

# BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Regular Board Meeting Agenda

July 27, 2022 at 5:00 p.m.

Pursuant to AB 361, this meeting will be virtual in order to promote social distancing and avoid an imminent safety risk to attendees. Members of the public may listen and provide public comments telephonically during the Public Forum.

Join Zoom Meeting:

<https://us06web.zoom.us/j/84282373969?pwd=RFVwazJtSU4vWUxPL3hTd0U3VFF2dz09>

Meeting ID: 842 8237 3969

Passcode: BBARWA

Dial by your location

- +1 669 444 9171 US
- +1 720 707 2699 US (Denver)
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
- +1 646 931 3860 US
- +1 301 715 8592 US (Washington DC)
- +1 312 626 6799 US (Chicago)
- +1 646 558 8656 US (New York)

Meeting ID: 842 8237 3969

Passcode: 930214

Find your local number: <https://us06web.zoom.us/j/84282373969>

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.

Please note that the Governing Board is making efforts to follow the spirit and intent of the Brown Act and other applicable laws regulating the conduct of public meetings, in order to maximize transparency and public access. It would be appreciated, although not mandatory, if communications of public comments related to items on the agenda, or items not on the agenda, are emailed to [bburton@bbarwa.org](mailto:bburton@bbarwa.org) on or before Wednesday, July 27, 2022 at 4:00 p.m. Please include in the email's subject line "Public Comment Item # (insert the number relevant to your comment)" or "Public Comment Non-Agenda Item". If you

wish to submit a public comment on more than one agenda item, please send a separate email for each item you are commenting on.

If it is not possible to submit an email by 4:00 p.m., and comments are submitted by email after that time or thru the Zoom chat feature during the meeting, every effort will be made to attempt to review emails and Zoom chats during the course of the meeting. The Chair will endeavor to take a brief pause before Governing Board action is taken on agenda items to allow the Board Secretary time to review the public's electronic communications. Every effort will be made during the meeting to read aloud all electronically submitted comments. Please note, all electronically submitted correspondence relating to this meeting will become part of the meeting record and will be cited within the meeting minutes. Please limit written comments to 300 words or less. In addition, prior to the close of public comment portions of the meeting, the Chair will provide the public an opportunity to verbally state their comment live via Zoom teleconference.

At meetings of the Governing Board, each individual speaker will be limited to five minutes or less of public testimony on each item on the agenda and three minutes or less on each item not on the agenda. In addition, public testimony on non-agenda items shall be limited to thirty minutes for all speakers. Further, the cumulative time which any individual may provide public testimony during a meeting is 15 minutes. The Chair of the Governing Board by majority vote may waive these time limitations. Whenever a group of persons wishes to address the Governing Board on the same item, the Chair or the Governing Board by majority vote may request a spokesperson be chosen for the group or limit the number of such persons addressing the Governing Board. The Chair or the Governing Board by majority vote may rule out of order testimony that is unduly repetitious or irrelevant.

**5. PRESENTATION AND INTRODUCTION**

**5.A.** 2022 Special District Leadership Foundation's District Transparency Certificate of Excellence

**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 May 25, 2022 Regular Meeting

**7.B.** Monthly Disbursements Report for May and June - Informational

- 7.C. Investment Report Identifying Agency Investments and Reporting Interest Income for May and June- Informational
- 7.D. Asset Disposal – Polyblend Unit – Approve
- 7.E. Resolution No. R. 10-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Virtual Governing Board and Committee Meetings Pursuant to AB 361 – Approve

8. **ITEMS REMOVED FROM CONSENT CALENDAR**

9. **OLD BUSINESS**

- 9.A. Replenish Big Bear Project Benefits Memorandum of Understanding

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

- 10.A. Purchasing Policy Approval
- 10.B. Appropriate \$75,000 for Oxidation Ditch 2 Rotor 4 Shaft Replacement from the Contingency Fund
- 10.C. Resolution No. R. 09-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Declaring its Intent to Issue Tax-Exempt Obligations to be Used to Reimburse the Big Bear Area Regional Wastewater Agency for Expenditures Made Prior to the Issuance of Such Obligations

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:** July 27, 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.

##### *Agency Website*

The laws surrounding website accessibility are both disjointed and nuanced. Layers of federal guidelines (Americans with Disabilities Act, Section 508 of the Rehabilitation Act, WCAG 2.0 or 2.1) are further highlighted by state regulations (AB 434). People with disabilities often rely on assistive technology such as screen readers, braille readers, and browser zoom functionality to view/read websites. The most common issues include not having accessible PDFs/documents, lack of closed captions on video/audio files, not having ALT tags for images, lack of labels on form fields, lack of color contrast for text vs. background, not having a mobile-responsive site, and non-semantic (bad, home-grown) hypertext markup language or HTML. Due to this ever-changing landscape of federal and state accessibility regulations, the Agency is now utilizing the Streamline platform to achieve compliance with website accessibility regulations. The new website went live on July 1, 2022 (<https://www.bbarwa.org/>).

#### Operations

##### *Headworks Grit System Rehabilitation Project*

Coordination with the contractor, R.I.C. Construction Co., Inc. is still underway, with submittals being reviewed. Due to procurement delays, the contractor has notified the Agency of an upcoming change order to extend the contract deadline.

##### *Solar Production*

The May and June 2022 monthly performance reports are attached.

*2022 Treatment Plant Data*

During the month of May, the monthly average for chloride was exceeded. There were no violations in the month of June for the plant. The influent flow (MG) chart is attached to this report.

<b>Flow Percentages</b>			
<b>Member Agency</b>	<b>April</b>	<b>May</b>	<b>June</b>
City of Big Bear Lake	51.13%	47.43%	48.15%
Big Bear City	45.86%	48.97%	47.83%
County of San Bernardino	3.02%	3.59%	4.02%

*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	7	5	5	6	7	1	6	0	
June	2	16	11	6	6	13	11	7	4	0	
TOTAL	69	63	84	45	45	68	87	37	50	0	

Other

*Replenish Big Bear*

Permitting

The Project Team is awaiting the formal response from the Regional Board regarding the Report of Waste Discharge (ROWD).

Funding

The Agency is gathering information related to financing strategies for both short and long-term debt financing for RBB. A long-term, low-interest loan may be possible under the WIFIA (Water Infrastructure Finance and Innovation Act) Program. The Agency is expected to make an application in September.

Grant Status

Grant	Amount	Status
DCI Technical Assistance	\$500,000	Awarded and Fully Funded
IRWM Prop 1, Round 1	\$4,563,338	Awarded, In Process
Title XVI 2021	\$1,700,000	Awarded, Finalizing Agreement
EPA STAG 2022	\$960,000	CEQA and NEPA must be completed prior to an Award
Title XVI 2022	\$8,267,112	Application Submitted
Community Funding Request 2023	\$1,000,000	Application Submitted

Agreements and Contracts

The Agency is working with legal counsel and project beneficiaries to develop preliminary terms associated with the distribution of project water and future monetary contributions to the project.

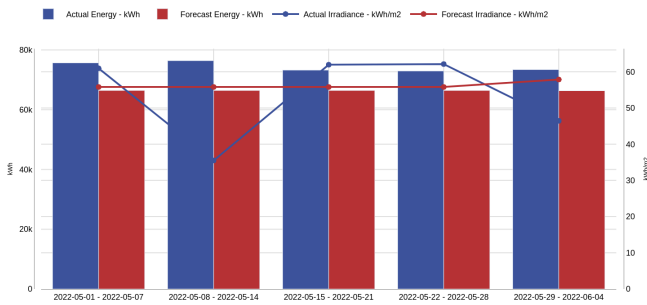
The Second Amended and Restated Memorandum of Understanding is pending signatures from MWD and the BVBGSA.



<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) ☐

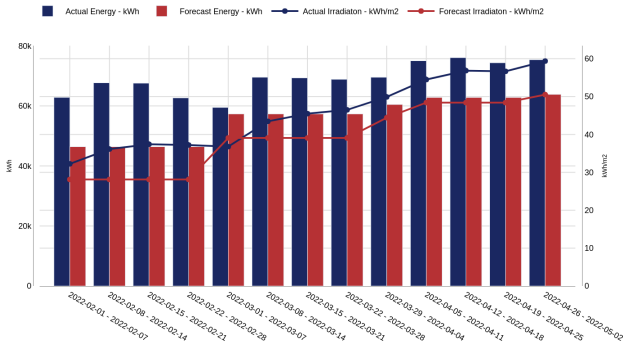


Energy (kWh) ☐

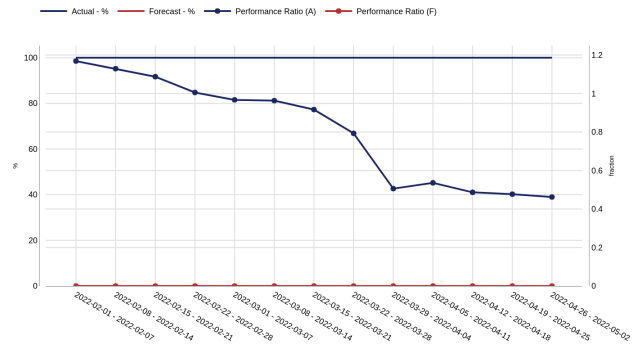
Time	Energy (kWh)	
	Actual	Forecasted
01 May 2022	10,934.50	9,489.06
02 May 2022	10,833.38	9,489.06
03 May 2022	10,922.25	9,489.06
04 May 2022	10,847.88	9,489.06
05 May 2022	10,744.38	9,489.06
06 May 2022	10,585.62	9,489.06
07 May 2022	10,790.88	9,489.06
08 May 2022	10,997.38	9,489.06
09 May 2022	10,950.25	9,489.06
10 May 2022	10,781.12	9,489.06
11 May 2022	11,163.62	9,489.06
12 May 2022	10,914.62	9,489.06
13 May 2022	10,773.38	9,489.06
14 May 2022	10,813.25	9,489.06
15 May 2022	9,393.38	9,489.06
16 May 2022	10,578.00	9,489.06
17 May 2022	10,706.75	9,489.06
18 May 2022	10,624.50	9,489.06
19 May 2022	10,535.00	9,489.06
20 May 2022	10,684.00	9,489.06
21 May 2022	10,708.50	9,489.06
22 May 2022	10,603.38	9,489.06
23 May 2022	10,558.38	9,489.06
24 May 2022	10,573.62	9,489.06
25 May 2022	10,463.38	9,489.06
26 May 2022	10,305.12	9,489.06
27 May 2022	10,071.50	9,489.06
28 May 2022	10,359.38	9,489.06
29 May 2022	10,870.12	9,489.06
30 May 2022	10,761.12	9,489.06
31 May 2022	10,711.75	9,489.06
<b>Totals</b>	<b>330,560.38</b>	<b>294,161.00</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

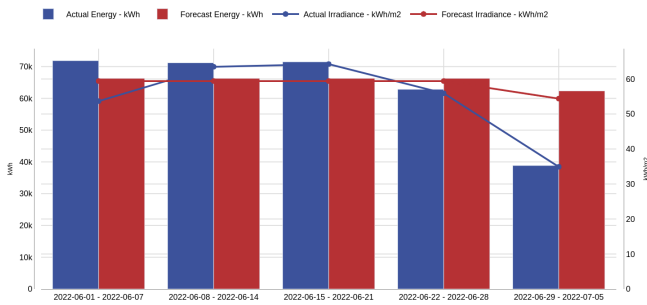




<b>Capacity (kW DC)</b>	1660.01
<b>Resource</b>	Solar
<b>Project Company</b>	Distributed Solar Development, LLC. Mohawk
<b>Utility</b>	Bear Valley Electric Service
<b>Address</b>	121 Palomino Drive - 92314 Big Bear - California/ United States

## Last Months Performance

Energy (kWh) ☐

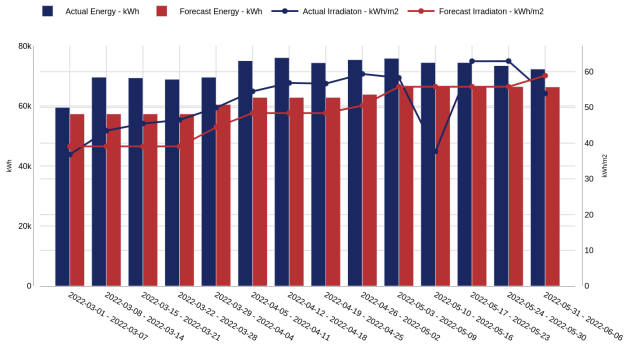


Energy (kWh) ☐

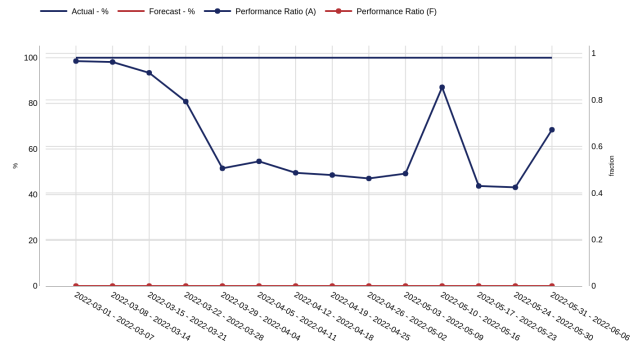
Time	Energy (kWh)	
	Actual	Forecasted
01 Jun 2022	10,624.38	9,469.93
02 Jun 2022	10,389.75	9,469.93
03 Jun 2022	9,817.00	9,469.93
04 Jun 2022	10,231.38	9,469.93
05 Jun 2022	10,160.25	9,469.93
06 Jun 2022	10,329.25	9,469.93
07 Jun 2022	10,299.38	9,469.93
08 Jun 2022	10,189.00	9,469.93
09 Jun 2022	9,941.12	9,469.93
10 Jun 2022	9,580.62	9,469.93
11 Jun 2022	10,239.50	9,469.93
12 Jun 2022	10,468.00	9,469.93
13 Jun 2022	10,537.00	9,469.93
14 Jun 2022	10,245.12	9,469.93
15 Jun 2022	9,322.62	9,469.93
16 Jun 2022	10,187.25	9,469.93
17 Jun 2022	10,529.50	9,469.93
18 Jun 2022	10,611.25	9,469.93
19 Jun 2022	10,571.50	9,469.93
20 Jun 2022	10,529.50	9,469.93
21 Jun 2022	9,744.75	9,469.93
22 Jun 2022	4,674.25	9,469.93
23 Jun 2022	8,899.50	9,469.93
24 Jun 2022	10,600.50	9,469.93
25 Jun 2022	10,585.62	9,469.93
26 Jun 2022	10,257.12	9,469.93
27 Jun 2022	8,045.25	9,469.93
28 Jun 2022	9,789.75	9,469.93
29 Jun 2022	20,119.75	9,469.93
30 Jun 2022	18,733.62	9,469.93
<b>Totals</b>	<b>316,253.50</b>	<b>284,098.00</b>

## Last 3 Months Performance

## Energy (kWh) □



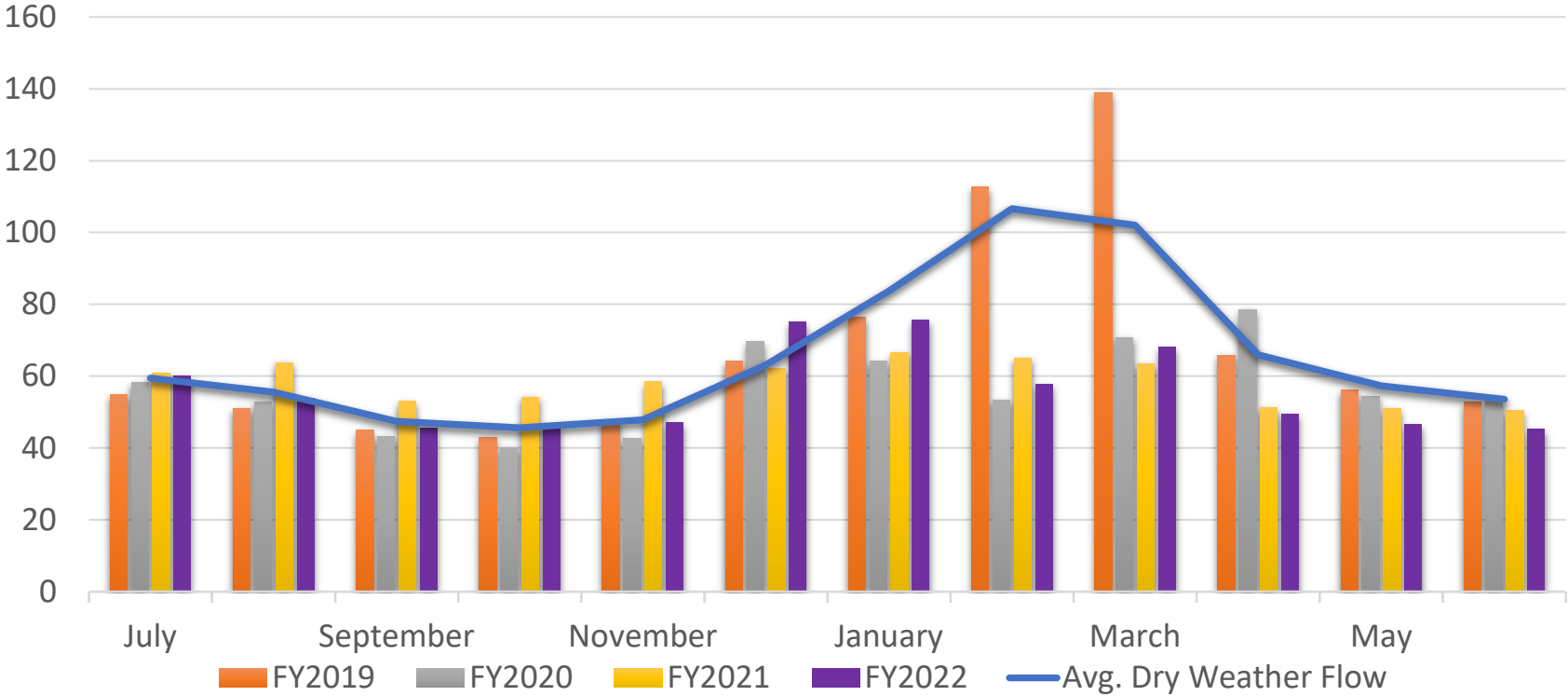
## Availability and PR



## 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**

May 25, 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 Vice-Chair Green at 5:20 p.m. on May 25, 2022 at 121 Palomino Drive, Big Bear City, California.

