

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

Regular Board Meeting Agenda

May 25, 2022 at 5:00 p.m.

121 Palomino Drive, Big Bear City, California

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. APPROVAL OF AGENDA**

**4. PUBLIC FORUM**

Public testimony is permitted at this time only on consent calendar items and other matters not listed on the posted agenda that are within the subject matter jurisdiction of the Agency. State law prohibits the Agency from taking action on any items not listed on the posted agenda. Public comment on items listed on the posted agenda will be taken at the time each item is called for discussion.

**5. PRESENTATION AND INTRODUCTION**

**5.A.** David Lawrence nominated as a “Local Government Champion” by the Institute for Local Government

**6. INFORMATION/COMMITTEE REPORTS**

**6.A.** General Manager’s Report

**7. CONSENT CALENDAR**

All matters listed on the Consent Calendar will be enacted by one motion at the appropriate time. There will be no separate discussion of these items. If a detailed discussion is necessary, any Governing Board Member may request that an item be removed from the Consent Calendar and considered separately.

**7.A.** Approval of the Meeting Minutes from the April 27, 2022 Regular Meeting

**7.B.** Monthly Disbursements Report for April - Informational

**7.C.** Investment Report Identifying Agency Investments and Reporting Interest Income for April – Informational

**7.D.** Pay Schedule

**7.E.** Third Quarter Report, Nine Months Ended March 31, 2022

**8. ITEMS REMOVED FROM CONSENT CALENDAR**

9. **OLD BUSINESS**

None

10. **NEW BUSINESS – DISCUSSION/ACTION ITEMS**

10.A. General Manager Employment Agreement Amendment

10.B. Adjourn the June 22, 2022 Regular Board Meeting

11. **COMMENTS AND ANNOUNCEMENTS**

11.A. General Manager Comments

11.B. Governing Board Member Comments

12. **ADJOURNMENT**

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in an Agency meeting or other services offered by the Agency, please contact the Agency at (909) 584-4018. Notification at least 48 hours prior to the meeting or time when services are needed will assist Agency staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the office of the Big Bear Area Regional Wastewater Agency and are available for public inspection during normal business hours.

Visit [www.bbarwa.org](http://www.bbarwa.org) to view and/or print the Agenda Package.



Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 6.A.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**REVIEWED BY:** Jennifer McCullar, Finance Manager; and John Shimmin, Plant Manager

**SUBJECT:** General Manager's Report

**DISCUSSION:**

Administration

*COVID-19*

The Administrative Office remains closed to the public.

*Initiative 21-0042A1 (Amendment No. 1 to The Taxpayer Protection and Government Accountability Act)*

The Secretary of State's recommended deadline for submitting signatures to qualify for the 2022 ballot was April 29. The deadline to qualify for the 2024 ballot is August 3, giving the proponents another three months. The statewide initiative measure to amend the California Constitution sponsored by the California Business Roundtable will not be on the November 2022 ballot as confirmed by the campaign representatives. According to spokesperson Michael Bustamante, proponents will continue signature gathering, now with the intent of qualifying the measure for the 2024 ballot.

Operations

*Headworks Grit System Rehabilitation Project – No Update*

Coordination with the contractor, R.I.C. Construction Co., Inc. is still underway, with submittals being reviewed.

*Division and Mountain View Vault Lid Replacement for the CBBL Flow Meter and Software Project*

Romans Construction, a local contractor, completed the vault lid replacement on May 2, 2022, within the determined scope and budget.

*Solar Production*

The April 2022 monthly performance report is attached.

2022 Treatment Plant Data

There were no reportable violations during April 2022 for the plant. The influent flow (MG) chart is attached to this report.

| <b>Flow Percentages</b>  |                 |              |              |
|--------------------------|-----------------|--------------|--------------|
| <b>Member Agency</b>     | <b>February</b> | <b>March</b> | <b>April</b> |
| City of Big Bear Lake    | 54.96%          | 53.32%       | 51.13%       |
| Big Bear City            | 42.21%          | 43.90%       | 45.86%       |
| County of San Bernardino | 2.83%           | 2.78%        | 3.02%        |

Connections

| MONTH        | FYE 6/30/2022 |           |           |           |           |           |           |           |           |          |
|--------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|
|              | FY 2016       | FY 2017   | FY 2018   | FY 2019   | FY 2020   | FY 2021   | FY 2022   | CITY-BBL  | CSD       | CSA-53B  |
| July         | 8             | 3         | 4         | 3         | 7         | 3         | 11        | 2         | 9         | 0        |
| August       | 5             | 12        | 6         | 10        | 2         | 12        | 5         | 3         | 2         | 0        |
| September    | 6             | 4         | 6         | 3         | 7         | 3         | 7         | 5         | 2         | 0        |
| October      | 10            | 9         | 8         | 3         | 5         | 10        | 9         | 8         | 1         | 0        |
| November     | 6             | 5         | 11        | 5         | 2         | 2         | 5         | 1         | 4         | 0        |
| December     | 8             | 4         | 2         | 3         | 1         | 2         | 3         | 1         | 2         | 0        |
| January      | 1             | 0         | 2         | 1         | 1         | 2         | 2         | 1         | 1         | 0        |
| February     | 0             | 1         | 6         | 0         | 1         | 0         | 6         | 4         | 2         | 0        |
| March        | 3             | 2         | 9         | 3         | 1         | 3         | 9         | 1         | 8         | 0        |
| April        | 10            | 3         | 12        | 3         | 7         | 12        | 12        | 3         | 9         | 0        |
| May          | 10            | 4         | 0         | 5         | 5         | 6         | 0         | 0         | 0         | 0        |
| June         | 2             | 16        | 0         | 6         | 6         | 13        | 0         | 0         | 0         | 0        |
| <b>TOTAL</b> | <b>69</b>     | <b>63</b> | <b>66</b> | <b>45</b> | <b>45</b> | <b>68</b> | <b>69</b> | <b>29</b> | <b>40</b> | <b>0</b> |

Other

*Replenish Big Bear (RBB)*

The Second Amended and Restated Memorandum of Understanding is pending signatures from MWD and the BVBGSA.

On April 1, 2022, the Regional Board requested additional time to meet internally to finalize their review of the Report of Waste Discharge (ROWD) to determine future permitting requirements for RBB. On April 29, 2022, the Regional Board provided four comments regarding laboratory, pollutant, and proposed treatment process data, and requested additional time to formally review the ROWD and associated documents with an anticipated completion in mid-May. Informally, the Regional Board proposed applying Surface Water Source Augmentation Project (SWSAP) equivalent regulations to protect the Lake’s MUN (municipal and domestic supply) beneficial use designation. The Project Team and the Regional Board are discussing the ramifications of applying this regulation and how to move the Project forward.

The Project Team received confirmation that the \$1 million Community Project Funding Request was submitted to the House Committee on Appropriations by Congressman Obernolte on April 28, 2022. The IRWM Prop 1 Round 1 grant (\$4.5 million) Progress Report No. 4 and the 2021 Title XVI grant (\$1.7 million) agreement documents were submitted to the respective grant agencies for review on April 29, 2022.

#### Funding Plan, Bartle Wells Associates

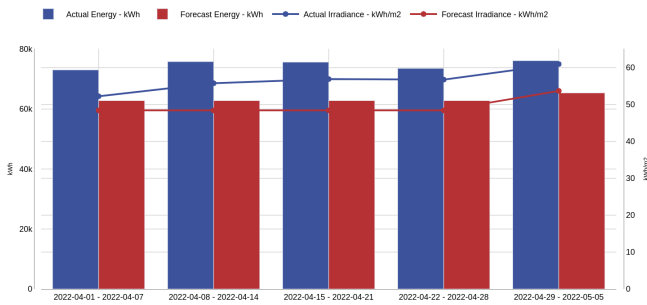
The Agency discussed the project and potential funding needs of RBB with Doug Dove, President of Bartle Wells Associates, independent public finance advisors, whom the Agency has used for a bond issuance and private placement in the past. The Agency plans to engage the firm to complete a funding plan for RBB, to include the current, short-term need for gap financing (to advance fund grant reimbursements) and longer-term financing to include funding programs (State Revolving Fund, funding under the Water Infrastructure Finance and Innovation Act (WIFIA), and iBank), and financing under a bond issuance or private placement. We expect the plan to be complete in approximately three months.



|                         |                                                     |
|-------------------------|-----------------------------------------------------|
| <b>Capacity (kW DC)</b> | 2750.0                                              |
| <b>Resource</b>         | Solar                                               |
| <b>Project Company</b>  | Distributed Solar Development, LLC. Mohawk          |
| <b>Utility</b>          | Bear Valley Electric Service                        |
| <b>Address</b>          | 121 Palomina Dr - 58373 Big Bear - CA/United States |

