

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**Regular Meeting of**

**May 23, 2018**

**At**

**5:00 p.m.**

**121 Palomino Drive**

**Big Bear City, California**

**1. Call to Order**

**2. Pledge of Allegiance**

**3. Presentations and Introduction**

**A. Retirement – Francis Hobbs**

**B. BVE – Solar Project**

**4. Approval of the Agenda**

**5. 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 detailed discussion is necessary, any Board Member may request that an item be removed from the Consent Calendar and considered separately.**

**A. Minutes of the Regular Meeting April 25, 2018 – Approve**

**B. Monthly Expenses – Informational**

**C. Governing Board Member Reimbursement – Approve**

**D. Investment Report – Informational**

**E. Operations Report – Informational**

**F. Third Quarter Report, Nine Months ended March 31, 2018 – Informational**

**G. Pay Schedule – Approve**

**H. Cell Phone Stipend Policy – Approve**

**I. Asset Disposal - Heavy Truck – Approve**

**6. Items Removed From the Consent Calendar**

**7. Public Forum Response – None**

**8. Public Forum – The Public Forum portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters within the jurisdiction of this Agency. Ordinance No. 57 limits individual public testimony to three minutes or less. The cumulative time that any individual may provide public testimony during a meeting is fifteen minutes and the public testimony shall be limited to thirty minutes for all speakers. Whenever a group of persons wishes to address the Board on the same item, the Chairman or the Board by majority vote may request a spokesperson be chosen for the group or limit the number of such persons addressing the Board. Since discussion of an item, not on the posted agenda is not allowed, these concerns may be addressed in a future meeting under “Public Forum Response**

**9. Old Business – None**

**10. New Business**

- A. Resolution No. R. 04-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Making Emergency Findings and Authorizing an Emergency Contract for the Lucerne Valley Reuse Facility; Appropriate up to \$200,000 for Emergency Repair at the Lucerne Valley Reuse Facility – Adopt
- B. Resolution No. R. 03- 2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Declaring its Intention to Issue Tax-Exempt Obligations to be used to Reimburse the Agency for Certain Expenditures Made Prior to the Issuance of Such Tax Exempt-Obligations– Adopt
- C. Solar Project MOU– Discussion and Possible Action

**11. Information/Committee Reports**

**12. Closed Session**

- A. Public Employee Performance Evaluation  
Pursuant to Government Code Section 54957.6  
Title: General Manager

**13. 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 Kimberly Booth, Administrative Assistant at (909) 584-4018. Notification at least 48 hours prior to the meeting or time when services are needed will assist the 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**  
**Regular Board Meeting**  
**Minutes**  
**April 25, 2018**

**1. Call to Order**

A regular meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, April 25, 2018 at 5:00 p.m. at 121 Palomino Drive, Big Bear City, California.

**Governing Board Members present:** John Green, David Caretto, Liz Harris, Karyn Oxandaboure, and Rick Herrick.

**Absent:** None

**Staff present:** David Lawrence, General Manager; Jennifer McCullar, Jan Guy, Plant Manager; Sonja Kawa, Human Resource Coordinator/Accounting Technician and Kim Booth, Administrative Assistant

**Others:** Logan Petersen, Big Bear High School Student

**2. Pledge of Allegiance**

Chairman Green called the meeting to order at 5:00 p.m. with Ms. Oxandaboure leading the Pledge of Allegiance.

**3. Presentations and Introduction:**

A. Mr. Bemisdarfer was unable to attend; this item was tabled.

B. Mr. Green presented Mr. Lawrence with a 1-year pin and thanked him for his services. He opened it to the rest of the board to make comments, where they thanked him for his services.

C. Mr. Lawrence introduced Ms. Guy as the new Plant Manager. The board welcomed her.

**4. Approval of the Agenda**

Upon motion by Director Herrick, seconded by Director Oxandaboure and carried, the Agenda was approved as presented.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

**5. Consent Calendar:** The Governing Board reviewed items on the Consent Calendar. Upon motion by Vice Chairman Caretto, seconded by Director Herrick and carried, the Governing Board approved the Consent Calendar as presented:

A. Minutes of the Special Meeting March 22,2018 – Approved

- B. Monthly Expenses – Informational
- C. Governing Board Member Reimbursement – Approved
- D. Investment Report – Informational

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

**6. Items Removed From the Consent Calendar: None**

**7. Public Forum Response:**

**8. Public Forum** – The Public Forum portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters within the jurisdiction of this Agency. Ordinance No. 57 limits individual public testimony to three minutes or less. The cumulative time that any individual may provide public testimony during a meeting is fifteen minutes and the public testimony shall be limited to thirty minutes for all speakers. Whenever a group of persons wishes to address the Board on the same item, the Chairman or the Board by majority vote may request a spokesperson be chosen for the group or limit the number of such persons addressing the Board. Since discussion of an item, not on the posted agenda is not allowed, these concerns may be addressed in a future meeting under “Public Forum Response

**9. Old Business: None**

**10. New Business**

**A.** Chairman Green opened the public hearing 5:03 p.m., public hearing closed at 5:04 p.m. Chairman Green calls for a motion and a second to waive the reading of the entire ordinance and will adopt by title only Ordinance No. O 01-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Establishing the Sewer User Charge and Taking Certain Other Actions Related Thereto. Upon motion by Director Caretto, seconded by Secretary Harris, and carried the Governing Board approved Ordinance No. O. 01-2018.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

- B. Chairman Green calls for a motion and a second to waive the reading of the entire ordinance and will adopt by title only Ordinance No. O. 02-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Increasing the Wastewater Connection Fee, Amending Ordinance No.2 and Taking Certain Other Actions. Upon motion by Vice Chairman Caretto, seconded by Director Herrick, and carried, the Governing Board approved Ordinance No. O. 02-2018.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

- C. Chairman Green calls for a motion and a second to waive the reading of the entire ordinance and will adopt by title only Ordinance No. O. 03-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Fiscal Year 2019 Sewer Standby or Immediate Availability Charges. Upon motion by Vice Chairman Caretto, seconded by Director Oxandaboure and carried, the Governing Board approved Ordinance No. O. 03-2018.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

- D. Chairman Green opened the public hearing at 5:07 p.m., public hearing closed at 5:08 p.m. Chairman Green calls for a motion and a second to waive the reading of the entire ordinance and will adopt by title only Ordinance No. O. 04-2018, An Ordinance 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. Upon motion by Director Herrick, seconded by Director Oxandaboure, and carried, the Governing Board approved Ordinance No. O. 04-2018.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

**11. Information/Committee Reports:**

- A. Mr. Herrick had a comment regarding attending earth day, he had multiple people asking and encouraging BBARWA to put in solar and would like to see it on the May agenda for further discussion.

**12. Closed Session**

Entered closed session at 5:12 p.m., returned to open session at 6:51 p.m. with no reportable action.

**13. Adjournment**

With no further business to come before the Governing Board, Chairman Green adjourned the meeting at 6:52 p.m.

ATTEST: \_\_\_\_\_  
Elizabeth Harris, Ed.D, Secretary of the  
Governing Board of the Big Bear Area Regional  
Wastewater Agency

\_\_\_\_\_  
Kim Booth, Administrative Assistant  
Big Bear Area Regional Wastewater Agency



**Big Bear Area Regional  
Wastewater Agency**

*John Green – Chairman  
David Caretto – Vice Chairman  
Liz Harris, Ed.D. – Secretary  
Rick Herrick – Director  
Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.B**

**MEETING DATE:** May 23, 2018

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

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

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

**SUBJECT:** Monthly Expenses

**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 been previously appropriated.

**RECOMMENDATION:**

Informational

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

Secretary of the Governing Board

**Big Bear Area Regional Wastewater Agency  
Check Register  
For the Period From Apr 1, 2018 to Apr 30, 2018**

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

Check #	Date	Payee	Cash Account	Amount
CASH 1841	4/3/18	PRINCIPAL FINANCIAL GROUP	1000-20	2,409.62
CASH 1842	4/3/18	CALPERS HEALTH	1000-20	29,324.99
CASH 1843	4/4/18	VISION SERVICE PLAN	1000-20	301.84
CASH 1844	4/4/18	LINCOLN NATIONAL LIFE INSURANCE CO.	1000-20	1,016.82
18306	4/5/18	AMAZON CAPITAL SERVICES	1000-20	309.56
18307	4/5/18	ARAMARK UNIFORM SERVICES	1000-20	1,019.84
18308	4/5/18	KELLEY M. ARNOLD	1000-20	1,456.22
18309	4/5/18	BIG BEAR CITY COMMUNITY SERVICES DIS	1000-20	460.40
18310	4/5/18	BUTCHER'S BLOCK & BUILDING	1000-20	628.76
18311	4/5/18	BEAR VALLEY ELECTRIC	1000-20	9,703.66
18312	4/5/18	BEAR VALLEY PAVING, INC.	1000-20	56,104.76
18313	4/5/18	CAR QUEST OF BIG BEAR	1000-20	236.39
18314	4/5/18	CALIF DEPT OF TAX & FEE ADMINISTRATIO	1000-20	1,598.00
18315	4/5/18	NIKKI CRUMPLER	1000-20	250.07
18316	4/5/18	DIRECT TV	1000-20	45.99
18317	4/5/18	DEPARTMENT OF WATER & POWER	1000-20	54.01
18318	4/5/18	FLYERS ENERGY	1000-20	1,000.23
18319	4/5/18	FRONTIER COMMUNICATIONS	1000-20	678.97
18320	4/5/18	GEIGER SUPPLY, INC	1000-20	161.71
18321	4/5/18	HUGHESNET	1000-20	69.99
18322	4/5/18	JORGENSEN COMPANY	1000-20	50.00
18323	4/5/18	KING'S FIRE PROTECTION, INC.	1000-20	2,685.00
18324	4/5/18	MCMASTER-CARR SUPPLY COMPANY	1000-20	153.02
18325	4/5/18	CONSTANCE M. ALVARADO	1000-20	55.00
18326	4/5/18	SAFETY-KLEEN	1000-20	273.27
18327	4/5/18	FLORENCE GAWN	1000-20	65.54
18328	4/5/18	VALLEY POWER SYSTEMS, INC	1000-20	363.11
18329	4/5/18	SPECTRUM BUSINESS	1000-20	269.94
18330	4/5/18	BIG BEAR BODYTEK	1000-20	550.00
18331	4/5/18	UNDERGROUND SERVICE ALERT	1000-20	57.85
18332	4/5/18	DIY HOME CENTER-BIG BEAR	1000-20	557.58
18333	4/5/18	SAM'S ENTERPRISES	1000-20	54.41



