

MINUTES OF A REGULAR BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
May 23, 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 May 23, 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

Chair Tarras led the pledge of allegiance.

PUBLIC FORUM

None.

EMERGENCY AGENDA ITEM

1. PUBLIC HEARING

At 9:01 a.m., Chair Tarras opened the Public Hearing.

General Manager, Reggie Lamson, delivered the FY 2023/24 Budget Presentation. Chair Tarras asked if any of the budgeted grant funding is in jeopardy because of the debt ceiling discussions occurring in the federal government. Reggie responded no; we received a final draft of the Pontell Hydropneumatic System Project grant agreement, and we provided some amendments to the USBR for the Wolf Reservoir Boosters & Pipeline Project. Dani McGee, Chief Financial Officer, stated that there could be a timing issue, but the DWP has reserves to pay for the projects until we receive reimbursement from USBR.

At 9:18 a.m., Chair Tarras closed the Public Hearing.

1.1 RESOLUTION No. DWP 2023-05 Adopting DWP - FY 2023/24 Budget and Confirming Water Rates

Commissioner Cylwik asked when the Board will have the opportunity to discuss the rate increase for FY 2023/24. Chair Tarras responded that the Board had the opportunity to discuss the proposed rate increase when the Board reviewed the FY 2023/24 Budget at the April Board meeting. Chair Tarras added that the City Council has reviewed DWP's FY 2023/24 Budget and approved the 4% rate increase. Reggie added the revenues stated in the FY 2023/24 Budget include the proposed 4% rate increase. Vice-Chair Willey stated that she understood we accepted the 4% rate increase when the Board preliminary approved the Budget. Treasurer Hjorth stated his understanding that the Board approved a rate increase of up to 4% and the Board would discuss later what the rate increase would be included in the FY 2023/24 Budget.

Chair Tarras asked what has changed since the Board approved the Budget in April. Commissioner Cylwik asked if the Board can discuss the rate increase for FY 2023/24 at a subsequent meeting because the DWP may not need to increase rates by 4%. Chair Tarras inquired into the publication requirements if the Board does not adopt the Budget at this meeting. Dani responded that another public hearing would have to be published if the Board does not adopt the Budget and due to the timing, the DWP Budget may not be incorporated into the City's FY 2023/24 Budget as scheduled on June 14, 2023. Dani added that this would mean the DWP would be operating without a Budget for FY 2023/24 on July 1, 2023. Commissioner Smith stated that he also does not

recall the Board approving a rate increase of 4% for FY 2023/24. Chair Tarras stated his concern that the DWP FY 2023/24 Budget was presented to the City Council for their review and approval and if the Board decides to revise the Budget, we will have to go through the process to obtain City Council's approval again.

Commissioner Smith inquired into the justification for the 4% rate increase. Chair Tarras responded that the 4% rate increase was recommended in the rate study. Commissioner Smith asked how the rate study and budget work together. Reggie responded that the consultant for the water rate study reviewed and analyzed DWP's revenues, operations and maintenance expenses, capital improvement plan, and debt service to recommend revisions to DWP's current water rates. Reggie added the consultant initially recommended 7-8% annually and the Board agreed to an up to 4% annual increase to rates.

Commissioner Cylwik stated that some Board members do not recall agreeing to a 4% rate increase for FY 2023/24 and that staff should have been clear in the budget presentation that the budget included a proposed rate increase of 4%. Vice-Chair Willey suggested the Board adopt the FY 2023/24 Budget with the 4% rate increase and discuss revision to the rates next year. The Board agreed to move forward with the understanding that staff will address the Board's concerns regarding improving communication and clarity in future budget presentations.

Motion made by Vice-Chair Willey, seconded by Commissioner Smith, and carried 5-0 to Adopt Resolution No. DWP 2023-05 adopting the DWP FY 2023/24 Budget and confirming the 4% adjustments to water rates, fees and charges effective July 14, 2023.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

2. CONSENT CALENDAR

2.1 Approve Minutes of the Regular Board Meeting Dated April 25, 2023

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

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3. ITEMS REMOVED FROM CONSENT CALENDAR

None.

4. DISCUSSION/ACTION ITEMS

4.1 Authenticate Check Register 4/1/2023 to 4/30/2023

Commissioner Cylwik inquired into check number 17745 paid to Best Best & Krieger and specifically asked if the Board was aware of the matter. Rachel Franklin, Human Resources Administrator, responded yes; the Board was made aware of the matter. Treasurer Hjorth inquired into check number 17718 paid to Environmental Systems Research Institute for the ARCGIS annual renewal. Dani responded that the software renewal is for multiple licenses to enable staff to view maps on their iPads while in the field. Commissioner Smith inquired into check number 17753 paid to Dell Marketing. Dani responded that the purchase was for replacement computers.

