

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Regular Meeting of

June 27, 2018

At

5:00 p.m.

121 Palomino Drive

Big Bear City, California

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Presentations and Introduction**
4. **Approval of the Agenda**
5. **Consent Calendar** – All matters listed on the Consent Calendar will be enacted by one motion at the appropriate time. There will be no separate discussion of these items. If detailed discussion is necessary, any Board Member may request that an item be removed from the Consent Calendar and considered separately.
 - A. Minutes of the Regular Meeting May 23, 2018 – Approve
 - B. Monthly Expenses – Informational
 - C. Governing Board Member Reimbursement – Approve
 - D. Investment Report – Informational
 - E. Operations and Connections Report – Informational
 - F. Resolution No. R. 05-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (PUBLIC RESOURCES CODE §§ 21000 ET SEQ.) – Approve
6. **Items Removed From the Consent Calendar**
7. **Public Forum Response** – None
8. **Public Forum** – The Public Forum portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters within the jurisdiction of this Agency. Ordinance No. 57 limits individual public testimony to three minutes or less. The cumulative time that any individual may provide public testimony during a meeting is fifteen minutes and the public testimony shall be limited to thirty minutes for all speakers. Whenever a group of persons wishes to address the Board on the same item, the Chairman or the Board by majority vote may request a spokesperson be chosen for the group or limit the number of such persons addressing the Board. Since discussion of an item, not on the posted agenda is not allowed, these concerns may be addressed in a future meeting under “Public Forum Response”

9. Old Business – None

10. New Business

- A. On Call Engineering Services – Discussion and Possible Action
- B. Appropriate \$1,000,000 (net\$250,000) for Preliminary Engineering and Environmental Work on the Bear Valley Water Sustainability Project– Discussion and Possible Action
- C. Redundant Return Activated Sludge (RAS) Pump Purchase – Discussion and Possible Action
- D. Appropriate \$21,758 for Groundwater Sustainability Expenses – Discussion and Possible Action
- E. General Manager Employment Agreement Amendment – Discussion and Approval
- F. Resolution No. R. 06-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Approving a Commitment Letter from Compass Bank to Issue Tax-Exempt Obligations to Finance Certain Public Improvements – Adopt
- G. Service Agreement Between the Bear Valley Basin Groundwater Sustainability Agency and Big Bear Area Regional Wastewater Agency – Discussion and Possible Action

11. Information/Committee Reports

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 Kimberly Booth, Administrative Assistant at (909) 584-4018. Notification at least 48 hours prior to the meeting or time when services are needed will assist the Agency staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

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

Visit www.bbarwa.org to view and/or print the Agenda Package

BIG BEAR AREA REGIONAL WASTEWATER AGENCY
Regular Board Meeting
Minutes
May 23, 2018

1. Call to Order

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

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

Absent: None

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

Others: Paul Marel, Bear Valley Electric and Joseph Phalen, Bear Valley Electric

2. Pledge of Allegiance

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

3. Presentations and Introduction:

- A. Mr. Lawrence thanked Mr. Hobbs for his 24+ years of service to the agency and wished him luck in his future retirement. The board thanked him for his service.
- B. Mr. Marel gave a presentation regarding putting in a solar field on BBARWA's property and what the savings could be.

4. Approval of the Agenda

Upon motion by Vice Chairman Caretto, seconded by Secretary Harris and carried, the Agenda was approved as presented.