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18334	4/5/18	TWIN BEAR EQUIPMENT RENTAL, INC	1000-20	178.80
CASH 1845	4/6/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1846	4/9/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.71
CASH 1847	4/9/18	CALPERS RETIREMENT	1000-20	1,099.08
CASH 1848	4/9/18	CA PERS 457 PROGRAM	1000-20	2,017.08
CASH 1849	4/9/18	CALPERS RETIREMENT	1000-20	6,691.99
CASH 1850	4/10/18	EMPLOYMENT DEVELOPMENT DEPARTME	1000-20	1,383.39
CASH 1851	4/10/18	INTERNAL REVENUE SERVICE	1000-20	4,571.50
CASH 1852	4/18/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72
CASH 1853	4/23/18	CALPERS RETIREMENT	1000-20	1,384.74
CASH 1854	4/23/18	CA PERS 457 PROGRAM	1000-20	2,017.08
CASH 1855	4/23/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1856	4/23/18	CALPERS RETIREMENT	1000-20	6,691.99
18335	4/24/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	2,159.08
18336	4/24/18	ALL PROTECTION ALARM	1000-20	427.61
18337	4/24/18	AMAZON CAPITAL SERVICES	1000-20	836.46
18338	4/24/18	ARROWHEAD	1000-20	168.89
18339	4/24/18	BEST BEST & KRIEGER	1000-20	9,522.08
18340	4/24/18	BICKMORE RISK SERVICES	1000-20	4,900.00
18341	4/24/18	BUSINESS CARD	1000-20	2,264.70
18342	4/24/18	BEAR VALLEY PRINTING	1000-20	57.29
18343	4/24/18	CLINICAL LAB OF SAN BERNARDINO	1000-20	212.50
18344	4/24/18	COUNTY OF SAN BERNARDINO SOLID WA	1000-20	103.69
18345	4/24/18	ENDURA STEEL	1000-20	344.00
18346	4/24/18	EVANTEC CORPORATION	1000-20	2,287.02
18347	4/24/18	FERGUSON ENTERPRISES, INC.	1000-20	900.61
18348	4/24/18	GRAINGER	1000-20	257.76
18349	4/24/18	THE GRIZZLY	1000-20	57.75
18350	4/24/18	JANICE M. DRAKE-GUY	1000-20	2,500.00
18351	4/24/18	HAZ MAT TRANS, INC.	1000-20	1,500.00
18352	4/24/18	JUST ENERGY SOLUTIONS INC.	1000-20	17,128.56
18353	4/24/18	LEGALSHIELD	1000-20	199.40

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18356	4/24/18	PHENOVA	1000-20	488.28
18357	4/24/18	POLYDYNE INC	1000-20	3,172.16
18358	4/24/18	QUILL	1000-20	82.74
18359	4/24/18	REBEL OIL CO., INC.	1000-20	727.74
18360	4/24/18	SAGE SOFTWARE, INC	1000-20	446.00
18361	4/24/18	SOUTHERN CALIFORNIA EDISON	1000-20	67.48
18362	4/24/18	SCHRODER & SON, INC.	1000-20	500.00
18363	4/24/18	SERVICEMASTER 360 PREMIER CLEANING	1000-20	630.62
18364	4/24/18	SOCIETY FOR HUMAN RESOURCE MANAG	1000-20	209.00
18365	4/24/18	SPECTRUM BUSINESS	1000-20	1,014.70
18366	4/24/18	SOUTHWEST GAS CORP	1000-20	7,978.28
18367	4/24/18	SOUTHWEST GAS	1000-20	697.66
18368	4/24/18	VERIZON WIRELESS	1000-20	308.62
18369	4/24/18	VOLVO CONSTRUCTION EQUIP & SERVICE	1000-20	140.70
CASH 1857	4/24/18	EMPLOYMENT DEVELOPMENT DEPARTME	1000-20	1,528.36
CASH 1858	4/24/18	INTERNAL REVENUE SERVICE	1000-20	5,007.72
CASH 1859	4/25/18	CALPERS CERBT	1000-20	22,367.74
CASH 1860	4/26/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	786.44
<b>Total</b>				<b><u>242,426.8</u></b>



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**RECOMMENDATION:**

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Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

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18368	4/24/18	VERIZON WIRELESS	1000-20	308.62
18369	4/24/18	VOLVO CONSTRUCTION EQUIP & SERVICE	1000-20	140.70
CASH 1857	4/24/18	EMPLOYMENT DEVELOPMENT DEPARTME	1000-20	1,528.36
CASH 1858	4/24/18	INTERNAL REVENUE SERVICE	1000-20	5,007.72
CASH 1859	4/25/18	CALPERS CERBT	1000-20	22,367.74
CASH 1860	4/26/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	786.44
<b>Total</b>				<b><u>242,426.8</u></b>



Big Bear Area Regional  
Wastewater Agency

*John Green – Chairman*  
*David Caretto – Vice Chairman*  
*Liz Harris, Ed.D. – Secretary*  
*Rick Herrick – Director*  
*Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.C**

**MEETING DATE:** May 23, 2018

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

**FROM:** David Lawrence, P.E., General Manager *[Signature]*

**PREPARED BY:** Jennifer McCullar, Finance Manager *[Signature]*

**SUBJECT:** Board Member Reimbursement

**BACKGROUND:**

Attached are the April 2018 meeting records for each Governing Board Member and represent eligible compensation at a rate of \$150 per regular or special meeting pursuant to the Agency's Administrative and Personnel Policy, Board Member Reimbursement.

**FINANCIAL IMPACT:**

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

**RECOMMENDATION:**

Approve

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: David Caretto

Date Submitted: April 25, 2018

Month Covered: April

BBARWA Regular Meeting Attended: Date: 4/25/18 Compensation \$ 150.00

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

TOTAL ENTITLED MONTHLY STIPEND (limited to 6 days per calendar month) \$

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

Note: Other Governing Board approved expenses receipts must be accompanied with the travel expense form "EXHIBIT B" and forwarded to Finance Manager or designee for reimbursement

TOTAL OTHER EXPENSE REIMBURSEMENT: \$ 150.00

Uncompensated Meetings Attended:

PURPOSE

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Board Member Signature: David Caretto Total Amount Paid \$ 150.00

Table with 3 columns: RATES & CALCS, CODING, AMOUNT. Rows include OPER. REVIEW, EXPEN. APP., and FIN. REVIEW.



BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: JOHN GREEN

Date Submitted: April 25, 2018

Month Covered: April

BBARWA Regular Meeting Attended: Date: 4/25/18 Compensation \$ 150-

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

TOTAL ENTITLED MONTHLY STIPEND (limited to 6 days per calendar month) \$

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

Note: Other Governing Board approved expenses receipts must be accompanied with the travel expense form "EXHIBIT B" and forwarded to Finance Manager or designee for reimbursement

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Board Member Signature: [Signature] Total Amount Paid \$ 150-

Table with 3 columns: RATES & CALCS, CODING, AMOUNT. Rows include OPER. REVIEW, EXPEN. APP., and FIN. REVIEW.

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REPORT OF MEETINGS ATTENDED**

Governing Board Member: Karyn Oxandaboue  
Date Submitted: April 25, 2018  
Month Covered: April

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: April 25 Compensation \$ 150<sup>00</sup>

**PURPOSE**

BBARWA Special Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

BBARWA Special Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

BBARWA Special Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

**PURPOSE**

BBARWA Committee Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

BBARWA Committee Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

BBARWA Committee Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

**PURPOSE**

**Other Governing Board Approved Meetings:**

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL ENTITLED MONTHLY STIPEND (limited to 6 days per calendar month)** \$ \_\_\_\_\_

**Other Governing Board Approved Expenses (Governing Board Approved)**

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Note: Other Governing Board approved expenses receipts must be accompanied with the travel expense form "EXHIBIT B" and forwarded to Finance Manager or designee for reimbursement

**TOTAL OTHER EXPENSE REIMBURSEMENT:** \$ \_\_\_\_\_

**Uncompensated Meetings Attended:**

**PURPOSE**

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Board Member Signature: Karyn Oxandaboue Total Amount Paid \$ 150

RATES & CALCS	CODING	AMOUNT
OPER. REVIEW	_____	_____
EXPEN. APP.	_____	_____
FIN. REVIEW	_____	_____

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Rick Herrick

Date Submitted: April 25, 2018

Month Covered: April

BBARWA Regular Meeting Attended: Date: 4-25-18 Compensation \$150.

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings: Date: \$

Date: \$

TOTAL ENTITLED MONTHLY STIPEND (limited to 6 days per calendar month) \$

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

Note: Other Governing Board approved expenses receipts must be accompanied with the travel expense form "EXHIBIT B" and forwarded to Finance Manager or designee for reimbursement

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: \$

Date: \$

Board Member Signature: [Signature] Total Amount Paid \$150.00

Table with columns: RATES & CALCS, CODING, AMOUNT. Rows: OPER. REVIEW, EXPEN. APP., FIN. REVIEW.