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

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.2 Amendment No. 2 to the Tom Dodson & Associates FY 2022/23 On-Call Services Agreement for Environmental Services for the Garstin Water Operations Facilities

Commissioner Smith inquired into whether there is a cap for the On-Call Services. Reggie responded no; on-call services are typically flexible to adjust to projects and grant funding received for projects. Commissioner Smith asked if a Request for Proposals (RFP) was published and whether the DWP has more than one consultant for on-call environmental services. Reggie responded yes; there was an RFP process, multiple proposals were received, and the DWP selected one consultant for on-call environmental services.

Motion made by Commissioner Cylwik, seconded by Treasurer Hjorth, and carried 5-0 to approve Amendment No. 2 to the Tom Dodson & Associates FY 2022/23 On-Call Services for Environmental Services for the Garstin Water Operations Facilities Project in the amount of \$54,000.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.3 Award Agreement to PBK for Design and Construction Management Services for the Garstin Water Operations Facilities

Treasurer Hjorth inquired into the cost difference between the two proposals. Reggie responded that this agreement is for professional services and that the review of the proposals is strictly based on qualifications. Reggie added that the fee proposals were submitted in a separate envelope and staff only opened the fee proposal for the recommended consultant. Commissioner Cylwik asked what factors were used to evaluate the proposals. Reggie responded that the factors included the firm's experience, the firm's experience with similar projects, and project schedule to name a few. Chair Tarras asked which staff evaluated the proposals. Reggie responded that Danny Ent, Water Superintendent, Nathan Statham, Chief Financial Officer, Dani, and himself evaluated the proposals. Commissioner Cylwik requested evaluation sheets of proposals be included with the staff report.

Commissioner Cylwik asked if the proposed site plan prepared by PBK was provided to all consultants. Reggie responded no; the PBK proposed site plan referenced was prepared by PBK at no cost to DWP, when the DWP changed the scope of the project from a remodel of the existing building to building a new building on the existing site. Reggie added that this was not provided to bidders because it is PBK's work product and DWP did not pay PBK for the proposed site plan referenced. Commissioner Cylwik stated that he is concerned that the RFP did not state the proposed size of the new building and that the proposed site plan was not provided to all consultants. Reggie stated that the RFP outlined the operational space requirements and consultants that attended the site tour (including SGH) were given additional information for Project space requirements and construction phasing. Commissioner Smith stated that he would also like to see the evaluation sheets of the proposals. Commissioner Smith added that he scored the SGH proposal higher because of the variety of SGH staff and that he thought neither proposal effectively addressed the sustainability component. Reggie

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responded that the RFP stated LEED Certification is required but that the new building does not have to be certified.

Treasurer Hjorth asked if the comparison of the proposals was “apples to apples” with regards to construction management. Reggie responded that he addressed the consultant’s questions with regards to construction management and clarified that DWP only requires construction administration. Vice-Chair Willey stated that the PBK proposals references work on eighteen water facilities and the SGH proposal reference work on schools and the Big Bear Zoo. Chair Tarras asked about the RFP process and why an objective third party is not evaluating the proposals. Reggie responded that historically DWP staff has evaluated proposals and brought recommendations to the Board. Commissioner Cylwik stated that he saw the two consulting firms are equally qualified because both have built office buildings and that he is concerned the consultants did not have the same information. Chair Tarras asked if the criteria used to score the proposals was standard. Commissioner Smith responded that in his experience the scoring criteria is more comprehensive.

Motion made by Vice-Chair Willey, seconded by Chair Tarras to approve an agreement with PBK and the motion did not pass.

AYES: Tarras, Willey

NOES: Cylwik, Smith

ABSTAIN: Hjorth

Reggie asked the Board for direction. Commissioner Cylwik requested staff (1) consult with JPIA or BB&K regarding a list of recommended criteria for evaluation of proposals and (2) more specific information be provided in the RFP such as identification of the approximate size of the proposed new building. Commissioner Smith stated that he would like to see the evaluation sheets and a third-party independent review of the proposals. Reggie suggested DWP staff provide the two proposals, the information provided to the consultants, and an evaluation sheet to Sean Sullivan, Director of Public Services for the City of Big Bear Lake and obtain his independent evaluation of the proposals. The Board agreed to this suggestion and will revisit this agenda item once Sean has completed his evaluation.

At 11:24 a.m., Chair Tarras called for a break.

At 11:38 a.m., Chair Tarras resumed open session.

4.4 March 31, 2023 Financial Analysis Unaudited

Chair Tarras inquired into the charts regarding Non-revenue Water and asked whether we have a five-year average. Dani responded no, and that industry standard is not to exceed 10%.

