

MINUTES OF A REGULAR BOARD MEETING
CITY OF BIG BEAR LAKE,
DEPARTMENT OF WATER AND POWER
BOARD OF WATER AND POWER COMMISSIONERS
July 25, 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 July 25, 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.

1. PUBLIC HEARING

1.1 Resolution No. DWP 2023-09 – Approval to Apply for Funding through the United States Department of Agriculture for the Garstin Water Operations Facilities Project

At 9:01 a.m., Chair Tarras opened the public hearing.

Chair Tarras asked if the City is required to approve the loan. Reggie Lamson, General Manager, responded yes; the City will need to sign the Bond documents.

At 9:09 a.m., Chair Tarras closed the public hearing.

Motion made by Vice-Chair Willey, seconded by Commissioner Cylwik, and carried 5-0 to approve Resolution No. DWP 2023-09 directing staff to submit a formal application for \$5,000,000 in low interest loan through the USDA for the Garstin Water Operations Facilities Project and authorizing the DWP General Manager to sign the USDA Letter of Intent to meet conditions and request for obligation of funds.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

2. CONSENT CALENDAR

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

2.2 Revise Leak Adjustment Credits

Motion made by Treasurer Hjorth, 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 6/1/2023 to 6/30/2023**

Treasurer Hjorth inquired into check number 17909 paid to Jack Henry & Associates for Remit Plus annual maintenance and specifically asked the purpose of the expense. Rachel Franklin, Human Resources Administrator, responded that Remit Plus processes checks received by DWP. Treasurer Hjorth inquired into check number 17972 paid to Bear Valley Electric for the Division Reconciliation and asked if this expense was for the solar project. Reggie responded yes. Commissioner Cylwik inquired into the annual cost of the Division Solar Field. Reggie responded that there are two components: (1) a demand charge which is for power used in excess of power produced; and (2) a service charge of \$6.00 per day. The reconciliation calculates the difference between energy used and solar energy produced. The DWP used slightly more power than produced and our annual solar savings was approximately \$170,000. Commissioner Cylwik requested to see a summary of the annual solar cost savings. Reggie responded that he will provide the requested information to the Board.

Commissioner Cylwik inquired into large number of customer refunds. Nathan Statham, Chief Financial Officer, responded that the large number of customer refunds are due to a timing issue and that DWP has approximately \$175,000 in customer credit balances. Nathan added the policy is to allow up to \$500 credit balance per customer. Treasurer Hjorth asked if we can limit the credit card payment to the amount due to minimize over payments. Nathan stated that he will research this question. Commissioner Smith inquired into check number 18057 paid to Tom Dodson & Associates and asked if there is an on-call contract for these services. Reggie responded yes; there are several projects for which Tom Dodson & Associates is providing environmental services. Commissioner Smith asked if there is a cap on the amount the consultant can charge on the projects. Reggie responded yes. Commissioner Smith inquired into check number 18059 paid to Water Systems Consulting and asked if there is an on-call contract for these services. Reggie responded yes; the bulk of WSC services were for agenda item 1.1 the application for funding through the USDA for the Garstin Water Operations Facilities Project. Commissioner Smith asked if we track the services against a cap. Reggie responded yes.

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

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.2 **Elect Officers and Appoint Committee Members**

Vice-Chair Willey made a motion for Chair Tarras to continue as Chair because of his previous leadership and understanding of the role.

Motion made by Vice-Chair Willey, seconded by Commissioner Smith and carried 5-0 to maintain the current officers including Chair Tarras, Vice-Chair Willey, and Treasurer Hjorth.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

Chair Tarras appointed Board Commissioners to the following standing committees:

Human Resources Committee – Vice-Chair Willey and Commissioner Smith

Investment Committee – Chair Tarras and Treasurer Hjorth

Technical Review Team – Chair Tarras and Commissioner Cylwik

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.

4.3 Resolution No. DWP 2023-10 - Carryover of Encumbrances to Fiscal Year 2023/24

Treasurer Hjorth inquired into the difference between appropriations and encumbrances. Nathan responded that appropriations represent spending approved by the Board and encumbrances represent a legal obligation to a specific vendor. Purchase orders are used to track encumbrances. Commissioner Smith asked how an agreement gets in place. Reggie responded the Board approves agreements and amendments to agreements. Commissioner Smith asked how we track the cap on agreements. Nathan responded that the accounting system tracks invoices paid and applies them against purchase orders, invoices paid reduce the purchase order, and the system will not allow funds to be spent that exceed the purchase orders. Chair Tarras inquired into when we close a purchase order. Nathan responded when the services are completed, or goods delivered.

