

MINUTES OF A REGULAR BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
August 30, 2022

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 9:01 a.m. on August 30, 2022, 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

Bob Tarras, Chair

PUBLIC FORUM

None.

Danny Ent, Water Superintendent, and Jason Beck, Water Distribution Supervisor, provided the Board with a Show-and-Tell of the PV500-GHO-W-T Vac Trailer that was authorized by the Board for purchase on August 3, 2022.

1. CONSENT CALENDAR

1.1 Approve Minutes of the Regular Board Meeting Dated July 26, 2022

1.2 Approve Minutes of the Special Board Meeting Dated August 3, 2022

Motion made by Commissioner Cylwik, seconded by Treasurer Hjorth, 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 Customer Request to the Board

Chair Tarras stated the DWP must abide by California's Constitution. Vice-Chair Willey stated that she empathized with the customer but agreed that we must abide by California's Constitution. Commissioner Smith inquired into how we calculate a customer's connection fees. Reggie Lamson, General Manager, responded that it is based on the customer's projected usage and the projected usage is determined by the number of fixture units (toilets, sinks, washing machines, etc.) the new home will have. Commissioner Cylwik stated that he agreed with Vice-Chair Willey and asked at what point does the DWP not go back and correct an error. Chair Tarras stated that mistakes happen, the customer will be paying the amount of connection fees that the customer should pay and attempting to get away with a mistake is not a good argument. Treasurer Hjorth inquired if the DWP staff ran the issue by our attorney. Dani McGee, Chief Financial Officer, responded that we did not run it by our attorney and that she relied on her extensive knowledge of Article XIII D of the California Constitution to bring the issue to the attention of the Board.

Commissioner Cylwik stated that he would like an answer to his question regarding how far back the DWP can go to correct an error. Chair Tarras inquired into the DWP process to correct a billing error. Dani responded that within the context of the Constitution and rate payers, our process for billing errors is to go back one year and resolve the error. Dani added that with regard to connection fees, this calculation error has not occurred before. Additionally, Dani stated the Board could offer the customer a payment plan. Treasurer Hjorth stated that he didn't see a contract. Dani responded there is not a contract for connection fees and added, there is only a contract within the Water Service Agreement. Commissioner Smith inquired into the connection fee charges. Dani responded the customer was charged \$13,125 and the customer should have been charged \$14,231.05. Reggie added the difference is eight percent which is this year's CCI increase. Reggie also stated the customer should pay their proportionate share to connect to the water system.

Commissioner Smith inquired into the other two customers who were charged incorrect connection fees. Dani responded the other two customers were charged connection fees for a remodel while this customer was charged connection fees for new construction. Vice-Chair Willey asked what the result is if the customer does not agree to pay the full connection fees. Dani responded the customer will not be able to connect to the water system. Commissioner Smith asked if we would return to the customer the portion of the paid connection fees. Dani responded that it will be at the discretion of the General Manager.

Motion made by Vice-Chair Willey, seconded by Commissioner Smith, and carried 5-0 to denying the customer's request, stating the customer should pay the full connection fees due because the DWP abides by the California Constitution, and to offer the customer a payment plan for up to six months.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.2 Authenticate Check Register 7/1/2022 to 7/31/2022

Commissioner Smith inquired into check number 16702 paid to Accent Computer Solutions and asked if there is an on-going contract for support. Dani responded, yes and there are separate charges for other services such as decommissioning servers and the Tyler Application Migration. Commissioner Smith inquired into check number 16748 paid to Water Systems Consulting (WSC) and asked if there is an as needed agreement for the services. Reggie responded the DWP has multiple agreements with WSC for on-going construction projects and that each project has its own agreement. Commissioner Smith inquired into check number 16764 paid to Alex Pedroza for Tri-State. Reggie responded that we send several employees to Tri-State each year to obtain continuing education units to maintain their certificates. Commissioner Smith inquired into check number 16745 paid to U.S. Bank for the CLEEN Loan. Reggie responded the payment is for the IBank Loan for the 2016 Big Bear Blvd. Pipeline Replacement Project. Dani added the DWP makes the payment twice a year for the Loan.