**BOARD MEMBERS PRESENT**

John Green, Vice-Chair  
Bynette Mote, Director  
Larry Walsh, Director

**BOARD MEMBERS ABSENT**

Rick Herrick, Chair  
Jim Miller, Director

**STAFF MEMBERS PRESENT**

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

**OTHERS**

None

**2. PLEDGE OF ALLEGIANCE**

Director Mote

**3. APPROVAL OF THE AGENDA**

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

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

**4. PUBLIC FORUM**

No comments

**5. PRESENTATIONS AND INTRODUCTIONS**

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

The Board Secretary described the Local Government Champion Program which recognizes public servants who have demonstrated outstanding commitment and day-to-day leadership in public service.

**6. INFORMATION/COMMITTEE REPORTS**

**6.A. General Manager's Report**

The General Manager highlighted the Agency's plans to engage Bartle Wells Associates to complete a funding plan for Replenish Big Bear, 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.

**7. CONSENT CALENDAR**

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

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

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

**7.D.** Pay Schedule

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

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

Ayes: Mote, Walsh, Green

Noes: None

Absent: Herrick, Miller

Abstain: None

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

None

**9. OLD BUSINESS**

None

**10. NEW BUSINESS**

**10.A. General Manager Employment Agreement Amendment**

The Human Resources Coordinator presented the General Manager's Employment Agreement Amendment. The Governing Board provided an oral report that summarized 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 final action to approve his contract or amendment: 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.

Upon motion by Director Mote, seconded by Director Walsh and carried, the Governing Board authorized the Governing Board Vice-Chair to execute an Employment Agreement Amendment with the approved changes.

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

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

The General Manager explained staff's recommendation to adjourn the June 22, 2022 regular board meeting.

Upon motion by Director Mote, seconded by Director Walsh and carried, the Governing Board adjourned the June 22, 2022 regular board meeting.

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

**11. COMMENTS AND ANNOUNCEMENTS**

**11.A. General Manager Comments**

The General Manager indicated that comments regarding the Replenish Big Bear Project's Report of Waste Discharge are expected in writing soon from the Regional Board. The Governing Board requested a progress report on this issue if there are any updates prior to the July meeting.

**11.B. Governing Board Member Comments**

The Governing Board wished everyone a happy Memorial Day.

**12. ADJOURNMENT**

With no further business to come before the Governing Board, Vice-Chair Green adjourned the meeting at 5:32 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:** July 27, 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 for May and June

**BACKGROUND:**

Attached is the Agency's check register for May and June 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 May 1, 2022 to Jun 30, 2022**

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

Check #	Date	Payee	Cash Account	Amount
CASH 23456	5/2/22	CALPERS RETIREMENT	1000-20	3,112.75
CASH 23457	5/2/22	THE LINCOLN NAT'L LIFE INS CO	1000-20	4,198.61
CASH 23458	5/2/22	CA PERS 457 PROGRAM	1000-20	4,371.22
CASH 23459	5/2/22	CALPERS RETIREMENT	1000-20	7,668.83
CASH 23460	5/3/22	PAYA	1000-20	19.99
CASH 23461	5/3/22	EMPLOYMENT DEVELOPMENT DEPARTMENT	1000-20	2,287.78
CASH 23462	5/3/22	PRINCIPAL FINANCIAL GROUP	1000-20	3,333.65
CASH 23463	5/3/22	INTERNAL REVENUE SERVICE	1000-20	6,755.85
CASH 23464	5/3/22	CALPERS HEALTH	1000-20	28,295.95
CASH 23465	5/4/22	VISION SERVICE PLAN	1000-20	306.46
CASH 23467	5/4/22	BYNETTE L. MOTE	1000-20	150.00
CASH 23466	5/4/22	LAWRENCE C. WALSH	1000-20	150.00
22141	5/9/22	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	4,498.53
22142	5/9/22	AMAZON CAPITAL SERVICES	1000-20	432.00
22143	5/9/22	ARAMARK UNIFORM SERVICES	1000-20	1,063.63
22144	5/9/22	BEST BEST & KRIEGER LLP	1000-20	6,745.17
22145	5/9/22	BIG BEAR CITY COMMUNITY SERVICES DIST.	1000-20	958.39
22146	5/9/22	BIG BEAR BODYTEK	1000-20	320.00
22147	5/9/22	BUTCHER'S BLOCK & BUILDING	1000-20	50.39
22148	5/9/22	BEAR VALLEY ELECTRIC	1000-20	12,852.05
22149	5/9/22	DADDY'S PEST CONTROL	1000-20	150.00
22150	5/9/22	DISTRIBUTED SOLAR DEVELOPMENT, LLC	1000-20	23,350.89
22151	5/9/22	DIRECT TV	1000-20	44.99
22152	5/9/22	DEPARTMENT OF WATER & POWER	1000-20	52.80
22153	5/9/22	ENDURA STEEL	1000-20	735.85
22154	5/9/22	EVANTEC CORPORATION	1000-20	380.57
22155	5/9/22	FLYERS ENERGY	1000-20	1,036.71
22156	5/9/22	FRONTIER COMMUNICATIONS	1000-20	932.71
22157	5/9/22	GRAINGER	1000-20	44.41
22158	5/9/22	BIG BEAR GRIZZLY	1000-20	577.50
22159	5/9/22	BEAR VALLEY BASIN GSA	1000-20	70.81
22160	5/9/22	HACH COMPANY	1000-20	336.73
22161	5/9/22	HUGHESNET	1000-20	102.33

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

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

Check #	Date	Payee	Cash Account	Amount
22162	5/9/22	NICHOLAS R. MARTIN	1000-20	965.00
22163	5/9/22	MCMASTER-CARR SUPPLY COMPANY	1000-20	476.20
22164	5/9/22	NATIVESCAPES INC	1000-20	115.00
22165	5/9/22	NORTHERN TOOL & EQUIPMENT	1000-20	1,050.53
22166	5/9/22	CONSTANCE M. ALVARADO	1000-20	55.00
22167	5/9/22	PHIL'S AUTOMOTIVE	1000-20	2,703.04
22168	5/9/22	QUILL	1000-20	189.03
22169	5/9/22	AMERICAN RED CROSS - TRAINING SERVICES	1000-20	694.00
22170	5/9/22	ROI ENGINEERING LLC	1000-20	9,010.28
22171	5/9/22	ROMANS CONSTRUCTION CO.	1000-20	30,480.00
22172	5/9/22	SAFETY-KLEEN SYSTEMS, INC.	1000-20	385.46
22173	5/9/22	SOUTH COAST AQMD	1000-20	431.64
22174	5/9/22	RYAN R. ABELN	1000-20	25,154.19
22175	5/9/22	SMARTCOVER SYSTEMS	1000-20	832.00
22176	5/9/22	SPECTRUM BUSINESS	1000-20	1,023.93
22177	5/9/22	STREAMLINE	1000-20	250.00
22178	5/9/22	SWRCB-WWOC	1000-20	255.00
22179	5/9/22	USA BLUEBOOK	1000-20	684.21
22180	5/9/22	UNDERGROUND SERVICE ALERT	1000-20	117.25
22181	5/9/22	VIKING MAINTENANCE SERVICES, LLC	1000-20	1,190.00
22182	5/9/22	WINZER CORP	1000-20	73.64
22183	5/9/22	WATER SYSTEMS CONSULTING, INC.	1000-20	42,306.23
22184	5/9/22	BRIDGETTE BURTON	1000-20	50.00
22185	5/9/22	SAMUEL ESSEX	1000-20	365.00
22186	5/9/22	RICHARD T. HERRICK	1000-20	150.00
22187	5/9/22	SONJA KAWA	1000-20	50.00
22188	5/9/22	DAVID LAWRENCE	1000-20	50.00
22189	5/9/22	JENNIFER MCCULLAR	1000-20	50.00
22190	5/9/22	JAMES J. MILLER	1000-20	150.00
22191	5/9/22	JOHN SHIMMIN	1000-20	50.00
CASH 23468	5/13/22	PNC BANK, N.A.	1000-20	75,137.74
CASH 23469	5/13/22	PNC BANK, N.A.	1000-20	179,663.08
CASH 23470	5/16/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	525.41

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

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

Check #	Date	Payee	Cash Account	Amount
CASH 23471	5/16/22	CALPERS RETIREMENT	1000-20	3,113.33
CASH 23472	5/16/22	THE LINCOLN NAT'L LIFE INS CO	1000-20	4,198.61
CASH 23473	5/16/22	CA PERS 457 PROGRAM	1000-20	4,371.91
CASH 23474	5/16/22	CALPERS RETIREMENT	1000-20	7,668.83
CASH 23475	5/16/22	EMPLOYMENT DEVELOPMENT DEPARTMENT	1000-20	2,224.99
CASH 23476	5/17/22	INTERNAL REVENUE SERVICE	1000-20	6,655.82
22192	5/23/22	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	495.42
22193	5/23/22	NANCY SANTILLAN	1000-20	390.00
22194	5/23/22	ALL PROTECTION ALARM	1000-20	1,087.25
22195	5/23/22	AMAZON CAPITAL SERVICES	1000-20	198.93
22196	5/23/22	BUSINESS CARD	1000-20	1,888.30
22197	5/23/22	ROBIN A. BRADLEY	1000-20	240.00
22198	5/23/22	CLINICAL LAB OF SAN BERNARDINO	1000-20	560.00
22199	5/23/22	COUNTY OF SAN BERNARDINO SOLID WASTE	1000-20	343.45
22200	5/23/22	CWEA TCP/MEMBERSHIP	1000-20	960.00
22201	5/23/22	TOM DODSON & ASSOCIATES	1000-20	2,287.50
22202	5/23/22	FEDEX	1000-20	11.02
22203	5/23/22	GRAINGER	1000-20	41.37
22204	5/23/22	BEAR VALLEY BASIN GSA	1000-20	80.84
22205	5/23/22	BIG BEAR CITY CSD	1000-20	6,204.99
22206	5/23/22	DEPARTMENT OF WATER & POWER	1000-20	6,204.99
22207	5/23/22	BIG BEAR MUNICIPAL WATER DISTRICT	1000-20	6,204.99
22208	5/23/22	MCR TECHNOLOGIES, INC.	1000-20	1,297.12
22209	5/23/22	MITEL	1000-20	371.14
22210	5/23/22	RANDY J. SPITZ	1000-20	87.56
22211	5/23/22	POLYDYNE INC	1000-20	4,232.36
22212	5/23/22	NICANOR M. LAUREL	1000-20	8,000.00
22213	5/23/22	QUILL	1000-20	102.32
22214	5/23/22	READY REFRESH	1000-20	429.86
22215	5/23/22	SOUTHWEST GAS	1000-20	1,178.11
22216	5/23/22	SYNAGRO-WWT, INC.	1000-20	22,514.49
22217	5/23/22	USA BLUEBOOK	1000-20	499.05
22218	5/23/22	VERIZON WIRELESS	1000-20	241.11

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

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

Check #	Date	Payee	Cash Account	Amount
22219	5/23/22	WATER SYSTEMS CONSULTING, INC.	1000-20	44,510.00
CASH 23477	5/27/22	LEGALSHIELD	1000-20	67.80
CASH 23478	5/27/22	TEXAS LIFE INSURANCE COMPANY	1000-20	213.00
CASH 23479	5/27/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	663.90
CASH 23480	5/27/22	PAYA	1000-20	10,239.57
CASH 23481	5/31/22	PAYA	1000-20	41.36
CASH 23482	5/31/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	525.41
CASH 23483	5/31/22	CALPERS RETIREMENT	1000-20	3,113.48
CASH 23484	5/31/22	THE LINCOLN NAT'L LIFE INS CO	1000-20	4,198.61
CASH 23485	5/31/22	CA PERS 457 PROGRAM	1000-20	4,372.08
CASH 23486	5/31/22	INTERNAL REVENUE SERVICE	1000-20	6,637.58
CASH 23487	5/31/22	CALPERS RETIREMENT	1000-20	7,668.83
CASH 23488	6/1/22	EMPLOYMENT DEVELOPMENT DEPARTMENT	1000-20	2,217.92
CASH 23489	6/2/22	PAYA	1000-20	19.99
CASH 23490	6/3/22	PRINCIPAL FINANCIAL GROUP	1000-20	3,333.65
CASH 23491	6/3/22	CALPERS HEALTH	1000-20	28,294.70
CASH 23492	6/6/22	VISION SERVICE PLAN	1000-20	306.46
4190 REFUND	6/7/22	BEAR VALLEY ELECTRIC	1000-20	1,652.30
22220	6/8/22	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	2,926.38
22221	6/8/22	ALSO ENERGY, INC.	1000-20	500.00
22222	6/8/22	AMAZON CAPITAL SERVICES	1000-20	495.12
22223	6/8/22	ANTHEM LIFE INSURANCE COMPANY	1000-20	3,719.20
22224	6/8/22	ARAMARK UNIFORM SERVICES	1000-20	1,296.32
22225	6/8/22	BEST BEST & KRIEGER LLP	1000-20	2,107.00
22226	6/8/22	BIG BEAR CITY COMMUNITY SERVICES DIST.	1000-20	434.47
22227	6/8/22	BUTCHER'S BLOCK & BUILDING	1000-20	42.66
22228	6/8/22	BEAR VALLEY ELECTRIC	1000-20	13,097.31
22229	6/8/22	CWEA	1000-20	164.00
22230	6/8/22	DIY HOME CENTER-BIG BEAR	1000-20	19.86
22231	6/8/22	DISTRIBUTED SOLAR DEVELOPMENT, LLC	1000-20	24,129.09
22232	6/8/22	DIRECT TV	1000-20	44.99
22233	6/8/22	DEPARTMENT OF WATER & POWER	1000-20	47.80
22234	6/8/22	EVANTEC CORPORATION	1000-20	903.16

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

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Check #	Date	Payee	Cash Account	Amount
22235	6/8/22	FEDEX	1000-20	17.37
22236	6/8/22	FERGUSON WATERWORKS #1083	1000-20	1,125.04
22237	6/8/22	FLYERS ENERGY	1000-20	793.01
22238	6/8/22	FRONTIER COMMUNICATIONS	1000-20	932.71
22239	6/8/22	GOLDEN BELL PRODUCTS INC	1000-20	934.19
22240	6/8/22	BEAR VALLEY BASIN GSA	1000-20	94.88
22241	6/8/22	HACH COMPANY	1000-20	355.96
22242	6/8/22	HDR ENGINEERING, INC.	1000-20	9,637.50
22243	6/8/22	HUGHESNET	1000-20	102.33
22244	6/8/22	J.G. TUCKER & SON, INC.	1000-20	458.06
22245	6/8/22	KAHN, SOARES & CONWAY, LLP	1000-20	160.00
22246	6/8/22	THE LITTLE GREEN HOUSE FLORIST	1000-20	54.42
22247	6/8/22	MCMASTER-CARR SUPPLY COMPANY	1000-20	1,144.34
22248	6/8/22	NAPA AUTO PARTS	1000-20	107.27
22249	6/8/22	NATIVESCAPES INC	1000-20	553.00
22250	6/8/22	NEW PIG CORPORATION	1000-20	782.63
22251	6/8/22	CONSTANCE M. ALVARADO	1000-20	55.00
22252	6/8/22	PITNEY BOWES GLOBAL FINANCIAL SERVICES	1000-20	127.67
22253	6/8/22	RHONDA E. MURPHY	1000-20	500.00
22254	6/8/22	PREFERRED AERIAL & CRANE TECHNOLOGY I	1000-20	375.00
22255	6/8/22	ROI ENGINEERING LLC	1000-20	1,650.00
22256	6/8/22	SCHRODER & SON, INC.	1000-20	875.00
22257	6/8/22	RYAN R. ABELN	1000-20	13,511.11
22258	6/8/22	SPECTRUM BUSINESS	1000-20	1,023.93
22259	6/8/22	STREAMLINE	1000-20	300.00
22260	6/8/22	UNDERGROUND SERVICE ALERT	1000-20	194.80
22261	6/8/22	VIKING MAINTENANCE SERVICES, LLC	1000-20	1,190.00
22262	6/8/22	WATER SYSTEMS CONSULTING, INC.	1000-20	7,867.85
22263	6/8/22	XYLEM WATER SOLUTIONS U.S.A., INC.	1000-20	48,076.36
22264	6/8/22	DAVID LAWRENCE	1000-20	216.72
22265	6/8/22	BRIDGETTE BURTON	1000-20	50.00
22266	6/8/22	SONJA KAWA	1000-20	50.00
22267	6/8/22	DAVID LAWRENCE	1000-20	50.00