## Last Months Performance

Energy (kWh) ☐

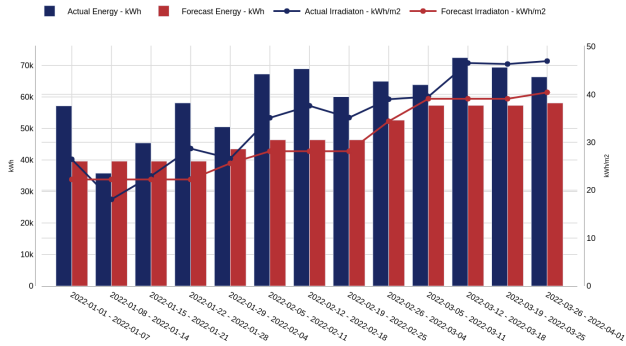


Energy (kWh) ☐

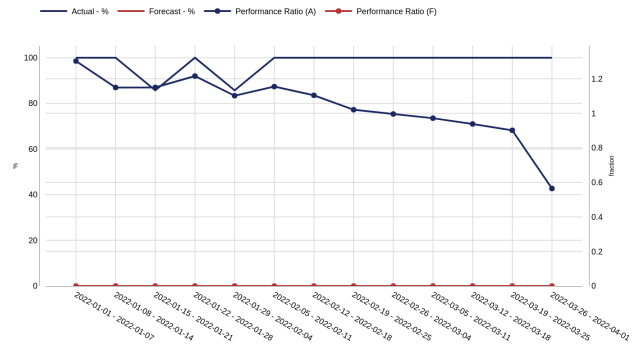
| Time          | Energy (kWh)      |                   |
|---------------|-------------------|-------------------|
|               | Actual            | Forecasted        |
| 01 Apr 2022   | 10,705.00         | 8,973.00          |
| 02 Apr 2022   | 10,325.88         | 8,973.00          |
| 03 Apr 2022   | 9,442.56          | 8,973.00          |
| 04 Apr 2022   | 10,357.81         | 8,973.00          |
| 05 Apr 2022   | 10,636.94         | 8,973.00          |
| 06 Apr 2022   | 10,797.75         | 8,973.00          |
| 07 Apr 2022   | 10,791.75         | 8,973.00          |
| 08 Apr 2022   | 10,760.44         | 8,973.00          |
| 09 Apr 2022   | 10,652.81         | 8,973.00          |
| 10 Apr 2022   | 10,625.25         | 8,973.00          |
| 11 Apr 2022   | 10,766.62         | 8,973.00          |
| 12 Apr 2022   | 11,097.38         | 8,973.00          |
| 13 Apr 2022   | 10,961.88         | 8,973.00          |
| 14 Apr 2022   | 10,942.62         | 8,973.00          |
| 15 Apr 2022   | 10,856.56         | 8,973.00          |
| 16 Apr 2022   | 10,987.94         | 8,973.00          |
| 17 Apr 2022   | 10,841.38         | 8,973.00          |
| 18 Apr 2022   | 10,370.88         | 8,973.00          |
| 19 Apr 2022   | 10,750.12         | 8,973.00          |
| 20 Apr 2022   | 10,829.00         | 8,973.00          |
| 21 Apr 2022   | 11,008.44         | 8,973.00          |
| 22 Apr 2022   | 9,153.50          | 8,973.00          |
| 23 Apr 2022   | 11,004.56         | 8,973.00          |
| 24 Apr 2022   | 10,934.12         | 8,973.00          |
| 25 Apr 2022   | 10,683.00         | 8,973.00          |
| 26 Apr 2022   | 9,789.50          | 8,973.00          |
| 27 Apr 2022   | 10,947.38         | 8,973.00          |
| 28 Apr 2022   | 11,042.38         | 8,973.00          |
| 29 Apr 2022   | 10,937.75         | 8,973.00          |
| 30 Apr 2022   | 10,901.75         | 8,973.00          |
| <b>Totals</b> | <b>319,902.94</b> | <b>269,190.00</b> |

## Last 3 Months Performance

## Energy (kWh) □



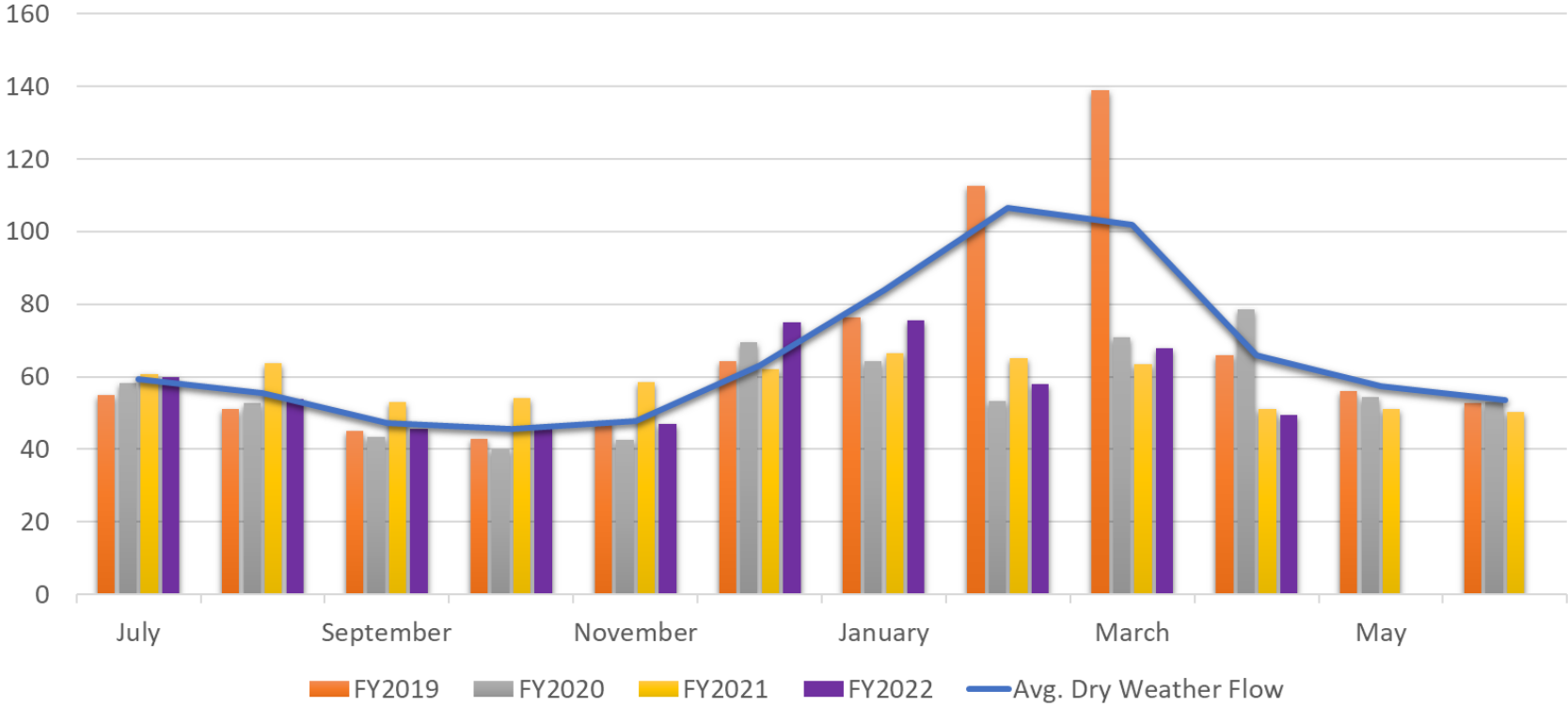
## Availability and PR



## Closed Events Last 3 Months

**Energy(kwh):** Radiant light and heat from the Sun  
**Irradiation(kwh):** The power per unit area produced by the Sun in the form of electromagnetic radiation. The solar irradiance integrated over time is called solar irradiation, solar exposure or insolation. The SI unit of irradiance is watt per square meter (W/m2). The solar energy business uses watt-hour per square meter (Wh/m2) divided by the recording time. 1 kW/m2 = 24 kWh/(m2 day).  
**Production (kwh):** Energy generated by your system  
**Weather Adjustment (Δ):** PV systems depends both on the quality of the system and the weather. This adjustment is made to give more consistent results throughout the year as the weather changes.  
**Availability:** the Max theoretical generation capacity  
**PR (Performance Ratio):** the ratio measured output to the expected output for a given reporting period based on the system name-plate rating

### Influent Flow (MG)





**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REGULAR BOARD MEETING MINUTES**

April 27, 2022

**1. CALL TO ORDER**

A Regular Meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was called to order by Chair Herrick at 5:00 p.m. on April 27, 2022, at 121 Palomino Drive, Big Bear City, California and via Zoom.