Motion made by Treasurer Hjorth, seconded by Commissioner Smith and carried 5-0 to adopt Resolution No. DWP 2023-11 authorizing the proposed budget adjustments to roll forward prior year encumbrances as detailed in Exhibit A.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.4 Award Contract to Apple Valley Construction for the Emergency Pipeline Replacement at Grout Creek

Chair Tarras inquired into the number of feet of pipeline replacement. Reggie responded approximately 160 feet. Chair Tarras inquired into the higher-than-normal contingency fee. Reggie responded that the contractor will be required to grind through a concrete apron to install the pipeline and the thickness of the apron is unknown. Treasurer Hjorth asked why we do not attach the pipeline to the bridge. Reggie responded the bridge is a historical monument and it is a Caltrans facility.

Motion made by Vice-Chair Willey, seconded by Commissioner Cylwik and carried 5-0 to authorize the proposed budget adjustment of \$164,483, approve a contract with Apple Valley Construction, Inc for the Emergency Pipeline Replacement at Grout Creek in the amount of \$149,530.33, and budget internally for a 10% contingency in the amount of \$14,953.03 for a total amount of \$164,483.36.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.5 Resolution No. DWP 2023-11 – Amendments to Policy #2021-20 Credit Card Policy

Commissioner Cylwik asked if the new policy increases the number of new credit cards issued for purchases. Nathan responded that currently there are several employees who have DWP credit cards for purchases and employees currently borrow other employees credit card to make purchases. The policy proposes the use of a department level credit card, not in a specific employee name, and a check out process. Commissioner Cylwik asked if the Board will have visibility to the credit card purchases. Nathan responded that the Board has visibility now to credit card purchases through the US Bank check transactions and that will not change. Treasurer Hjorth inquired into accountability. Nathan responded that a sign out sheet is preferred to employees borrowing another employee's credit card. Nathan added that reoccurring expenses should be posted to an administrative credit card. Commissioner Cylwik asked if we are considering paying consultants by credit card. Nathan responded no; not as a general practice.

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 Vice-Chair Willey and carried 5-0 to approve Resolution No. DWP 2023-11 amending Policy #2021-20 Credit Card Policy.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.6 Approve Purchase Order for Paving Services

Chair Tarras inquired if with inflation, the budgeted \$100,000 was enough for our paving service needs. Reggie responded that staff believes the budgeted amount is sufficient and we can reevaluate it during next year's budget process. Treasurer Hjorth asked if the \$100,000 is budgeted, why we need to approve a purchase order. Reggie responded that we are required to obtain authorization for purchase orders over \$25,000 even if the item has been budgeted. Chair Tarras stated that the paving should be on DWP's schedule. Reggie responded that historically the local contractors treated the paving services as fill-in work but now there is a higher priority to get potholes patched. Commissioner Cylwik requested that future staff reports list which contractors were solicited for bids and whether the contractors submitted a bid or not.

Motion made by Commissioner Cylwik, seconded by Treasurer Hjorth and carried 5-0 to authorize Staff to execute a Purchase Order with Roman's Construction for \$100,000 from Account No. 22-55-9295 (Capital Outlay – Basic Materials) for FY 2023/24 AC Patching and Capping Services.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.7 Appoint Chief Accounting Employee

Motion made by Vice-Chair Willey, seconded by Treasurer Hjorth and carried 5-0 to appoint Nathan Statham as the Chief Accounting Employee.

AYES: Cylwik, Hjorth, Smith, Tarras, Willey

NOES:

ABSTAIN:

4.8 Management Reports

Vice-Chair Willey inquired into the Wolf Reservoir complaint. Rachel responded that there has been no other complaints from any other customer or even this customer since early 2022. Commissioner Cylwik asked if there is graffiti at the site. Rachel responded no. Chair Tarras stated that it appears visitation to Big Bear is down. Reggie responded that visitation was low until the Fourth of July and has picked up since then. Treasurer Hjorth asked about the cloud seeding program that was approved a couple of years ago. Reggie responded that SAWPA did not have the equipment in place for cloud seeding last winter but they expect to have the equipment ready for this winter. Commissioner Cylwik asked if the 2% inventory variance was in quantity or value. Nathan responded that the 2% variance was in value. Commissioner Cylwik inquired about the historical year-over-year variance and the feasibility of including it in future inventory reports. Nathan responded that the reporting module in the inventory system is a work in progress and that additional reporting capabilities will need to be implemented before a meaningful report can be presented to the Board. Chair Tarras stated that he attended the Replenish Big Bear Open House and Pilot Tour, and it was hard to hear the presentation with the equipment running.

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.

4.9 Board Member Reports

None.

5. FOLLOW-UP ITEMS

5.1 Board Follow-Up Items

Commissioner Smith requested a project chart for the Garstin Water Operations Facilities Project.

ADJOURNMENT

No additional business came before the Board. At 11:14 a.m., Chair Tarras adjourned the meeting.



Leeanne Eagleson, Management Analyst/Board Secretary

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.