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

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

Check #	Date	Payee	Cash Account	Amount
22268	6/8/22	JENNIFER MCCULLAR	1000-20	50.00
22269	6/8/22	JOHN SHIMMIN	1000-20	50.00
CASH 23493	6/10/22	BYNETTE L. MOTE	1000-20	150.00
CASH 23494	6/10/22	LAWRENCE C. WALSH	1000-20	150.00
CASH 23495	6/10/22	JOHN GREEN	1000-20	150.00
CASH 23496	6/13/22	CALPERS RETIREMENT	1000-20	81.38
CASH 23497	6/13/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	525.41
CASH 23498	6/13/22	THE LINCOLN NAT'L LIFE INS CO	1000-20	4,198.61
CASH 23499	6/13/22	CA PERS 457 PROGRAM	1000-20	4,440.67
CASH 23500	6/13/22	CALPERS RETIREMENT	1000-20	7,709.52
CASH 23503	6/13/22	CALPERS RETIREMENT	1000-20	3,113.48
CASH 23501	6/14/22	INTERNAL REVENUE SERVICE	1000-20	6,949.87
22270	6/23/22	AMAZON CAPITAL SERVICES	1000-20	785.88
22271	6/23/22	BUSINESS CARD	1000-20	1,639.68
22272	6/23/22	CANON SOLUTIONS AMERICA, INC.	1000-20	1,498.51
22273	6/23/22	CLINICAL LAB OF SAN BERNARDINO	1000-20	190.00
22274	6/23/22	COUNTY OF SAN BERNARDINO SOLID WASTE	1000-20	597.47
22275	6/23/22	FIFTH ASSET, INC DBA DEBTBOOK	1000-20	3,000.00
22276	6/23/22	TOM DODSON & ASSOCIATES	1000-20	4,322.50
22277	6/23/22	ENVIRONMENTAL EXPRESS, INC	1000-20	343.80
22278	6/23/22	EVANTEC CORPORATION	1000-20	1,020.40
22279	6/23/22	GRAINGER	1000-20	165.86
22280	6/23/22	BEAR VALLEY BASIN GSA	1000-20	101.74
22281	6/23/22	BIG BEAR CITY CSD	1000-20	81,329.77
22282	6/23/22	DEPARTMENT OF WATER & POWER	1000-20	81,329.77
22283	6/23/22	HACH COMPANY	1000-20	480.79
22284	6/23/22	KAMAN INDUSTRIAL TECHNOLOGIES	1000-20	440.66
22285	6/23/22	MITEL	1000-20	371.14
22286	6/23/22	MOUNTAIN TROPHY & AWARDS	1000-20	25.86
22287	6/23/22	NORTHERN TOOL & EQUIPMENT	1000-20	53.86
22288	6/23/22	PETTY CASH	1000-20	330.65
22289	6/23/22	PHIL'S AUTOMOTIVE	1000-20	197.16
22290	6/23/22	POLYDYNE INC	1000-20	4,232.36

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

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

Check #	Date	Payee	Cash Account	Amount
22291	6/23/22	READY REFRESH	1000-20	379.92
22292	6/23/22	ROI ENGINEERING LLC	1000-20	1,650.00
22293	6/23/22	SOUTHERN CALIFORNIA EDISON	1000-20	39.00
22294	6/23/22	SOUTHWEST GAS CORP	1000-20	8,521.87
22295	6/23/22	SOUTHWEST GAS	1000-20	388.19
22296	6/23/22	SYNAGRO-WWT, INC.	1000-20	16,278.24
22297	6/23/22	TEXAS MUNICIPAL CLERKS ASSOCIATION, INC	1000-20	55.00
22298	6/23/22	TOP SCALE, INC.	1000-20	263.39
22299	6/23/22	VERIZON WIRELESS	1000-20	241.11
22300	6/23/22	WINZER CORP	1000-20	48.15
22301	6/23/22	WATER SYSTEMS CONSULTING, INC.	1000-20	29,055.35
22302	6/23/22	WINZER CORP	1000-20	161.45
CASH 23502	6/27/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	525.41
CASH 23504	6/27/22	THE LINCOLN NAT'L LIFE INS CO	1000-20	4,198.61
CASH 23505	6/27/22	CALPERS RETIREMENT	1000-20	3,113.48
CASH 23506	6/27/22	CALPERS RETIREMENT	1000-20	7,709.52
CASH 23514	6/27/22	CA PERS 457 PROGRAM	1000-20	4,440.67
CASH 23507	6/28/22	EMPLOYMENT DEVELOPMENT DEPARTMENT	1000-20	4,433.87
CASH 23508	6/28/22	INTERNAL REVENUE SERVICE	1000-20	14,849.99
CASH 23509	6/29/22	LEGALSHIELD	1000-20	67.80
CASH 23510	6/29/22	TEXAS LIFE INSURANCE COMPANY	1000-20	213.00
CASH 23511	6/29/22	AMERICAN FIDELITY ASSURANCE CO	1000-20	663.90
CASH 23512	6/29/22	PAYA	1000-20	10,239.57
CASH 23513	6/30/22	PAYA	1000-20	42.26
<b>Total</b>				<b>1,163,432.77</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:** July 27, 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 are the May and June Monthly Investment Reports pursuant to the Agency's Investment Policy.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Informational



BBARWA  
 Monthly Investment Report  
 May 2022

<u>INVESTMENT TYPE</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>
LOCAL AGENCY INVESTMENT FUND	\$ 7,349,955	\$ 7,267,294	\$ 15,348	0.684%	DAILY
TOTAL	\$ 7,349,955	\$ 7,267,294	\$ 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

July 15, 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:**

May 2022 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
5/20/2022	5/19/2022	RW	1704881	N/A	JENNIFER MCCULLAR	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	7,849,954.96
Total Withdrawal:	-500,000.00	Ending Balance:	7,349,954.96

BBARWA  
 Monthly Investment Report  
 June 2022

<u>INVESTMENT TYPE</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>
LOCAL AGENCY INVESTMENT FUND	\$ 7,349,955	\$ 7,255,327	\$ 15,348	0.861%	DAILY
TOTAL	\$ 7,349,955	\$ 7,255,327	\$ 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

July 06, 2022

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[PMIA Average Monthly Yields](#)

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BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

[Tran Type Definitions](#)

**Account Number:**

June 2022 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	7,349,954.96
Total Withdrawal:	0.00	Ending Balance:	7,349,954.96



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:** July 27, 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:** Asset Disposal – Polyblend Unit

**BACKGROUND & DISCUSSION:**

The Agency's old belt press is no longer in use and is slated to be dismantled and disposed of. The polyblend unit is inventory related to the old belt press and will be placed for sale at auction. The current market value is approximately \$5,000. According to financial policy, asset disposals in which the market value exceeds \$5,000 must be approved by the Governing Board.

**FINANCIAL IMPACT:**

The net book value of the asset is approximately \$5,100, which is very close to the expected market value. As a result, there should be a minimal gain or loss on the asset with expected asset sale proceeds of approximately \$5,000.

**RECOMMENDATION:**

Approve the disposal of the polyblend unit.



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:** July 27, 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:** Resolution No. R. 10-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Virtual Governing Board and Committee Meetings Pursuant to AB 361

### **BACKGROUND & DISCUSSION:**

AB 361 amended the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology as long as there is a “proclaimed state of emergency.” To accommodate individuals during these teleconferences and virtual meetings, a public comment period is offered where the public can address the legislative body directly in real time. Additionally, public comments are allowed up until the public comment period is closed at the meetings. The agenda includes information on the manner in which the public may access the meeting and provide comments remotely. If technical problems arise that result in the public’s access being disrupted, the legislative body does not take any votes or other official action until the technical disruption is corrected, and public access is restored.

On October 27, 2021, the Governing Board adopted Resolution No. R. 10-2021, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Virtual Board and Committee Meetings Pursuant to AB 361. Agency Counsel has recommended the Governing Board adopt a new resolution to continue virtual meetings under AB 361.

In light of AB 361, and in order to promote social distancing and avoid an imminent safety risk to attendees, teleconferencing and virtual meeting options may continue to take place until further notice. AB 361’s sunset date for special districts and other local agencies like cities and counties is January 1, 2024.

### **FINANCIAL IMPACT:**

There is no financial impact.

### **RECOMMENDATION:**

Approve

### **ATTACHMENT:**

Resolution No. R. 10-2022

**RESOLUTION NO. R. 10-2022**

**A RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY AUTHORIZING VIRTUAL GOVERNING BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361**

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (“Agency”) is committed to preserving and nurturing public access and participation in meetings of the Governing Board; and

**WHEREAS**, all meetings of the Agency’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Agency’s meetings; and

**WHEREAS**, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

**WHEREAS**, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

**WHEREAS**, pursuant to the Governor’s executive orders, the Agency has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, Agency staff and Governing Board, as needed; and

**WHEREAS**, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

**WHEREAS**, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, such conditions now exist in the Agency, specifically, a state of emergency has been proclaimed related to COVID-19, state and local officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees.

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

**Section 1. Recitals.** The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

**Section 2. Remote Teleconference Meetings:** Consistent with the provisions of Government Code Section 54953(e), the Governing Board finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state and local officials have recommended measures to promote social distancing in connection with COVID-19; or (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Governing Board authorizes staff to conduct remote teleconference meetings of the Governing Board, including Committee meetings, under the provisions of Government Code Section 54953(e).

**Section 3. Effective Date of Resolution.** This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Governing Board in accordance with Section 4 of this Resolution.

**Section 4. Extension by Motion.** The Governing Board may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

**PASSED, APPROVED AND ADOPTED** this 27<sup>th</sup> day of July 2022.

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Rick Herrick, Chair of the Governing Board  
Big Bear Area Regional Wastewater Agency

ATTEST:

I, Bridgette Burton, Secretary to the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Virtual Governing Board and Committee Meetings Pursuant to AB 361, being Resolution No. R. 10-2022, was adopted at a regular meeting on July 27, 2022, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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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: 9.A.

**MEETING DATE:** July 27, 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

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

**SUBJECT:** Replenish Big Bear Project Benefits Memorandum of Understanding

### **BACKGROUND & DISCUSSION:**

On May 26, 2021, the Governing Board directed staff to develop a benefits memorandum of understanding (MOU) that identified the beneficiaries and related benefits of the Replenish Big Bear Project (the Project). The goal of the MOU is to identify users of the Project water and any other parties that may receive value from the Project water (together, the “Beneficiaries”). It is anticipated that the Beneficiaries may contribute toward the costs of the Project water in a manner that is relative to the benefits or direct use of the Project water.

The Big Bear Area Regional Wastewater Agency, City of Big Bear Lake, City of Big Bear Lake Department of Water and Power, and the Big Bear City Community Services District presented the draft MOU for consideration by their respective Governing Boards and Councils, with approval and execution in 2021.

On July 13, 2022, the County of San Bernardino (County) provided edits to the MOU. While the edits are minor in nature, some are to the body of the MOU and outside of the County section. As a result, Agency Counsel advises all parties sign the same version.

### **FINANCIAL IMPACT:**

There is no financial impact.

### **RECOMMENDATION:**

Authorize the General Manager to execute the Replenish Big Bear Project Benefits Memorandum of Understanding with the edits provided by the County of San Bernardino.

### **ATTACHMENTS:**

- Draft Replenish Big Bear Project Benefits Memorandum of Understanding (Redline)
- Draft Replenish Big Bear Project Benefits Memorandum of Understanding (Clean Copy)

## Replenish Big Bear Project Benefits

### Non-Financial Memorandum of Understanding

This Non-Financial Memorandum of Understanding (MOU) is dated September 1, 2021, and is made by and among the Big Bear Area Regional Wastewater Agency (BBARWA) and the Beneficiaries identified as signatories hereto and as defined below.

**WHEREAS**, BBARWA currently discharges Big Bear Valley's treated wastewater and thus, extracted groundwater to Lucerne Valley and is now considering the Replenish Big Bear Project (the Project) to return this water back to the Big Bear Valley primarily to improve water quality and groundwater sustainability for today and tomorrow, to provide ecological benefits, and to enhance the human welfare and economic well-being of the community. Protecting the community's drinking water and preserving opportunities for future generations is at the forefront of this effort and is critical for Big Bear Valley, where alternative water supplies are not available and the scarcity of water is increasingly imminent with recent rainfall fluctuations and climate change projections. This situation drives the high value associated with securing this water today.

**WHEREAS**, the Project as currently structured will return approximately 650 million gallons or 2,000 AF (acre feet) of water on average each year to the Big Bear Valley (the Project Water). The Project Water has been allocated for the following uses: 1) groundwater recharge to provide drinking water and other municipal or commercial uses, 2) to contribute to habitat for endangered species and the preservation of wildlife, and 3) to increase the level of Big Bear Lake.

**WHEREAS**, to provide the water uses as outlined above the water quality will be high and BBARWA will incur costs — pre-construction, construction, and ongoing operational and maintenance costs. It is BBARWA's intention to allocate the Project Water costs as equitably as possible among its ratepayers and potential project beneficiaries.

**WHEREAS**, through this MOU users of the Project Water and any other parties that may receive value from the Project Water (together, the "Beneficiaries") will be identified. **It is anticipated that the Beneficiaries may contribute toward the costs of the Project Water in a manner that is relative to the benefits or direct use of the Project Water.** Any contributions toward the costs of the Project Water by Beneficiaries will be pursuant to future agreements and all parties agree that this MOU does not commit the Beneficiaries to any financial contributions.

The difficulty in valuing the Project Water for groundwater and ecological uses, cannot be overstated. There are multiple limitations and uncertainties along with a lack of knowledge related to physical, biological and hydrological relationships. Valuing Project Water for commercial and economic use is also challenging. It is understood that any contributions provided by the Beneficiaries will likely be based on estimates and assumptions used by each Beneficiary to estimate their specific benefit. These contributions may only be "reasonable" in nature and not necessarily supported by specific economic information. The Beneficiaries' willingness to contribute to the Project, including that of BBARWA's ratepayers, will be the

cornerstone of the Project's feasibility going forward. This MOU is an attempt to identify the Beneficiaries and ultimately to understand their ability, desire and willingness to contribute to this momentous project.

**NOW, THEREFORE**, to facilitate this Project, the Beneficiaries and related Project Water uses and benefits, are agreed to as follows:

**The Big Bear Area Regional Wastewater Agency (a wastewater agency)**

BBARWA was formed by a Joint Exercise of Powers Agreement on March 22, 1974, that stated as part of its purpose "to include facilities for the reclamation of wastewater[.]" BBARWA's mission is to *efficiently collect, treat and beneficially reuse wastewater and biosolids in an environmentally and fiscally responsible manner*. BBARWA has three member agencies: San Bernardino County Service Area 53B, Big Bear City Community Services District, and the City of Big Bear Lake.

BENEFICIARIES: Agency Ratepayers

PROJECT WATER USES AND BENEFITS:

The Project is consistent with BBARWA's mission statement and strategic goal of water reclamation. BBARWA will not have a specific use of the Project Water but will allocate the water for specific uses. BBARWA's ratepayers will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

**City of Big Bear Lake Department of Water and Power (DWP) (a municipal water agency)**

The DWP provides water service to approximately 15,520 customers in the Big Bear Valley including the City of Big Bear Lake, located along the south side of the Lake, as well as unincorporated communities of Fawnskin, Sugarloaf, Erwin Lake, and Lake Williams areas. Water is supplied to customers by pumping groundwater from local aquifers. The DWP focuses on service, quality, community, and their mission is to *cost-effectively deliver quality water to meet the needs of their current and future customers*.

BENEFICIARIES: DWP and Customers

PROJECT WATER USES AND BENEFITS:

The DWP will have access to lake water to recharge its Sand Canyon aquifer up to 380 AF annually. If Big Bear Resorts (BBR) purchases lake water from the Municipal Water District for mountain operations rather than pumping this water from its well, the DWP may benefit from an "in-lieu" groundwater recharge of up to 120 AF annually.

There is economic value to the DWP and its customers to increased groundwater and access to groundwater supplies today and in the future. This value is driven by factors associated with hydrologic and recharge information, economic estimates of water demand (and how it might be affected by economic, climate or social forces), the availability of water supply substitutes and how these factors impact labor, capital and material<sup>1</sup>.

