

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

Robert Cherno addressed the Board regarding the Wolf Reservoir and requested a discussion of possible fencing, cameras, and lighting for the Wolf Reservoir site be placed on a future agenda. These items will likely be discussed when the Board considers the environmental documents for this project.

1. CONSENT CALENDAR

Agenda Item 1.1 removed from the Consent Calendar.

2. ITEMS REMOVED FROM CONSENT CALENDAR

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

Commissioner Cylwik requested a correction to the July 25, 2023 Board minutes. Specifically, Commissioner Cylwik requested the minutes for agenda items 4.1 June Check Register and 5.1 Board Follow Up Items be revised to reflect a request to see a summary of the annual solar cost savings for the Division Solar Field and not to see copies of the energy bills for the Division Field. Chair Tarras inquired if Accounting maintains a spreadsheet to capture the annual solar cost savings for the Division Solar Field. Nathan Statham, Chief Financial Officer, responded yes; there are various spreadsheets that capture the requested information.

Motion made by Vice-Chair Willey, seconded by Commissioner Smith, and carried 5-0 to approve the minutes of the July 25, 2023 Regular Board Meeting.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3. DISCUSSION/ACTION ITEMS

3.1 Authenticate Check Register 7/1/2023 to 7/31/2023

Commissioner Smith inquired into check number 18092 paid to Romans Construction and specifically asked if the payment is against an annual not to exceed balance. Reggie Lamson, General Manager, responded yes and this payment was for paving that occurred prior to the end of the FY 22/23. Nathan added that all payments are tracked to a purchase order with a not to exceed balance. Chair Tarras inquired into the carryforward process. Nathan responded the carryforward for Romans Construction was carryforward because the DWP had not been invoiced yet for work that occurred in FY 22/23. Commissioner Smith inquired into check number 18121 paid to BB&K. Treasurer Hjorth responded that the Board cannot discuss attorney payments. Commissioner Smith inquired into check number 18161 paid to Tom Dodson for the Garstin Water Operations Facilities, asked if there was an agreement for this expense, and asked if we are tracking against a not to exceed amount. Reggie

responded yes to both questions. Commissioner Smith asked if Tom Dodson bills the DWP hourly or by milestone. Reggie responded that Tom Dodson bills hourly and often bills under the not to exceed amount.

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

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.2 Resolution No. DWP 2023-XX – Amendments to Policy #2019-01 Capital Asset Accounting Policy and Procedures

The agenda item was moved to the September Board Meeting for additional research. Chair Tarras asked if the items below the current threshold will be written off. Nathan responded only if the item is fully depreciated. Chair Tarras inquired about the capitalization of meters which only cost around \$500 and the fact that there are approximately 16,000 meters in our system. Nathan responded that anything below the proposed threshold but as a group are significant, such as meters, will continue to be capitalized according to our current policy. Commissioner Cylwik stated his understanding that the DWP will utilize the same capital asset accounting method as the City. Nathan responded yes; the City's audited financial statements state the capital asset threshold as \$7,500 but the DWP's capital asset threshold has been \$3,000. Nathan added that it would be optimal to use the same capital asset threshold as we are a capital component of the City. Treasurer Hjorth asked what is changing in the Policy to moved the agenda item to September. Reggie responded that staff would like to review the salvage value section in the Policy because we need to salvage a crane due to increased operator certification requirements and increase equipment inspection issues.

3.3 Ratify Change Order No. 1 to the Borden Excavating Contract for the Circle Lane Water Improvements Project

Vice-Chair Willey asked if we are assuming the line items in the Apple Valley Construction bid are all included in the Borden Excavating bid. Reggie responded yes. Commissioner Smith asked why this Project is a Change Order. Reggie responded because we currently have a pipeline replacement project contract with Borden Excavating and we are adding the Circle Lane Water Improvements Project to the 2023 Pipeline Replacement Project to facilitate a City paving project. Reggie added the work is similar and we approached the two contractors who are currently doing similar work in the Bear Valley to bid on the Circle Lane project. Commissioner Cylwik stated the California Contract Code allows change orders for similar additional work as long as the change order does not exceed 30% of the contract price.

Motion made by Commissioner Cylwik, seconded by Vice-Chair Willey and carried 5-0 to ratify Change Order No. 1 to the Borden Excavating Contract for the 2023 Pipeline Replacement Project in the amount of \$107,543.00.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.4 June 30, 2023, Financial Analysis (Unaudited)

Chair Tarras asked if the June 30, 2023, Financial Analysis is a preliminary year end analysis. Nathan responded that it is an unaudited analysis. Nathan added there are still some financial transactions to be processed. However, the June 30, 2023, Financial Analysis is accurate to budget comparisons. Treasurer Hjorth stated that he liked the new financial analysis format. Chair Tarras asked if the report was from the software reporting package or prepared manually. Nathan responded the attachments are prepared manually as there are still

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some realignment of accounting groups to be completed. Chair Tarras requested to added to the column headings whether the results are favorable or unfavorable. Nathan responded that he can add to the column headings, as long as it did not require Tyler to create a special report. Chair Tarras inquired into the inventory increase. Nathan responded that he is researching the inventory differences. Chair Tarras stated that capital outlays are not expenses and suggested capital outlay be removed from the expense report. Nathan responded that he agrees and that he included capital outlay because the information had been provided to the Board on previous financial analysis reports. Chair Tarras asked if we can format unfavorable differences in brackets. Nathan responded that he will need to research the Tyler report flexibility. Treasurer Hjorth inquired into project numbers and sub-project numbers. Nathan responded that a purchase order references a whole project number categorized by specific asset type. Chair Tarras asked if the system capitalizes labor. Nathan responded no; the Tyler system does not have the capability to capitalize labor at this time. Each project is assigned a Project ID and staff enter their time worked on the project within their Paylocity timesheet.