**BOARD MEMBERS PRESENT**

Rick Herrick, Chair  
Jim Miller, Director  
Bynette Mote, Director  
Larry Walsh, Director

**BOARD MEMBERS ABSENT**

John Green, Vice-Chair

**STAFF MEMBERS PRESENT**

David Lawrence, General Manager  
Jennifer McCullar, Finance Manager  
John Shimmin, Plant Manager  
Sonja Kawa, Human Resources Coordinator/Accounting Technician  
Bridgette Burton, Management Analyst/Board Secretary

**OTHERS**

Michael Eagleson  
Jim Eakin  
Frank Forbes, County of San Bernadino Representative (Via Zoom)  
Shawn Koorn, Associate Vice-President, HDR Engineering, Inc. (via Zoom)  
Mary Reeves, General Manager, Big Bear City Community Services District  
(joined at 5:03 p.m. via Zoom)  
ET Russell, Big Bear Lake NewsRoom

**2. PLEDGE OF ALLEGIANCE**

Director Mote

**3. APPROVAL OF THE AGENDA**

Upon motion by Director Miller, seconded by Director Walsh and carried, the Governing Board approved the agenda as presented.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**4. PUBLIC FORUM**

No comments

5. **PRESENTATIONS AND INTRODUCTIONS**

5.A. David Lawrence 5-year recognition

The Governing Board congratulated Mr. Lawrence on his anniversary with the Agency and read a list of accomplishments and challenges over the past five years.

6. **INFORMATION/COMMITTEE REPORTS**

6.A. General Manager's Report

The General Manager highlighted MWD's contribution to the Replenish Big Bear Project and ongoing discussions with the City of Big Bear Lake and the County of San Bernardino for a potential TOT increase. The Governing Board requested clarification regarding grants for groundwater recharge and other recharge locations throughout the Big Bear Valley.

7. **CONSENT CALENDAR**

- 7.A. Approval of the Meeting Minutes from the March 23, 2022 Special Meeting Budget Workshop
- 7.B. Monthly Disbursements Report for March
- 7.C. Investment Report Identifying Agency Investments and Reporting Interest Income for March
- 7.D. AB 361 Open Meetings: State and Local Agencies: Teleconferences
- 7.E. Resolution No. R. 08-2022, A Resolution of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.)

Upon motion by Director Mote, seconded by Director Miller and carried, the Governing Board approved the Consent Calendar as presented.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

8. **ITEMS REMOVED FROM THE CONSENT CALENDAR**

None

**9. OLD BUSINESS**

**9.A. 2022 Rate and Fee Studies**

This item was informational only with the Finance Manager presenting key points included in the 2022 Rate and Fees Studies developed by HDR Engineering, Inc. The Governing Board requested further explanation on the number of forecasted connections, how the studies determined 45 connections per year, and Replenish Big Bear's portion of future rate increases and possible grant competition.

**9.B. Governing Board Committee Appointments**

The Governing Board congratulated Director Walsh on his permanent appointment to the BBARWA Governing Board. The Governing Board discussed the appointment process and the committees remaining as is until after the upcoming Finance Committee meetings.

Upon motion by Chair Herrick, seconded by Director Miller and carried, the Governing Board approved the committees remaining as is until after the upcoming Finance Committee meetings. Vice-Chair Green and Director Miller will remain on the Administrative Committee and Chair Herrick and Director Miller will remain on the Finance and Operations Committees.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10. NEW BUSINESS**

**10.A.** Resolution No. R. 04-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Fiscal Year 2023 Sewer Standby or Immediate Availability Charges

The Finance Manager explained this resolution is to confirm the sewer standby or immediate availability charges per the current Operating Agreement with member agencies. The charges remain unchanged. The Governing Board requested further information on why the charges remain the same and the process for an increase.

Upon motion by Director Mote, seconded by Director Miller and carried, the Governing Board adopted Resolution No. R. 04-2022.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.B.** Public Hearing: Resolution No. R. 03-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Establishing the Sewer User Charge and Taking Certain Other Actions Related Thereto

The Finance Manager explained this resolution establishes the sewer user charge for the next fiscal year. The rates are passed onto member agencies per the Payment and Collection Agreement and differ by member agency. The rates are comprised of a fixed cost per EDU and a variable cost based upon flow. Covid-19 occupancy and less infiltration and inflow may have contributed to flow differences occurring in the past three years.

The public hearing opened at 5:41 p.m. There were no comments from the public. The public hearing closed at 5:41 p.m.

Upon motion by Director Miller, seconded by Director Mote and carried, the Governing Board adopted Resolution No. R. 03-2022.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.C.** Public Hearing: Resolution No. R. 05-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency to Increase the Current Fee Schedule for the Disposal of Waste Delivered to the Regional Treatment Plant

The Finance Manager explained this resolution addresses waste hauler fees, which are the costs associated with treating wastewater from chemical toilets, holding tanks, and septic tanks. The fees do not include the Replenish Big Bear component. The Governing Board inquired about the potential of Baldwin Lake connecting to a sewer system.

The public hearing opened at 5:45 p.m. There were no comments from the public. The public hearing closed at 5:45 p.m.

Upon motion by Director Mote, seconded by Director Miller and carried, the Governing Board adopted Resolution No. R. 05-2022.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.D.** Public Hearing: Resolution No. R. 06-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Operating and Capital Budget for Fiscal Year 2023, Approving Budgeted Projects and Finding Approval of the Budget and Budgeted Projects Exempt from Review Under the California Environmental Quality Act

The Finance Manager presented the Fiscal Year 2023 Budget, which has not changed since the Budget Workshop. The Governing Board requested clarification on the different CEQA requirements for a budget versus a project.

The public hearing opened at 5:49 p.m. There were no comments from the public. The public hearing closed at 5:49 p.m.

Upon motion by Director Walsh, seconded by Director Mote and carried, the Governing Board passed, adopted, and approved Resolution No. R. 06-2022, approved the nine budgeted projects described in the CEQA attachment, and directed staff to file a CEQA Notice of Exemption.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.E.** Resolution No. R. 07-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency to Oppose Initiative 21-0042A1

The General Manager and Finance Manager presented information on Initiative 21-0042A1, the Taxpayer Protection and Government Accountability Act, which will restrict the ability of local agencies and the State of California to fund services and infrastructure. A conversation with Agency Counsel regarding how the Initiative would directly and indirectly affect BBARWA was discussed. The Governing Board expressed concern over submitting an oppose position on the Initiative before the deadline for signature submission.

Upon motion by Director Mote, seconded by Chair Herrick and carried, the Governing Board tabled this item until the May Governing Board meeting and directed staff to investigate which other agencies are supporting or opposing the Initiative.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.F.** Board Policy: Wellness Program

The Human Resource Coordinator detailed the objectives of the Wellness Program and described the recommended changes. The Governing Board requested staff to investigate any potential workman's compensation issues prior to implementing the changes.

Upon motion by Director Mote, seconded by Director Walsh and carried, the Governing Board approved the Board Policy: Wellness Program.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**10.G.** Appropriate \$150,000 from the Capital and Replacement Fund for the Headworks Grit System Rehabilitation Project

The General Manager noted a mistake in the staff report; the alternate items to be added to the contract are Alternates 2 (Odor Control Ductwork Improvements) and 3 (FRP Covered Grating System). The requested appropriation is for additional engineering costs associated with the addition of Alternates 2 and 3, plus contingency.

Upon motion by Director Miller, seconded by Director Walsh and carried, the Governing Board appropriated \$150,000 from the Capital and Replacement Fund for the Headworks Grit System Rehabilitation Project.

Ayes: Miller, Mote, Walsh, Herrick  
Noes: None  
Absent: Green  
Abstain: None

**11. CLOSED SESSION**

The Governing Board entered closed session at 6:27 p.m. with one closed session item to be reviewed.

**11.A.** Public Employee Performance Evaluation  
Pursuant to Government Code Section 54957(b)(1)  
Title: General Manager

Chair Herrick reconvened open session at 7:20 p.m. with the following reportable action: the General Manager's salary will increase 2.2% effective the first full pay period after his anniversary date.

**12. ADJOURNMENT**

With no further business to come before the Governing Board, Chair Herrick adjourned the meeting at 7:23 p.m.

ATTEST: \_\_\_\_\_  
Bridgette Burton, Secretary to the Governing Board  
Big Bear Area Regional Wastewater Agency



Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 7.B.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**PREPARED BY:** Jennifer McCullar, Finance Manager

**SUBJECT:** Monthly Disbursements Report

**BACKGROUND:**

Attached is the Agency's April check register which reflects accounts paid during the period.

**FINANCIAL IMPACT:**

There is no financial impact. The funds have previously been appropriated.