**Big Bear Area Regional  
Wastewater Agency**

*John Green – Chairman  
David Caretto – Vice Chairman  
Liz Harris, Ed.D. – Secretary  
Rick Herrick – Director  
Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.D**

**MEETING DATE:** May 23, 2018

**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

**BACKGROUND:**

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

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Approve

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

Secretary of the Governing Board

BBARWA  
 Monthly Investment Report  
 April 2018

<u>INVESTMENT TYPE</u>	<u>INSTITUTION</u>	<u>COST</u>	<u>FAIR MARKET VALUE (1)</u>	<u>YEAR TO DATE INTEREST(2)</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
<b><u>FUNDS INVESTED BY AGENCY:</u></b>						
LOCAL AGENCY INVESTMENT FUND	STATE OF CALIFORNIA	\$ 4,828,740	\$ 4,816,851	28,853	1.66%	DAILY
TOTAL		\$ 4,828,740	\$ 4,816,851	28,853		

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in August 2017. 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 for FY 2018 and excludes accrued interest.

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

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
 May 15, 2018

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

[PMIA Average Monthly Yields](#)

**Account Number:**

[Tran Type Definitions](#)

April 2018 Statement

<b>Effective Date</b>	<b>Transaction Date</b>	<b>Tran Type</b>	<b>Confirm Number</b>	<b>Authorized Caller</b>	<b>Amount</b>
4/13/2018	4/12/2018	QRD	1567303	SYSTEM	20,924.04
4/25/2018	4/24/2018	RW	1569394	JENNIFER MCCULLAR	-500,000.00

**Account Summary**

Total Deposit:	20,924.04	Beginning Balance:	5,307,815.74
Total Withdrawal:	-500,000.00	Ending Balance:	4,828,739.78



Big Bear Area Regional  
Wastewater Agency

*Rick Herrick – Chairman*  
*Karyn Oxandaboure – Vice Chairman*  
*Liz Harris Ed. D – Secretary*  
*David Caretto – Director*  
*John Green – Director*

**AGENDA ITEM: 5.E**

**MEETING DATE:** May 23, 2018

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

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

**PREPARED BY:** Jan Guy, Plant Manager

**REVIEWED BY:** Kim Booth, Administrative Assistant *KB*

**SUBJECT:** Operations Report

**OPERATIONS:**

**2018 Treatment Plant Data**

	January	Febuary	March	April
Total Influent Flow (MG)	57.56	47.38	58.00	44.04
Average Daily Infuent Flow (MGD)	1.86	1.69	1.87	1.47
City of Big Bear Lake	52.5%	51.1%	55.5%	48.6%
Big Bear City CSD	44.2%	45.7%	41.2%	47.5%
County of San Bernardino	3.3%	3.3%	3.3%	3.8%
Average Influent BOD (mg/L)	279	249	270	248
Average Effluent BOD (mg/L)	11	14	6	7
BOD Removal Efficiency (%)	96.1%	94.4%	97.8%	97.2%
Precipitation (inch)	1.38	0.00	0.76	0.00

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

Secretary of the Governing Board

There were no rain events during April, this was evident with the decrease in plant influent flow. The treatment plant continued to operate at a high efficiency rate. During the month of April, the staff began the process of removing Oxidation Ditch #3 from service to perform general preventive maintenance. The Horseshoe Pond #2 cleaning and concrete bank installation work is on schedule.

**FINANCIAL IMPACT:** No financial impact.





Big Bear Area Regional  
Wastewater Agency

*John Green – Chairman*

*David Caretto – Vice Chairman*

*Liz Harris, Ed.D. – Secretary*

*Rick Herrick – Director*

*Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.F**

**MEETING DATE:** May 23, 2018

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

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

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

**SUBJECT:** Third Quarter Report, Nine Months Ended March 31, 2018

**BACKGROUND:**

Please find attached the 3rd Quarter Report which discusses the most recent quarter's financial performance compared to the budget.

Overall, the Agency performed slightly under the budget for the first nine months with operating expenses below the budget by approximately \$89,765 or 3%.

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Informational

Big Bear Area Regional Wastewater Agency

# 3rd Quarter Report

Nine Months ended March 31, 2018



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

	Q1 9/30/17 <u>Actual</u>	Q2 12/31/17 <u>Actual</u>	Q3 3/31/18 <u>Actual</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD Actual vs Budget \$	YTD Actual vs Budget %
<b>Operating revenues:</b>							
Annual Charges	\$0	\$2,545,788	\$0	\$2,545,788	\$2,545,788	\$0	0%
Waste Disposal Fees	6,134	5,407	4,493	16,034	16,347	-313	2%
Rental Income	8,734	8,699	8,664	26,096	26,009	87	0%
Standby Fees	0	42,590	0	42,590	42,590	0	0%
Other Operating Income	<u>0</u>	<u>1,644</u>	<u>273</u>	<u>1,916</u>	<u>0</u>	<u>1,916</u>	<u>nm</u> (b)
Total operating revenues	\$14,868	\$2,604,127	\$13,429	\$2,632,424	\$2,630,734	\$1,690	0%
<b>Operating expenses:</b>							
Salaries and benefits	\$460,313	\$523,812	\$468,784	\$1,452,909	\$1,479,800	-\$26,891	-2%
Power	86,237	92,787	108,425	287,449	379,936	-92,487	-24%
Sludge Removal	103,718	99,420	100,806	303,944	238,610	65,334	27%
Chemicals	6,497	10,824	14,861	32,182	30,857	1,325	4%
Materials and supplies	18,148	45,724	26,989	90,860	104,258	-13,398	-13%
Repairs and Replacements	13,180	40,920	60,839	114,938	109,175	5,763	5%
Equipment rental	12,337	14,333	10,064	36,735	32,587	4,148	13%
Utilities expense	3,195	12,336	5,710	21,240	13,724	7,516	55%
Communications expense	6,906	9,168	10,116	26,189	37,245	-11,056	-30%
Contractual services - other	12,839	15,161	18,364	46,364	58,776	-12,412	-21%
Contractual services - prof	28,758	88,872	57,760	175,390	183,172	-7,782	-4%
Permits and fees	10,728	131,170	1,560	143,458	148,185	-4,727	-3%
Property tax expense	0	3,599	0	3,599	3,572	27	1%
Insurance expense	99,325	0	0	99,325	93,306	6,019	6%
Other operating expense	10,420	13,580	17,363	41,364	52,508	-11,144	-21%
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	\$872,600	\$1,101,705	\$901,641	\$2,875,946	\$2,965,711	-\$89,765	-3%
<b>Operating Income</b>	<b>-\$857,732</b>	<b>\$1,502,422</b>	<b>-\$888,212</b>	<b>-\$243,522</b>	<b>-\$334,977</b>	<b>\$91,455</b>	<b>+ (c)</b>
<b>Nonoperating income (expense):</b>							
Nonoperating income	\$6,742	\$15,579	\$17,974	\$40,295	\$31,150	\$9,145	29%
Nonoperating expense	<u>0</u>	<u>-39,887</u>	<u>0</u>	<u>-39,887</u>	<u>-39,887</u>	<u>0</u>	<u>0%</u>
Total nonoperating income (exp)	\$6,742	-\$24,308	\$17,974	\$409	-\$8,737	\$9,146	+ (c)
<b>Income before capital contributions</b>	<b>-\$850,990</b>	<b>\$1,478,114</b>	<b>-\$870,238</b>	<b>-\$243,114</b>	<b>-\$343,714</b>	<b>\$100,600</b>	<b>+</b>
Capital contrib - conn fees	<u>58,720</u>	<u>77,070</u>	<u>25,690</u>	<u>161,480</u>	<u>124,780</u>	<u>36,700</u>	<u>29%</u>
<b>Net Income, Change in net assets</b>	<b>-\$792,270</b>	<b>\$1,555,184</b>	<b>-\$844,548</b>	<b>-\$81,634</b>	<b>-\$218,934</b>	<b>\$137,300</b>	<b>+</b>

(a) Currently, the Agency depreciates its assets at the end of the year. Therefore, depreciation expense is presented as \$0.00 on an interim basis.

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

(c) Percent change is not provided if either the latest period or the budget 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.



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**STATEMENT OF CASH FLOW**

	<b>Q3</b>
	<b><u>3/31/2018</u></b>
<b>Cash flows from operating activities:</b>	
Cash received from customers and other sources	2,652,984
Cash payments to suppliers for goods and services	-1,543,511
Cash payments to employees	<u>-1,445,793</u>
Net cash provided by operating activities	-336,320
<b>Cash flows from noncapital financing activities:</b>	
Payment of pension related debt/liability	0
Change in Deferred Inflow s	0
Change in Deferred Outflow s	0
Change in NPL	<u>0</u>
Net cash used for noncapital financing activities	0
<b>Cash flows from capital and related financing activities</b>	
Purchases of property, plant and equipment	-856,178
Sale, Disposal of property, plant and equipment	4,700
Capital contributions	212,860
Proceeds from debt issuance	0
Prepayment premiums and issuance costs	0
Principal payments on long-term debt	-234,860
Interest paid on long-term debt	<u>-53,182</u>
Net cash used for capital and related financing activities	-926,660
<b>Cash flows from investing activities:</b>	
Investment income received	<u>49,967</u>
Net cash provided by investing activities	49,967
 Net change in cash equivalents	 -1,213,013
<b>Cash equivalents, beginning of period</b>	<b>6,933,280</b>
Cash equivalents, end of period	<u>5,720,267</u>
<b>Change during the period</b>	<b><u>-1,213,013</u></b>