Commissioner Cylwik inquired into check number 16741 paid to Sierra Orr dba CommunicateORR and asked if we have a service agreement with Sierra Orr. Dani responded the short-term agreement is for hourly services as needed for public information. Treasurer Hjorth inquired into check number 16750 paid to Bear Valley Electric (BVE) and specifically, that he did not see the Sawmill Well in the list of facilities. Dani responded that it is timing difference depending on when the DWP receives the invoice from BVE.

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Motion made by Treasurer Hjorth, seconded by Commissioner Cylwik, and carried 5-0 to authenticate the Check Register for July 2022.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.3 Approve Change Order No. 2 to DDH Apple Valley Construction Contract for the 2018 USDA Pipeline Replacement Project, Phase III Package B

Chair Tarras inquired if the Change Order No. 2 was within the contingency amount. Commissioner Smith responded no; the Change Order is not within the contingency amount. Commissioner Cylwik stated the Change Order has nothing to do with mismarked utilities and that this Change Order represents poor design. Commissioner Smith stated he had the same concern and asked if we are calling this unforeseen. Chair Tarras inquired into who designed the project. Reggie responded WSC designed the project. Commissioner Cylwik stated that the consultant should have done a better job. Reggie stated that the DWP loaned materials to Apple Valley Construction (AVC) so they could start construction in June of 2021 and the DWP is purchasing some extra materials from AVC left over from the project. We are handling the parts exchanged on separate purchase orders. Chair Tarras inquired how the USDA will handle the parts exchanges. Reggie responded the contractor installed the materials per the design and that the parts exchange is not part of the USDA contract.

Commissioner Smith inquired if there was an initial job walk by the contractor. Danny responded the initial job walk is typically performed when there is still snow on the ground and may of the streets are adjacent to hillsides which makes it difficult to determine the street width due to sluffing of embankment material. Reggie added the design could have been performed better on the pavement width and that we provide the consultant the available records. Commissioner Smith stated that he is uncomfortable with signing change orders after the fact. Reggie responded that with pipeline construction change order decisions must be made quickly to avoid downtime charges.. Commissioner Smith asked if we had previously agreed on an email heads up regarding after the fact change orders. Reggie responded that some of the items in the change orders are from last summer and that he would have to research when we had come up with a procedure. Dani added Change Order No. 2 will not be reimbursed by USDA because we have exceeded \$15,000,000 loan and grant amount prior to executing Change Order No. 2.

Treasurer Hjorth inquired into the accounting for the material exchanges and whether we can net the information. Dani responded that for accounting purposes, we cannot net the inventory exchanges. Commissioner Cylwik stated that a better design could have saved construction costs. Chair Tarras responded the cost would be the same it just would have been known up front. Commissioner Cylwik agreed and stated that if the design had been better, we would not be addressing a change order. Commissioner Smith inquired into how the change order is classified. Treasurer Hjorth responded that it is classified as unforeseen conditions. Commissioner Smith inquired into the additional number of meter boxes. Reggie responded that DWP provided WSC an estimated number of meter boxes that would need to be replaced, based on previous projects. Danny added that sometimes during construction, you cannot get the meter boxes back together because the boxes may have cracked. Chair Tarras stated that

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normally the DWP staff does meter box replacements. Danny responded that is correct except during pipeline replacement projects.

Motion made by Vice-Chair Willey, seconded by Commissioner Cylwik, and carried 5-0 to approve the budget adjustment and approve Change Order No. 2 to AVC in the amount of \$103,857.28.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.4 Notice of Completion – 2018 USDA Pipeline Replacement Project, Phase III Package B

Commissioner Cylwik stated the Notice of Completion Staff Report does not reflect the total cost of the project. Reggie responded that we will add the total cost of the project to the minutes.