**Big Bear City Community Services District (CSD) (a municipal water agency)**

The CSD provides water, wastewater collection, fire protection and emergency medical services, solid waste collection, and street lighting services. The CSD's water service area includes Big Bear City and portions of San Bernardino County. Its wastewater collection includes Big Bear City and portions of the unincorporated communities of Sugarloaf, Erwin Lake, Whispering Forest, and Moonridge. The CSD's mission is to serve its customers with clean and safe water, and to provide collection of solid waste and wastewater in a fiscally responsible manner.

BENEFICIARIES: CSD and Customers

PROJECT WATER USES AND BENEFITS:

It is estimated that the CSD will use up to approximately 80 AF of Project Water annually to benefit the endangered Unarmored Threespined Stickleback Fish habitat in Shay Pond. This Project Water will be used instead of groundwater and thus will provide an "in lieu" recharge of up to 80 AF annually to the CSD. Also, through an interconnect with the DWP, the CSD will benefit from the DWP's recharge of its Sand Canyon aquifer up to 380 AF annually.

There is economic value to the CSD and its customers to increased groundwater and access to groundwater supplies today and in the future. This value is driven by factors associated with hydrologic and recharge information, economic estimates of water demand (and how it might be affected by economic, climate or social forces), the availability of water supply substitutes and how these factors impact labor, capital, and material (see endnote).

**Big Bear Lake Municipal Water District (MWD) (a lake management agency)**

The MWD was formed in 1964 as a special district responsible for the overall management of Big Bear Lake (the Lake). The primary responsibilities of the MWD are stabilization of the Lake level by purchasing water in-lieu of releases to Bear Valley Mutual Water Company, watershed/water quality management, recreation management, wildlife habitat preservation and enhancement, and Bear Valley Dam and Reservoir maintenance.

BENEFICIARIES: MWD and Customers

PROJECT WATER USES AND BENEFITS:

Approximately 1,920 AF of Project Water will flow into the Lake each year, of which 380 AF will be available to the DWP for groundwater recharge and 120 AF will be available to BBR for purchase to provide water for mountain operations.

There is an economic impact to the MWD and its customers as a result of a fuller lake. This economic impact is driven by 1) how lake levels affect (a) lake management agreements and how these agreements impact in-lieu water purchases, (b) lake management and maintenance and how these changes are reflected in labor, capital and material costs, (c) the recreational use of the lake, such as higher revenues associated with higher use permits and higher variable costs associated with higher lake use, (d) wildlife habitat preservation, (e) lake water quality, and (f) enhancement activities and 2) the sale of water to BBR for mountain operations.

The MWD will also provide economic benefits to the Project by 1) serving as a reservoir for groundwater until such time as the water is recharged to the Sand Canyon aquifer and 2) performing regulatory lake offset requirements if needed.

**City of Big Bear Lake (a municipal government agency)**

The City of Big Bear Lake (CBBL) is a small city in the San Bernardino mountains located along the south shore of Big Bear Lake. It is a popular year-round resort destination, with the population surging to over 100,000 during many weekends of the year. Key industries include tourism and outdoor recreation, health and wellness, and real estate and construction. Top regional assets include ski resorts, Big Bear Lake, the San Bernardino National Forest, and hiking and biking trails.

BENEFICIARIES: CBBL and Constituents

**PROJECT WATER USES AND BENEFITS:**

The CBBL will not have a specific use of the Project Water but its constituents will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

There is economic value to the CBBL resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on the local economy. The economic value to the CBBL is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, real estate values, commercial activity and new development and overall economic activity.

**County of San Bernardino County (the County) (a municipal government agency)**

~~The County of~~ San Bernardino County governs certain unincorporated areas of the Big Bear Valley. ~~The County of~~ San Bernardino County believes that water is one of our greatest natural resources and supportive of developing a comprehensive countywide strategy for water management that encourages collaboration among businesses, residents, municipal governments, and water agencies that will address multiple watersheds and water agencies, build institutional and organizational capacity for future countywide planning efforts, and create mutually

beneficial investment opportunities to ensure adequate water supplies and quality to support future population growth within the County.

BENEFICIARIES: County and Constituents

PROJECT WATER USES AND BENEFITS:

The County will not have a specific use of the Project Water but its constituents will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

There is anticipated to be economic value to the County resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on the local economy. The economic value to the County is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, real estate values, commercial activity and new development and overall economic activity.

**Visit Big Bear (a marketing agency)**

Visit Big Bear is the official destination marketing organization for Big Bear Lake and is funded through community partnership and the Tourism Business Improvement District (TBID). Its destination goal is to be the internationally recognized Southern California Mountain Lake Escape, offering visitors a year-round transformational experience. Its organization goal is to act as a catalyst for destination-wide cooperation to enhance the region's brand awareness, event calendar and the positive impacts that visitors will provide in the region.

BENEFICIARIES: Visit Big Bear Partners and Visitors

PROJECT WATER USES AND BENEFITS:

While Visit Big Bear Partners will not have specific uses of the Project Water, there is an economic benefit to Visit Big Bear Partners (the Partners) resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on tourism. The economic value to the Partners is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, and overall economic activity.

The Visitors, similar to residents, will broadly benefit from the Project which will maintain the Visitor's "destination experience", including access to increased groundwater supplies, the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the Big Bear Lake destination and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a

healthy mountain environment, preservation of and access to a recreational lake and other recreational opportunities, and increased fire protection capacity associated with an increase in municipal water supplies.

### **The Project Benefits - Quantifying Benefits and Contributions**

This MOU, as outlined above, includes the Project Water users and the most direct beneficiaries of the Project. Though the MOU itself is non-financial in nature, it should be recognized that any Beneficiary contributions that may result from the Project benefits will likely be based on the Beneficiary's estimated economic benefit and the Beneficiary's willingness to pay. It should also be recognized that the Project has social and environmental benefits that are difficult to quantify, such as a reliable, convenient and safe source of water and the environmental benefits from ecosystem improvements. While these benefits are extremely valuable, especially during a period of water scarcity, they are difficult to quantify and to incorporate into a cost and benefit analysis in an attempt to economically justify the Project. The following is a comprehensive list of benefits by category that captures the broader scope of improvements related to the Project.

*Water Sustainability:* The Project will create opportunities for future beneficial reuse, provide a reliable and sustainable water supply by increasing natural groundwater recharge and in-lieu recharge, increase resiliency to drought by reducing stress to the water supply infrastructure that can be impacted by severe droughts and climate change, and provide a drought resistant source of water that results in widespread benefits despite changing weather patterns and reduced rainfall.

*Environmental Stewardship:* The Project will create an opportunity for ecosystem restoration, protect ecological assets by providing a consistent water source to sustain 145 acres of wetland habitat at Stanfield Marsh, create a new inflow to Big Bear Lake, improve aquatic and riparian habitat by maintaining wetted habitat for over 300 acres of Lake edge, sustain 10 acres of habitat for the Unarmored Three-spined Stickleback Fish at Shay Pond, provide a consistent and drought-proof water source to restore wetland habitat and sustain our area's diverse species, improve management of downstream releases to lessen the impact to fish and wildlife in Bear Creek and the Santa Ana River, reduce the water demand from the State Water Project and could make more water available to support federally endangered and protected fish species in the Bay-Delta. Improved water levels at Stanfield Marsh will increase educational opportunities for the community and visitors and will establish community involvement in environmental stewardship and education of recycled water production.

*Economic Development, Growth and Sustainability:* The Project will protect investments in the community from the negative impacts of long-term drought and unreliable water supplies and will contribute to sustained economic activity and growth by improving access to recreation, increasing Lake usability, sustaining quality goods and services to the tourism industry, and sustaining and driving real estate values, employment, commercial activity, new development and overall economic activity.

*Protection and Public Safety:* The Project will increase public protection and safety by increasing municipal water supplies for fire protection.

**ASSIGNMENT**

This MOU is not assignable, either in whole or in part.

**TERM**

This MOU will be effective as of the date of the last signatory hereto and will continue for a period of ~~3~~ years. It may be extended by mutual agreement of all parties for a period not to exceed ~~5~~ years.

**VENUE AND GOVERNING LAW**

Venue of any action or claim brought by any party to this MOU will be the Superior Court of California, San Bernardino County. This MOU shall be governed by the laws of the State of California.

~~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.~~ **MOU EXECUTION**

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

**IN WITNESS WHEREOF**, this Non-Financial Memorandum of Understanding has been executed by the Project Beneficiaries.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

Name: David Lawrence, P.E.

Title: General Manager

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

CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER

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

Name: Reginald A. Lamson

Title: General Manager



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

BIG BEAR CITY COMMUNITY SERVICES DISTRICT

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

Name: Mary T. Reeves

Title: General Manager

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

BIG BEAR MUNICIPAL WATER DISTRICT

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

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

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

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

CITY OF BIG BEAR LAKE

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

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

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

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

~~COUNTY OF~~ SAN BERNARDINO COUNTY

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

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

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

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

VISIT BIG BEAR

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

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

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

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

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<sup>1</sup> Sources for valuing groundwater supplies include National Research Council 1997, *Valuing Ground Water: Economic Concepts and Approaches*, Washington, DC; the *Economics of Managed Aquifer Recharge* by Robert G. Maliva; and *A Framework for Measuring the Economic Benefits of Groundwater*, product of the EPA Interoffice Groundwater Valuation Workgroup

## **Replenish Big Bear Project Benefits**

### **Non-Financial Memorandum of Understanding**

This Non-Financial Memorandum of Understanding (MOU) is dated September 1, 2021, and is made by and among the Big Bear Area Regional Wastewater Agency (BBARWA) and the Beneficiaries identified as signatories hereto and as defined below.

**WHEREAS**, BBARWA currently discharges Big Bear Valley's treated wastewater and thus, extracted groundwater to Lucerne Valley and is now considering the Replenish Big Bear Project (the Project) to return this water back to the Big Bear Valley primarily to improve water quality and groundwater sustainability for today and tomorrow, to provide ecological benefits, and to enhance the human welfare and economic well-being of the community. Protecting the community's drinking water and preserving opportunities for future generations is at the forefront of this effort and is critical for Big Bear Valley, where alternative water supplies are not available and the scarcity of water is increasingly imminent with recent rainfall fluctuations and climate change projections. This situation drives the high value associated with securing this water today.

**WHEREAS**, the Project as currently structured will return approximately 650 million gallons or 2,000 AF (acre feet) of water on average each year to the Big Bear Valley (the Project Water). The Project Water has been allocated for the following uses: 1) groundwater recharge to provide drinking water and other municipal or commercial uses, 2) to contribute to habitat for endangered species and the preservation of wildlife, and 3) to increase the level of Big Bear Lake.

**WHEREAS**, to provide the water uses as outlined above the water quality will be high and BBARWA will incur costs — pre-construction, construction, and ongoing operational and maintenance costs. It is BBARWA's intention to allocate the Project Water costs as equitably as possible among its ratepayers and potential project beneficiaries.

**WHEREAS**, through this MOU users of the Project Water and any other parties that may receive value from the Project Water (together, the "Beneficiaries") will be identified. It is anticipated that the Beneficiaries may contribute toward the costs of the Project Water in a manner that is relative to the benefits or direct use of the Project Water. Any contributions toward the costs of the Project Water by Beneficiaries will be pursuant to future agreements and all parties agree that this MOU does not commit the Beneficiaries to any financial contributions.

The difficulty in valuing the Project Water for groundwater and ecological uses, cannot be overstated. There are multiple limitations and uncertainties along with a lack of knowledge related to physical, biological and hydrological relationships. Valuing Project Water for commercial and economic use is also challenging. It is understood that any contributions provided by the Beneficiaries will likely be based on estimates and assumptions used by each Beneficiary to estimate their specific benefit. These contributions may only be "reasonable" in nature and not necessarily supported by specific economic information. The Beneficiaries' willingness to contribute to the Project, including that of BBARWA's ratepayers, will be the

cornerstone of the Project's feasibility going forward. This MOU is an attempt to identify the Beneficiaries and ultimately to understand their ability, desire and willingness to contribute to this momentous project.

**NOW, THEREFORE**, to facilitate this Project, the Beneficiaries and related Project Water uses and benefits, are agreed to as follows:

**The Big Bear Area Regional Wastewater Agency (a wastewater agency)**

BBARWA was formed by a Joint Exercise of Powers Agreement on March 22, 1974, that stated as part of its purpose "to include facilities for the reclamation of wastewater[.]" BBARWA's mission is to *efficiently collect, treat and beneficially reuse wastewater and biosolids in an environmentally and fiscally responsible manner*. BBARWA has three member agencies: San Bernardino County Service Area 53B, Big Bear City Community Services District, and the City of Big Bear Lake.

BENEFICIARIES: Agency Ratepayers

PROJECT WATER USES AND BENEFITS:

The Project is consistent with BBARWA's mission statement and strategic goal of water reclamation. BBARWA will not have a specific use of the Project Water but will allocate the water for specific uses. BBARWA's ratepayers will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

**City of Big Bear Lake Department of Water and Power (DWP) (a municipal water agency)**

The DWP provides water service to approximately 15,520 customers in the Big Bear Valley including the City of Big Bear Lake, located along the south side of the Lake, as well as unincorporated communities of Fawnskin, Sugarloaf, Erwin Lake, and Lake Williams areas. Water is supplied to customers by pumping groundwater from local aquifers. The DWP focuses on service, quality, community, and their mission is to *cost-effectively deliver quality water to meet the needs of their current and future customers*.

BENEFICIARIES: DWP and Customers

PROJECT WATER USES AND BENEFITS:

The DWP will have access to lake water to recharge its Sand Canyon aquifer up to 380 AF annually. If Big Bear Resorts (BBR) purchases lake water from the Municipal Water District for mountain operations rather than pumping this water from its well, the DWP may benefit from an "in-lieu" groundwater recharge of up to 120 AF annually.

There is economic value to the DWP and its customers to increased groundwater and access to groundwater supplies today and in the future. This value is driven by factors associated with hydrologic and recharge information, economic estimates of water demand (and how it might be affected by economic, climate or social forces), the availability of water supply substitutes and how these factors impact labor, capital and material<sup>1</sup>.

**Big Bear City Community Services District (CSD) (a municipal water agency)**

The CSD provides water, wastewater collection, fire protection and emergency medical services, solid waste collection, and street lighting services. The CSD's water service area includes Big Bear City and portions of San Bernardino County. Its wastewater collection includes Big Bear City and portions of the unincorporated communities of Sugarloaf, Erwin Lake, Whispering Forest, and Moonridge. The CSD's mission is to *serve its customers with clean and safe water, and to provide collection of solid waste and wastewater in a fiscally responsible manner.*

BENEFICIARIES: CSD and Customers

PROJECT WATER USES AND BENEFITS:

It is estimated that the CSD will use up to approximately 80 AF of Project Water annually to benefit the endangered Unarmored Threespined Stickleback Fish habitat in Shay Pond. This Project Water will be used instead of groundwater and thus will provide an "in lieu" recharge of up to 80 AF annually to the CSD. Also, through an interconnect with the DWP, the CSD will benefit from the DWP's recharge of its Sand Canyon aquifer up to 380 AF annually.

There is economic value to the CSD and its customers to increased groundwater and access to groundwater supplies today and in the future. This value is driven by factors associated with hydrologic and recharge information, economic estimates of water demand (and how it might be affected by economic, climate or social forces), the availability of water supply substitutes and how these factors impact labor, capital, and material (see endnote).

**Big Bear Lake Municipal Water District (MWD) (a lake management agency)**

The MWD was formed in 1964 as a special district responsible for the overall management of Big Bear Lake (the Lake). The primary responsibilities of the MWD are *stabilization of the Lake level* by purchasing water in-lieu of releases to Bear Valley Mutual Water Company, watershed/water quality management, recreation management, *wildlife habitat preservation and enhancement*, and Bear Valley Dam and Reservoir maintenance.

BENEFICIARIES: MWD and Customers

PROJECT WATER USES AND BENEFITS:

Approximately 1,920 AF of Project Water will flow into the Lake each year, of which 380 AF will be available to the DWP for groundwater recharge and 120 AF will be available to BBR for purchase to provide water for mountain operations.

There is an economic impact to the MWD and its customers as a result of a fuller lake. This economic impact is driven by 1) how lake levels affect (a) lake management agreements and how these agreements impact in-lieu water purchases, (b) lake management and maintenance and how these changes are reflected in labor, capital and material costs, (c) the recreational use of the lake, such as higher revenues associated with higher use permits and higher variable costs associated with higher lake use, (d) wildlife habitat preservation, (e) lake water quality, and (f) enhancement activities and 2) the sale of water to BBR for mountain operations.

The MWD will also provide economic benefits to the Project by 1) serving as a reservoir for groundwater until such time as the water is recharged to the Sand Canyon aquifer and 2) performing regulatory lake offset requirements if needed.

**City of Big Bear Lake (a municipal government agency)**

The City of Big Bear Lake (CBBL) is a small city in the San Bernardino mountains located along the south shore of Big Bear Lake. It is a popular year-round resort destination, with the population surging to over 100,000 during many weekends of the year. Key industries include tourism and outdoor recreation, health and wellness, and real estate and construction. Top regional assets include ski resorts, Big Bear Lake, the San Bernardino National Forest, and hiking and biking trails.