**RECOMMENDATION:**

Informational



**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Apr 1, 2022 to Apr 30, 2022**

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

| Check #    | Date   | Payee                              | Cash Account | Amount     |
|------------|--------|------------------------------------|--------------|------------|
| CASH 23430 | 4/4/22 | PAYA                               | 1000-20      | 19.99      |
| CASH 23431 | 4/4/22 | VISION SERVICE PLAN                | 1000-20      | 306.46     |
| CASH 23432 | 4/4/22 | AMERICAN FIDELITY ASSURANCE CO     | 1000-20      | 525.41     |
| CASH 23433 | 4/4/22 | PRINCIPAL FINANCIAL GROUP          | 1000-20      | 3,333.65   |
| CASH 23434 | 4/4/22 | THE LINCOLN NAT'L LIFE INS CO      | 1000-20      | 4,198.61   |
| CASH 23435 | 4/4/22 | CA PERS 457 PROGRAM                | 1000-20      | 4,371.22   |
| CASH 23436 | 4/4/22 | CALPERS RETIREMENT                 | 1000-20      | 7,668.83   |
| CASH 23437 | 4/4/22 | CALPERS HEALTH                     | 1000-20      | 28,295.95  |
| CASH 23438 | 4/4/22 | EMPLOYMENT DEVELOPMENT DEPARTM     | 1000-20      | 2,250.76   |
| CASH 23439 | 4/4/22 | INTERNAL REVENUE SERVICE           | 1000-20      | 6,660.22   |
| CASH 23444 | 4/4/22 | CALPERS RETIREMENT                 | 1000-20      | 3,112.75   |
| 21967V     | 4/8/22 | R.I.C. CONSTRUCTION CO., INC.      | 1000-20      | -12,992.20 |
| 22078      | 4/8/22 | ACCENT COMPUTER SOLUTIONS, INC.    | 1000-20      | 2,780.39   |
| 22079      | 4/8/22 | ALLISON MECHANICAL, INC.           | 1000-20      | 1,855.00   |
| 22080      | 4/8/22 | AMAZON CAPITAL SERVICES            | 1000-20      | 665.30     |
| 22081      | 4/8/22 | ARAMARK UNIFORM SERVICES           | 1000-20      | 1,197.11   |
| 22082      | 4/8/22 | BEST BEST & KRIEGER LLP            | 1000-20      | 4,901.54   |
| 22083      | 4/8/22 | BIG BEAR CITY COMMUNITY SERVICES D | 1000-20      | 434.47     |
| 22084      | 4/8/22 | BUTCHER'S BLOCK & BUILDING         | 1000-20      | 147.68     |
| 22085      | 4/8/22 | BEAR VALLEY ELECTRIC               | 1000-20      | 15,792.73  |
| 22086      | 4/8/22 | DIY HOME CENTER-BIG BEAR           | 1000-20      | 5.01       |
| 22087      | 4/8/22 | DISTRIBUTED SOLAR DEVELOPMENT, LL  | 1000-20      | 21,599.67  |
| 22088      | 4/8/22 | DIRECT TV                          | 1000-20      | 44.99      |
| 22089      | 4/8/22 | DEPARTMENT OF WATER & POWER        | 1000-20      | 47.80      |
| 22090      | 4/8/22 | EVANTEC CORPORATION                | 1000-20      | 835.47     |
| 22091      | 4/8/22 | FLYERS ENERGY                      | 1000-20      | 1,506.15   |
| 22092      | 4/8/22 | FRONTIER COMMUNICATIONS            | 1000-20      | 913.27     |
| 22093      | 4/8/22 | BIG BEAR GRIZZLY                   | 1000-20      | 222.75     |
| 22094      | 4/8/22 | BEAR VALLEY BASIN GSA              | 1000-20      | 79.94      |
| 22095      | 4/8/22 | HACH COMPANY                       | 1000-20      | 854.05     |
| 22096      | 4/8/22 | HUGHESNET                          | 1000-20      | 102.33     |
| 22097      | 4/8/22 | MCR TECHNOLOGIES, INC.             | 1000-20      | 1,297.12   |
| 22098      | 4/8/22 | CONSTANCE M. ALVARADO              | 1000-20      | 55.00      |

**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Apr 1, 2022 to Apr 30, 2022**

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

| Check #    | Date    | Payee                            | Cash Account | Amount    |
|------------|---------|----------------------------------|--------------|-----------|
| 22099      | 4/8/22  | POLYDYNE INC                     | 1000-20      | 3,770.66  |
| 22100      | 4/8/22  | ROGERS, ANDERSON, MALODY & SCOTT | 1000-20      | 1,000.00  |
| 22101      | 4/8/22  | RURAL COMMUNITY ASSISTANCE CORP  | 1000-20      | 30.00     |
| 22102      | 4/8/22  | R.I.C. CONSTRUCTION CO., INC.    | 1000-20      | 12,992.20 |
| 22103      | 4/8/22  | SOUTH COAST AQMD                 | 1000-20      | 3,814.13  |
| 22104      | 4/8/22  | SCHRODER & SON, INC.             | 1000-20      | 875.00    |
| 22105      | 4/8/22  | SPECTRUM BUSINESS                | 1000-20      | 1,023.93  |
| 22106      | 4/8/22  | TWIN BEAR EQUIPMENT RENTAL, INC  | 1000-20      | 111.32    |
| 22107      | 4/8/22  | UNDERGROUND SERVICE ALERT        | 1000-20      | 76.00     |
| 22108      | 4/8/22  | VIKING MAINTENANCE SERVICES, LLC | 1000-20      | 1,190.00  |
| 22109      | 4/8/22  | WATER SYSTEMS CONSULTING, INC.   | 1000-20      | 74,358.40 |
| 22110      | 4/8/22  | BRIDGETTE BURTON                 | 1000-20      | 50.00     |
| 22111      | 4/8/22  | RICHARD T. HERRICK               | 1000-20      | 300.00    |
| 22112      | 4/8/22  | SONJA KAWA                       | 1000-20      | 50.00     |
| 22113      | 4/8/22  | DAVID LAWRENCE                   | 1000-20      | 50.00     |
| 22114      | 4/8/22  | JENNIFER MCCULLAR                | 1000-20      | 50.00     |
| 22115      | 4/8/22  | JAMES J. MILLER                  | 1000-20      | 300.00    |
| 22116      | 4/8/22  | JOHN SHIMMIN                     | 1000-20      | 50.00     |
| CASH 23440 | 4/12/22 | JOHN GREEN                       | 1000-20      | 150.00    |
| CASH 23441 | 4/12/22 | BYNETTE L. MOTE                  | 1000-20      | 150.00    |
| CASH 23442 | 4/12/22 | LAWRENCE C. WALSH                | 1000-20      | 150.00    |
| CASH 23443 | 4/18/22 | AMERICAN FIDELITY ASSURANCE CO   | 1000-20      | 525.41    |
| CASH 23445 | 4/18/22 | CALPERS RETIREMENT               | 1000-20      | 3,112.75  |
| CASH 23446 | 4/18/22 | CA PERS 457 PROGRAM              | 1000-20      | 4,371.22  |
| CASH 23447 | 4/18/22 | CALPERS RETIREMENT               | 1000-20      | 7,668.83  |
| CASH 23448 | 4/19/22 | EMPLOYMENT DEVELOPMENT DEPARTM   | 1000-20      | 2,314.11  |
| CASH 23449 | 4/19/22 | THE LINCOLN NAT'L LIFE INS CO    | 1000-20      | 4,198.61  |
| CASH 23450 | 4/19/22 | INTERNAL REVENUE SERVICE         | 1000-20      | 6,754.55  |
| 22039V     | 4/22/22 | VIKING MAINTENANCE SERVICES, LLC | 1000-20      | -1,390.00 |
| 22117      | 4/22/22 | AMAZON CAPITAL SERVICES          | 1000-20      | 635.50    |
| 22118      | 4/22/22 | BDP INDUSTRIES, INC.             | 1000-20      | 538.91    |
| 22119      | 4/22/22 | BUSINESS CARD                    | 1000-20      | 1,150.28  |
| 22120      | 4/22/22 | BEAR VALLEY ELECTRIC             | 1000-20      | 30.45     |

