Tarras adjourned the meeting.



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Leeanne Eagleson, Management Analyst/Board Secretary

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