BENEFICIARIES: CBBL and Constituents

**PROJECT WATER USES AND BENEFITS:**

The CBBL will not have a specific use of the Project Water but its constituents will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

There is economic value to the CBBL resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on the local economy. The economic value to the CBBL is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, real estate values, commercial activity and new development and overall economic activity.

**San Bernardino County (the County) (a municipal government agency)**

San Bernardino County governs certain unincorporated areas of the Big Bear Valley. San Bernardino County believes that water is one of our greatest natural resources and supportive of developing a comprehensive countywide strategy for water management that encourages collaboration among businesses, residents, municipal governments, and water agencies that will address multiple watersheds and water agencies, build institutional and organizational capacity for future countywide planning efforts, and create mutually beneficial investment opportunities

to ensure adequate water supplies and quality to support future population growth within the County.

BENEFICIARIES: County and Constituents

PROJECT WATER USES AND BENEFITS:

The County will not have a specific use of the Project Water but its constituents will broadly benefit from the Project including access to increased groundwater supplies (today and future generations), the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the community and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a healthy mountain environment, preservation of and access to a recreational lake, and increased fire protection capacity associated with an increase in municipal water supplies.

There is anticipated to be economic value to the County resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on the local economy. The economic value to the County is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, real estate values, commercial activity and new development and overall economic activity.

**Visit Big Bear (a marketing agency)**

Visit Big Bear is the official destination marketing organization for Big Bear Lake and is funded through community partnership and the Tourism Business Improvement District (TBID). Its destination goal is to be the internationally recognized Southern California Mountain Lake Escape, offering visitors a year-round transformational experience. Its organization goal is to act as a catalyst for destination-wide cooperation to enhance the region's brand awareness, event calendar and the positive impacts that visitors will provide in the region.

BENEFICIARIES: Visit Big Bear Partners and Visitors

PROJECT WATER USES AND BENEFITS:

While Visit Big Bear Partners will not have specific uses of the Project Water, there is an economic benefit to Visit Big Bear Partners (the Partners) resulting from the economic impact of 1) the Project Water on Big Bear Lake and 2) water sustainability on tourism. The economic value to the Partners is driven by factors associated with how a fuller lake impacts the economy and tourism and how water sustainability impacts tourism, recreation, and overall economic activity.

The Visitors, similar to residents, will broadly benefit from the Project which will maintain the Visitor's "destination experience", including access to increased groundwater supplies, the maintenance and restoration of habitat for wildlife and endangered species, sustaining the economic well-being of the Big Bear Lake destination and the continued delivery of goods and services as currently provided, the visual amenities associated with a fuller Big Bear Lake and a

healthy mountain environment, preservation of and access to a recreational lake and other recreational opportunities, and increased fire protection capacity associated with an increase in municipal water supplies.

### **The Project Benefits - Quantifying Benefits and Contributions**

This MOU, as outlined above, includes the Project Water users and the most direct beneficiaries of the Project. Though the MOU itself is non-financial in nature, it should be recognized that any Beneficiary contributions that may result from the Project benefits will likely be based on the Beneficiary's estimated economic benefit and the Beneficiary's willingness to pay. It should also be recognized that the Project has social and environmental benefits that are difficult to quantify, such as a reliable, convenient and safe source of water and the environmental benefits from ecosystem improvements. While these benefits are extremely valuable, especially during a period of water scarcity, they are difficult to quantify and to incorporate into a cost and benefit analysis in an attempt to economically justify the Project. The following is a comprehensive list of benefits by category that captures the broader scope of improvements related to the Project.

*Water Sustainability:* The Project will create opportunities for future beneficial reuse, provide a reliable and sustainable water supply by increasing natural groundwater recharge and in-lieu recharge, increase resiliency to drought by reducing stress to the water supply infrastructure that can be impacted by severe droughts and climate change, and provide a drought resistant source of water that results in widespread benefits despite changing weather patterns and reduced rainfall.

*Environmental Stewardship:* The Project will create an opportunity for ecosystem restoration, protect ecological assets by providing a consistent water source to sustain 145 acres of wetland habitat at Stanfield Marsh, create a new inflow to Big Bear Lake, improve aquatic and riparian habitat by maintaining wetted habitat for over 300 acres of Lake edge, sustain 10 acres of habitat for the Unarmored Three-spined Stickleback Fish at Shay Pond, provide a consistent and drought-proof water source to restore wetland habitat and sustain our area's diverse species, improve management of downstream releases to lessen the impact to fish and wildlife in Bear Creek and the Santa Ana River, reduce the water demand from the State Water Project and could make more water available to support federally endangered and protected fish species in the Bay-Delta. Improved water levels at Stanfield Marsh will increase educational opportunities for the community and visitors and will establish community involvement in environmental stewardship and education of recycled water production.

*Economic Development, Growth and Sustainability:* The Project will protect investments in the community from the negative impacts of long-term drought and unreliable water supplies and will contribute to sustained economic activity and growth by improving access to recreation, increasing Lake usability, sustaining quality goods and services to the tourism industry, and sustaining and driving real estate values, employment, commercial activity, new development and overall economic activity.

*Protection and Public Safety:* The Project will increase public protection and safety by increasing municipal water supplies for fire protection.



**ASSIGNMENT**

This MOU is not assignable, either in whole or in part.

**TERM**

This MOU will be effective as of the date of the last signatory hereto and will continue for a period of 3 years. It may be extended by mutual agreement of all parties for a period not to exceed 5 years.

**VENUE AND GOVERNING LAW**

Venue of any action or claim brought by any party to this MOU will be the Superior Court of California, San Bernardino County. This MOU shall be governed by the laws of the State of California.

**MOU EXECUTION**

This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same MOU. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

**IN WITNESS WHEREOF**, this Non-Financial Memorandum of Understanding has been executed by the Project Beneficiaries.

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

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

Name: David Lawrence, P.E.

Title: General Manager

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

**CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER**

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

Name: Reginald A. Lamson

Title: General Manager

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

BIG BEAR CITY COMMUNITY SERVICES DISTRICT

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

Name: Mary T. Reeves

Title: General Manager

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

BIG BEAR MUNICIPAL WATER DISTRICT

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

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

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

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

CITY OF BIG BEAR LAKE

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

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

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

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

SAN BERNARDINO COUNTY

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

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

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

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

VISIT BIG BEAR

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

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

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

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

DRAFT

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<sup>i</sup> Sources for valuing groundwater supplies include National Research Council 1997, *Valuing Ground Water: Economic Concepts and Approaches*, Washington, DC; the *Economics of Managed Aquifer Recharge* by Robert G. Maliva; and *A Framework for Measuring the Economic Benefits of Groundwater*, product of the EPA Interoffice Groundwater Valuation Workgroup



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:** July 27, 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:** Purchasing Policy Approval

### **BACKGROUND & DISCUSSION:**

The attached purchasing policy includes 1) the federal requirements associated with the Agency's newly awarded grant, 2) the bidding procedures under the Uniform Public Construction Cost Accounting Act (the Act), 3) a consolidation of existing, related policies and 4) an amendment to the General Manager's contracting authority. The Agency has worked with its legal counsel to draft parts of and review the comprehensive purchasing policy attached to ensure that these policies and procedures are in accordance with all provisions of law governing the Agency. A redlined version of changes to the current purchasing policy has not been provided due to the substantial additions outlined below.

#### **Federal Requirements (pages 22 – 34)**

The Agency was awarded a \$1.7 million grant from the U.S. Bureau of Reclamation. Per the agreement, the Agency is subject to specific procedures associated with procurement, the use and disposal of equipment and supplies purchased with grant monies, and the accounting and reporting of the award. These requirements have been added to the purchasing policy.

#### **Bidding Procedures under the Act (pages 10 – 21)**

In May 2020, the Board approved the Agency opting into the Act and adopted an ordinance that established bidding procedures under the Act. These procedures have been incorporated into the purchasing policy. These procedures are applicable to Public Projects. Bidding procedures related to non-public projects have also been included in the purchasing policy to cover all procurement which may be subject to competitive bidding.

#### **Consolidation of Existing, Related Policies (pages 4 – 9)**

Sections of the proposed policy have previously been approved by the Board: 1) Board Appropriation and General Manager Authorization and 2) Purchasing and Receipts. Other internal control policies and procedures related to purchases and purchase orders have been added to the

purchasing policy. These internal control procedures are well established and are reviewed annually during the auditing process.

**Amendment to General Manager’s Contract Authority (page 4)**

The proposed amendment will provide for multi-year contracts which are sometimes required for certain equipment leases such as the postage meter, and sometimes proposed on service contracts to achieve more advantageous pricing.

Section	Before	After
Board Appropriation and General Manager Authorization (page 4)	Once the Board appropriates the funds for operating and capital expenditures, the General Manager is authorized to release the funds and to sign for contracts for such purchases as needed; however, all contracts must be for a term not to exceed one year unless approved in advance by the Board.	Once the Board appropriates the funds for operating and capital expenditures, the General Manager is authorized to release the funds and to sign for contracts for such purchases as needed; however, all contracts must be for a term not to exceed one year unless 1) approved in advance by the Board or 2) the contract amount falls below \$10,000 on an annual basis, in which case, the term may be up to five years.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Approve Purchasing Policy.

**ATTACHMENT:**

Purchasing Policy

# Purchasing Policy

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## PURPOSE

The purpose of the Purchasing Policy is to establish internal controls, responsibilities and authorization levels and other statutory requirements related to purchasing goods and services for the Agency. The purchasing policy

- establishes controls that identify clear authority and responsibility for purchasing activities
- secures goods and services at the lowest cost possible commensurate with quality
- ensures appropriate levels of competition and provides equal opportunity for all qualified vendors

## DEFINITIONS

**Change Order** - a document that authorizes an addition, deletion, or revision in the scope of work or an adjustment in the contract price or times, issued on or after the effective date of the contract.

**Commission** – the California Uniform Construction Cost Accounting Commission. The Commission is established under the Uniform Public Construction Cost Accounting Act to develop uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in contracting for public projects.

**Contract Documents** – documents approved and provided by the Agency’s legal counsel. These documents are in template form and contain all associated forms and agreements related to contracting for projects under a specified procurement process. Examples of Contract Documents used by the Agency include a Letter Agreement for Services, Short-Form and Long-Form Construction Contracts, Equipment Purchase Agreement, Purchase Order Terms and Conditions for Services and Purchase Order Terms and Conditions for Services. Construction contracts may include the Notice Inviting Bids, Instructions to Bidders, Bid Forms, the Contract, Bond Forms, General Conditions, Special Conditions, and General Requirements.

**Force Account** – work performed on public projects using internal resources, including but not limited to labor, equipment, materials, supplies, and subcontracts of the Agency.

**Local Business** – a business in which the primary office from which the business is conducted is located in the Big Bear Valley (City of Big Bear Lake, Big Bear City, Fawnskin, or Sugar Loaf).

**Lowest Responsible Bidder** – a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform to project for which they have submitted a bid or proposal.

**Responsive Bid** – a bid or proposal that fully conforms in all material respects to the invitation for bids/request for proposals and all of its requirements, including all form and substance.

**Maintenance** - routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes. Preservation and protection of the facility, including the replacement of like kind equipment and repairs resulting



from routine and usual maintenance that do not alter the structure or equipment in the process, are considered non-construction and are not public projects.

**Stop Payment Notice** – a written notice given for the purpose of stopping the payment of funds on a public project in accordance with Civil Code section 9350 *et seq.*, as it may be amended from time to time.

**Notice of Completion** - a form that may be executed by the Agency and recorded by San Bernardino County signifying final acceptance of a public project. As a policy matter, all projects that have project-specific approval or authorization from the Governing Board, have retention held, have subcontractors, or have 20-day Preliminary Notices mailed to the Agency require a Notice of Completion.

**Preliminary Notice** – a notice sent by the general contractor, subcontractor, materialmen, equipment lessors or other parties to a construction project in accordance with Civil Code section 9300 *et seq.*, as it may be amended from time to time.

**Project Manager** - the General Manager is the Agency’s project manager on all projects unless otherwise determined. The General Manager may delegate such responsibilities to an Agency employee or hire a qualified consultant to fulfill this responsibility.

**Public Project** - has the meaning set forth in Public Contract Code section 22002(c), as it may be amended from time to time, and includes construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, and the painting or repainting of any publicly owned, leased, or operated facility.

**Receiving Receipt** – a form used to confirm that services have been completed. This form is completed by personnel responsible for directing the work and attached to the final invoice for services when submitted for payment.

**Request for Payment Form** – a form used by the Agency to seek payment approval for purchases, including credit card purchases.

**UPCCAA** – the Uniform Public Construction Cost Accounting Act (the “Act”), enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state.” (Pub. Contract Code, § 22001.) The entirety of the Act is found in Public Contract Code section 22000 *et seq.*, as it may be amended from time to time.

## **SIGNATURE AUTHORIZATION** (Board Approval May 27, 2020)

**Board Appropriation and General Manager Authorization.** Annually, the Board appropriates funds for operating and capital expenditures during the budget approval process and may appropriate funds during the budget cycle as needed. All purchases are subject to the limits of this appropriation level, and as such, all goods and services require approval prior to purchase, except for those goods and services purchased during an emergency. Once the Board appropriates the funds for operating and capital expenditures, the General Manager is authorized to release these funds and to sign contracts for such purchases as needed; however, all contracts must be for a term not to exceed one year unless 1) approved in advance by the Board or 2) the contract amount falls below \$10,000 on an annual basis, in which case,

the term may be up to five years. If any purchase or project is subject to a formal competitive bid process (projects greater than \$200,000), the Board shall award such project and authorize such contract pursuant to and as required in this policy. All informally bid Public Projects (\$60,000 - \$200,000) require a pre-bid and post-bid report to the Board during a scheduled Board meeting. All purchasing is monitored by the Board on a monthly basis through disbursement reporting and on a quarterly basis through financial reporting, whereby all budgeted expenditures are compared to actual expenditures.

## PURCHASING FUNCTION

Except as otherwise authorized by the Board or this policy, the General Manager is the sole purchasing agent of the Agency and the only employee with authority to enter into contracts on behalf of the Agency and release funds for payment under such contracts. The General Manager may delegate purchasing activities to members of the Agency's operations and administrative staff as needed in a manner consistent with this policy. In the General Manager's absence, the Board or General Manager may temporarily delegate the authority to contract on behalf of the Agency and release funds for payment to another Agency employee as needed.

The Finance Department coordinates purchasing processes and monitors compliance with the policies and procedures contained in this policy.

### Purchasing and Receipts (**Board Approval May 27, 2020**)

#### *General Purchases*

Goods and services necessary for the daily operation of the plant are purchased by the Plant Manager, Plant Supervisor, and Laboratory Analyst. Each may also give direction to a subordinate for the purchase of goods and services. Office supplies are ordered through the Accounting Technician and secondarily through the Administrative Assistant, as needed. All purchasing is monitored on a monthly basis through the financial reporting process where actual purchases are compared to budgeted amounts.

Most goods and services are purchased on account with established vendors. For walk-in purchases made through local vendors, only authorized personnel may purchase goods and services. The Accounting Technician maintains a list of authorized personnel. The list of authorized personnel is determined by the Plant Manager and is limited to the Plant Manager and five operators. The General Manager, Laboratory Analyst or the Administrative Assistant may be added to the authorized personnel list, if needed, for specific vendors where appropriate.

#### *Large Purchases*

Purchases which are non-routine in nature and exceed \$1,000 require the issuance of a Purchase Order prior to purchase. Non-routine purchases are any purchases that are not customary and regular purchases, made in the ordinary course of business. Walk-in purchases through local vendors which exceed \$300 require prior approval. The purchaser must complete and receive approval of a Request for Payment (the exact or estimated amount of the purchase may be used) prior to purchase. See **Purchase Orders**.

## *Receipt of Goods and Services*

Purchased goods delivered by postal service, shipper or parcel carrier are received at the plant and evidenced by packing slips. All packing slips are initialed by personnel, other than the personnel that made the purchase, to confirm receipt of the goods to the plant. Two operators, who are not responsible for purchasing, may be designated by the Plant Manager to be “receivers”. When services are performed at the plant, often a work order is provided upon completion from the vendor or contractor. This work order needs to be initialed by personnel receiving the work order to confirm that services have been completed. If a work order is not provided at the time of service, a Receiving Receipt is completed by personnel responsible for directing the work, to confirm that services have been received and completed. Lastly, when walk-in purchases are made through local vendors, all receipts are signed by persons other than the personnel who made the purchase to confirm that all goods have been received by the plant. Packing slips associated with administrative supplies delivered to the Administration Building may be confirmed by any administrative personnel available other than the personnel who made the purchase.

## **Petty Cash Purchases**

### *Access and Approval Authorization*

The petty cash fund is held in a cash box which is locked and requires a security code to access. The Finance Manager, Accounting Technician, and Administrative Assistant have access to the cash box through possession of the security code. The Administrative Assistant is the primary person responsible for distribution of petty cash with the Accounting Technician and Finance Manager providing back up, respectively.

All cash expenditures from the cash box should be approved in advance of the expenditure. Approval for petty cash transactions should be obtained from the General Manager, Plant Manager, or Finance Manager, respectively. The General Manager, Plant Manager, or Finance Manager cannot approve their own petty cash expenditure.