**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Apr 1, 2022 to Apr 30, 2022**

Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

| Check #      | Date    | Payee                            | Cash Account | Amount            |
|--------------|---------|----------------------------------|--------------|-------------------|
| 22121        | 4/22/22 | CLINICAL LAB OF SAN BERNARDINO   | 1000-20      | 647.50            |
| 22122        | 4/22/22 | TOM DODSON & ASSOCIATES          | 1000-20      | 2,932.50          |
| 22123        | 4/22/22 | GRAINGER                         | 1000-20      | 761.82            |
| 22124        | 4/22/22 | M & M MECHANICAL SERVICES, INC.  | 1000-20      | 225.00            |
| 22125        | 4/22/22 | MITEL                            | 1000-20      | 371.48            |
| 22126        | 4/22/22 | RANDY J. SPITZ                   | 1000-20      | 76.36             |
| 22127        | 4/22/22 | NATIVESCAPES INC                 | 1000-20      | 675.00            |
| 22128        | 4/22/22 | READY REFRESH                    | 1000-20      | 332.82            |
| 22129        | 4/22/22 | ROI ENGINEERING LLC              | 1000-20      | 1,650.00          |
| 22130        | 4/22/22 | SAGE SOFTWARE, INC               | 1000-20      | 1,407.00          |
| 22131        | 4/22/22 | SOCIETY FOR HUMAN RESOURCE MANA  | 1000-20      | 229.00            |
| 22132        | 4/22/22 | RYAN R. ABELN                    | 1000-20      | 3,833.36          |
| 22133        | 4/22/22 | SOUTHWEST GAS                    | 1000-20      | 1,141.00          |
| 22134        | 4/22/22 | SYNAGRO-WWT, INC.                | 1000-20      | 30,335.18         |
| 22135        | 4/22/22 | NANCY R. BOHL, INC.              | 1000-20      | 75.00             |
| 22136        | 4/22/22 | USA BLUEBOOK                     | 1000-20      | 135.52            |
| 22137        | 4/22/22 | VERIZON WIRELESS                 | 1000-20      | 241.11            |
| 22138        | 4/22/22 | VIKING MAINTENANCE SERVICES, LLC | 1000-20      | 1,390.00          |
| 22139        | 4/22/22 | NIKKI CRUMPLER                   | 1000-20      | 100.94            |
| 22140        | 4/22/22 | COUNTY OF SAN BERNARDINO SOLID W | 1000-20      | 402.20            |
| CASH 23451   | 4/27/22 | LEGALSHIELD                      | 1000-20      | 67.80             |
| CASH 23452   | 4/27/22 | TEXAS LIFE INSURANCE COMPANY     | 1000-20      | 213.00            |
| CASH 23453   | 4/27/22 | AMERICAN FIDELITY ASSURANCE CO   | 1000-20      | 663.90            |
| CASH 23454   | 4/28/22 | PAYA                             | 1000-20      | 10,739.81         |
| CASH 23455   | 4/29/22 | PAYA                             | 1000-20      | 43.77             |
| <b>Total</b> |         |                                  |              | <b>292,232.75</b> |



Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 7.C.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**PREPARED BY:** Jennifer McCullar, Finance Manager

**SUBJECT:** Investment Report Identifying Agency Investments and Reporting Interest  
Income

**BACKGROUND:**

Attached is the April Monthly Investment Report pursuant to the Agency's Investment Policy.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Informational

BBARWA  
 Monthly Investment Report  
 April 2022

| <u>INVESTMENT TYPE</u>       | <u>COST</u>  | <u>FAIR<br/>MARKET<br/>VALUE (1)</u> | <u>YEAR TO<br/>DATE<br/>INTEREST(2)</u> | <u>INTEREST<br/>RATE</u> | <u>MATURITY<br/>DATE</u> |
|------------------------------|--------------|--------------------------------------|-----------------------------------------|--------------------------|--------------------------|
| LOCAL AGENCY INVESTMENT FUND | \$ 7,849,955 | \$ 7,761,671                         | \$ 15,348                               | 0.523%                   | DAILY                    |
| TOTAL                        | \$ 7,849,955 | \$ 7,761,671                         | \$ 15,348                               |                          |                          |

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in Sept 2021. The Agency will be able to meet its expenditure requirements for the next six months.

(1) LOCAL AGENCY INVESTMENT FUND (LAIF) IS A STATE-RUN INVESTMENT POOL PROVIDED FOR PUBLIC AGENCIES. THE LAIF MARKET VALUE SHOWN ON THIS TREASURER'S REPORT REPRESENTS BBARWA'S SHARE OF THE **LIQUID VALUE** OF LAIF'S PORTFOLIO IF IT WAS LIQUIDATED AS OF THE END OF THE REPORTED MONTH. THIS NUMBER SERVES AS AN INDICATOR OF WHETHER OR NOT THE **MARKET VALUE** OF LAIF'S INVESTMENTS IS ABOVE OR BELOW THE **COST** OF THOSE INVESTMENTS.

(2) Interest paid quarterly on LAIF investment. Amount reflects interest income received at the reporting date during FY 2022 and excludes accrued interest.

Attachment (s): Monthly LAIF Statement

# California State Treasurer

## *Fiona Ma, CPA*



Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001

May 17, 2022

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

### BIG BEAR AREA REGIONAL WASTEWATER AGENCY

FINANCE MANAGER  
 P.O. BOX 517  
 BIG BEAR CITY, CA 92314

[Tran Type Definitions](#)

#### Account Number:

April 2022 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount       |
|----------------|------------------|-----------|----------------|--------------------|-------------------|--------------|
| 4/11/2022      | 4/11/2022        | RW        | 1700359        | N/A                | JENNIFER MCCULLAR | -500,000.00  |
| 4/15/2022      | 4/14/2022        | QRD       | 1701687        | N/A                | SYSTEM            | 4,663.24     |
| 4/26/2022      | 4/26/2022        | RD        | 1703523        | N/A                | JENNIFER MCCULLAR | 2,800,000.00 |

#### Account Summary

|                   |              |                    |              |
|-------------------|--------------|--------------------|--------------|
| Total Deposit:    | 2,804,663.24 | Beginning Balance: | 5,545,291.72 |
| Total Withdrawal: | -500,000.00  | Ending Balance:    | 7,849,954.96 |



Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 7.D.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**PREPARED BY:** Sonja Kawa, Human Resources Coordinator/Accounting Technician

**REVIEWED BY:** Jennifer McCullar, Finance Manager

**SUBJECT:** Pay Schedule

**BACKGROUND:**

The Agency incorporated a 5.8% Cost of Living Adjustment (COLA) in the FY 2023 Budget based on the average annual change in the November 2021 CPI (Riverside, San Bernardino, Ontario, Consumer Price Index, All Urban Consumers). This reflects the move to the Agency practice of using the average annual change in the November CPI for calculating the COLA rate, at Board direction.

The attached Pay Schedule reflects the change in pay ranges resulting from the COLA. There is no COLA adjustment applied to the pay range for General Manager, Human Resources Coordinator/Accounting Technician, Operations Administrative/Laboratory Assistant, and Plant Operator-in-Training as they remain frozen in accordance with the Compensation Studies Policy approved by the Governing Board on March 25, 2020. The COLA and new publicly available Pay Schedule will be effective July 2, 2022 which is the first day of the first full pay period in July.

**FINANCIAL IMPACT:**

Funds have been previously appropriated for the 5.8% COLA.

**RECOMMENDATION:**

Approve publicly available Pay Schedule effective July 2, 2022

**ATTACHMENT:**

Pay Schedule

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**PAY SCHEDULE  
Effective July 2, 2022**

Schedule shall remain in effect until superseded by governing board action.

| <b>Classification</b>                                            | <b>Start</b>    | <b>Top</b>            |
|------------------------------------------------------------------|-----------------|-----------------------|
|                                                                  | Hourly Pay Rate | Hourly Pay Rate       |
| Active                                                           |                 |                       |
| Non-Regular                                                      | \$16.70         | \$22.54               |
| Plant Operator-In-Training <sup>1</sup>                          | \$18.95         | \$25.59 <sup>1</sup>  |
| Plant Operator II                                                | \$29.39         | \$39.68               |
| Senior Laboratory Analyst                                        | \$38.38         | \$51.81               |
| Plant Supervisor                                                 | \$40.34         | \$54.46               |
| Operations Administrative/Laboratory Assistant <sup>1</sup>      | \$26.80         | \$36.18 <sup>1</sup>  |
| Management Analyst/Board Secretary                               | \$33.95         | \$45.83               |
| Human Resources Coordinator / Accounting Technician <sup>1</sup> | \$39.74         | \$53.65 <sup>1</sup>  |
| Plant Manager                                                    | \$59.78         | \$80.70               |
| Finance Manager                                                  | \$61.22         | \$82.64               |
| General Manager <sup>1</sup>                                     | \$84.77         | \$114.44 <sup>1</sup> |

<sup>1</sup>The pay range is frozen based on the Compensation Study dated December 2021.

Governing Board Approval Date: May 25, 2022





Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 7.E.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**PREPARED BY:** Jennifer McCullar, Finance Manager

**REVIEWED BY:** John Shimmin, Plant Manager

**SUBJECT:** Third Quarter Report, Nine Months Ended March 31, 2022

**BACKGROUND & DISCUSSION:**

Please find attached the Third Quarter Report, which provides a discussion and analysis of the most recent nine month's financial performance compared to the budget.