Vote

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

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

- A. Minutes of the Regular Meeting April 25, 2018 – Approved
- B. Monthly Expenses – Informational

- C. Governing Board Member Reimbursement – Approved
- D. Investment Report – Informational
- E. Operations Report – Informational
- F. Third Quarter Report, Nine Months ended March 31, 2018 – Informational
- G. Pay Schedule – Approved
- H. Cell Phone Stipend Policy – Approved
- I. Asset Disposal - Heavy Truck – Approved

Vote

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

6. Items Removed From the Consent Calendar: None

7. Public Forum Response:

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

9. Old Business: None

10. New Business

A. Mr. Lawrence gave background on the extent of work that needs to be completed at the Lucerne Farm. Mr. Lawrence recommended approving Resolution R. 04-2018 and authorizing the General Manager to negotiate and execute a contract with the lowest responsible bidder in the amount not to exceed \$200,000. Upon motion by Director Herrick, seconded by Vice Chairman Caretto, and carried the Governing Board approved the recommendations.

Vote

Green	Aye
Caretto	Aye
Harris	Aye

Oxandaboure Aye
Herrick Aye

- B. Mr. Lawrence explained this is just a formality, due to the timing of purchasing the belt press and conveyor system and borrowing, the Agency would like to be reimbursed for the purchase of this equipment at the time of borrowing. Mr. Lawrence recommends approving Resolution R. 03-2018. Upon motion by Vice Chairman Caretto, seconded by Secretary Harris and carried the Governing Board approved Resolution No. R. 03-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Declaring its Intention to Issue Tax-Exempt Obligation to be Used to Reimburse the Agency for Certain Expenditures Made Prior to the Issuance of such Tax-Exempt Obligation.

Vote

Green Aye
Caretto Aye
Harris Aye
Oxandaboure Aye
Herrick Aye

- C. Director Herrick excused himself from this item due to having a conflict of interest. Mr. Lawrence explained that he has received an MOU from Bear Valley Electric, he would like the board to approve authorization for the General Manager to negotiate and execute the nonbinding MOU. Upon motion by Vice Chairman Caretto, seconded by Director Oxandaboure and carried, the Governing Board approved the recommendation.

Vote

Green Aye
Caretto Aye
Harris Aye
Oxandaboure Aye

11. Information/Committee Reports:

12. Closed Session

Entered closed session at 6:46 p.m., returned to open session at 7:53 p.m. with no reportable action.

13. Adjournment

With no further business to come before the Governing Board, Chairman Green adjourned the meeting at 7:54 p.m.

ATTEST:

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

**Kim Booth, Administrative Assistant
Big Bear Area Regional Wastewater Agency**



**Big Bear Area Regional
Wastewater Agency**

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

AGENDA ITEM: 5.B

MEETING DATE: June 27, 2018

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

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

PREPARED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Monthly Expenses

BACKGROUND:

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

FINANCIAL IMPACT:

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

RECOMMENDATION:

Informational

Moved: _____ Second: _____ Aye: _____ Nay: _____ Abstain/Absent: _____

Approved Date: _____ Witness: _____

Secretary of the Governing Board

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From May 1, 2018 to May 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
CASH 1861	5/2/18	CALPERS HEALTH	1000-20	28,649.04
CASH 1862	5/3/18	VISION SERVICE PLAN	1000-20	323.40
CASH 1863	5/3/18	LINCOLN NATIONAL LIFE INSURANCE	1000-20	1,006.01
CASH 1864	5/3/18	PRINCIPAL FINANCIAL GROUP	1000-20	2,293.28
CASH 1865	5/7/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72
CASH 1866	5/7/18	CALPERS RETIREMENT	1000-20	1,669.48
CASH 1867	5/7/18	CA PERS 457 PROGRAM	1000-20	2,441.80
CASH 1868	5/7/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1869	5/7/18	CALPERS RETIREMENT	1000-20	6,657.90
CASH 1870	5/8/18	EMPLOYMENT DEVELOPMENT DEPAR	1000-20	1,568.59
CASH 1871	5/8/18	INTERNAL REVENUE SERVICE	1000-20	5,229.45
18370	5/10/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	1,191.69
18371	5/10/18	AG TECH LLC	1000-20	34,718.84
18372	5/10/18	ALLISON MECHANICAL, INC.	1000-20	1,959.59
18373	5/10/18	ALL PROTECTION ALARM	1000-20	577.10
18374	5/10/18	AMAZON CAPITAL SERVICES	1000-20	461.26
18375	5/10/18	ARAMARK UNIFORM SERVICES	1000-20	1,019.84
18376	5/10/18	KELLEY M. ARNOLD	1000-20	2,709.40
18377	5/10/18	ASBURY ENVIRONMENTAL SERVICE	1000-20	35.00
18378	5/10/18	BIG BEAR CITY COMMUNITY SERVICES	1000-20	608.32
18379	5/10/18	BEAR LAKE PROFESSIONALS, INC	1000-20	229.00
18380	5/10/18	BRENT BERG	1000-20	232.44
18381	5/10/18	BUTCHER'S BLOCK & BUILDING	1000-20	235.21
18382	5/10/18	BEAR VALLEY ELECTRIC	1000-20	7,690.09
18383	5/10/18	BEAR VALLEY PRINTING	1000-20	80.14
18384	5/10/18	CAR QUEST OF BIG BEAR	1000-20	63.83
18385	5/10/18	CWEA TCP/MEMBERSHIP	1000-20	360.00
18386	5/10/18	UNDERGROUND SERVICE ALERT	1000-20	71.05
18387	5/10/18	DIY HOME CENTER-BIG BEAR	1000-20	187.02
18388	5/10/18	DIRECT TV	1000-20	45.99
18389	5/10/18	DEPARTMENT OF WATER & POWER	1000-20	54.01
18390	5/10/18	EMPLOYMENT DEVELOPMENT DEPT	1000-20	4,152.00

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From May 1, 2018 to May 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
18391	5/10/18	FEDEX	1000-20	40.25
18392	5/10/18	FLYERS ENERGY	1000-20	492.94
18393	5/10/18	FRONTIER COMMUNICATIONS	1000-20	677.57
18394	5/10/18	GEIGER SUPPLY, INC	1000-20	14.89
18395	5/10/18	NAVY MEN, LLC	1000-20	101.15
18396	5/10/18	THE GRIZZLY	1000-20	403.50
18397	5/10/18	HUGHESNET	1000-20	69.99
18398	5/10/18	KMART STORE #7653	1000-20	74.80
18399	5/10/18	THE LITTLE GREEN HOUSE FLORIST	1000-20	83.17
18400	5/10/18	M & M MECHANICAL SERVICES, INC.	1000-20	81.89
18401	5/10/18	MCDONALD ELECTRIC, INC.	1000-20	1,539.56
18402	5/10/18	ONE STOP LANDSCAPE SUPPLY, INC	1000-20	936.10
18403	5/10/18	CONSTANCE M. ALVARADO	1000-20	55.00
18404	5/10/18	QUILL	1000-20	315.99
18405	5/10/18	SOUTH COAST AQMD	1000-20	257.22
18406	5/10/18	SPECTRUM BUSINESS	1000-20	269.94
18407	5/10/18	SWRCB-WWOC	1000-20	305.00
18408	5/10/18	TOTAL AIR ANALYSIS, INC	1000-20	3,500.00
18409	5/10/18	NANCY R. BOHL, INC.	1000-20	360.00
18410	5/10/18	TWIN BEAR EQUIPMENT RENTAL, INC	1000-20	157.57
18411	5/10/18	USA BLUEBOOK	1000-20	418.25
18412	5/10/18	VALLEY POWER SYSTEMS, INC	1000-20	6,501.94
18413	5/10/18	WINZER CORP	1000-20	341.62
18414	5/10/18	WATER SYSTEMS CONSULTING, INC.	1000-20	11,664.50
18415	5/10/18	WALL STREET JOURNAL	1000-20	465.35
18416	5/10/18	DAVID A. CARETTO	1000-20	150.00
18417	5/10/18	JOHN GREEN	1000-20	300.00
18418	5/10/18	RICHARD T. HERRICK	1000-20	300.00
18419	5/10/18	KARYN K. OXANDABOURE	1000-20	300.00
18420	5/10/18	BEAR VALLEY PAVING, INC.	1000-20	112,209.5
CASH 1872	5/15/18	COMPASS BANK	1000-20	288,041.8
CASH 1873	5/21/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72