### *Cash Purchases*

A receipt book is kept in the cash box and receipts are issued when cash is distributed from the cash box. An issued receipt should include the signature of the employee approving the purchase, amount of the purchase, initials of the employee distributing the cash, initials of the employee receiving the cash, a description of the purchase, and the account number associated with the purchase.

Cash may be distributed in advance of a purchase, or an employee may be reimbursed after a purchase has been made. If an employee receives cash prior to a purchase receipt being submitted, the employee will initial the petty cash receipt to confirm receipt of the cash. After the purchase, the employee will submit the receipt. The purchase receipt will then be attached to the petty cash receipt, the petty cash receipt will be modified to reflect the actual amount of the purchase, and the employee will return the excess funds (the initial amount of cash distributed less the amount of the purchase).

## ***Reconciliation and Replenishment***

The cash box is reconciled by both the Administrative Assistant and Accounting Technician when the petty cash fund is replenished. The balance of cash combined with the total receipts should equal the petty cash fund of \$600.

The petty cash fund is replenished as needed. The receipts are totaled, a Request for Payment is completed and approved, and a check is issued in the amount of the total petty cash receipts. The check is cashed at the bank by either the Administrative Assistant or the Accounting Technician and the funds are returned to the petty cash box to replenish the petty cash fund.

## **Credit Card Purchases**

Credit card usage is permitted for business-related purchases where the use of cash is not practical. These types of purchases include travel, meals, and online or web-based purchases which may occur for education and training and other goods and services. The Agency's preference is to minimize the use of the Agency credit card and to use it only where practical.

The General Manager and Plant Manager are the only authorized individuals who have an Agency credit card.

Credit Card transactions require:

- Completion of a Request for Credit Card Charge Authorization form with appropriate coding and approvals prior to credit card usage. This does not apply to travel related incidental expense or meals.
- Completion of the Credit Card Usage Log showing the date of purchase, description of item purchased, and credit card used. A receipt for the purchase must be attached to the Credit Card Usage Log.

The Agency credit cards are kept by the authorized employees, the General Manager and Plant Manager.

## **Fuel Card Purchases**

The Agency may use one or more vendors for fuel purchases and each vendor may issue multiple fuel cards. It is therefore important to establish controls that prevent the misuse of the fuel cards.

The Accounting Technician, under the supervision of the Finance Manager, determines vendor relationships and the establishment of Agency credit for the purchase of fuel. Multiple vendors may be used at any one time if advantageous to the Agency.

Each vendor issues a card associated with a specific vehicle. The cards are kept in the respective vehicle.

New cards are issued periodically. Prior to distribution of the new cards, the old cards must be collected and discarded.

Agency employees that frequently drive Agency vehicles are authorized by the Agency to purchase gas and are issued personal pin numbers (by the vendor) that are used in conjunction with the vehicle fuel cards when purchasing gas.

Authorized employee names with the respective pin numbers are maintained by the Accounting Technician.

Any authorized employees that are separating from the Agency should be removed from the authorized employee lists.

## PURCHASE ORDERS

### General

A purchase order is required for any expenditure over \$1,000, except where the purchase is for:

- Routine monthly expenses
- Emergency expenditures

Appropriate approvals must be obtained prior to ordering goods or services.

If required, the vendor may receive a copy of the completed purchase order to confirm the goods or services order. If the purchase order is serving as the primary terms and conditions for the delivery of goods or services under an informal bidding process, a copy including the counsel-approved terms and conditions must be forwarded to the vendor.

A **blanket purchase order** may be approved which authorizes repetitive purchases of goods and services from a specific vendor up to a maximum dollar amount over a period not to extend beyond the end of the fiscal year.

### Procedures

#### *Completion of Form*

Purchase order forms are typically in numeric order and should be used in sequence. The form should be completed in detail and should include the following approvals in the order presented:

- Finance Manager's initials
- General Manager's signature on line 1
- Plant Manager's signature on line 2

#### *Approvals*

During the absence of the Plant Manager or the General Manager, and when no designee has been appointed for these signors, the Plant Supervisor will sign in lieu of the absentee signor.

### *Finance Manager's Approval*

All purchase orders require the Finance Manager's initials to ensure that funds are available, coding is correct, and to determine if the purchase order requires Board approval. In the Finance Manager's absence, the General Manager will determine the above during completion of a purchase order. The Finance Manager will initial upon return.

### *Documentation*

Documentation associated with the required bidding process related to the purchase along with any related agreements are presented with the purchase order during the approval process and retained by the Finance Department. This includes:

- evidence of verbal quotes
- written quotes and proposals
- the contents of the bid package under a formal or informal bidding process
- contract including requests for bids and proposals
- in the case of an emergency or other purchase exempt from competitive bidding (sole source and standardization of materials and equipment), documentation from the General Manager approving the exemption. In the case of a sole source or standardization procurement, if the procurement is a public project and subject to competitive bidding under UPCCAA, Board approval is required.

### *Distribution of Copies*

A copy of the purchase order should be provided to the Accounting Technician for entry into the accounting system and for processing with the related invoice. Any discrepancies between the purchase order and invoice should be noted and reconciled during processing.

### *Failure to Complete a Purchase Order*

If a purchase order was not completed prior to a purchase that required one, an explanation should be provided on the invoice as to why the purchase order was not completed. A purchase order should not be completed after the invoice is received.

The purpose of the bidding policy is to establish uniform procedures for the solicitation of bids, change orders and billings. In the event of any conflict between this policy and State law, the requirements of State law shall prevail.

## COMPETITIVE PROCUREMENT, QUOTATIONS AND CONTRACTS

### Competitive Procurement Thresholds by Procurement Type

Maintenance Work, Services, Equipment, Materials and Supplies			
Procurement Amount	Competitive Solicitation Requirement	Award Authority	Contract Documents*
\$0 - \$1,000	Buyer's best judgement	Authorized Purchaser	Purchase Order
over \$1,000 - \$20,000	Informal quotes - 3 informal quotes	General Manager	Purchase Order or Letter Agreement
over \$20,000-\$200,000	Informal proposals - 3 written proposals	General Manager	Purchase Order, Letter Agreement, Equipment Purchase Agreement, or another Contract Document
over \$200,000	Formal Request for Proposal	Board	Purchase Order, Letter Agreement, Equipment Purchase Agreement, or another Contract Document
Public Projects (defined per PCC §22002)			
Procurement Amount	Competitive Bidding Requirement	Award Authority	Contract Documents*
\$0 - \$1,000	Buyer's best judgement	Authorized Purchaser	Purchase Order
over \$1,000- \$20,000	Informal bidding - 3 informal quotes	General Manager	Short Form Construction Contract
over \$20,000 - \$60,000	Informal bidding -3 written proposals	General Manager	Short-Form Construction Contract
over \$60,000 - \$200,000	UPCCAA informal bidding procedures	General Manager	Short-Form Construction Contract
over \$200,000	UPCCAA formal bidding procedures	Board	Long-Form Construction Contract
Sole Source			
**Over \$60,000	None	Board	See tables above.
<p>*The type of contract document used is dictated by the type of purchase and dollar amount and may vary from the type of contract document listed here.</p> <p>**A sole source procurement for a public project requires a resolution by the Board establishing findings which support the sole source procurement. If the sole source is for a component of a public project, the sole source resolution must be included as part of the bid documents for the project. If the sole source is for the full public project, the sole source resolution must be included as an attachment to the appropriate contract document (i.e., long form construction contract or short form construction contract). Further, it should be noted that the procurement threshold set forth under the "Procurement Amount" column encompasses the total cost of the project and not just the sole sourced component of the project.</p>			

### Use of Standard Documentation (the Contract Documents)

Contract Documents have been developed by Agency legal counsel to ensure consistency in the preparation of formal and informal solicitation packages, to assure generally accepted terms and conditions are included in the Agency's contracts, and to reduce the level of staff resources required to prepare and review these documents. These documents are in template form and contain all associated forms and agreements related to contracting for projects. Contract Documents include a Letter Agreement for Services, Short-Form and Long-Form Construction Contracts, Equipment Purchase Agreement, Purchase Order Terms and Conditions for Services and Purchase Order Terms and Conditions for Goods. Construction contracts may include the Notice Inviting Bids, Instructions to Bidders, Bid Forms, the Contract, Bond Forms, General Conditions, Special Conditions, and General Requirements.

### Project Manager

The General Manager is the Agency's project manager on all projects unless otherwise determined. The General Manager may delegate such responsibilities to an Agency employee or hire a qualified consultant to fulfill this responsibility.

## **Purchases Exempt from Competitive Procurement**

Competitive procurement is not required under the following circumstances.

### ***Non-Public Projects***

Exemption from competitive procurement for the following items must be approved by the General Manager except in the case of item 7 which must be approved by the Board. Further, in the case of emergency procurements, the procurement must be ratified by the Board as described below. The Competitive Procurement Exemption Form must be completed and attached to the purchase order once approved.

1. Standardization of Materials and Equipment. When it is necessary to match other products in use on a public improvement either completed or in the course of completion.
2. Sole Source Provider. When it is necessary to obtain an item that is only available from one source.
3. Pilot Program. When the Agency is conducting a field test, experiment, feasibility study or small-scale trial to determine how a large-scale project might work in practice.
4. Emergency. When it is necessary to respond to an emergency and the response time does not allow for a competitive bid process. The General Manager (by Resolution No. R. 02-2020) is authorized to make emergency findings and to enter into necessary contracts without engaging in competitive bidding. The General Manager shall report to the Board within seven days or at the next regularly scheduled Board meeting if that meeting will occur no later than fourteen days after the action, and at every regularly scheduled meeting thereafter until the action is completed or terminated. The Board, by a four fifths vote, shall ratify the emergency action and determine if there is a need to continue the action at the next regularly scheduled Board meeting.
5. Cooperative Purchasing and Purchasing Schedules. A cooperative purchasing program allows state and local governments to purchase a variety of products and services under specific contracts or schedules (i.e. California Multiple Award Schedules or CMAS, federal General Services Administration schedules or GSA schedules).
6. Piggyback Contracts. When the Agency relies on the procurement conducted by another public agency rather than conducting its own procurement.
7. Best Interests of the Agency. Waiving competitive procurement requirements when it is in the best interests of the Agency as determined by the Board.

### ***Public Projects:***

Exemption from competitive procurement for the following items must be approved by the Board (in the case of emergency procurements, ratified by the Board as described below). The Competitive Procurement Exemption Form must be completed and attached to the purchase order once approved by the Board.

1. Standardization of Materials and Equipment. When it is necessary to match other products in use on a public improvement either completed or in the course of completion.



2. Sole Source Provider. When it is necessary to obtain an item that is only available from one source.
3. Pilot Program. When the Agency is conducting a field test, experiment, feasibility study or small-scale trial to determine how a large-scale project might work in practice.
4. Emergency. When it is necessary to respond to an emergency and the response time does not allow for a competitive bid process. The General Manager (by Resolution No. R. 02-2020) is authorized to make emergency findings and to enter into necessary contracts without engaging in competitive bidding. The General Manager shall report to the Board within seven days or at the next regularly scheduled Board meeting if that meeting will occur no later than fourteen days after the action, and at every regularly scheduled meeting thereafter until the action is completed or terminated. The Board, by a four fifths vote, shall ratify the emergency action and determine if there is a need to continue the action at the next regularly scheduled Board meeting.

## **Professional Services Agreements**

Contracts for professional services are not subject to strict competitive bidding requirements. Professional services include work provided to the Agency by specially trained and experienced individuals related to economic, financial, engineering, planning, architectural, environmental, legal, administrative, or other similar matters.

The selection of a professional services firm should be based on demonstrated competence and professional qualifications at a fair and reasonable cost in the case of architectural, landscape architectural, engineering, environmental, land survey, or construction management services. This determination can be made through a request for proposals or qualifications process.

When the selection of a professional services firm is related to a change in the Agency's legal counsel, on-call engineering firm or auditing firm, a qualifications based selection process will be conducted and an evaluation committee, including members of the Board, will be used to evaluate the proposals and make a recommendation to the Board for a contract award.

## **Separation of Projects**

Projects may not be split or separated into smaller projects to evade the bidding procedures outlined in this policy. The total cost of the project dictates the bidding requirements under the Agency's purchasing policy. For example, the Agency may purchase equipment or material for a project and may only bid the installation portion of the project. The installation portion of the project is subject to the bidding requirements dictated by the total costs of the project, including the equipment and materials.

## **Competitive Procurement Procedures**

### **Informal Quotes**

- All procurement over \$1,000 - \$20,000
- See Request for Quote – Informal Quote Form
- 3 quotes will be gathered on a best-efforts basis for all procurement subject to informal quotes

A request for an informal quote is a simple request for pricing on simple, low-cost goods or services. Informal quotes may be gathered through web-browsing, email, or telephone. If gathered through web-browsing, then a copy of the webpage identifying the item and price will be provided. If gathered by e-mail, a printout of the email quote will be provided. If the informal quotes are gathered through telephone contact, the employee seeking the quote will document the company name, contact name, time, date, and quote. This information will be attached to the purchase order (a purchase order is required on non-regular and non-routine purchases exceeding \$1,000). At least three informal quotes should be provided. If this is not possible, documentation of non-response or other explanation should be provided by the employee seeking the bids. Quotes received from a Local Business may be lowered by 2% for quote evaluation purposes. *Whenever an award is made to other than the lowest priced proposer the reasons for doing so shall be set forth in writing and maintained with the procurement documents.*

### Informal Proposals, Solicitation of Three Written Proposals

- Non-Public Projects over \$20,000 - \$200,000
- Public Projects over \$20,000 – \$60,000
- See Request for Proposal – Informal Proposal Form
- 3 written proposals will be gathered on a best-efforts basis for all procurement subject to informal proposals

The following will be considered:

1. The use of the Agency's purchase order (with terms and conditions) utilizing the Request for Proposal or another Contract Document may be used.
2. Informal requests for proposals should incorporate the following guidelines.
  - a. All proposers must receive the same scope of work, required time schedule, general requirements, conditions and provisions, and the location, date, and time for proposals.
  - b. All proposals submitted must be kept in confidence until after the proposal submission deadline and evaluation process.
  - c. The scope of work may include quantities and/or measurements and may include engineering calculations, drawings, or specification sheets to aid the proposer in understanding the scope of work. The level of detail will depend on the complexity of the project.
  - d. If there are any changes to the project that will affect the proposal, the revised scope of work will be sent to original identified proposers.
  - e. Depending on the scope of work, an informal job walk may be beneficial. Any questions will need to be in writing and sent to all potential proposers.
  - f. All proposals must be documented. Written proposals must be on the Request for Proposal – Informal Proposal Form.
  - g. After the proposals have been received and examined for completeness, an evaluation will be made to determine the award of the work order or project. Cost proposals received from a Local Business, may be lowered by 2% for proposal evaluation purposes. *Whenever an award is made to other than the lowest priced proposer the reasons for doing so shall be set forth in writing and maintained in the procurement documents.*

## Formal Request for Proposals (purchases over \$200,000)

The procurement of maintenance, services, and equipment, materials and supplies that exceed \$200,000 are subject to a formal Request for Proposal (RFP) process. The Agency should seek at least three proposals when possible.

### **Preparing the RFP**

When assembling the RFP, the following should be included.

1. A general description of the desired goods or services to be purchased;
2. The desired qualifications of the proposers;
3. The scoring criteria to be used to evaluate proposals;
4. The information or documentation required for submission of proposals;
5. The date, time and location of public opening of sealed proposals;
6. The location and deadline for submission of proposals;
7. The deadline for the submission of questions (if applicable); and
8. The date, time and location of the pre-proposal conference (if applicable).

All proposals submitted in response to an RFP must be sealed and must be opened publicly at a designated location, date and time.

Proposals which are received after the date and time specified or in a different format than that requested in the RFP may not be considered.

### **Proposal Evaluation and Notification of Award**

Proposals will be evaluated and proposers ranked by an evaluation committee appointed by the General Manager based upon the evaluation criteria identified in the RFP. Award will be made to the proposer whose proposal represents the best value taking into account the RFP evaluation criteria, which may include the general quality and responsiveness of the proposal, the qualifications of the proposer, and the proposed cost. If the Agency is unable to agree to contract terms with the highest ranked proposer, the award may be given to the next highest ranked proposer and so forth. The Board shall have the authority to award contracts under the Formal RFP process or to reject all proposals and proceed in a manner the Board determines to be in the Agency's best interests. Proposers will be notified upon contract award or rejection of all proposals by the Board.

Cost proposals received from a Local Business, may be lowered by 2% for proposal evaluation purposes. *Whenever an award is made to other than the lowest priced proposer the reasons for doing so shall be set forth in writing and maintained in the procurement documents.*

### ***Public Projects under the Uniform Public Construction Cost Accounting Act***

The Agency has chosen to adopt UPCCAA for the bidding of Public Projects. As such, the Agency will meet the requirements prescribed by the Commission’s *Cost Accounting Policies and Procedures Manual* (as it may be updated from time to time). Further, the Board may discontinue the Agency’s participation under the Act by adopting a resolution to this effect.