The Agency performed under the budget for the first nine months with operating expenses falling below the budget by approximately \$384,000 or 10%. The variance was due in part to 1) timing across multiple line items (expenses that were budgeted during the first nine months but not incurred and which are expected to be incurred prior to fiscal year end) and 2) lower costs associated with lower salaries and benefits, sludge removal, contractual services-professional, and insurance expense.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Informational

**ATTACHMENT:**

Third Quarter Report

Big Bear Area Regional Wastewater Agency

# 3rd Quarter Report

Nine Months ended March 31, 2022



**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

|                                       | Q1<br>9/30/21<br><u>Actual</u> | Q2<br>12/31/21<br><u>Actual</u> | Q3<br>3/31/22<br><u>Actual</u> | YTD<br><u>Actual</u> | YTD<br><u>Budget</u> | YTD<br>Actual<br>vs Budget<br>\$ | YTD<br>Actual<br>vs Budget<br>% |
|---------------------------------------|--------------------------------|---------------------------------|--------------------------------|----------------------|----------------------|----------------------------------|---------------------------------|
| <b>Operating revenues:</b>            |                                |                                 |                                |                      |                      |                                  |                                 |
| Annual charges                        | 0                              | 2,922,581                       | 0                              | 2,922,581            | 2,922,581            | (0)                              | 0%                              |
| Waste disposal fees                   | 6,713                          | 4,451                           | 4,588                          | 15,753               | 15,802               | (49)                             | 0%                              |
| Rental income                         | 8,932                          | 8,967                           | 8,967                          | 26,866               | 26,816               | 50                               | 0%                              |
| Standby fees                          | 0                              | 39,610                          | 0                              | 39,610               | 39,610               | 0                                | 0%                              |
| Other operating revenue               | <u>0</u>                       | <u>200</u>                      | <u>5,892</u>                   | <u>6,092</u>         | <u>0</u>             | <u>6,092</u>                     | <u>nm</u> (b)                   |
| Total operating revenues              | 15,645                         | 2,975,810                       | 19,447                         | 3,010,902            | 3,004,809            | 6,093                            | 0%                              |
| <b>Operating expenses:</b>            |                                |                                 |                                |                      |                      |                                  |                                 |
| Salaries and benefits                 | 753,561                        | 597,969                         | 558,130                        | 1,909,660            | 1,966,101            | (56,441)                         | -3%                             |
| Power                                 | 90,363                         | 43,261                          | 133,393                        | 267,016              | 322,164              | (55,148)                         | -17%                            |
| Sludge removal                        | 71,089                         | 51,093                          | 87,883                         | 210,064              | 248,246              | (38,182)                         | -15%                            |
| Chemicals                             | 7,740                          | 14,060                          | 13,655                         | 35,455               | 56,371               | (20,916)                         | -37%                            |
| Materials and supplies                | 25,630                         | 33,123                          | 29,928                         | 88,681               | 102,649              | (13,968)                         | -14%                            |
| Repairs and replacements              | 20,184                         | 64,095                          | 26,346                         | 110,624              | 163,558              | (52,933)                         | -32%                            |
| Equipment rental                      | 0                              | 0                               | 0                              | 0                    | 641                  | (641)                            | nm (b)                          |
| Utilities expense                     | 1,827                          | 11,926                          | 3,734                          | 17,487               | 23,997               | (6,510)                          | -27%                            |
| Communications expense                | 8,077                          | 10,374                          | 16,184                         | 34,634               | 41,901               | (7,267)                          | -17%                            |
| Contractual services - other          | 14,839                         | 23,757                          | 20,290                         | 58,887               | 67,351               | (8,465)                          | -13%                            |
| Contractual services - prof           | 25,885                         | 47,270                          | 47,022                         | 120,176              | 208,629              | (88,453)                         | -42%                            |
| Permits and fees                      | 12,487                         | 211,692                         | 2,984                          | 227,164              | 205,538              | 21,626                           | 11%                             |
| Property tax expense                  | 0                              | 4,017                           | 0                              | 4,017                | 4,016                | 1                                | 0%                              |
| Insurance expense                     | 190,174                        | 0                               | 0                              | 190,174              | 229,214              | (39,039)                         | -17%                            |
| Other operating expense               | 8,566                          | 17,214                          | 6,935                          | 32,715               | 49,837               | (17,122)                         | -34%                            |
| Depreciation expense (a)              | <u>0</u>                       | <u>0</u>                        | <u>0</u>                       | <u>0</u>             | <u>0</u>             | <u>0</u>                         | <u>nm</u> (b)                   |
| Total operating expenses              | 1,230,423                      | 1,129,849                       | 946,483                        | 3,306,754            | 3,690,212            | (383,457)                        | -10%                            |
| <b>Operating Income</b>               | (1,214,777)                    | 1,845,961                       | (927,036)                      | (295,852)            | (685,402)            | 389,550                          | + (c)                           |
| <b>Nonoperating income (expense):</b> |                                |                                 |                                |                      |                      |                                  |                                 |
| Nonoperating income                   | (526)                          | 3,304                           | 2,695                          | 5,473                | 121,490              | (116,017)                        | -95%                            |
| Nonoperating expense                  | <u>(5,560)</u>                 | <u>(51,537)</u>                 | <u>(31,223)</u>                | <u>(88,320)</u>      | <u>(437,482)</u>     | <u>349,161</u>                   | <u>±</u> (c)                    |
| Total nonoperating income (ex)        | (6,086)                        | (48,233)                        | (28,528)                       | (82,847)             | (315,992)            | 233,144                          | + (c)                           |
| <b>Income before capital contr.</b>   | (1,220,863)                    | 1,797,728                       | (955,564)                      | (378,699)            | (1,001,394)          | 622,695                          | + (c)                           |
| <b>Capital contrib - conn fees</b>    | <u>96,140</u>                  | <u>71,060</u>                   | <u>71,060</u>                  | <u>238,260</u>       | <u>112,860</u>       | <u>125,400</u>                   | <u>111%</u>                     |
| <b>Change in Net Position</b>         | (1,124,723)                    | 1,868,788                       | (884,504)                      | (140,439)            | (888,534)            | 748,095                          | + (c)                           |

(a) Currently, the Agency depreciates its assets at the end of the year. Therefore, depreciation expense is \$0 on an interim basis.

(b) nm = not meaningful and is the result w hen dividing by 0.

(c) Percent change is not provided if either of the comparison periods contains a loss or negative number. If the actual performance is improved w hen compared to the budget a "+" is given. If the actual performance is worse w hen compared to the budget, a "-" is given.



---

**STATEMENT OF CASH FLOW****Q3**  
**3/31/2022****Cash flows from operating activities:**

|                                                   |                    |
|---------------------------------------------------|--------------------|
| Cash received from customers and other sources    | 3,018,492          |
| Cash payments to suppliers for goods and services | (1,499,535)        |
| Cash payments to employees                        | <u>(1,893,689)</u> |
| Net cash provided by operating activities         | (374,732)          |

**Cash flows from capital and related financing activities**

|                                                            |                 |
|------------------------------------------------------------|-----------------|
| Interagency and GSA Expense                                | (45,771)        |
| Purchases of property, plant and equip                     | (246,952)       |
| Sale, Disposal of PP&E and Other                           | 0               |
| Capital contributions                                      | 254,980         |
| Proceeds from debt issuance                                | 0               |
| Proceeds from grant issuance                               | 0               |
| Prepayment premiums and issuance costs                     | 0               |
| Principal payments on long-term debt                       | (197,404)       |
| Interest paid on long-term debt                            | <u>(56,838)</u> |
| Net cash used for capital and related financing activities | (291,985)       |

**Cash flows from investing activities:**

|                                           |                  |
|-------------------------------------------|------------------|
| Investment income received                | <u>10,242</u>    |
| Net cash provided by investing activities | 10,242           |
| Net change in cash equivalents            | <u>(656,446)</u> |

**Cash equivalents, beginning of period**

6,694,851

**Cash equivalents, end of period**6,038,405(656,446)



## Discussion and Analysis

### Operating Revenues

Operating revenues were on budget for the period.

|                            | Q1<br>9/30/2021<br>Actual | Q2<br>12/31/2021<br>Actual | Q3<br>3/31/2022<br>Actual | YTD<br>Actual | YTD<br>Budget | YTD<br>Actual<br>vs Budget<br>\$ | YTD<br>Actual<br>vs Budget<br>% |
|----------------------------|---------------------------|----------------------------|---------------------------|---------------|---------------|----------------------------------|---------------------------------|
| <b>Operating revenues:</b> |                           |                            |                           |               |               |                                  |                                 |
| Annual charges             | 0                         | 2,922,581                  | 0                         | 2,922,581     | 2,922,581     | (0)                              | nm (a)                          |
| Waste disposal fees        | 6,713                     | 4,451                      | 4,588                     | 15,753        | 15,802        | (49)                             | 0%                              |
| Rental income              | 8,932                     | 8,967                      | 8,967                     | 26,866        | 26,816        | 50                               | 0%                              |
| Standby fees               | 0                         | 39,610                     | 0                         | 39,610        | 39,610        | 0                                | 0%                              |
| Other operating revenue    | 0                         | <u>200</u>                 | <u>5,892</u>              | <u>6,092</u>  | <u>0</u>      | <u>6,092</u>                     | <u>nm</u> (a)                   |
| Total operating revenues   | 15,645                    | 2,975,810                  | 19,447                    | 3,010,902     | 3,004,809     | 6,093                            | 0%                              |

(a) nm = not meaningful and is the result when dividing by 0.