Motion made by Commissioner Cylwik, seconded by Vice-Chair Willey, and carried 5-0 to authorize staff to file a Notice of Completion with the San Bernardino County for the 2018 USDA Pipeline Replacement Project, Phase III, Package B naming DDH Apple Valley Construction as the contractor. The total construction cost of the project was \$2,834,202.64.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.5 Notice of Completion - Moonridge Pipeline Relocation Project

Chair Tarras inquired into the change order for the concrete roundabouts. Commissioner Cylwik stated there were two change orders. Danny responded that there was one change order last year when Borden Excavating relocated the Moonridge pipeline that was in conflict with the proposed storm drain pipelines and one change order this year for moving valves out from under the proposed concrete roundabouts. Chair Tarras asked if we came to an equitable arrangement for the City's contribution to the project. Reggie responded that we have not finalized an agreement yet. Reggie added that this year's project is different because the pipelines being replaced are approximately fifty years old while last year's pipeline replacement dealt with considerably newer, properly sized pipelines, that were not in need of replacement.

Commissioner Smith asked if this project's purpose was to help the City. Reggie responded that was the purpose of last year's project and that this year's project was prudent for the DWP to perform now instead of later because it is more costly to replace concrete pavement. Commissioner Smith inquired into the total cost of the project. Reggie responded the initial project cost was \$287,365.90. a deductive change order of \$23,000 will reduce the project cost to approximately \$264,000. Chair Tarras stated that he would like to know what the City contributes to the project.

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Motion made by Vice-Chair Willey, seconded by Commissioner Cylwik, and carried 5-0 to authorize staff to file a Notice of Completion with the San Bernardino County for the Moonridge Pipeline Replacement Project naming DDH Apple Valley Construction as the contractor. The total cost of the project was approximately \$264,000.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.6 Adopt Statutory Exemption and File Notice of Exemption as the Appropriate CEQA Environmental Determination for the North Shore Drive Pipeline Project

Treasurer inquired into whether this pipeline was in the National Forest. Danny responded that the pipeline will be within the national forest and that there is no right-of-way for State Highway 38 in this area. Chair Tarras asked if an archeologist will be required. Reggie responded yes; the archeologist will be on site for three to four days during mainline construction. Commissioner Cylwik inquired where the work will be performed because the exhibit is not clear. Reggie responded the work to be performed adjacent to Highway 38, just west of Division Drive.

Motion made by Commissioner Cylwik, seconded by Vice-Chair Willey, and carried 5-0 to adopt the Statutory Exemption under the provisions of CEQA Section 15282(k) and authorize the General Manager to file the Notice of Exemption.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES: -

ABSTAIN: -

3.7 Management Reports

Commissioner Smith inquired about the five employees who attended the 2022 Tri-State seminar and asked if this is the seminar in which the employees get their certifications. Danny responded that the employees received continuing education units to maintain their certificates and that all employees were reimbursed for their expenses. Commissioner Cylwik stated that we are trending in the right direction in regard to water production and stated this is not the only time the Bear Valley has been hot. Treasurer Hjorth stated he likes the format of the Water Conservation & Communications Supervisor Report. Dani stated that on Friday, August 26th, the DWP made an offer for the Accounting Supervisor position and Kari Kurtz, the existing Accounting Supervisor, will be staying on for training. Reggie added the DWP also filled the Utility Tech position with an individual who currently works for Arrowhead CSD.

Commissioner Cylwik inquired into the status of Cityworks. Dani responded that staff is still working and testing the inventory process, and that another physical inventory is scheduled late summer or early fall so the trucks can be inventoried. Reggie added the DWP decided to use QR codes rather than Bar codes. Commissioner Cylwik asked if the employees use their cell phones. Reggie responded the field staff use iPads. Each meter tech and production tech has their own iPad, and each crew has an iPad. Treasurer Hjorth requested a demonstration of the Cityworks inventory process. Commissioner Cylwik and Commissioner Smith stated they are also interested in viewing a Cityworks demo.

Treasurer Hjorth asked about the Master Space Plan. Reggie responded that staff met with the architect yesterday and gave him some comments for the final draft drawings. Reggie added the architect will *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.*

finalized the drawings and provide a cost estimate for preparation of construction contract documents for the proposed warehouse addition and the proposed site improvements. Reggie also stated that the warehouse expansion and site improvements near the warehouse are budgeted to be constructed in this fiscal year. Treasurer Hjorth inquired into phases for the Master Space Plan. Reggie responded there are three phases including (1) warehouse expansion(2) the site improvements; and (3) the office building improvements. Chair Tarras requested a presentation for the Master Space Plan at the September Board meeting. Commissioner Cylwik inquired into the change order for additional survey work. Reggie responded that DWP requested a change order for topographic mapping of the Mountain Transit property, which is adjacent to the DWP property so that we could properly evaluate the possibility of acquiring that property, in lieu of modifying our existing property.