**Included Projects.** Public Projects as defined in this policy.

**Excluded Projects.** Maintenance as defined in this policy.

The Agency may separately procure equipment, supplies, and materials for a public project (procured in accordance with the purchasing requirements of this policy); however all costs of a public project must be included in the project cost estimate to determine whether the public project falls within the Force Account/negotiated contract/purchase order, informal bid, or formal bid thresholds under the Act. In addition, if installation is performed by Force Account, an overhead rate must be applied to all direct costs of the project and included in the cost estimate. For example, if materials and supplies cost \$50,000 to procure separately and the labor cost to install is \$25,000, the project could not be performed with Force Account/negotiated contract/purchase order, but would fall within the informal bid threshold because the total cost estimate is \$75,000.

### *Dollar Thresholds under the Act*

The dollar thresholds below are provided under the Act and are subject to change.

#### UPCCAA Dollar Thresholds and Procedures – Public Projects

<u>Project Amount</u>	<u>Bidding/Contract Procedures</u>
\$60,000 or less	by own Force Account, negotiated contract or purchase order
\$200,000 or less	informal bidding procedures
exceeds \$200,000	formal bidding procedures

### *Projects Completed by Force Account/Negotiated Contract/Purchase Order*

Public Projects may be performed by the Agency’s employees by Force Account, or through a negotiated contract or by purchase order when the total cost of the project is equal to or less than \$60,000.

### *Rejection of Bids under the Act*

Public Contract Code § 22038 allows the Agency in its discretion to reject any bids presented. The Agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the Agency, must provide a written notice to an apparent low bidder that:

- informs the lowest responsible bidder of the Agency’s intention to reject the bid; and
- is mailed at least **two business days** prior to the hearing at which the Agency intends to reject the bid.

If after opening bids, all bids are rejected, the Agency shall have the option, after reevaluating its cost estimates of the project, of one of the following:

- abandon the project or re-advertise for bids in the manner described in the Act; or

- by passage of a resolution by a four-fifths majority of the Governing Board declaring that its employees can perform the project more economically, the Agency may have the project done by Force Account without further complying with the Act.

Informal Bidding UPCCAA – (projects over \$60,000 - \$200,000) (Pub. Contract Code §§ 22032(b), 22034.)

**Establishing and Maintaining the Informal Bidders List.** As part of the Act, the Agency must establish and maintain an Informal Bidder’s List identified by category of work to which notices of informal bids will be mailed. All contractors on the list for the category of work being bid shall receive a notice inviting informal bids unless the product or service is proprietary. Notices of informal bids may also be sent to designated trade journals (designated by the Commission) based on the county in which the Agency is situated.

Each November, the Agency shall establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated by the Commission. The Agency may send written notice to additional construction trade journals or other publications.

The written notice must require:

- the name and address to which a Notice Inviting Bid should be mailed, faxed or emailed;
- a phone number at which the contractor may be reached;
- the type of work in which the contractor is interested and currently licensed to perform (earthwork, plumbing, electrical, mechanical, painting, general building, etc.);
- the class of contractor’s license(s) held;
- contractor license number(s)

The Agency may include any contractor they so desire on the list, but must include, at a minimum, all contractors who have properly provided the Agency with the information required above in response to a written notice. A contractor may have his or her firm added to the list at any time by providing the required information.

**New List.** The Agency may begin using a new list starting January 1<sup>st</sup> of each year. The Agency may include contractor names it so desires on the list, but the list must include, at a minimum, all contractors who have properly provided the Agency with the required information noted above, either during the calendar year in which the list is valid or during November of the previous year. The Agency may automatically include the names of all contractors who submitted one or more valid bids to the Agency during the preceding calendar year.

**Notice Inviting Informal Bids.** The notice inviting informal bids describes the project in general terms, how to obtain more detailed information about the project, and the time and place for submission of bids.

Notices inviting informal bids must be mailed to the contractors on the informal bidders list for the category of work being bid, and/or alternatively, mailed to the designated construction trade journals **10 calendar days** before bids are due.

Additional contractors (that have properly provided the Agency with the required information noted above) or other construction trade journals may be notified.

If there is not a list of qualified contractors for the category of work to be performed, the notice inviting informal bids may be sent only to the construction trade journals specified by the Commission.

If the product or service is proprietary in nature such that it can only be obtained from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

If all bids received exceed \$200,000, the Board may award the contract by four-fifths vote so long as the contract is \$212,500 or less and the Board makes a finding that the cost estimate relied upon when choosing to utilize informal bidding was reasonable (Pub. Contract Code § 22034 (d)). If the contract would exceed \$212,500, the Agency must formally bid the contract pursuant to the formal bid procedures.

**Procedures and Contracting.** Other than the noticing requirements, overall bidding procedures and related forms and contracts are similar in process and form to formal bidding under UPCCAA (see Formal Bidding under UPCCAA). Noticing requirements need not include plans and specifications unless required to prepare the bid.

All informal bidding under UPCCAA will utilize standard Contract Documents such as the short-form construction contract.

**Formal Bidding UPCCAA – (projects over \$200,000) (Pub. Contract Code §§ 22037.)**

**Contract Documents.** The Contract Documents shall contain all provisions required by laws existing at the time such Contract Documents are executed. Template Contract Documents shall be provided by legal counsel and amended from time to time to reflect changes in the law.

**Adoption of Plans, Authorization to Advertise and Accept Bids.** The bid process begins with Board adoption of plans, specifications, and working details, and authorization to proceed with the notice inviting bids and to accept bids.

**Notice Inviting Formal Bids.** The notice inviting formal bids sets forth the date, time, and place for receiving and opening of sealed bids and provides a detailed description of the project along with contractor licensing requirements.

The notice inviting formal bids shall be published for at least two consecutive weeks in a local newspaper of general circulation at least **14 calendar days** before the date of opening the bids.

The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals designated by the Commission at least **15 calendar days** before the date of opening the bids.

All prospective bidders who are sent the Notice Inviting Formal Bids (construction trade journals and contractors) will be logged on the Bidder's List by the Project Manager, along with any prospective bidders who request to be included.

**Receipt and Handling of Bids.** The Project Manager receives the bids up to the published deadline (date and time). All bids are submitted under sealed cover clearly marked with the project title and “SEALED BID” and accompanied by some form of bidder’s security such as cash, cashier’s check, certified check, or bidder’s bond executed by an admitted surety insurer, made payable to the Agency.

Upon receipt of the bids, the Project Manager time stamps and dates the envelope to show that the bids were received in accordance with the deadline and other requirements set forth in the Notice Inviting Bids. The bids remain sealed until the scheduled time of opening. If any bid is received unsealed, the Project Manager will notify the General Manager and the unsealed bid will be returned to the bidder.

Unless otherwise noted in the bid document, faxed or electronically submitted bids are unacceptable and will be returned to the bidder. After the bids are received, the sealed bids are secured until the scheduled bid opening.

The sealed bids are opened by the General Manager, or designee, with a second person in attendance, to record the information concerning the bids and noting any exceptions to the Notice Inviting Bids, i.e. bid bond. At the beginning of the bid opening, the General Manager clearly announces that “This is the time and place designated for opening bids on (project name and/or number)”. The following information will be recorded on the Bid Summary Sheet: bidder name, verification of bid bond requirement and signature on all addendums, and the bid amount. Once all bids are opened, the General Manager will sign the Bid Summary Sheet. No evaluation or recommendation will be made at the bid opening.

Bids are released to the Project Manager for evaluation and recommendation of award. Bids are evaluated first as to whether they are responsive, and then the Project Manager determines which bidder is the Lowest Responsible Bidder submitting a Responsive Bid.

Staff recommends contract award to the Lowest Responsible Bidder submitting a Responsive Bid to the Board.

If no bids are received, the project may be performed by force account, negotiated contract or purchase order or by informal bidding procedures set forth in Public Contract Code § 22034.

**Award of Bid.** The Board considers the recommended contract award and may make an award. The Board has the right to award the contract to the Lowest Responsible Bidder submitting a Responsive Bid. If two or more bids are the same as the lowest, the Agency may accept the one it chooses. The Board may also waive immaterial defects in any bid or reject all bids and either cancel the procurement or direct the project be rebid. (See **Rejection of Bids**)

**Successful Bidder Notified.** The Project Manager notifies the successful bidder by a Notice of Award.

**Contract Executed and Bonds Received; Notice to Proceed.** The successful bidder shall post all contract bonds, execute all Contract Documents, and fulfill all conditions placed upon the approval. Satisfactory evidence of the execution of the requirements shall be presented to staff including evidence of required insurance. Once all requirements are fulfilled by the successful bidder and the Contract

Documents are executed, the Project Manager will issue a Notice to Proceed to the bidder stating the commencement date of the project and when contract times will commence.

**Unsuccessful Bidders Notified.** The Project Manager notifies all unsuccessful bidders of nonacceptance and directs the return of any bid security to the unsuccessful bidder. In no event shall bid security be held beyond 60 days from the time the award is made.

**Change Orders.** All change orders should be initiated by the contractor on the supplied form. The change order form shall be approved by the General Manager and forwarded to the Finance Manager. If the project does not have available funds, including contingency, to support the full Change Order amount, the Board must approve the necessary funds prior to approval of the Change Order and the commencement of any work related to the Change Order.

**Retention.** Retention will be held in accordance with the Contract Documents and applicable law until the project is complete.

**Preliminary Notice and Stop Payment Notice.** The Agency is not required to respond to a Preliminary Notice, which is required to be served on the public entity as a procedural prerequisite to the filing of a Stop Payment Notice by lower tier subcontractors and suppliers.

In the event a Stop Payment Notice is received, the Agency shall withhold 125 percent of the amount stated in the Stop Payment Notice claim. The Agency shall request the prime contractor either pay outstanding balances owed to the claimant, obtain a release from the claimant, obtain a court order directing release, or file a release bond in the amount of 125 percent of the Stop Payment Notice claim for release of the withheld funds. The Agency shall additionally tender the Stop Payment Notice claim to the contractor. Withheld funds in response to a Stop Payment Notice shall not be released until the Stop Payment Notice claim is released by the claimant, a release bond is filed by the contractor, a court order directs release of the withheld funds or the Stop Payment Notice claim is otherwise resolved.

**Accept as Complete.** All projects utilizing the construction-related contract documents under informal or formal bidding procedures will be returned to the Board upon completion for formal Board action to accept the project as complete. This practice establishes a public record of the final completion date.

**Notice of Completion.** The contractor, Project Manager, and General Manager will do a final inspection of the project once complete. The Project Manager will prepare a Notice of Completion form indicating the job is complete and forward to the Finance Manager for final approval of final billing. The final billing will be paid less any agreed retention amount.

The Finance Manager, or designee, submits the Notice of Completion within fifteen days of project completion to the County of San Bernardino, Auditor/Controller — Recorder, 222 W. Hospitality Lane, Fourth Floor, San Bernardino, CA 92415-0018.

The Finance Manager verifies the recordation date of the Notice of Completion. Payment of any outstanding invoices and retention must be paid by the 60<sup>th</sup> day from the date of completion of the project. Verification of the recordation date can be located on the County of San Bernardino's web site: [www.sbcounty.gov/ocr](http://www.sbcounty.gov/ocr).



All Notices of Completion are considered a formal record and are retained separately (in addition to the procurement records) under direction of the Management Analyst.

**Non-Payment, Non-Performance.** If the contractor is unable to pay outstanding balances to subcontractors and material providers, the Agency may request that the outstanding balance be paid by the Payment Bond surety.

If the contractor is unable to complete the project to the satisfaction of the Agency, the Agency may request completion by the Performance Bond surety.

### ***Document Management and Retention***

All documents related to projects or purchases that are subject to competitive bidding procedures under the Act or subject to formal bidding under this policy, will be created and maintained through project completion by the Project Manager, or designee, and upon project completion, kept in a central location for a term that is considered beneficial and/or required by law. It is recommended that the retained documents be comprehensive and include the staff report requesting adoption of plans and specifications and the authorization to advertise and accept bids, the notice inviting bids, the entire bid package, all submitted proposals or bids, copies of all Contract Documents, the notice to proceed, copies of invoices, request for change orders, change orders, preliminary notices or stop orders, staff reports requesting the Board to accept the project as complete, the notice of completion, and any other related documents that are deemed beneficial.

The Finance Manager will maintain or cause to be maintained documents consistent with auditing and record retention requirements. These documents include contract agreements, copies of invoicing, copies of the bid package and bidder proposals, copies of the notice of completion, certificates of insurance coverage, performance and payment bonds, and all other documents deemed necessary that support compliance with the Agency's purchasing policy and the Contract Documents.

### ***Compliance with Contract***

The Project Manager is responsible for the contractor's compliance with all general and special conditions of the contract document.

### **Cost Accounting Policies and Procedures under the Act**

The cost accounting policies and procedures under the Act apply to construction-oriented public projects that are undertaken by the Agency using its own forces.

### ***Project Level Costing***

The following cost elements including personnel materials, supplies and subcontracts, equipment and overhead, associated with a project must be recorded and reported at the project level. Each of the cost elements is to be expressed in the initial bid/estimate process, captured, and recorded during the construction period and compared to the initial estimate at the conclusion of the public project.

### *Project Identification*

Public projects will be given specific project codes that allow for the segregation of the cost elements (see above Project Level Costing) and thus the proper estimation, tracking and comparison of estimated vs. actual cost elements incurred at the conclusion of the project.

### *Project Tracking System*

Public projects completed by force account shall have a manual or automated system that records, accumulates, and periodically reports the cost elements (see above Project Level Costing) incurred in completing all public projects. The Agency is required to account for the costs of the public project in a manner consistent with the way in which the project was bid/estimated. An audit trail of the accumulation of these cost elements and source documents that identify these costs should be maintained. These documents include timesheets, equipment tracking records, requisitions of materials and supplies used at the project site, and the documentation of the development of overhead rates.

Reference the Cost Accounting Policies and Procedures Manual to determine procedures associated with identifying, estimating, and tracking the cost elements.

# FEDERAL EMERGENCY AND GRANT PROCUREMENT PROCEDURES

## **Purpose**

The purpose of these Federal Emergency and Grant Procurement Procedures is to define the practices and policies governing the procurement of Public Projects, goods or services (i) in preparation of, during, and after an emergency that may be subject to federal funding or reimbursement; (ii) when using federal grant funds subject to the regulations set forth in the following sentence. These Federal Emergency and Grant Procurement Procedures are compliant with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”).

## **Federally Declared Emergencies and Federal Grants; Procurement and Contracting Requirements**

In the event of an emergency declared by the President of the United States, the Agency must comply with Federal procurement standards as a condition of receiving public assistance funding from the Federal Emergency Management Agency (FEMA) for contract costs for eligible work. FEMA funding is governed by the Uniform Guidance.

In addition, most federal grant funding is also subject to the Uniform Guidance. Federal grant compliance requires the grantee to conduct procurements in accordance with written procurement policies and procedures that comply with the requirements set forth in the Uniform Guidance. These procurement procedures shall be complied with in connection with utilization of federal grant funding by the Agency, in addition to any other specific grant requirements.

These procedures are in addition to and are not intended to replace or supersede the Agency’s other procurement requirements or state law requirements. In the case of a conflict between these procedures, the more stringent requirement shall govern, provided that the more stringent requirement would not violate a federal procurement requirement. In such case, for federally funded contracts, the federal requirement shall govern.

## **Conflicts of Interest**

### ***Standards of Conduct for Conflicts of Interest***

No employee, officer or agent of the Agency shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: The employee, officer or agent; any member of his immediate family; his or her partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The Agency’s officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Such a conflict will not arise where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. Employees must follow applicable laws, rules, and regulations in regard to conflicts of interest including, but not limited

to, the Political Reform Act, the prohibition against contractual conflicts of interest, and guidelines in the California Code of Regulations regarding acceptance of gifts.

### ***Violations***

Disciplinary actions to be applied for violations of the above standards are as follows:

1. The violation of these Standards of Conduct by Agency employees will subject the violator to any disciplinary proceedings or action deemed appropriate by the General Manager and allowed by the Agency's internal regulations. Employees may correct a violation in any manner provided for under the Political Reform Act, and its implementing regulations.
2. The violation of any of these Standards of Conduct by Agency officers will require correction of the violation in any manner provided for under the Political Reform Act, and its implementing regulations.
3. Contractors or subcontractors that violate these Standards of Conduct as relates to an active federally-funded procurement may be prohibited from bidding on the procurement, or may be subject to other action as deemed appropriate by General Manager.
4. Agents of the Agency that violate these Standards of Conduct as relates to federally-funded procurements may be prohibited from participation on behalf of the Agency on federally funded projects, or subject to other action as deemed appropriate by the General Manager.

### **Procurement Standards**

#### ***Oversight***

The Agency shall maintain administrative oversight of contractors to ensure that contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.

#### ***Economical Approach***

The Agency must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. The Agency will enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements. If feasible and it reduces project costs, the Agency will explore using federal excess and surplus property in lieu of purchasing new equipment and property. When appropriate, the Agency will investigate using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

### *Detailed Records*

The Agency shall maintain records sufficient to detail the history of each procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

### *Procurement Issues*

The Agency alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. Protest procedures or information on obtaining the procedures shall be included in the procurement documents.