### Operating Expenses

Operating expenses were below the budget by \$383,457 or 10% due in part to timing related to power; repairs and replacements; and materials and supplies expense as well as lower expected salaries and benefits, sludge removal, chemicals, contractual services, insurance and other operating expense. Variances greater than 10% and \$20,000 are highlighted and discussed on the next page.

|                              | Q1<br>9/30/2021<br>Actual | Q2<br>12/31/2021<br>Actual | Q3<br>3/31/2022<br>Actual | YTD<br>Actual | YTD<br>Budget | YTD<br>Actual<br>vs Budget<br>\$ | YTD<br>Actual<br>vs Budget<br>% |
|------------------------------|---------------------------|----------------------------|---------------------------|---------------|---------------|----------------------------------|---------------------------------|
| <b>Operating expenses:</b>   |                           |                            |                           |               |               |                                  |                                 |
| Salaries and benefits        | 753,561                   | 597,969                    | 558,130                   | 1,909,660     | 1,966,101     | (56,441)                         | -3%                             |
| Power                        | 90,363                    | 43,261                     | 133,393                   | 267,016       | 322,164       | (55,148)                         | -17%                            |
| Sludge Removal               | 71,089                    | 51,093                     | 87,883                    | 210,064       | 248,246       | (38,182)                         | -15%                            |
| Chemicals                    | 7,740                     | 14,060                     | 13,655                    | 35,455        | 56,371        | (20,916)                         | -37%                            |
| Materials and supplies       | 25,630                    | 33,123                     | 29,928                    | 88,681        | 102,649       | (13,968)                         | -14%                            |
| Repairs and Replacements     | 20,184                    | 64,095                     | 26,346                    | 110,624       | 163,558       | (52,933)                         | -32%                            |
| Equipment rental             | 0                         | 0                          | 0                         | 0             | 641           | (641)                            | nm (a)                          |
| Utilities expense            | 1,827                     | 11,926                     | 3,734                     | 17,487        | 23,997        | (6,510)                          | -27%                            |
| Communications expense       | 8,077                     | 10,374                     | 16,184                    | 34,634        | 41,901        | (7,267)                          | -17%                            |
| Contractual services - other | 14,839                    | 23,757                     | 20,290                    | 58,887        | 67,351        | (8,465)                          | -13%                            |
| Contractual services - prof  | 25,885                    | 47,270                     | 47,022                    | 120,176       | 208,629       | (88,453)                         | -42%                            |
| Permits and fees             | 12,487                    | 211,692                    | 2,984                     | 227,164       | 205,538       | 21,626                           | 11%                             |
| Property tax expense         | 0                         | 4,017                      | 0                         | 4,017         | 4,016         | 1                                | 0%                              |
| Insurance expense            | 190,174                   | 0                          | 0                         | 190,174       | 229,214       | (39,039)                         | -17%                            |
| Other operating expense      | 8,566                     | 17,214                     | 6,935                     | 32,715        | 49,837        | (17,122)                         | -34%                            |
| Depreciation expense         | <u>0</u>                  | <u>0</u>                   | <u>0</u>                  | <u>0</u>      | <u>0</u>      | <u>0</u>                         | <u>nm</u> (a)                   |
| Total operating expenses     | 1,230,423                 | 1,129,849                  | 946,483                   | 3,306,754     | 3,690,212     | (383,457)                        | -10%                            |

(a) nm = not meaningful and is the result when dividing by 0.



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An explanation of the major variances by line item is as follows.

**Power** expense was under the budget by \$55,148 or 17% due mostly to timing associated with the Agency's solar purchases and payments for electrical usage. The Agency's operations changed beginning in November as the Agency moved from natural gas power generation to the purchase of solar power and is operating under a net meter agreement with Bear Valley Electric (BVE) whereby the Agency will purchase solar and deliver it to BVE, and BVE will deliver energy to the Agency. Annually, the Agency will be responsible for paying for its net usage (amount by which its energy use from BVE exceeds the amount of solar delivered) or will get credit for its net production (amount by which the solar delivered to BVE exceeds the energy used from BVE). The current variance from the budget is the result of the accrual of energy charges (no payment required) through to the reconciliation date pursuant to the net meter agreement without an offsetting adjustment. The Agency expects to make a year-end offsetting adjustment reflecting the estimated, pro-rated annual impact of the annual reconciliation as of October 31, 2022 which is expected to reduce the variance from budget.

**Sludge Removal** expense was under the budget by \$38,182 or 15% due to lower sludge removal compared to the budget. The Agency budgeted for the removal of 3,871 tons and hauled out 3,357 tons, a reduction of 514 tons or 13% for the year-to-date period and is due in part to lower flows compared to the budget. Flows for the nine months were down 14%, or 83 million gallons.

**Chemicals** expense was under the budget by \$20,916 or 37% due to lower odor control chemicals than budgeted (due to inventory on hand) and lower polymer needed during the period (due to lower sludge removal and inventory on hand) when compared to the budget.

**Materials and Supplies** expense was under the budget by \$13,968 or 14% due to timing.

**Repairs and Replacements** expense was under the budget by \$52,933 or 32% and was due mostly to timing associated with multiple repairs and replacements including floor sealing and coating, vehicle and heavy equipment repairs, and Lucerne Valley irrigation system repairs.

**Contractual Services - Professional** expense was under the budget by \$88,453 or 42%. The lower expense is driven by lower legal and engineering expense and timing associated with the Agency's rate study and arc flash study.

**Permits and Fees** expense was over the budget by \$21,626 or 11%. The increase over the budget was driven by an increase in the Agency's discharge permit fees. The fees increased by 17% over the year ago period compared to a budgeted increase of 10%.

**Insurance** expense was under the budget by \$39,039 or 17% due to lower property/liability and workers' compensation insurance costs. The Agency budgeted for a 50% increase in property/liability insurance costs (compared to an actual increase of 32%) due to the uncertainty surrounding reinsurance rates<sup>1</sup>, the 40% increase the Agency experienced in FY 2021, and the 50% increases that

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<sup>1</sup> Wildfires in California are considered a sharply rising long-term trend resulting in harder to find and pricier reinsurance rates. Based on conversations with the Agency's insurance provider at the time of the budget development, the market was not getting better and rates were very uncertain.



other local agencies were experiencing. Lower workers' compensation insurance expense was driven mostly by higher discounts and a higher longevity credit granted by SDRMA than budgeted.

**Other Operating** expense was under the budget by \$17,122 or 34% due to lower education and training expense resulting from reduced travel associated with the Covid-19 pandemic.

**Non-Operating Income (Expense)**

Non-operating Income (Expense) had a positive variance of \$233,144 due to lower non-operating expense of \$349,161 related to lower Replenish Big Bear expenses, offset in part by lower non-operating income of \$116,017 related to timing of Replenish Big Bear grant reimbursement.

|                                        | Q1<br>9/30/2021<br>Actual | Q2<br>12/31/21<br>Actual | Q3<br>3/31/2022<br>Actual | YTD<br>Actual   | YTD<br>Budget    | YTD<br>Actual<br>vs. Budget<br>\$ | YTD<br>Actual<br>vs. Budget<br>% |
|----------------------------------------|---------------------------|--------------------------|---------------------------|-----------------|------------------|-----------------------------------|----------------------------------|
| <b>Non-operating income (expense):</b> |                           |                          |                           |                 |                  |                                   |                                  |
| Non-operating income                   | (526)                     | 3,304                    | 2,695                     | 5,473           | 121,490          | (116,017)                         | -95%                             |
| Non-operating expense                  | <u>(5,560)</u>            | <u>(51,537)</u>          | <u>(31,223)</u>           | <u>(88,320)</u> | <u>(437,482)</u> | <u>349,161</u>                    | ± (a)                            |
| Total non-operating income (exp)       | (6,086)                   | (48,233)                 | (28,528)                  | (82,847)        | (315,992)        | 233,144                           | + (a)                            |

(a) Percent change is not provided if either of the comparison periods contains a loss or negative number. If the actual performance is improved when compared to the budget a "+" is given. If the actual performance is worse when compared to the budget, a "-" is given.