**CASH AND FUND BALANCES**

	<b>Q3</b> <b><u>3/31/2018</u></b>
<b>BEGINNING BALANCE:</b>	
<b>Cash Balance</b>	6,933,280
<b>Designated Fund Balances:</b>	
Capital and Replacement Fund	
Current Year	1,916,761
Future Year	<u>1,323,098</u>
Total C&R	3,239,859
Debt Service Fund	576,084
Liquidity Fund	1,960,045
Contingency Fund:	
Emergency	500,000
Operating	<u>657,292</u>
Total Contingency	<u>1,157,292</u>
Total	<u>6,933,280</u>
<b>Restricted Funds:</b>	
Connection Fees	0
<b>ACTIVITY DURING PERIOD:</b>	
<b>Designated Fund Balances:</b>	
Capital and Replacement Fund	
Current Year	-856,178
Future Year	0
Debt Service Fund	-288,042
Liquidity Fund	-281,653
Contingency Fund:	
Emergency Fund	0
Operating	<u>0</u>
Total	<u>0</u>
<b>Restricted Funds:</b>	
Connection Fees	<u>212,860</u>
Total	<u>-1,213,013</u>
<b>ENDING BALANCE:</b>	
<b>Cash Balance</b>	5,720,267
<b>Designated Fund Balances:</b>	
Capital and Replacement Fund	
Current Year	1,060,583
Future Year	<u>1,323,098</u>
Total C&R	2,383,681
Debt Service Fund	288,042
Liquidity Fund	1,678,392
Contingency Fund:	
Emergency	500,000
Operating	<u>657,292</u>
Total	1,157,292
<b>Restricted Funds:</b>	
Connection Fees	<u>212,860</u>
<b>Total Designated &amp; Restricted Funds</b>	<u>5,720,267</u>
<b>Change for the Period</b>	<u>-1,213.013</u>



## Discussion and Analysis

### Operating Revenues

Operating revenues were slightly ahead of the budget by \$1,690 (less than 1%) due to higher other income related to proceeds from metal recycling.

	Q1 9/30/17 <u>Actual</u>	Q2 12/31/17 <u>Actual</u>	Q3 3/31/18 <u>Actual</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD Actual vs Budget \$	YTD Actual vs Budget %
Operating revenues:							
Annual Charges	0	2,545,788	0	2,545,788	2,545,788	0	0%
Waste Disposal Fees	6,134	5,407	4,493	16,034	16,347	-313	2%
Rental Income	8,734	8,699	8,664	26,096	26,009	87	0%
Standby Fees	0	42,590	0	42,590	42,590	0	0%
Other Operating Income	<u>0</u>	<u>1,644</u>	<u>273</u>	<u>1,916</u>	<u>0</u>	<u>1,916</u>	<u>nm (a)</u>
Total operating revenue	14,868	2,604,127	13,429	2,632,424	2,630,734	1,690	0%

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

### Operating Expenses

Operating expenses were below the budget by \$89,765 or 3% largely due lower salaries and benefits, power costs and timing of expenses. The largest contributors to the variance are highlighted below.

	Q1 9/30/17 <u>Actual</u>	Q2 12/31/17 <u>Actual</u>	Q3 3/31/18 <u>Actual</u>	YTD <u>Actual</u>	YTD <u>Budget</u>	YTD Actual vs Budget \$	YTD Actual vs Budget %
<b>Operating expenses:</b>							
Salaries and benefits	460,313	523,812	468,784	1,452,909	1,479,800	-26,891	-2%
Power	86,237	92,787	108,425	287,449	379,936	-92,487	-24%
Sludge Removal	103,718	99,420	100,806	303,944	238,610	65,334	27%
Chemicals	6,497	10,824	14,861	32,182	30,857	1,325	4%
Materials and supplies	18,148	45,724	26,989	90,860	104,258	-13,398	-13%
Repairs and Replacements	13,180	40,920	60,839	114,938	109,175	5,763	5%
Equipment rental	12,337	14,333	10,064	36,735	32,587	4,148	13%
Utilities expense	3,195	12,336	5,710	21,240	13,724	7,516	55%
Communications expense	6,906	9,168	10,116	26,189	37,245	-11,056	-30%
Contractual services - other	12,839	15,161	18,364	46,364	58,776	-12,412	-21%
Contractual services - prof	28,758	88,872	57,760	175,390	183,172	-7,782	-4%
Permits and fees	10,728	131,170	1,560	143,458	148,185	-4,727	-3%
Property tax expense	0	3,599	0	3,599	3,572	27	1%
Insurance expense	99,325	0	0	99,325	93,306	6,019	6%
Other operating expense	10,420	13,580	17,363	41,364	52,508	-11,144	-21%
Depreciation expense (a)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>nm (a)</u>
Total operating expenses	872,600	1,101,705	901,641	2,875,946	2,965,711	-89,765	-3%

(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.

**Salaries and benefits** expense was under the budget by \$26,891 or 2% and is primarily due to staffing changes. The Agency had two operator positions vacant for the first quarter and the Plant Manager position vacant for approximately three months (during the third quarter) which resulted in lower salaries and wages and lower medical premium and pension expense.

**Power** expense was under the budget by \$92,487 or 24%. The variance was mostly due to lower transportation costs associated with natural gas and lower power usage related to low flows.

**Sludge Removal** expense was higher than the budget by \$65,334 or 27% due to an increase in bio solids (sludge) removed from the plant (23% more or 622 tons) and higher transportation costs during the first nine months. The Agency will continue to remove bio solids from the plant at a higher rate than budgeted in order to get to a lower base of solids within the plant. This is expected to result in improved plant performance (less power demand and improved equipment performance). While the Agency incurred higher transportation costs during the first nine months, the Agency entered into a competitive hauling contract in April which will substantively lower its disposal costs per ton.

**Materials and Supplies** expense was under the budget by \$13,398 or 13% driven by lower fuel expense associated with not operating the bin truck for sludge removal, lower ground maintenance requirements due to a lack of winter weather, and timing associated with planned purchases.

**Communications** expense was under the budget by \$11,056 or 30% and reflects a decision not to execute a service contract with TESCO, the Agency's service provider related to the SCADA system. The Agency is currently re-evaluating its SCADA system and related service providers.

**Contractual Services – Other** expense was under the budget by \$12,412 or 21% due to lower uniform costs resulting from a change in uniforms and lower medical and EAP (employee assistance program) expenses combined with timing associated with planned electrician services and equipment testing expense.

**Other Operating** expense was under the budget by \$11,144 or 21% and was driven by lower education and training costs. The variance is due in part to timing and lower attendance at conferences than budgeted.



**Non-Operating Income (Expense)**

Non-operating income was higher than budget as a result of an accounting adjustment to the Agency's LAIF investment and an unbudgeted gain on an asset disposal.

	Q1 9/30/17	Q2 12/31/17	Q3 3/31/2018	YTD Actual	YTD Budget	YTD Actual vs Budget	YTD Actual vs Budget
Nonoperating income (expense):	Actual	Actual	Actual	Actual	Budget	\$	%
Nonoperating income	6,742	15,579	17,974	40,295	31,150	9,145	29%
Nonoperating expense	0	-39,887	0	-39,887	-39,887	0	0%
Total nonoperating income (exp)	6,742	-24,308	17,974	409	-8,737	9,146	+ (a)

(a) Percent change is not provided if either the latest period or the year-ago period 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.

**Capital Contributions - Connection Fees**

Income before capital contributions was ahead of plan by \$100,600 for the period, primarily due to lower operating expenses than budgeted of \$89,765 and higher non-operating income of \$9,146. Connection fees were higher than budget due to higher connections of 44 compared to 34 in the budget.

	Q1 9/30/2017	Q2 12/31/2017	Q3 3/31/2018	YTD Actual	YTD Budget	YTD Actual vs Budget	YTD Actual vs Budget
	Actual	Actual	Actual	Actual	Budget	\$	%
Income before capital contributions	-850,990	1,478,114	-870,238	-243,114	-343,714	100,600	+ (a)
Capital contrib - conn fees	58,720	77,070	25,690	161,480	124,780	36,700	29%
Net Income, Change in net assets	-792,270	1,555,184	-844,548	-81,634	-218,934	137,300	+ (a)

(a) Percent change is not provided if either the latest period or the year-ago period 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.

**Capital Expenditures (CAPEX)**

CAPEX for the period was \$856,178 and was \$616,324 under the budget largely due to the timing associated with the completion of the Pond Reconstruction Projects, the Groundwater Quality Evaluation Study in Lucerne Valley, asphalt paving, and the purchase of a rolling generator and other equipment.

CONTINUED NEXT PAGE





### Cash Flow and Fund Balances

The Agency experienced negative cash flow of approximately \$1.2 million in the first nine months of FY 2018. The negative cash flow primarily reflects negative cash flow from operations of \$336,320, capital expenditures of \$856,178, and debt service of \$288,042 offset by connection fee revenue of \$212,860, and interest income of \$49,967.

	<u>Beginning Balance</u>	<u>Activity During Period</u>	<u>Ending Balance</u>
<b>Cash Balance</b>	6,933,280	-1,213,013	5,720,267
<b>Designated Fund Balances:</b>			
Capital and Replacement Fund:			
Current Year	1,916,761	-856,178	1,060,583
Future Year	<u>1,323,098</u>	<u>0</u>	<u>1,323,098</u>
Total C&R	3,239,859	-856,178	2,383,681
Debt Service Fund	576,084	-288,042	288,042
Liquidity Fund	1,960,045	-281,653	1,678,392
Contingency Fund:			0
Emergency	500,000	0	500,000
Operating	<u>657,292</u>	<u>0</u>	<u>657,292</u>
Total Contingency	1,157,292	0	1,157,292
Total	6,933,280	-1,425,873	5,507,407
<b>Restricted Funds:</b>			
Connection Fees	<u>0</u>	<u>212,860</u>	<u>212,860</u>
<b>Total</b>	<u>6,933,280</u>	<u>-1,213,013</u>	<u>5,720,267</u>



**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**PAY SCHEDULE**  
**Effective July 7, 2018**

Schedule shall remain in effect until formally revised by governing board action.