Big Bear Area Regional Wastewater Agency
Check Register
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Filter Criteria includes: 1) Accounts Payable only. Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
CASH 1874	5/21/18	CALPERS RETIREMENT	1000-20	1,669.48
CASH 1875	5/21/18	CA PERS 457 PROGRAM	1000-20	2,441.80
CASH 1876	5/21/18	CALPERS RETIREMENT	1000-20	6,632.55
CASH 1877	5/21/18	EMPLOYMENT DEVELOPMENT DEPAR	1000-20	1,572.50
CASH 1878	5/22/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1879	5/22/18	INTERNAL REVENUE SERVICE	1000-20	5,215.64
18421	5/24/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	2,159.08
18422	5/24/18	AMAZON CAPITAL SERVICES	1000-20	1,101.02
18423	5/24/18	ANTHEM LIFE INSURANCE COMPANY	1000-20	2,944.00
18424	5/24/18	ARROWHEAD	1000-20	184.55
18425	5/24/18	RICK M. BOWERS	1000-20	193.95
18426	5/24/18	BEST BEST & KRIEGER	1000-20	2,039.47
18427	5/24/18	BLUETARP FINANCIAL	1000-20	435.22
18428	5/24/18	BUSINESS CARD	1000-20	1,173.82
18429	5/24/18	BEAR VALLEY PAVING, INC.	1000-20	2,848.00
18430	5/24/18	CALOLYMPIC SAFETY	1000-20	188.02
18431	5/24/18	CONSOLIDATED ELECTRICAL DISTRIB	1000-20	344.80
18432	5/24/18	CLINICAL LAB OF SAN BERNARDINO	1000-20	930.00
18433	5/24/18	COLLICUTT ENERGY	1000-20	100,385.2
18434	5/24/18	NIKKI CRUMPLER	1000-20	101.31
18435	5/24/18	COUNTY OF SAN BERNARDINO SOLID	1000-20	182.98
18436	5/24/18	EVANTEC CORPORATION	1000-20	630.80
18437	5/24/18	JUDITH C. HENRI-FARRY	1000-20	1,400.00
18438	5/24/18	FEDEX	1000-20	9.64
18439	5/24/18	GRAINGER	1000-20	731.63
18440	5/24/18	HAZ MAT TRANS, INC.	1000-20	1,269.00
18441	5/24/18	HDR ENGINEERING, INC.	1000-20	1,912.50
18442	5/24/18	VVIPA MEDICAL GROUP INC.	1000-20	1,050.00
18443	5/24/18	HOUSTON & HARRIS PCS, INC	1000-20	2,541.25
18444	5/24/18	JIM MYERS & SONS, INC.	1000-20	48,456.00
18445	5/24/18	JORGENSEN COMPANY	1000-20	50.00
18446	5/24/18	JUST ENERGY SOLUTIONS INC.	1000-20	15,373.25

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From May 1, 2018 to May 31, 2018