3.5 Change Order No. 1 to Apple Valley Construction Contract for the Wolf Pipeline Replacement Project

Chair Tarras asked if the request by the City is expected to be project-by-project. Reggie responded yes. Commissioner Smith inquired if the contract with Apply Valley Construction is with the DWP, how will the City reimburse the DWP. Reggie responded that we will invoice the City and receive a check for reimbursement.

Motion made by Treasurer Hjorth, seconded by Commissioner Smith and carried 5-0 to authorize the proposed budget adjustment of \$102,824.10 and approve Change Order No. 1 to the Apple Valley Construction Contract for the Wolf Pipeline Replacement Project.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.6 Resolution No. DWP 2023-XX - Annual Mike Whalen Memorial Celebration

Chair Tarras asked if an employee memorial half-holiday is common practice in government. Nathan responded that he has not come across this specific situation previously. Vice-Chair Willey stated that she is aware of memorial functions such as golf tournaments and scholarships. Rachel Franklin, Human Resources Administrator, responded that some employees have participated in the Mike Whalen Memorial Golf Tournament for the past several years. The employees have started a Mike Whalen scholarship fund for future Big Bear High School graduates. It is anticipated that Mike's daughter will be the first recipient when she graduates. Chair Tarras asked if a half day memorial holiday is a gift of public funds. Rachel responded no, it is not considered a gift of public funds and other local agencies conduct half day employee appreciation events for their staff, such as picnics. Chair Tarras stated that this agenda item should have been brought to the Human Resources Committee prior to being presented to the Board. Commissioner Cylwik stated that he appreciated the intent, but an organization is not remarkable because of one individual. Commissioner Cylwik added that he is all for team building activities. Rachel responded that not all staff can attend the annual memorial golf tournament because the office is open and asked if the Board was open to an Employee Appreciation event. Treasurer Hjorth stated that he is open to a team building activity that is not connected to one individual. The item was tabled by consensus of the Board.

3.7 Hampton Inn Mainline Extension

Commissioner Cylwik inquired into the contractor's name. Danny Ent, Water Superintendent, responded the contractor's name is SC Backhoe Service and is a sub-contractor to the Project's general contractor. Treasurer

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Hjorth inquired into the size of the mainline. Danny responded the mainline extension will be an 8-inch PVC pipeline. The Hotel will have a 3-inch residential service and a 6-inch fire service.

Motion made by Treasurer Hjorth, seconded by Commissioner Smith and carried 5-0 to authorize the proposed budget adjustment of \$75,000 and approve a payment to the Hampton Inn in the amount of \$75,000 for a mainline extension to complete the 8-inch pipeline loop on Park Avenue.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

3.8 Management Reports

Commissioner Smith asked if there was a date for the HR Committee to review the Risk Management Policies. Rachel responded that because an HR Committee Member will be away through October, she is targeting the beginning of November. Commissioner Cylwik asked if ten employees attending TriState was typical. Rachel responded yes. Reggie added the continuing education units available at TriState are a bargain when compared to other Continuing Education Unit (CEU) courses. Vice-Chair Willey stated the turnout at the Xeriscape Garden Tour was excellent. Commissioner Cylwik stated that he expected a larger rip-rap structure at base of the concrete apron slope at the Grout Creek Pipeline Replacement Project. Danny responded that the contractor used all of the available material to construct the rip-rap structure. Danny also stated that the trench paving portion of the project is not completed.

Commissioner Smith inquired into the proposed shotcrete slope at the Angels Camp Reservoir. Reggie responded the Reservoir is nine years old and the cut slope is beginning to erode. Staff is working with Bear Mountain on the construction of the new Goldmine Booster Building and Bear Mountain is using shotcrete construction for a portion of their project. The Bear Mountain shotcrete subcontractor provided staff with an estimate of \$85,000 to stabilize the cut slope at the Angle Camp Reservoir. Staff is working with a local contractor to obtain a second opinion. Staff would like to address the erosion issue before winter. Treasurer Hjorth asked if we can do something natural to prevent the erosion. Danny responded that the original project included hydro-seeding and a fabric mesh but that this method was not successful. Commissioner Cylwik thanked Danny for the photos in his staff report.

Commissioner Smith stated he had a comment on the Garstin Water Operations Facilities layout and specifically that the design is a rectangular box, that the design lacked a sense of arrival and doesn't reflect proximity relationships. Reggie responded that the proposed floor plan was the result of input from senior staff members and that PBK will be proceeding with more detailed design now that a floor plan concept is developed. Commissioner Smith inquired into natural light. Reggie responded that all offices will have exterior windows for natural light. Commissioner Smith asked when there will be a discussion of LEED certification. Reggie responded that the LEED certification discussion will probably occur November-December.

3.9 Board Member Reports

None.

5. FOLLOW-UP ITEMS

5.1 Board Follow-Up Items

Commissioner Smith stated that there are dates coming up on the Board Follow Up Items Chart including discussion of workload and discussion of LEED Certification. Staff clarified some dates and acknowledged that some dates needed to be revised.

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ADJOURNMENT

No additional business came before the Board. At 11:19 a.m., Chair Tarras adjourned the meeting.



Leeanne Eagleson, Management Analyst/Board Secretary

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