

**MINUTES OF A REGULAR BOARD MEETING**  
**CITY OF BIG BEAR LAKE,**  
**DEPARTMENT OF WATER AND POWER**  
**BOARD OF WATER AND POWER COMMISSIONERS**  
**September 27, 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 9:00 a.m. on September 27, 2022, by Chair Bob Tarras.

**BOARD MEMBERS PRESENT**

Bob Tarras, Chair  
Craig Hjorth, Treasurer  
Joe Cylwik, Commissioner  
Jim Smith, Commissioner

**BOARD MEMBERS EXCUSED**

Barbara Willey, Vice-Chair

**PLEDGE OF ALLEGIANCE**

Craig Hjorth, Treasurer

**PUBLIC FORUM**

None.

**INTRODUCTION**

Dani McGee, Chief Financial Officer, introduced DWP's new Accounting Supervisor, Steven Gonzalez.

Danny Ent, Water Superintendent, introduced DWP's new Utility Technician, Dakota Arizmendi.

**1. CONSENT CALENDAR**

**1.1 Approve Minutes of the Regular Board Meeting Dated August 30, 2022**

*Motion made by Treasurer Hjorth, seconded by Commissioner Smith, and carried 4-0 to approve the Consent Calendar.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN:*

**2. ITEMS REMOVED FROM CONSENT CALENDAR**

**2.1 Authorize Vehicle Replacement Purchase**

Chair Tarras inquired into whether the replacement vehicle was budgeted. Reggie Lamson, General Manager, responded yes; the pick-up truck was budgeted in the fiscal year 2022/23 for the Meter Department. Chair Tarras inquired if parts can be taken from the vehicle to be replaced and moved to the new vehicle. Danny responded no; the current vehicle will be placed in surplus.

*Motion made by Treasurer Hjorth, seconded by Commissioner Smith, and carried 4-0 to approved the budget adjustment and authorize the purchase of a 2023 Ford F150 with covered bed in the amount of \$49,863.11 from Sunrise Ford.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN:*

**3. DISCUSSION/ACTION**

**ITEMS**

**3.1 Authenticate Check Register 8/1/2022 to 8/31/2022**

Commissioner Smith inquired into check numbers 16872 and 16873 and specifically asked if the checks were progress payments. Reggie responded yes; progress payments on approved projects. Commissioner

Smith asked if we track the progress payments. Treasurer Hjorth responded yes; staff attached the progress payment schedules to the check requests. Commissioner Smith inquired into check number 16917 and specifically into the high energy bills for certain wells. Reggie responded that some wells are only ran to keep them fresh and other wells are running on a daily basis.

*Motion made by Treasurer Hjorth, seconded by Commissioner Smith, and carried 4-0 to authenticate the Check Register for August 2022.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

### **3.2 Resolution No. DWP 2022-17 – Funding Letter of Intent for the Replenish Big Bear Project**

Chair Tarras asked if DWP’s attorney has reviewed the Funding Letter of Intent. Reggie responded yes; BBARWA’s, CSD’s, and DWP’s attorneys have all reviewed the Letter of Intent. Chair Tarras inquired if the Bear Mountain Golf Course has agreed to accept the proposed 120 acre-feet-a-year (afy). Reggie replied we discussed the concept with the Bear Mountain, and they are in agreement to use Project Water. It is still undetermined whether the Bear Mountain’s agreement for Project Water will be with BBARWA or MWD. Additionally, Bear Mountain is replacing their snow making supply pipeline and will incorporate this Project into their proposed pipeline replacement to enable the DWP to replenish the Sand Canyon aquifer.

Reggie shared with the Board this is the first Letter of Intent and other Letters of Intent are in the works. Chair Tarras inquired into the “up to” language in referring to the amount of withdrawal from the lake of Project Water annually. Reggie responded the actual agreement will be more detailed. Treasurer Hjorth stated that the agreement will be for a sustaining cost, and we should use the maximum allowed Project Water. Chair Tarras stated that he has a hard time reconciling the need for this Project in the short term. Commissioner Cylwik responded that like the current condition of the lake and the fact that it will take multiple years to refill the lake, and we need to be cautious about drawing down our drinking water supply because it may be a big effort to replenish our aquifers, after they have been over pumped. Both Treasurer Hjorth and Commissioner Smith agreed with Commissioner Cylwik. Additionally, Treasurer Hjorth stated the Funding Letter of Intent is non-binding, and we need to need to do something sooner rather than later.

Commissioner Cylwik stated that he has concern the letters from the Regional Board and the Division of Drinking Water (DDW) have different concerns regarding the Project. Reggie responded the Regional Board is requesting additional information. Reggie added that the DDW wants the Project to happen to enhance the Bear Valley’s water supply. The Regional Board’s focus is surface water and DDW’s focus is ground water. Commissioner Cylwik asked if the Board passes this Resolution and if there is a breakdown such that the Project does not happen, will the DWP have any financial risk. Reggie responded there is no financial impact unless the Project happens.