<b>Classification</b>	<b>Start</b>	<b>Top</b>
Hourly Pay Rate:		
Active		
Non-Regular	\$14.52	\$21.58
Plant Operator-In-Training	\$16.27	\$22.02
Plant Operator	\$25.57	\$34.52
Plant Maintenance Supervisor	\$29.40	\$39.70
Plant Operations Supervisor	\$29.40	\$39.70 <sup>1</sup>
Plant Manager	\$41.68	\$60.43
Laboratory Analyst	\$28.24	\$38.12
Administrative Assistant	\$23.32	\$31.48
Human Resources Coordinator/Accounting Technician	\$34.18	\$46.14
Finance Manager	\$46.57	\$67.53
General Manager	\$67.46	\$97.83

Governing Board Approval Date: May 23, 2018

<sup>1</sup>The pay range for incumbent Plant Operations Supervisor is Y-rated at \$35.09 - \$47.01, subject to generally applicable cost of living adjustments.



Big Bear Area Regional  
Wastewater Agency  
*John Green – Chairman*  
*David Caretto – Vice Chairman*  
*Liz Harris, Ed.D. – Secretary*  
*Rick Herrick – Director*  
*Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.H**

**MEETING DATE:** May 23, 2018

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

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

**PREPARED BY:** Sonja Kawa, HR Coordinator/Accounting Technician *SK*

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

**SUBJECT:** Cell Phone Stipend Policy

**BACKGROUND:**

The Agency maintains a wireless carrier plan and has historically purchased and provided cell phones for those positions which require one and has also allowed the option of reimbursement for use of personal cell phones. The move toward a cell phone stipend is cost effective and simplifies the administrative process for cell phone use at the Agency.

**DISCUSSION:**

The Agency has drafted a cell phone stipend policy and a cell phone stipend agreement. The policy provides that the General Manager will determine those positions that are eligible for a cell phone stipend based on necessity and that the General Manager will set and review the cell phone stipend annually, among other things. A cell phone agreement has also been included which is an agreement between the Agency and the employee and outlines the Agency's expectations and employee responsibility.

**FINANCIAL IMPACT:**

The Agency anticipates the initial cell phone stipend to be set at \$50. At this amount, the stipend costs are expected to be near our current costs to provide cell phone equipment and service; however, the provision of the stipend is expected to result in lower administrative costs.

**RECOMMENDATION:**

Approve Cell Phone Stipend Policy effective June 1, 2018.

**ATTACHMENTS:**

- Cell Phone Stipend Policy
- Sample Cell Phone Stipend Agreement



**BOARD POLICY  
CELL PHONE STIPEND**

**I. PURPOSE**

A. To establish policy and guidelines for the provision of a cell phone stipend to employees whose job function may require the use of his/her personal cell phone to conduct Agency business. The stipend is intended to reimburse the employee for the business use of a personal device.

**II. POLICY**

A. Eligible employees may receive a cell phone stipend from the Agency for business-related costs incurred when using their personal cell phones. Except for a limited number of situations, the Agency will not own cell phones for the use of individual employees after June 1, 2018.

**III. ELIGIBILITY**

A. An employee may be eligible for the stipend if the following criteria is met, as determined by the General Manager:

- i. The job function of the employee requires considerable time outside of his/her assigned office, work area, or at irregular hours and the employee must be accessible during those times.

**IV. STIPEND PLAN**

A. The level of cash subsidy (stipend) will be determined by the General Manager based on general cell phone costs. The Agency will review the amount to be provided for stipends as needed.

B. Eligible employees may receive a monthly stipend upon the approval of the General Manager.

C. Once approved, the employee will execute a *Cell Phone Stipend Agreement*.

D. Stipend payments will begin once the Agreement is executed, and employees will receive the stipend automatically each month.

**V. OVERSIGHT & APPROVAL**

A. The General Manager is responsible for approving eligible employees. The General Manager reviews whether a cellular device is necessary and suggests alternative means of communication if possible.

B. Eligibility for a cell phone stipend will be reviewed annually to assess continuing need and determine continuing eligibility. This includes submission of documentation showing that cell phone service is maintained by the employee.

**VI. EMPLOYEES RIGHTS & RESPONSIBILITIES**

- A. The eligible employee is responsible for purchasing a cell phone and establishing and maintaining service with the cell phone service provider of the employee's choice.
- B. To the extent allowed by law, the stipend provided is not considered taxable income.
- C. The eligible employee can use the cell phone for both business and personal purposes, as needed.
- D. If the employee terminates their cell phone service plan at any point, he/she must notify the General Manager within 5 business days to terminate the stipend.
- E. The Agency does not accept any liability for claims, charges or disputes between the cell phone service provider and the eligible employee.

**VII. CANCELLATION OR REDUCTION**

- A. Any stipend will immediately cease or be reduced if:
  - i. An employee's employment with the Agency terminates;
  - ii. The General Manager determines the employee is no longer eligible for the stipend;
  - iii. The eligible employee no longer has a cell phone or cell phone service plan; or
  - iv. The Agency decides to eliminate or reduce the stipend, or the General Manager determines to reduce the amount of the stipend.
  - v. The eligible employee uses the cell phone in any manner contrary to local, state, or federal laws or Agency policy.



## Big Bear Area Regional Wastewater Agency

### Cell Phone Stipend Agreement

Employee Name: \_\_\_\_\_ Stipend Start Date\*: \_\_\_\_\_

Job Title: \_\_\_\_\_ Monthly Stipend Amount:  \$50  
Other \_\_\_\_\_

Cell Phone #: \_\_\_\_\_ Cellular Carrier: \_\_\_\_\_

Business Purpose: \_\_\_\_\_

*\*Stipend payment should begin with the start of the next month.*

#### Policy Summary

Employees who hold positions that include the need for a cell phone may receive a cell phone stipend to reimburse business-related costs incurred when using their personally-owned cell phones. The stipend will be considered a non-taxable fringe benefit to the employee. The level of cash subsidy (stipend) will be determined pursuant to the Agency *Cell Phone Stipend Policy*. For more information, refer to the *Cell Phone Stipend Policy*.

#### Employee Responsibilities

Recipients of a cell phone stipend have the following responsibilities:

- Purchase cellular phone service and equipment and assume responsibility for vendor terms and conditions. The employee is responsible for plan choices, service features, and calling areas that meet the requirements of the job and the area of service the stipend is intended to cover (during travel or at home). This includes termination clauses, and paying all charges associated with the cellular service and device.
- Attest to related necessary business use. Submit the latest monthly billing statement when the stipend begins and then each July to verify that the stipend is spent on this resource.
- Report any job function changes that eliminate or significantly reduce the business need for a cell phone to the General Manager within 5 business days of this change. Also, if the employee reduces service levels in the wireless contract below the reimbursed amount, the same communication expectations exist.
- Keep (or have access to) monthly invoices for a two-year period so they can be produced upon request by either an Agency representative or the Internal Revenue Service.
- Avoid using the cellular phone for work related purposes while operating a motor vehicle, machinery or in other dangerous situations.
- Comply with all Federal and State data maintenance and protection laws (e.g., FERPA, record retention requirements, etc.), as well as all Agency policies, including those pertaining to data security, acceptable computing use, and email. Employee understands that the use of a personal cell phone to conduct Agency business may subject some information to disclosure under the California Public Records Act.
- Delete all Agency data from the cell phone when employment with the Agency is severed, except when required to maintain the data in compliance with a litigation hold notice.

#### Employee Certification

By signing below, I certify that I have read, understand, and agree to the Cell Phone Stipend Policy and my responsibilities under the policy.

\_\_\_\_\_  
*Employee Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*General Manager Signature*

\_\_\_\_\_  
*Date*



**Big Bear Area Regional  
Wastewater Agency**

*John Green – Chairman  
David Caretto – Vice Chairman  
Liz Harris, Ed.D. – Secretary  
Rick Herrick – Director  
Karyn Oxandaboure – Director*

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**AGENDA ITEM: 5.I**

**MEETING DATE:** May 23, 2018

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

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

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

**SUBJECT:** Asset Disposal – Heavy Truck

**BACKGROUND:**

The Agency purchased a heavy truck in FY 2013 to self-haul bio solids (sludge). Due to recent opportunities to enter into hauling contracts with outside haulers at rates that are lower than the Agency can self-haul, the Agency is seeking to dispose of its hauling truck -a 2008 International 8600. The current Truck Blue Book value is approximately \$30,000, with other comparable trucks having sold recently (at auction) for \$20,000.

The Agency is undecided on its method of disposal. The Agency will likely determine if there is local interest first, and if not, seek disposal of the truck at auction.

**FINANCIAL IMPACT:**

The Agency will experience a positive financial impact from the truck sale proceeds.

**RECOMMENDATION:**

Approve the disposal of the 2008 International 8600 heavy truck.

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

Secretary of the Governing Board





Big Bear Area Regional  
Wastewater Agency

*John Green - Chairman*  
*David Caretto - Vice Chairman*  
*Liz Harris, Ed.D. - Secretary*  
*Rick Herrick - Director*  
*Karyn Oxandaboure - Director*

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**AGENDA ITEM: 10.A**

**MEETING DATE:** May 23, 2017

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

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

**PREPARED BY:** Jan Guy, Plant Manager *JMG*

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

**SUBJECT:** Resolution No. R. 04-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Making Emergency Findings and Authorizing an Emergency Contract for the Lucerne Valley Reuse Facility; Appropriate up to \$200,000 for Emergency Repair at the Lucerne Valley Reuse Facility

**BACKGROUND:**

The Colorado River Basin Regional Water Quality Control Board issued, Board Order R7-2016-0026, effluent water discharge requirements into the Lucerne Valley Reuse Facility. The discharge requirements include monthly inspections to assure all systems and components are properly operated and maintained.