**Income before Capital Contributions, Net Income**

Income before capital contributions was ahead of the budget by \$622,695 for the period primarily due to lower operating expenses than budgeted of \$383,457 and a positive variance in net nonoperating income (expense) of \$233,144. Capital contributions or connection fee revenues were up \$125,400 or 111% over the budget due to higher connections of 30. Actual connections were 57 compared to 27 budgeted for the period. The spike in connections during the period is expected to be temporary and the result of the Covid-19 migration.

|                                  | Q1<br>9/30/2021<br>Actual | Q2<br>12/31/2021<br>Actual | Q3<br>3/31/2022<br>Actual | YTD<br>Actual  | YTD<br>Budget  | YTD<br>Actual<br>vs Budget<br>\$ | YTD<br>Actual<br>vs Budget<br>% |
|----------------------------------|---------------------------|----------------------------|---------------------------|----------------|----------------|----------------------------------|---------------------------------|
| Income before capt contributions | (1,220,863)               | 1,797,728                  | (955,564)                 | (378,699)      | (1,001,394)    | 622,695                          | + (a)                           |
| Capital contrib - conn fees      | <u>96,140</u>             | <u>71,060</u>              | <u>71,060</u>             | <u>238,260</u> | <u>112,860</u> | <u>125,400</u>                   | <u>111%</u>                     |
| Net Income, Change in net assets | (1,124,723)               | 1,868,788                  | (884,504)                 | (140,439)      | (888,534)      | 748,095                          | + (a)                           |

(a) Percent change is not provided if either of the comparison periods contains a loss or negative number. If the actual performance is improved when compared to the budget a "+" is given. If the actual performance is worse when compared to the budget,

**Capital Expenditures**

Capital expenditures for the period were \$246,952, below the budget by \$510,208. The variance is due to timing associated with multiple projects.



### Cash and Fund Balances

The Agency had negative cash flow of \$656,446 in the first nine months. The negative cash flow reflects \$374,732 in negative cash flow from operations, \$246,952 in capital expenditures, \$254,242 in debt service, and \$45,771 in RBB and GSA expense offset in part by \$254,980 in connection fee revenue and \$10,242 in interest income.

|                                                | <b>Beginning<br/>Balance</b> | <b>Activity<br/>During Period</b> | <b>Ending<br/>Balance</b> |
|------------------------------------------------|------------------------------|-----------------------------------|---------------------------|
| <b>Cash Balance</b>                            | 6,694,851                    | 0                                 | 6,038,405                 |
| <b>Designated Fund Balances:</b>               |                              |                                   |                           |
| Capital and Replacement Fund                   |                              |                                   |                           |
| Current Year                                   | 2,035,314                    | -246,952                          | 1,788,362                 |
| Future Year                                    | <u>425,652</u>               | <u>0</u>                          | <u>425,652</u>            |
| Total C&R                                      | 2,460,966                    | -246,952                          | 2,214,014                 |
| Debt Service Fund                              | 509,077                      | -254,242                          | 254,835                   |
| Liquidity Fund                                 | 2,414,962                    | -410,231                          | 2,004,731                 |
| Contingency Fund:                              |                              |                                   |                           |
| Emergency                                      | 500,000                      | 0                                 | 500,000                   |
| Operating                                      | <u>809,846</u>               | <u>0</u>                          | <u>809,846</u>            |
| Total                                          | 1,309,846                    | 0                                 | 1,309,846                 |
| <b>Restricted Funds:</b>                       |                              |                                   |                           |
| Connection Fees                                | 0                            | 254,980                           | 254,980                   |
| <b>Total Designated &amp; Restricted Funds</b> | 6,694,851                    | -656,446                          | 6,038,405                 |





Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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## **AGENDA ITEM: 10.A.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** Sonja Kawa, Human Resources Coordinator/Accounting Technician

**REVIEWED BY:** David Lawrence, P.E., General Manager;  
Jennifer McCullar, Finance Manager

**SUBJECT:** General Manager Employment Agreement Amendment

### **BACKGROUND & DISCUSSION:**

The Governing Board completed a performance evaluation of the General Manager in closed session at the April 27, 2022 Board Meeting. It was determined that a merit adjustment within the established pay scale was appropriate, based on Mr. Lawrence's performance. The Governing Board has requested an amendment to the Employee Agreement between the Agency and Mr. Lawrence.

As required by the Brown Act, the Governing Board shall provide an oral report that summarizes the proposed action to be taken regarding the salary, salary schedule, or compensation paid in the form of fringe benefits to the General Manager before taking a final action to approve his contract or amendment. The following recommended changes to the financial terms of the Employment Agreement shall be read orally at the meeting:

#### **Salary**

- The General Manager's base salary will be \$17,907.27 per month (equivalent to an hourly rate of \$103.31). This reflects a 2.2% increase effective on April 23, 2022, which is the first day of the pay period encompassing Mr. Lawrence's employment anniversary date of April 25, 2022.

#### **FINANCIAL IMPACT:**

The recommended adjustment is within the budgeted amount for this position.

#### **RECOMMENDATION:**

Authorize the Governing Board Chair to execute an Employment Agreement Amendment with the approved changes.

#### **ATTACHMENT:**

Employment Agreement Amendment No. 6

**AMENDMENT NO. 6  
TO EMPLOYMENT AGREEMENT  
GENERAL MANAGER**

**1. Parties and Date.**

This Amendment No. 6 to the Employment Agreement (“Agreement”) is made and entered into effective as of the 25<sup>th</sup> day of May 2022, by and between the Big Bear Area Regional Wastewater Agency, a municipal organization organized under the laws of the State of California (“Agency”) and David Lawrence (“General Manager” or “Employee”). Agency and General Manager are sometimes individually referred to as “Party” and collectively as “Parties.”

**2. Recitals.**

2.1 Amendment Purpose. The Agency and General Manager desire to amend the aforesaid Agreement to revise compensation terms and conditions of said employment.

2.2 Amendment Authority. This Amendment No. 6 is authorized pursuant to Section XI(C) of the Agreement.

**3. Terms.**

3.1 Section 4. Section 4.1 (Salary and Expenses) of the Agreement is hereby amended to provide additional compensation:

“4.1 Governing Board agrees to pay Employee for services rendered pursuant to this Agreement a base salary of Seventeen Thousand, Nine-Hundred Seven Dollars and Twenty-Seven Cents (\$17,907.27) per month, beginning on April 23, 2022, in installments at the same time as other employees of the Agency are paid. Further, the parties agree that, during the term of this Agreement, Employee shall receive an annual salary increase for a cost-of-living adjustment (COLA) based on the change in the consumer price index (the CPI). The method used to calculate the change in the CPI shall be the same as that used by the Agency to calculate a cost-of-living adjustment for all employees. The COLA adjustment for Employee shall occur on an annual basis and be effective on the starting day of the first full pay period in July each year. The Governing Board shall also have the right to grant merit and benefit increases as it deems appropriate, at its sole discretion.”

Except as modified herein and by the preceding five Amendments, the original Employment Agreement, dated March 22, 2017 and effective April 25, 2017, shall remain in full force and effect.

**BIG BEAR AREA REGIONAL  
WASTEWATER AGENCY**

**DAVID LAWRENCE**

By: \_\_\_\_\_  
Chair of the Governing Board

By: \_\_\_\_\_  
David Lawrence

Dated: \_\_\_\_\_, 2022

Dated: \_\_\_\_\_, 2022

Attest: \_\_\_\_\_  
Secretary to the Governing Board



Big Bear Area Regional  
Wastewater Agency  
*Rick Herrick – Chair*  
*John Green – Vice-Chair*  
*Jim Miller – Director*  
*Bynette Mote – Director*  
*Larry Walsh – Director*

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**AGENDA ITEM: 10.B.**

**MEETING DATE:** May 25, 2022

**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency

**FROM:** David Lawrence, P.E., General Manager

**PREPARED BY:** Bridgette Burton, Management Analyst/Board Secretary

**SUBJECT:** Adjourn the June 22, 2022 Regular Board Meeting

**BACKGROUND:**

At this time, staff is not aware of any action items, other than consent items, to be presented to the Governing Board for consideration at the June 22, 2022 regular board meeting. Staff is requesting to adjourn the June regular board meeting to the next regularly scheduled board meeting on July 27, 2022.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Adjourn the June 22, 2022 regular board meeting.