Commissioner Cylwik requested to see the work product from the architect. Reggie responded the final drawings will be presented to the Board in September. Treasurer Hjorth stated that he thought the consideration to acquire the Mountain Transit property was abandoned. Reggie responded yes; it was evaluated and determined to not be in DWP's best interest.

Reggie shared the Replenish Big Bear Team (Team) received a letter from the Regional Board on August 26th and the Team is meeting later today to discuss. Chair Tarras inquired into state guidelines for PF chemicals found in rain water. Reggie stated the issue of chemicals and contaminates in rainwater is an emerging issue with no guidelines from the State yet. Reggie added that from the samples taken in the Bear Valley, we have not identified a problem. Reggie also shared the Replenish Big Bear Project (Project) received additional funding from the USBR for its latest grant application in the amount of \$8.2 million and that brings the total grant funding for the project to approximately \$16 million. Additionally, USBR often funds up to 25% of the Project cost, so there will likely be additional grant funding. Chair Tarras inquired into whether the financials have been performed yet for the Project. Reggie responded that BBARWA is working with a financial consultant, and they were waiting for the Regional Board proposed treatment train that will be required to make the Project permissible. Once we know the scope for the Project, we will be able to prepare estimated financials.

Reggie provided the Board a heads-up there will be a change order request for the La Crescenta Well building for grading modifications. Once the planned foundation was set, we determined we needed more fill material to construct a larger pad for the crane to better access the pumping unit. Joe inquired into who designed the La Crescenta Well building. Reggie responded that WSC designed the building to match the existing grade and subsequently, it was determine the building needed to be raised. Chair Tarras asked if this was for safety reasons. Reggie responded it's purpose is for workability.

Commissioner Smith stated the grant information in the General Manager report is a good read. Reggie shared the DWP committed \$500 thousand to the preliminary design for the Project and because of grant funding, we have been reimbursed \$125,000 of this expenses. Commissioner Smith asked if the other partners contributed to the Project. Reggie responded yes; and going forward, BBARWA will continue to shared reimbursements for environmental work. Treasurer Hjorth asked if there is a date yet for the pilot testing. Reggie responded that David Lawrence, General Manager of BBARWA, would like to get going on the pilot testing this fall. Treasurer Hjorth stated he would like to know when this is scheduled to happen

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and asked if they can perform testing in the winter. Reggie responded yes because the Project will operate during the winter months. Reggie added the pilot testing is a six-to-nine-month process.

Treasurer Hjorth inquired into the Division Well No. 9 Drilling and Equipping Project chart and specifically asked if the Project has been completed. Reggie responded no; the contractor was supposed to come up the mountain on August 24th to drill the conductor casing but due to the rain, Highway 38 was closed. The conductor rig is only permitted to travel up Highway 38. The contractor is ready to go but can't get up the mountain. Possibly, Cal Trans will grant permission for the contractor to bring the conductor rig up Highway 330/Highway 18. Commissioner Smith inquired into the Equipping phase of the Project. Reggie responded the Equipping phase includes the building, the switch gears, and controls and is scheduled for construction in 2023. The pumping plant design will be finalized once the well is drilled and tested.

3.8 Board Member Reports

Commissioner Smith requested a process be put in place for change orders. Dani asked Leeanne Eagleson, Management Analyst/Board Secretary, to locate the previous agreed up process approved by the Board.

Vice-Chair Willey stated she will not be attending the September Board meeting. She also shared she bumped into Steve Wilson, our previous Water Superintendent, and retirement looks good on him.

Chair Tarras stated that he also may not be able to attend the September Board meeting and that he is leaning towards calling into the meeting.

4. FOLLOW-UP ITEMS

4.1 Board Follow-Up Items

Commissioner Smith requested the change order process be added to the list of follow-up items.

ADJOURNMENT

No additional business came before the Board. At 11:00 a.m., Chair Tarras adjourned the meeting.



Leeanne Eagleson, Management Analyst/Board Secretary

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