**DISCUSSION:**

During the April 19, 2018, site inspection, the staff discovered multiple equipment failures including approximately 2-feet of water in the East Vault. The unauthorized discharge was reported to the regional board and the staff performed an operational assessment. The staff divided the repair task into two categories: Reuse Facility and Fencing. The Reuse Facility and Fencing Scope of Work, Emergency

Repair, is provided as an attachment to this report. On May 15, 2018, the staff conducted the contractor job walk and requested a bid submittal deadline of May 18, 2018.

Under Public Contract Code section 20682.5(g), the Board can elect to forgo strict competitive bidding (a process that would take approximately 4 months) in the event of an emergency but must follow the procedures set forth in Section 22050 of the Public Contract Code. It is generally understood that the definition of an emergency stipulates there is imminent risk to public health, safety, welfare or property. Under this definition, the drinking water wells located in the area qualify as imminent risk to public health and necessitate the need for emergency repair. In addition, the emergency repair will be presented at each Board Meeting allowing the Board to revisit the situation until the emergency conditions end or the project is completed.

**FINANCIAL IMPACT:**

The Agency has adequate funds available in its Capital and Replacement Fund to make this appropriation.

**RECOMMENDATION:**

1. Approve Resolution 04-2018; and
2. Authorize the General Manager to negotiate and execute a contract with the lowest responsible bidder in the amount not to exceed \$200,000.

**ATTACHMENT:**

- Resolution No. R. 04-2018
- Scope of Work for the Lucerne Valley Water Reuse Facility
- Lucerne Valley Fencing Scope of Work

**RESOLUTION NO. R. 04-2018**

**RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY MAKING EMERGENCY FINDINGS AND AUTHORIZING AN EMERGENCY CONTRACT FOR THE LUCERNE VALLEY REUSE FACILITY**

**WHEREAS**, on April 19, 2018, Agency staff observed an unauthorized discharge of treated effluent from the Big Bear Area Regional Wastewater Agency (“BBARWA”) wastewater treatment plant outfall line located at the Lucerne Valley Reuse Facility (“Facility”);

**WHEREAS**, staff immediately stopped flow of any material through the outfall line upon discovery of the discharge;

**WHEREAS**, during the April 19, 2018 site inspection, staff also discovered multiple equipment failures including approximately two (2)-feet of water in the East Vault;

**WHEREAS**, the unauthorized discharge was reported to the Colorado River Basin Regional Water Quality Control Board;

**WHEREAS**, repair tasks will be required on various components within Facility and to the fence surrounding the Facility to stop future unauthorized discharges once the equipment is placed back into service;

**WHEREAS**, pursuant to Public Contract Code section 22050, the Agency, by four-fifths vote of its governing body, may repair or replace a public facility without engaging in competitive bidding if it finds that an emergency situation exists that poses a threat to public health, safety and welfare or property and that the emergency will not permit a delay resulting from a competitive solicitation for bids;

**WHEREAS**, a number of drinking water wells are located near the Facility;

**WHEREAS**, staff estimates a competitive bidding process would take up to four (4) months to complete;

**WHEREAS**, BBARWA does not have the capacity to operate without the outfall line for four (4) months;

**WHEREAS**, the General Manager plans to negotiate and execute a contract with the lowest responsible bidder using an abbreviated bidding process;

**WHEREAS**, the project is estimated to cost \$200,000.00; and

**WHEREAS**, the Agency’s capital and replacement fund reserves will provide sufficient funding for this work.

**NOW, THEREFORE BE IT RESOLVED** that the Governing Board of the Big Bear Area Regional Wastewater Agency as follows:

1. The foregoing recitals are found to be true and correct and incorporated as if fully set forth herein.
2. Pursuant to Public Contract Code section 22050, it is determined that repair work at the Facility constitutes an emergency condition that poses a threat to public health, safety and welfare and property and that such condition will not permit a delay resulting from a competitive solicitation of bids.
3. Agency staff is hereby authorized and directed to enter into an emergency contract with the lowest responsible bidder to perform all work necessary to remediate the repair work needed at the Facility in the amount of \$200,000.00 to be allocated from the fiscal year 2017-2018 appropriation for this work.
4. Agency staff is directed to report to the Board at the next regularly scheduled meeting and at every meeting thereafter until the action is terminated to determine if there is a need to continue the action.

**ADOPTED, SIGNED AND APPROVED** this 23rd day of May, 2018.

\_\_\_\_\_  
John Green, Chairman  
Big Bear Area Regional Wastewater Agency

ATTEST:

I, Elizabeth Harris, secretary to the Big Bear Area Regional Wastewater Agency, do hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the Governing Board held on the 23rd day of May, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Elizabeth Harris, Secretary  
Big Bear Area Regional Wastewater Agency



Big Bear Area Regional Wastewater Agency  
Big Bear City  
California 92314  
Tel: (909) 584-4018

## Scope of Work for the Lucerne Valley Water Reuse Facility

Provide labor, materials, tools, equipment, and supervision to provide the following repair and/or replacement:

- **Pressure Reducing Valves**

1. Remove two 10" flanged pressure reducing automatic control valves.
2. Purchase and install new 10" flanged pressure reducing automatic control valves. Replace in kind, Zurn Wilkins Model #10 ZW209, or with an acceptable substitute.
3. Remove existing dirt and sand in each vault to a depth to allow access to entire flange assembly and allow for addition of a rock bed ( $\frac{3}{4}$ " rock size and a bed depth of 10-inches).

- **Air Release Valves**

1. Remove existing air release valves (2) on North side of pressure reducing vault.
  - a. Replace with GA Industries 935 wastewater AVV or like kind.
  - b. Purchase new and replace all galvanized piping and unions.
2. Remove existing (2) 3" air breakers and gate valves on the east and west piping on South side of flow meter box.
  - a. Replace with Valve and Primer Corp. heavy duty style 14702-3 combination valve or like kind.
  - b. Purchase new and replace 3" galvanized unions and one and a half foot pipe section.
  - c. Replace (2) 2" gate valves below the air release valves with like kind.

- **Flow Meters**

1. Remove and replace existing ABB flow meters. Serial No. 3K22/160621 and 3K22/169988
  - a. BBARWA will supply flow meters for replacement.
  - b. Fabricate control enclosure stands.
  - c. Remove existing S4 wall mounted transmitter.



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California 92314  
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- d. Provide stands allowing (2) NEMA 2x stainless steel enclosures.
  - e. Enclosure Material Specifications:
    - i. (4) 4" stainless steel channel.
    - ii. Flow meter control stands and anchors to be 304 stainless steel or better.
    - iii. Chemical anchor should be Hilti RE 500 or upgraded Hilti chemical anchor.
    - iv. Anchor transmitter enclosure stands to block wall.
  - f. Relocate transmitter to Control Enclosures (2).
    - v. Above ground electrical, 4-20 signal wire, conduit to be ¾" OAL or equal.
    - vi. Seal tight in vaults to flow meter.
    - vii. Control panel height, to be approximately 60" (top of cabinet).
  - g. Extend existing transmitter control wire to new panel enclosure.
  - h. Provide transmitter communication to existing SCADA (4-20 wires) and verify communication.
- **Flow Meter Vault Repair**
    1. Excavate both existing flow meter vaults and remove cracked precast vaults.
    2. Remove existing ladders or other interferences.
    3. Purchase and install new precast vault sections
      - a. Install vault gasket material between sections
      - b. Install ladders with chemical anchor (Hilti, RE 500).
      - c. Vault specifications:
        - i. East flow meter vault, replace 3' top section 5'x7'6"
        - ii. West flow meter vault, replace 6' top section 5'x7'6"
    4. Field verify dimensions of vault lids.
    5. Purchase new and install vault lids.
      - A. Vault lid specifications
        - i. Vault lids will have spring actuated aluminum doors and fall protection netting per OSHA requirements.
    6. Backfill and compact disturbed areas due to excavation.
  - **Chemical Dosing Tank**



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1. Remove and dispose of old chemical dosing tank.
2. Remove weeds, rubbish, and existing rubble from site.

- **Effluent Bypass Station**

1. Clean station of debris.
2. Assess electrical and functionality of pump and motor.

- **Motor Operated Valve Vault**

1. Clean vault of debris.
2. Assess electrical and functionality of MOV.
3. Provide MOV communications to SCADA and verify adequate communications.

- **Reservoir SCADA Equipment Housing**

1. Provide stand allowing NEMA 4x stainless steel enclosure to be 60" to top of cabinet.
  - i. (2) 4" stainless channels concreted into the ground at a minimum of 2' depth.
  - ii. Stands and anchors to be 304 stainless steel or better.
  - iii. Anchor NEMA 4x enclosure to stand.
2. Relocate Chatter Box, Router, Modem, Allen Bradley ML100 and control modules to NEMA 4x cabinet.
3. Extend existing control wires to new panel enclosure.
4. Above ground electrical, 4-20 signal wire, conduit to be ¾" OAL or equal.
5. Seal tight in cabinet.
6. Build pole stand to support Huges Net satellite dish.
  - i. (1) 6" stainless post to be concreted into the ground at a minimum of 3' depth.
  - ii. Post to be 8' at top of post.
  - iii. Provide U-Bolts to mount satellite dish to post.
  - iv. Post and anchors to be 304 stainless steel or better.
7. Extend and relocate existing control wires to satellite dish.
  - i. Conduit to be ¾" OAL or equal.
8. Provide transmitter communication to existing SCADA (4-20 wires) and verify communication.