Chair Tarras inquired into how the Project will be incorporated into the Rate Study. Reggie responded that we need to discuss that with Raftelis and that he imagines it will be incorporated into the O&M expenses. Chair Tarras inquired into whether we have performed a study of DWP’s water supply

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vulnerability. Treasurer Hjorth responded that Tom Harder prepared a study a while back. Chair Tarras asked if the Project is delayed, how do we back it out of our proposed water rates. Reggie responded the Rate Study typically includes a proposed percentage increase annually of 2-3% and the Board will have flexibility to adjust the proposed rates downward if the Project is delayed. Commissioner Smith stated that he would prefer the motion be revised to include "non-binding" Letter of Intent.

*Motion made by Commissioner Cylwik, seconded by Commissioner Smith, and carried 4-0 to adopt Resolution No. DWP-2022-17 approving the non-binding Letter of Intent for the Replenish Big Bear Project and authorizing the General Manager to execute the non-binding Letter of Intent.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

### **3.3 Ratify Change Order No. 1 to South West Pump & Drilling Contract for the Maple Well Pumping Unit Replacement**

Commissioner Smith inquired into the overall budget and the 5% contingency amount and asked why we are not paying down the contingency amount. Commissioner Smith further stated that 5% contingency appears to be a low contingency amount. Commissioner Cylwik stated he had the same question and that the Board should only be authorizing the change order for the amount above the contingency. Reggie responded the DWP budgets \$90,000 annually for well pumping unit replacements. Dani McGee, Chief Financial Officer, responded the Board is being asked to ratify the Change Order and the DWP staff will pay the amount of the Change Order from the appropriate account that is within the approved budget.

Commissioner Smith stated that we should target project cost and avoid change orders. Reggie responded we can request a larger contingency amount. Commissioner Cylwik stated that he is uncomfortable with higher contingency amounts because they signal to contractors there is more funding. Commissioner Cylwik further stated that we have recently have some unforeseen issues. Reggie added that historically we work within the contingency amounts but in the last year or so we have been working on projects that were complex, such as excessive rocky conditions.

Commissioner Smith stated that we should include as much information in the bid packages as possible. Chair Tarras inquired into how much is left in the budget for fiscal year 2022/23 for well pumping unit replacements. Dani responded approximately \$45,000. Reggie added the DWP averages replacing three well pumping units annually and last year we had to replace eight well pumping units, other years DWP has had zero pump failures. Dani further added that the Maple Well is our largest producing well.

*Motion made by Treasurer Hjorth, seconded by Commissioner Cylwik, and carried 4-0 to ratify Change Order No. 1 to the South West Pump & Drilling Maple Well Pumping Unit Replacement contract in the amount of \$5,898.24.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

### **3.4 Ratify Change Order No. 2 to Tri County Pump Contract for the Division Well No. 6 Pumping Unit Replacement**

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Treasurer Hjorth stated that it is his understanding the contractor should accept responsibility for the new pumping unit not working properly. Reggie responded that Tri County Pump takes responsibility for the products they purchased and that pump suppliers do not reimburse for the labor cost of installing a warranted submersible pump. Treasurer Hjorth stated the warranty of the pump should be built into the bids. Reggie responded that when the Division Well No. 8 failed just past the one-year warranty, Tri County pulled the pump and installed a replacement pump with no charge to the DWP and that the Division No. 6 replacement pumping unit failed two additional times, which is highly unusual. Chair Tarras asked if the electrical cable was the problem. Reggie responded that we replaced the replacement cable with a second new cable, and the pumping unit has worked since and most importantly, the pumping unit worked over the Fourth of July.

Commissioner Smith inquired into Change Order No. 1. Reggie responded Change Order No. 1 was to modify the pump head to meet the new DDW standards and the modification will save the DWP over \$13,000 when we construct a new well building for this facility.

*Motion made by Commissioner Smith, seconded by Treasurer Hjorth, and carried 4-0 to ratify Change Order No. 2 to Tri County Pump Division Well No. 6 Pumping Unit Replacement contract in the amount of \$9,882.98.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

### **3.5 Ratify Change Order No. 1 to Tennyson Pipeline Contract for the 2022 Well Improvements: La Crescenta Project**

Treasurer Hjorth stated he is concerned about a 180 GPM pump being ramped down to less GPM. Reggie responded that when they pulled the pump, there were scrap marks on the pump. Reggie added that by downsizing the pump motor size, we can use 3-inch column pipe and reduce chafing the pump. Commissioner Smith asked how this affects the change order. Treasurer Hjorth responded the intent of the project was not to replace the pump and that a majority of the change order is for the pump replacement. Treasurer Hjorth inquired into what the DWP will do with the pump being replaced. Reggie responded that we can use the column pipe again and will place the column pipe in our inventory supply. The reuse of the existing pump is possible but not likely.