## **Competition**

### *Full and Open Competition*

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants that are on retainer contracts;
5. Organizational conflicts of interest, as further detailed herein;
6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

### *Organizational Conflicts of Interest*

An unfair competitive advantage could result if a contractor were allowed to submit a bid or proposal for work described in a specification or statement of work that the contractor itself developed. For the purpose of eliminating a potential unfair competitive advantage, and in compliance with applicable state and federal laws and regulations, a contractor that develops or assists in developing specifications, requirements, statements of work, invitation for bids, and/or request for proposals for Agency procurement is excluded from competing for the resultant procurement, unless an appropriate waiver is issued by the Agency. All waivers will be assessed by the Agency on a case-by-case basis.

### *Geographical Preference*

The Agency shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals,

except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

### ***Procurement Transactions***

The Agency shall require the following information for procurement transactions:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
2. All requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

### ***Prequalification Lists***

The Agency shall ensure that all prequalified lists, if used, of persons, firms or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. The Agency shall not preclude potential bidders from qualifying during the solicitation period.

### **Procurement Procedures**

The thresholds below are federal thresholds. If Agency thresholds are lower, the more restrictive requirement shall govern, notwithstanding the provisions herein.

### ***Informal Procurement Methods***

When the value of the procurement for property or services under a federal award does not exceed the simplified acquisition threshold (SAT) (e.g., currently set at purchases of \$250,000 or less) or a lower threshold established by a the Agency, formal procurement methods are not required. The Agency may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include:

1. Micro-Purchases. Purchases of supplies or services within the micro-purchase threshold (e.g., currently set at purchases of \$10,000 or less, but periodically adjusted for inflation) may be awarded without soliciting competitive quotations if the Agency considers the price to be

reasonable based on research, experience, purchase history or other information and documents it files accordingly. To the extent practicable, the Agency must distribute micro-purchases equitably among qualified suppliers. The Agency is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures.

2. Small Purchases. Purchases of property or services within the SAT shall not be required to be formally bid. Price quotations must be received from no less than three (3) sources. The Agency is responsible for determining an appropriate SAT based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR.

### *Formal Procurement Methods*

When the value of the procurement for property or services under a federal financial assistance award exceeds the SAT, or a lower threshold established by the Agency, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with below. The following formal methods of procurement are used for procurement of property or services above the SAT or a value below the SAT the Agency determines to be appropriate:

1. Sealed Bids. Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price. This is the preferred method for procuring construction. For sealed bidding to be feasible there must be complete, adequate, and realistic specification or purchase description available; two or more responsible bidders are willing and able to compete effectively and for the business; and the procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally on the basis of price. If sealed bids are used, the following requirements apply:
  - a. Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids and the invitation for bids must be publicly advertised;
  - b. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - c. All bids will be opened at the time and place prescribed in the invitation for bids and the bids must be opened publicly;
  - d. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - e. Any or all bids may be rejected if there is a sound documented reason.
2. Competitive Proposals. When the nature of a procurement does not lend itself to formal, sealed bidding, the Agency may solicit competitive proposals. The technique of competitive proposals

is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded.

- a. A request for proposals (RFP) must be publicly advertised, and the Agency must solicit proposals from an adequate number of sources. The RFP must identify all evaluation factors and their relative importance; however, the numerical or percentage ratings or weights need not be disclosed. Evaluation factors that will be considered in evaluating proposals shall be tailored to each procurement and shall include only those factors that will have an impact on the selection decision.
- b. The Agency's procurement officer shall establish a formal evaluation committee, of at least two persons. The size of an evaluation committee should be based on the size and complexity of the goods or services being procured and well balanced and represented by individuals involved with the procurement and/or affected by the goods or services being procured. The evaluation committee will be charged with responsibility for evaluating proposals in accordance with the evaluation criteria in the solicitation, short listing firms, establishing a competitive range, and/or recommending a firm or firms for contract award.
- c. Any contract awarded based on the competitive proposal procurement process cannot be based exclusively on price or price-related factors. If a contract is awarded, it shall be to the responsible firm whose proposal is most advantageous to the Agency ("best value"), with price and other factors considered.
- d. The competitive proposal procedures above may be used for procurement of architect and engineering (A&E) services, provided that proposers must be evaluated based on competence and qualifications, without regard to price. For A&E procurements, price will not be used as a selection factor. The Agency will rank proposers based on qualifications only, and attempt to negotiate fair and reasonable compensation with the highest ranked proposer. If negotiations with the highest ranked proposer are unsuccessful, such negotiations will be terminated and the Agency will commence negotiations with the next highest ranked proposer. This process shall be continued with successive qualified proposers until agreement is reached that is determined to be fair and reasonable.

### *Noncompetitive Procurements*

Contracts may be procured through a noncompetitive proposal only when:

1. The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;
2. The item is only available from a single source;
3. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
4. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Agency; or
5. Competition is deemed inadequate after the solicitation of a number of sources.



### ***Public Projects***

Public Projects shall be procured by the Agency's formal competitive bid procedures, if any, and sealed bids in this section. If there is conflict between the foregoing, the more restrictive requirements shall apply.

### ***Award***

The Agency shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. In accordance with 2 CFR 200.214, in connection with the responsibility determination, a check of debarment and suspension using the System for Award Management (SAM), [www.sam.gov](http://www.sam.gov), must be performed and documented in the procurement records prior to award.

### **Contracting with Small and Minority Firms, Women's Business Enterprises, and Labor Area Surplus Firms**

The Agency must take all necessary affirmative steps to ensure the use of minority businesses, women's business enterprises, and labor surplus area firms when possible, as set forth at 2 CFR § 200.321 and detailed below. The Agency shall:

1. Place qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Require the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

The Agency shall document the steps above, and any relevant findings applicable to any of the steps above in its procurement file.

### **Cost and Price**

#### ***Cost or Price Analysis***

The Agency shall perform a cost or price analysis in connection with every procurement action, including contract modifications, in excess of the SAT. While the method and degree of analysis depend on the

facts surrounding the particular procurement situation, the Agency must, at a minimum, make independent estimates before receiving bids or proposals.

### ***Profit***

The Agency shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where a cost analysis is performed as required by 2 CFR §200.324(b).

### ***Estimated Costs***

Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the Agency under 2 CFR §200.400 et seq.

### **Payment Procedures**

#### ***Method of Contracting***

Contracts entered into pursuant to these procedures shall utilize only fixed-price, cost-reimbursement, or, to a limited extent, time and materials payment methods.

#### ***Prohibited Methods of Contracting***

The Agency shall not use the cost plus a percentage of cost or percentage of construction cost methods of contracting for any work for which federal reimbursement will be sought.

#### ***Time and Materials (“T&M”) Contracts***

A T&M contract means a contract whose cost to the Agency is the sum of the actual costs of materials and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. T&M contracts should be used rarely, and the use of T&M contracts should be limited to a reasonable time period (e.g., no more than 70 hours) based on circumstances during which the Agency cannot define a clear scope of work.

The Agency shall only enter into a time and materials contract if all of the following apply:

1. The Agency has determined and documented in the project file that no other contract is suitable;
2. The contract has a guaranteed maximum price that the contractor exceeds at its own risk; and
3. The Agency provides a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The Agency must define the scope of work as soon as possible to enable procurement of a more acceptable type of contract (i.e., non-T&M contracts).

#### ***Separate Invoicing***

All purchases made during a proclaimed emergency shall require separate invoicing from routine (i.e., non-emergency related) purchases. All invoices shall state the goods, services, or equipment provided

and shall specify where the goods or services were delivered. All invoices shall specify the location(s) where the goods or services were used, if possible. Any invoice which fails to properly identify the emergency nature of the purchase and provide details as to the date(s) and location(s), as appropriate, shall not be paid until such errors are corrected by the vendor and re-submitted in correct form.

## **Federal Awarding Agency or Pass-Through Entity Review**

### ***Technical Specifications***

The Agency must make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements, where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the Agency desires to have the review accomplished after a solicitation has been developed, the federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

### ***Procurement Documents***

The Agency must make available upon request, for the federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

1. The Agency's procurement procedures or operation fails to comply with the procurement standards in this part;
2. The procurement is expected to exceed the SAT and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
3. The procurement, which is expected to exceed the SAT, specifies a "brand name" product;
4. The proposed contract is more than the SAT and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
5. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the SAT.

### ***Exemption***

The Agency is exempt from pre-procurement review if the federal agency or the pass-through entity determines that the Agency's procurement process complies with the federal procurement regulations. There are two possible methods the Agency to use this exemption:

The Agency may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

The Agency may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding

agency may rely on written assurances from the Agency that it is complying with these standards. The Agency must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

## **Other Requirements**

### ***Bonding Requirements***

For Public Projects exceeding \$25,000, the Agency shall require at a minimum:

1. A bid guarantee from each bidder equivalent to five percent of the bid price.
2. A performance bond on the part of the contractor for 100 percent of the contract price.
3. A payment bond on the part of the contractor for 100 percent of the contract price.

### ***Domestic Preferences for Procurements***

As appropriate and to the extent consistent with law, the Agency should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award.

For purposes of this section: “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

“Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

### ***Procurement of Recovered Materials***

For procurements covered under these procedures, the Agency and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. In accordance with these requirements, the Agency shall only procure items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines. This requirement applies to purchases of items when the purchase price of the item exceeds \$10,000, or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000.

### ***Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment***

The Agency shall not allow contractors to contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a

substantial or essential component of any system, or as critical technology as part of any system funded under this Contract. As described in [Public Law 115–232](#), section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). See 2 CFR §200.216.

### *Contract Provisions*

The Agency’s contracts shall contain the applicable provisions described in Appendix II to the Uniform Guidance – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

### *Equipment*

The Agency must follow the requirements and conditions of 2 CFR §200.313 when equipment is acquired under a Federal award. 2 CFR 200.1 defines equipment as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Agency for financial statement purposes, or \$5,000.

Unless otherwise stated by the Federal awarding agency, title to equipment acquired under a Federal award will vest upon acquisition in the Agency, subject to the following conditions:

1. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
2. Not encumber the property without approval of the Federal awarding agency or pass-through entity.
3. Use and dispose of the property in accordance with paragraphs (b), (c), and (e) of 2 CFR §200.313.

### *Supplies*

The Agency must follow the requirements and conditions of 2 CFR §200.314 when supplies are acquired under a Federal award. 2 CFR 200.1 defines supplies as all tangible personal property other than those described in the definition of equipment in 2 CFR 200.1. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Agency for financial statement purposes or \$5,000, regardless of the length of its useful life.

Title to supplies will vest in the Agency upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the Agency must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. See § 200.313 (e)(2) for the calculation methodology.

As long as the Federal Government retains an interest in the supplies, the Agency must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

## *Financial Management Requirements*

The Agency's financial management system must provide the following (may be supplemented by excel spreadsheets, i.e. budget and expenditure tracking):

1. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
2. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in CFR § 200.328 and 200.329. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.
3. Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
4. Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See CFR § 200.303.
5. Comparison of expenditures with budget amounts for each Federal award.
6. Written procedures to implement the requirements of CFR § 200.305.
  - a. If the Agency receives advance payments by federal award the Agency must follow § CFR 200-305, parts of which are included hereto:
    - i. Minimizing the time elapsing between the transfer of funds to the Agency and the disbursement by the Agency as well as maintaining standards for fund control and accountability.
    - ii. Consolidating advance payments to cover anticipated cash needs for all Federal awards to the Agency.
    - iii. The Agency must disburse funds available from program income before requesting additional cash payments.
    - iv. Advance payments must be deposited and maintained in insured accounts when possible and in interest bearing accounts (see CFR 200-305 for exceptions and application). Interest earned in excess of \$500 per year must be remitted annually to the Department of Health and Human Services Payment Management System.
  - b. If the Agency receives reimbursement payments, the Federal awarding agency must make payment within 30 calendar days of receipt of billing, unless the request is deemed improper.

- c. Funds, principal and excess cash returns must be directed to the original Federal agency payment system.
7. Written procedures for determining the allowability of costs in accordance with subpart E of CFR 200 and the terms and conditions of the Federal award.
- a. Costs must meet the following general criteria in order to be allowable under Federal Awards:
    - i. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
      - 1. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.
    - ii. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
    - iii. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
    - iv. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
    - v. Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
    - vi. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also CFR § 200.306(b).
    - vii. Be adequately documented. See also CFR § 200.300 through 200.309t.
    - viii. Cost must be incurred during the approved budget period. The Federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to CFR § 200.308(e)(3).

## RELATED FORMS

(Located on the Agency's Network of Shared Folders)

1. Request for Quote
2. Request for Proposal
3. Competitive Procurement Exemption Form
4. Bidders List Form
5. Bid Summary Sheet





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:** July 27, 2022

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

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

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

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

**SUBJECT:** Appropriate \$75,000 for Oxidation Ditch 2 Rotor 4 Shaft Replacement from the Contingency Fund

### **BACKGROUND & DISCUSSION:**

The shaft on Oxidation Ditch 2 Rotor 4 failed during normal operation. The bearing surface on the shaft drive end is worn out and causing frequent bearing replacement. The rotor is an essential piece of equipment for the proper treatment of wastewater. Rotors aid in the entrainment of air into wastewater, thereby accelerating the treatment process. Currently, Oxidation Ditch 2 is treating properly due to lower flows and is meeting permit limits. Once the replacement parts are ordered and arrive onsite, the ditch will be removed from service and the replacement of the rotor shaft can be completed.

The Agency will purchase a replacement rotor shaft, new gear reducer and bearings for a total of \$73,000. The installation estimate is \$52,000 and will be competitively bid per policy. The total replacement cost is estimated to be approximately \$125,000.

### **FINANCIAL IMPACT:**

The Agency has \$50,000 budgeted for unplanned repairs and replacements expense in FY 2023. The Agency will utilize this amount combined with \$75,000 from the Contingency Fund to cover the unbudgeted replacement. The Agency's Contingency Fund has been established to cover variances from the operating budget. There are adequate funds available to make the appropriation.

### **RECOMMENDATION:**

Appropriate \$75,000 for Oxidation Ditch 2 Rotor 4 Shaft Replacement from the Contingency Fund.



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.C.**

**MEETING DATE:** July 27, 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:** Resolution No. R. 09-2022, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Declaring its Intent to Issue Tax-Exempt Obligations to be Used to Reimburse the Big Bear Area Regional Wastewater Agency for Expenditures Made Prior to the Issuance of Such Obligations

**BACKGROUND & DISCUSSION:**

As the Agency moves forward with Replenish Big Bear, expenditures may be made with cash on hand, in advance of debt issuance. This resolution provides the Agency with the ability to be reimbursed for these expenditures with the proceeds of debt issuance but 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 No. R. 09-2022.

**ATTACHMENT:**

Resolution No. R. 09-2022

**RESOLUTION NO. R. 09-2022**

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

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (the “Agency”) desires to finance construction of advanced treatment facility upgrades at the existing Agency Wastewater Treatment Plant, a pipeline, and pump stations (the “Project”); and

**WHEREAS**, the Agency intends to use proceeds from the sale of obligations in one or more series the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”) to finance the Project; and

**WHEREAS**, pursuant to Section 1.150-2(d) of the Regulations of the United States Department of the Treasury (the “Regulations”), the Agency may reimburse the amounts advanced by the Agency for the Project if not later than 60 days after payment of the original expenditure of an amount advanced by the Agency, the governing Board of Directors (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 Agency expects to incur certain expenditures relating to the Project and to pay for such expenditures from certain moneys on hand prior to the execution of the Obligations; and

**WHEREAS**, the Agency reasonably expects to use a portion of the proceeds of the Obligations to reimburse the Agency for expenditures made prior to the date the Obligations are entered into.

**NOW, THEREFORE**, the Big Bear Area Regional Wastewater Agency hereby resolves as follows:

**SECTION 1.** *Recitals.* The above recitals are true and correct.

**SECTION 2.** *Declaration of Official Intent.* This Governing Board declares that it is the intent of the Agency that it will be reimbursed the amounts advanced by the Agency from its Capital and Replacement Fund for the design, construction, acquisition, installation and equipping of the Project from the proceeds of the sale of the Obligations.

**SECTION 3.** *Expected Maximum Principal Amount.* The Obligations shall be issued in one or more series in the expected maximum principal amount of \$50,000,000. The Obligations are expected to be issued by the Agency for the purpose of providing tax-exempt financing for the Project.

**SECTION 4.** *Other Approvals.* The adoption of this Resolution shall not bind the Agency 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.** *Effective Date.* This Resolution shall take effect upon adoption.

**PASSED AND ADOPTED** by said Governing Board on this 27th day of July, 2022.

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Rick Herrick, Chair of the Governing Board of the  
Big Bear Area Regional Water Agency

**ATTEST:**

STATE OF CALIFORNIA            )  
  )  
COUNTY OF SAN BERNARDINO)

I, Bridgette Burton, Secretary to the Governing Board Big Bear Area Regional Water Agency, DO HEREBY CERTIFY, that the foregoing Resolution of the Governing Board of the Big Bear Regional Wastewater Agency, being Resolution No. R 09-2022, 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, was duly adopted at a regular meeting of the Governing Board held on the 27th day of July, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Bridgette Burton, Secretary to the Governing Board  
Big Bear Area Regional Water Agency