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9. Remove old building structure and dispose of all debris.
10. Remove and dispose of all old piping and rubbish.

### **General Notes**

All materials are to be purchased new (bolt kits, gaskets etc.) and equipment is to be replaced in kind when possible. BBARWA will supply ABB flow meters, bolt kits and gaskets will need to be obtained by contractor. All other equipment, materials or parts are to be provided from contractor.





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## Lucerne Valley Fencing Scope of Work

Provide labor, materials, tools, equipment and supervision to:

- **South side of irrigation site:**
  1. Replace (3) 6' stakes.
  2. Replace 647' of barbed wire twist type and splice into existing posts at various locations.
  
- **West side of irrigation site:**
  1. Grade 20'x30' driveway and remove berm from Camprock Rd.
  2. Remove bush from driveway and dispose of waste.
  3. Dig out gate and insure proper operation.
  4. Replace chain link on existing gate to mobile home entry.
  5. Adjust latch and hinge to insure proper lock and swing.
  6. Replace 624' of wire and splice to existing.
  7. Tighten and adjust 108' of wire to proper spacing and tension at 2 locations.
  
- **North side of irrigation site:**
  1. Replace damaged gate with chain link gate 4'Hx18'L double swing with latch.
  2. Replace 20' chain link double swing gate.
  3. Install (36) 6' stakes at 12' apart to raise fence to 4' above grade.
  4. Replace 960' of wire to keep a consistent 3 wire fence and splice into existing.
  
- **East side of irrigation site:**
  1. Install (100) new 6' posts from North corner of highway 247 heading South.
    - i. Top of post to be 4' above grade.
    - ii. Add 1000' of top wire to keep a consistent 3 wire fence.
  2. Dig out 24' gate and insure proper operation.



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- **Entire perimeter of irrigation site:**
  1. Remove and replace signs.
  
- **North side of reservoir site:**
  1. Reattach 32' of barbed wire at top of fence.
  2. Repair 8'x8' of chain link.
  
- **South side of reservoir site:**
  1. Replace 24'x8' chain link fence.
  
- **East side of reservoir site:**
  1. Adjust gate and insure proper operation.
  
- **West side of reservoir site:**
  1. Reattach barbed wire to top of chain link.
  
- **Entire perimeter of reservoir site:**
  2. Remove and replace all signs.

### **General Notes**

All materials are to be purchased new (wire, fencing, ties etc.) and equipment is to be replaced in kind when possible. BBARWA will supply new signs. All other equipment, materials or parts are to be provided from contractor. Areas that need repair will be flagged with red ribbon.



Big Bear Area Regional Wastewater Agency  
Big Bear City  
California 92314  
Tel: (909) 584-4018



Big Bear Area Regional  
Wastewater Agency

*John Green – Chairman*

*David Caretto – Vice Chairman*

*Liz Harris, Ed.D. – Secretary*

*Rick Herrick – Director*

*Karyn Oxandaboure – Director*

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**AGENDA ITEM: 10.B**

**MEETING DATE:** May 23, 2018

**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:** Resolution No. R. 03-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Declaring its Intention to Issue Tax-Exempt Obligations to be Used to Reimburse the Agency for Certain Expenditures Made Prior to the Issuance of such Tax-Exempt Obligations

**BACKGROUND:**

Pursuant to the Agency's FY 2018 budget and financial plan, the Agency will fund the purchase of the New Belt Press and the related Conveyor System with new debt. The Agency has been required to make purchase deposits in advance of the equipment delivery which is expected in September 2018, the same time that the Agency will complete the new debt financing for this equipment. Since the Agency planned to borrow the full amount for the purchase of this equipment, the Agency would like to be reimbursed for the amount of the purchase deposits at the time of borrowing. In order to do so, the attached resolution is required. It should be noted that adoption of the resolution does not bind BBARWA to proceed with the execution or delivery of any new debt obligations.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Approve Resolution

**ATTACHMENT:**

- Resolution No. R. 03-2018

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ Aye: \_\_\_\_\_ Nay: \_\_\_\_\_ Abstain/Absent: \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witness: \_\_\_\_\_

Secretary of the Governing Board

**RESOLUTION NO. R. 03-2018**

**RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY DECLARING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS TO BE USED TO REIMBURSE THE AGENCY FOR CERTAIN EXPENDITURES MADE PRIOR TO THE ISSUANCE OF SUCH TAX-EXEMPT OBLIGATIONS**

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (“BBARWA”) desires and intends to finance the construction, acquisition and improvement of belt press and related conveyor system in furtherance of its purposes (the “Project”); and

**WHEREAS**, BBARWA expects to cause the execution, delivery and sale of tax-exempt obligations such as bonds for the purpose of providing financing for all or a portion of the Project in a principal amount of approximately \$1,400,000 (the “Obligations”); and

**WHEREAS**, pursuant to Section 1.150-2(d) of the Regulations of the United States Department of the Treasury (the “Regulations”) promulgated under Section 150 of the Internal Revenue Code of 1986, as amended, BBARWA may reimburse the amounts advanced by BBARWA for the Project if not later than 60 days after payment of the original expenditure of an amount advanced by BBARWA, the Governing Board adopts an official intent to reimburse the expenditure of such advanced amount, and such reimbursement occurs not later than 18 months after the later of the date of the original expenditure is paid or the date the Project is placed in service, but in no event more than three (3) years after the original expenditure is paid; and

**WHEREAS**, the Governing Board intends that BBARWA shall be reimbursed the amounts advanced by BBARWA from the Capital and Replacement Fund for the Project from proceeds of the sale of the Obligations; and

**WHEREAS**, the Governing Board further intends that BBARWA shall receive reimbursement from proceeds of the sale of the Obligations for certain expenditures which have been made and will be made prior to the date the Obligations are entered into in connection with the design, construction, acquisition, installation and equipping of the Project which are “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations.

**NOW, THEREFORE, THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The Governing Board declares that it is the intent of BBARWA, subject to further approval by this Board, that BBARWA will be reimbursed the amounts advanced by BBARWA from the Capital and Replacement Fund for the design, construction, acquisition, installation and equipping of the Project from the proceeds of the sale of the Obligations. The maximum principal amount of the Obligations is not expected to exceed \$1,400,000.

**SECTION 2.** The Governing Board further declares that it is the intent of BBARWA to be reimbursed amounts which have been and will be expended with respect to the design, construction, acquisition, installation and equipping of the Project which are “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations.

**SECTION 3.** It is intended that this Resolution shall constitute a declaration of “official intent” within the meaning of Section 1.150-2 of the Regulations.

**SECTION 4.** The adoption of this Resolution shall not bind BBARWA to proceed with execution and delivery of the Obligations until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws.

**SECTION 5.** This Resolution shall take effect immediately upon its adoption.

**SECTION 6.** The Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, ADOPTED, AND APPROVED** this 23rd day of May, 2018.

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John Green, Chairman of the Governing Board  
Big Bear Area Regional Wastewater Agency

ATTEST:

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Elizabeth Harris, Ed.D, Secretary of the Governing  
Board Big Bear Area Regional Wastewater Agency



**DISCUSSION:**

Currently BVE is requesting a memorandum of understanding (MOU) to continue the development process with their selected project developer and approval process with the Public Utility Commission (PUC). BVE is currently working through the details of the project and developing the rates (tariffs) needed to present to the PUC. This MOU is intended to be nonbinding but show the Agency's interest/intention in the development of the Solar Project on its facility. The Agency will have opportunity for further discussions and negotiations to ensure that our interests are represented, and requirements met. The Agency's attorney has reviewed and provided input on the development of the MOU with the intention of having a substantive agreement later.

**FINANCIAL IMPACT:**

No fiscal impact

**RECOMMENDATION:**

Authorize the General Manager to negotiate and execute the nonbinding MOU

**ATTACHMENT:**

- Draft MOU



## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is dated [\_\_\_\_], 2018 (the “Effective Date”) and is made by and among Bear Valley Electric Service, a division of Golden State Water Company, a California corporation and a public utility subject to regulation by the California Public Utilities Commission (“BVES”) and the Big Bear Area Regional Wastewater Agency, a California state agency (“BBARWA”). BVES and BBARWA are jointly referred to as the “Parties,” and individually as a “Party.”

WHEREAS, BVES is the electric distribution utility that provides retail electric service to customers in and around the Big Bear area of California, including in the geographical area where BBARWA is located;

WHEREAS, BBARWA is a wastewater agency that operates the wastewater treatment facility in the Big Bear area, which is currently powered by an on-site generator owned and operated by BBARWA;

WHEREAS, BBARWA is seeking to develop an approximately 2.2 megawatt solar photovoltaic generation facility (“BBARWA Project”) to provide energy independence and cost savings for its operations and owns fee title to real property upon which the Solar Project is intended to be located (the “Real Property”);

WHEREAS, BVES has proposed to BBARWA that as an alternative to the BBARWA Project, BVES is seeking to develop an approximately 8 megawatt CEC-AC solar photovoltaic generation facility (“Solar Project”), which, subject to approval of the California Public Utilities Commission (“CPUC”), BVES intends to purchase and operate to (i) provide BBARWA with electricity pursuant to a California Public Utilities Commission-approved tariff; and (ii) serve the needs of its retail electric customers and provide local area reliability and to supply BBARWA with electricity;

WHEREAS, BVES has further proposed that the Solar Project be located on a portion of the Real Property not to exceed sixty (60) acres within the areas of the Real Property depicted on Exhibit A attached hereto (“Project Site”) in exchange for monthly Lease Payments to be negotiated by BVES and BBARWA;

WHEREAS, BVES is currently conducting due diligence with respect to the development, purchase and ownership of the Solar Project and BBARWA is currently conducting due diligence on the financial desirability of the Solar Project as an alternative to the BBARWA Project;

WHEREAS, BVES, in its sole discretion, intends to negotiate a definitive agreement with the selected project developer that would govern BVES’ purchase of the Solar Project (the “Solar Project Purchase and Sale Agreement”);

WHEREAS, this non-binding MOU is being executed to provide a basis for further negotiations with respect to the development of the Solar Project, the use of the Real Property and the participation of BBARWA as an offtaker of electricity generated by the Solar Project;

NOW, THEREFORE, to facilitate further discussion and due diligence with respect to the Solar Project and their understandings with respect thereto, BVES and BBARWA agree as follows:

## 1. NATURE OF MOU

This MOU sets forth a non-binding statement of the intent and understanding of the Parties with respect to moving forward with due diligence and the negotiation of definitive agreements with respect to the Solar Project. Neither Party will have any obligation to move forward with the Solar Project or the transactions contemplated herein until such time as one or more definitive agreement have been approved by the governing body of each Party, in its sole discretion. Until such time as definitive agreements have been negotiated, BVES will not be obligated to move forward with the rate tariffs described herein or to take any action with respect to the development of the Solar Project and BBARWA will not be obligated to participate in the Solar Project or to lease the Project Site to BVES.