Commissioner Smith request a line-item breakdown and asked if we have a standard change order form. Reggie responded yes; somehow the change order form was not included in the Board Agenda Package. Dani stated that we will send the Change Order Form for this project to the Board. Commissioner Cylwik inquired into how much of this change order could have been avoided by a better design. Reggie responded the consultant gave the DWP what we asked for and that extensive site grading was not part of the consultant's scope of work.

*Motion made by Commissioner Smith, seconded by Treasurer Hjorth, and carried 4-0 to approve the budget adjustment and ratify Change Order No. 1 to the Tennyson contract in the amount of \$59,600.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

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### 3.6 Authorize Purchase of Case 580 SN WT Backhoe

Danny stated the RDO Equipment Company's quote is slightly higher, and it is missing an item that costs about \$10,000. Commissioner Cylwik stated that he appreciates presenting this good opportunity and that it reduces costs to the rate payers. Commissioner Cylwik asked since the backhoe was not budgeted until next year, do we reduce next year's budget. Dani responded that because the backhoe is scheduled to be replaced next year, the draft FY 2023/24 budget has not been prepared yet. . The line item to purchase a backhoe will not be included in next year's budget.

*Motion made by Commissioner Cylwik, seconded by Commissioner Smith, and carried 4-0 to approve the budget adjustment and authorize the purchase of a Case 580 SN WT backhoe in the amount of \$155,124.57 from Sonsray Machinery.*

*AYES: Cylwik, Hjorth, Smith, Tarras*

*NOES: -*

*ABSTAIN: -*

### 3.7 June 30, 2022 Financial Analysis Unaudited

Commissioner Smith stated the DWP has less revenue and still met our expenses. Dani responded the revenue fund exceeded our expectations for fiscal year 2021/22 and directed Commissioner Smith to page 78 of the Board Agenda Package for additional details. Chair Tarras stated the revenue increase was primarily due to the increase in capacity charges. Dani agreed and stated that we typically average forty new connections annually and this past year we had eighty new connections. Chair Tarras inquired into why LAIF's return on our investments is below 1%. Dani responded LAIF is conservative to protect government agencies and that she has been monitoring CAMP. CAMP interest rates are currently two to two and a half percent. Treasurer Hjorth stated the financials look good. Chair Tarras added the DWP is fine. Treasurer Hjorth thanked Dani.

### 3.8 Management Reports

Commissioner Smith inquired into the letter to the Governor for SB1127. Rachel Franklin, Human Resources Administrator, responded the bill is proposing to change how workers compensation claims are process including a shorter time frame for investigations, penalties on employers, and temporary disability for cancer claims. The bill does not reduce an employee's rights. Commissioner Smith inquired into any precipitation forecasts for next season. Bennett Rossell, Water Conservation & Communications Supervisor, responded the State monitors forecasts and conditions. Chair Tarras added that NOAH prepares climate predictions and is predicting a warm and dry winter season. Treasurer Hjorth stated he was happy to see water consumption decreasing. Chair Tarras stated it appear August 2022 was a record low. Reggie responded that because of the rain, there was less water used for irrigation. Bennett added that fifty percent of water consumption to homes is for irrigation.

Treasurer Hjorth asked if the power outages were impacting any of the water facilities. Reggie responded that it is an inconvenience because staff has to reset the telemetry at a number of the production sites. Chair Tarras asked if there is a reason the power has gone out so frequently this Summer. Reggie responded Bear Valley Electric is replacing poles and that maybe that has something to do with the frequent power outages. Dani added a cement truck hit a power pole in Baldwin Lake recently and that

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accounted for one of the outages. Chair Tarras inquired into how the new City Manager is doing. Reggie responded that he had lunch with him last week at the Public Works building and he seems like a good guy. . Chair Tarras recommended the new City Manager be taken on a tour of the DWP facilities. Reggie responded he intends to invite him when he sees him at the Manager's lunch next week. Commissioner Smith inquired into a presentation for the Master Space Plan. Reggie responded the presentation will be during the October Board meeting because the consultant had a family emergency and was not able to attend the September Board meeting. Commissioner Smith inquired if the consultant will be in person at the Board meeting. Reggie responded yes.

### **3.9 Board Member Reports**

None

## **4. FOLLOW-UP ITEMS**

### **4.1 Board Follow-Up Items**

Treasure Hjorth stated he appreciate the charts.

Open Session adjourned at 10:48 a.m.

Closed Session began at 10:49 a.m.

## **5. CLOSED SESSION**

### **5.1 Closed Session Pursuant to Section 54957, Public Employee Performance Evaluation**

Title: General Manager

The Board came out of Closed Session at 10:53 a.m. with no reportable action.

## **ADJOURNMENT**

No additional business came before the Board. At 10:54 a.m., Chair Tarras adjourned the meeting.



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Leeanne Eagleson, Management Analyst/Board Secretary

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