Commissioner Smith inquired into the Operations & Maintenance Fund spending. Dani responded that we are currently under budget by approximately \$400,000. Chair Tarras asked if the difference is a timing issue. Dani responded that some of the difference is timing and some of the difference is permanent. Chair Tarras requested staff summarize the permanent and timing differences.

4.5 Management Reports

Commissioner Cylwik asked Rachel, Human Resources Administrator, if she organizes all travel accommodations. Rachel responded generally yes; but that she does not typically arrange hotel accommodations. Treasurer Hjorth

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stated that he recently learned JPIA offers training to employees on a variety of matters. Rachel responded that the DWP has taken advantage of these training opportunities such as a recent fire extinguisher training. Vice-Chair Willey inquired into the 2023 AWWA Water Utility Compensation Survey. Rachel responded that we participated in the Survey because we will get a copy of the Survey results.

Commissioner Smith asked Bennett Rossell, Water Conservation & Communications Supervisor, if the DWP will be publishing information on the use of plastic water bottles. Bennett responded that we have already submitted an ad regarding plastic water bottles to the Grizzly for publication next month. Treasurer Hjorth stated that his neighbors have complained to him about air in the water. Bennett responded that the Board can share his extension with customers who have voiced concerns. Commissioner Cylwik asked what percentage of our water system has milky water. Jason Hall, Water Production Supervisor, responded that it depends on the time of year and that the Sugarloaf and Fawnskin areas sometimes have air entrained issues. Commissioner Cylwik stated that he is happy the native plant program has been revived. Bennett responded that we have advertised the program on social media, KBHR, and posters at the local nurseries. Treasurer Hjorth asked if the native plant list is available on the DWP website. Bennett responded yes.

Jason provided the Board with information regarding the large amount of gravity water flowing from DWP's slant wells and spring boxes as a result of the significant winter snowfall this past year. Jason stated the water flow is in excess of 500 gallons per minute (gpm) as compared to previous flows of 150 to 200 gpm. Treasurer Hjorth asked if there is telemetry on these facilities. Jason responded not on the individual wells but where the water is combined and chlorinated, so all flows are measured and recorded via telemetry. Reggie stated that there is so much water available in the Town Zone that we are not currently running the Division Wells. Reggie added that we are using the Lassen Booster to pump the water up to the Wolf/Shuff Zone instead of the Klamath Boosters. This revision will allow us to resume operation of the solar powered Division wells. Treasurer Hjorth inquired into the net metering. Reggie responded that it is most efficient for the DWP to use the power we produce at the solar wells because if we produce more power than we use we only receive a \$0.04 per kWh reimbursement versus saving \$0.26 to \$0.28 per kWh. Chair Tarras inquired into prior discussions regarding slant wells at Summit Mountain. Reggie responded that there were discussions, but the plan was tabled during the busy winter season. Chair Tarras asked if we test for forever chemicals. Jason responded that we test for all chemicals.

Commissioner Smith commended Dani on the Data Mining Team. Vice-Chair Willey inquired into the audit. Dani responded there were no identified issues, and the exit meeting is scheduled today. Treasurer Hjorth stated that he overheard at the recent JPIA conference that agencies have been complaining about the additional State reporting requirements. Commissioner Cylwik inquired about the Raftelis project schedule and whether we are on schedule. Dani responded that Raftelis provided the DWP with a data request for the additional studies and that we are in the process of collecting that data. Commissioner Cylwik asked if there is any indication that Raftelis will not complete the study. Dani responded no; the separate studies are for meter installation fees, administration fees, and capacity charges.

4.6 Board Member Reports

Commissioner Cylwik shared that he attended the JPIA training for newly elected officials and a couple of take-aways were (1) JPIA offers technical services such as drafting of policies for agencies; and (2) JPIA is looking to expand services such as cybersecurity and team building. Rachel responded the DWP participates in JPIAs' cybersecurity program annually. Treasurer Hjorth shared that he also attended the JPIA training and found it excellent. Rachel responded there is another JPIA training session scheduled this summer more tailored to those who have been in office, and she will let the Board know when it is available. Commissioner Smith stated there was an article in the Big Bear Grizzly regarding BBARWA raising rates for Replenish Big Bear. Reggie responded that the proposed published rate increase assumes no outside participation, that DWP and CSD have already

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signed a MOU to contribute to the project to pay for water percolated within Sand Canyon and possibly to irrigate the golf course (in lieu percolation). .

5. FOLLOW-UP ITEMS

5.4 Board Follow-Up Items

None

ADJOURNMENT

No additional business came before the Board. At 12:55 p.m., Chair Tarras adjourned the meeting.



Leeanne Eagleson, Management Analyst/Board Secretary

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