## 2. EXCLUSIVITY

During the term of this MOU, BBARWA agrees that it will not sell, lease or otherwise encumber the Project Site, nor enter into a definitive agreement for the development of the BBARWA Project, provided, however, that BBARWA will have the right to evaluate and pursue negotiations with third parties with respect to the potential development of the BBARWA Project.

The initial term of this MOU be for a period of one hundred eighty (180) days. The term will automatically renew for additional thirty (30) day periods as due diligence or discussions remain ongoing unless terminated by either Party on written notice to the other Party.

## 3. PROPOSED TERMS

BVES and BBARWA hereby agree that the basic terms and expectations whereby each Party is willing to move forward with a definitive agreement for the Solar Project are as follows:

A. BVES will design and seek CPUC approval of a new electric rate tariff which would allow BBARWA to purchase electricity from the Solar Project at a reduced rate that is acceptable to BBARWA pursuant to the CPUC's authority under General Order 96-B, Section 8.2.3. As of the date of this MOU, BBARWA is seeking to obtain a wholesale rate which significantly reduces its overall electricity cost per kilowatt hour. The intent of BBARWA's participating in the Solar Project is to have energy independence and in no event will BBARWA be subject to any standby or similar charge or fee unless such fee is offset as set forth in paragraph E(iii).

B. BVES will demonstrate that the Solar Project will result in a general rate reduction for the retail customers within the BBARWA service area.

C. BBARWA will have priority for energy generated by the Solar Project for its electricity requirements in accordance with the rate structure described in paragraph A.

D. BVES will, at its own expense, obtain all necessary permits, rights, approvals, and services from governmental authorities (including CPUC approval) necessary for BVES' intended development, construction, use, operation and maintenance of the Solar Project. BBARWA agrees to reasonably cooperate with BVES in such efforts.

E. BBARWA will be the lead agency for the purposes of CEQA review of the Solar Project, provided, however, that BVES will pay all costs associated with the preparation of any environmental impact reports or other documentation necessary to comply with CEQA and will reimburse BBARWA for all legal and professional fees, as well as the costs of defending any lawsuits challenging the approval of

the Solar Project by BBARWA. BBARWA staff time related to the Solar Project will not be subject to reimbursement and will be contributed by BBARWA in furtherance of the Solar Project.

F. BBARWA will continue to own fee title to the Project Site and will enter into a separate land lease for use of the Project Site (the "Solar Project Lease"), the terms of which will include the following:

- (i) BVES shall be obligated to pay BBARWA monthly lease payments as negotiated by the Parties, commencing on the date upon which construction of the Solar Project begins (as defined in the Purchase and Sale Agreement). The monthly lease payments will be at a market rate to be determined by the negotiation of the Parties.
- (ii) The monthly lease payments will increase each year based on any increase in the consumer price index for all items for the Riverside-San Bernardino-Ontario region. Furthermore, to the extent that there is an increase in the total cost of electricity provided from BVES to BBARWA as a result of the imposition of standby fees, surcharges or increases in the rate for electricity that exceeds the amounts agreed upon in paragraph A above, then such increase will be matched on a dollar for dollar basis by an increase in the rent.
- (iii) The term of the Solar Project Lease shall be a minimum of thirty (30) years and shall commence on the date that lease payments begin.
- (iv) BBARWA will grant to BVES leasehold easements, rights of way, licenses and similar rights for access and utilities necessary for energy to be delivered to and from the Solar Project site to the interconnection point, during the term of the Solar Project Lease. The location and scope of such easements and rights shall be subject to BBARWA's approval, such approval not to be unreasonably withheld.
- (v) BVES shall have the right to encumber its leasehold interest in connection with its construction and/or financing of the Solar Project, provided that BBARWA's interest in the Project Site and the Real Property shall be protected by commercially reasonable and standard terms and conditions. In no event shall BVES grant any liens in or to, or otherwise encumber, the Project Site and the Real Property.
- (vi) Except as set forth in sub-paragraph (v), BVES will not sell or assign its rights in the Solar Project or the Solar Project Lease without the prior written consent of BBARWA.
- (vii) The Solar Project Lease shall include such other commercially reasonable terms appropriate to the development, financing, construction, ownership, operation, and maintenance of a solar facility and the leasing of the Project Site.

#### 4. DUE DILIGENCE

A. BBARWA hereby grants to BVES, its contractors, subcontractors, and their employees and agents, reasonable rights of entry and access to the Real Property for the purpose of conducting a due diligence investigation of the Real Property, measurement of meteorological characteristics of the Project

Site which may require the installation of a meteorological station, and performing a Phase I or Phase II environmental site assessments of the soils, waters and improvements on the Project Site. All installations, tests or inspections shall be at BVES's expense, and BVES shall indemnify and hold BBARWA harmless from and against any and all costs, claims or damages incurred or suffered by BBARWA arising from the performance of such tests or inspections; provided this indemnity shall not apply to conditions existing at the Real Property that are merely discovered by BVES or to any act or omission of BBARWA, its employees, representatives or agents. BVES shall repair any damage caused by its entry onto and/or inspections of the Real Property to substantially the same condition as existed prior to BVES's entry onto and/or inspections of the Real Property; provided, however, the foregoing shall not require BVES to repair or remediate any conditions that are merely discovered by BVES. The foregoing indemnity shall survive the termination of this MOU for twelve (12) months.

B. BVES agrees to coordinate its due diligence activities with BBARWA and to use its best efforts to minimize any inconvenience to, or interruption of, the business operations at the Real Property. BVES further agrees to maintain its equipment and other materials in an orderly manner while they are located on the Real Property. BVES shall provide at least two business days' written notice prior to initiating any activity at the Real Property and the times at which such activities will take place. BBARWA agrees to cooperate with BVES in providing access to the Real Property in accordance with the terms of this MOU.

C. BVES agrees, at its sole cost and expense, to either carry or cause its contractors and agents to carry general liability and property insurance, in an amount of not less than \$1,000,000 providing coverage against any and all loss, damage, injury, and liability, including claims for personal injury, including death, property damage, and damage to the work by theft, fire, tornado, windstorm, or other elements, howsoever caused, resulting from any activities undertaken on the Real Property. Certificates or other documentary evidence of insurance required under this Agreement shall be furnished to BBARWA in advance of entering the Real Property.

## **5. TERMINATION**

This MOU shall automatically terminate and be of no further force or effect upon the occurrence of either of the following events: (i) BVES and BBARWA execute definitive agreements regarding the transactions contemplated herein; (ii) BVES gives thirty (30) days' notice that it has determined, in its sole discretion, to not continue to develop the Solar Project or (iii) BBARWA gives thirty (30) days' notice that it has determined, in its sole discretion, not to participate in the Solar Project or lease the Project Site to BVES.

## **6. EFFECT OF THIS MOU**

This MOU and any action taken or not taken by any Party and any written or oral statement made or not made by any Party at any time prior to the execution of the Solar Project Lease shall not, individually or collectively, constitute or create any legally binding agreement, except for the obligations set forth in paragraphs 4 through 10 of this MOU, which will be binding on the Parties.

## **7. COSTS**

With respect to all activities undertaken pursuant to this MOU, including due diligence activities pursuant to Paragraph 4 and the negotiation of this MOU and any definitive documents such as the Solar Project Lease, each Party shall bear its own costs and expenses (including fees of counsel and outside consultants and advisors). The intended allocation of costs and expenses with respect to the Solar Project are set forth in Paragraph 3 and will be further defined in the definitive agreements.

**8. LIMITATION OF LIABILITY**

IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANY OTHER PARTY OR ITS REPRESENTATIVES FOR ANY SPECIAL, INDIRECT, NON-COMPENSATORY, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY TYPE, INCLUDING LOST PROFITS, LOSS OF BUSINESS OPPORTUNITY OR BUSINESS INTERRUPTIONS WHETHER ARISING IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, WHETHER SOLE, JOINT OR CONCURRENT OR STRICT LIABILITY) OR OTHERWISE, ARISING OUT OF THIS MOU.

**9. CHOICE OF LAW**

This MOU shall be governed by the laws of the state of California without regard to its conflicts of laws principles.

**10. COUNTERPARTS**

This MOU may be executed in counterparts, each of which shall have the effect of and be considered as an original of this MOU.

*[signature page follows]*

DRAFT

**IN WITNESS WHEREOF**, this Memorandum of Understanding has been executed by the Parties.

**BEAR VALLEY ELECTRIC SERVICE,**  
a division of **GOLDEN STATE WATER COMPANY,**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY,**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT

**EXHIBIT "A"**

**DEPICTION OF PROJECT SITE**

**DRAFT**