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Check #	Date	Payee	Cash Account	Amount
18447	5/24/18	KING'S FIRE PROTECTION, INC.	1000-20	1,496.25
18448	5/24/18	KMART STORE #7653	1000-20	21.53
18449	5/24/18	M & M MECHANICAL SERVICES, INC.	1000-20	247.50
18450	5/24/18	RANDY J. SPITZ	1000-20	174.70
18451	5/24/18	PETTY CASH	1000-20	504.15
18452	5/24/18	POLYDYNE INC	1000-20	3,172.16
18453	5/24/18	QUILL	1000-20	94.73
18454	5/24/18	SOUTHERN CALIFORNIA EDISON	1000-20	61.03
18455	5/24/18	SERVICEMASTER 360 PREMIER CLEAN	1000-20	630.62
18456	5/24/18	SPECTRUM BUSINESS	1000-20	1,014.70
18457	5/24/18	SOUTHWEST GAS CORP	1000-20	7,040.79
18458	5/24/18	SOUTHWEST GAS	1000-20	403.16
18459	5/24/18	VERIZON WIRELESS	1000-20	339.40
18460	5/24/18	WATER SYSTEMS CONSULTING, INC.	1000-20	8,119.50
18461	5/24/18	DAVID A. CARETTO	1000-20	150.00
18462	5/24/18	JOHN GREEN	1000-20	150.00
18463	5/24/18	RICHARD T. HERRICK	1000-20	150.00
18464	5/24/18	KARYN K. OXANDABOURE	1000-20	150.00
Total				<u>773,639.1</u>



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 5.C

MEETING DATE: June 27, 2018

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

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

PREPARED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Board Member Reimbursement

BACKGROUND:

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

FINANCIAL IMPACT:

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

RECOMMENDATION:

Approve

Moved: _____ Second: _____ Aye: _____ Nay: _____ Abstain/Absent: _____

Approved Date: _____ Witness: _____

Secretary of the Governing Board

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Rick Herick

Date Submitted: May 23, 2018

Month Covered: May

BBARWA Regular Meeting Attended: Date: 5-23-18 Compensation \$ 150.00

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

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

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

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

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: \$

Date: \$

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

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Karen Oxandaboue

Date Submitted: May 23, 2018

Month Covered: May

BBARWA Regular Meeting Attended: _____ Date: 5-23-18 Compensation \$ 150⁰⁰

PURPOSE

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

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

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

PURPOSE

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

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

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

PURPOSE

Other Governing Board Approved Meetings:

_____ Date: _____ \$ _____

_____ Date: _____ \$ _____

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

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: _____ Date: _____ \$ _____

Lodging: _____ Date: _____ \$ _____

Registration: _____ Date: _____ \$ _____

Tuition: _____ Date: _____ \$ _____

Meals: _____ Date: _____ \$ _____

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

TOTAL OTHER EXPENSE REIMBURSEMENT: \$ _____

Uncompensated Meetings Attended:

PURPOSE

_____ Date: _____

_____ Date: _____

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

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: David Cavetto

Date Submitted: May 23, 2018

Month Covered: May

BBARWA Regular Meeting Attended: Date: 5/23/18 Compensation \$ 150.00

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

TOTAL ENTITLED MONTHLY STIPEND (limited to 6 days per calendar month) \$ 150.00

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

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

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: _____

Date: _____

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

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: John Green

Date Submitted: May 23, 2018

Month Covered: May

BBARWA Regular Meeting Attended: Date: 5/23/18 Compensation \$ 150

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

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

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

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

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: _____

Date: _____

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

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



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

AGENDA ITEM: 5.D

MEETING DATE: June 27, 2018

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

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

PREPARED BY: Jennifer McCullar, Finance Manager

SUBJECT: Investment Report *JM*

BACKGROUND:

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

FINANCIAL IMPACT:

No financial impact.

RECOMMENDATION:

Approve

BBARWA
 Monthly Investment Report
 May 2018

<u>INVESTMENT TYPE</u>	<u>INSTITUTION</u>	<u>COST</u>	<u>FAIR MARKET VALUE (1)</u>	<u>YEAR TO DATE INTEREST(2)</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
<u>FUNDS INVESTED BY AGENCY:</u>						
LOCAL AGENCY INVESTMENT FUND	STATE OF CALIFORNIA	\$ 6,528,740	\$ 6,512,666	28,853	1.76%	DAILY
TOTAL		\$ 6,528,740	\$ 6,512,666	28,853		

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in August 2017. The Agency will be able to meet its expenditure requirements for the next six months.

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

(2) Interest paid quarterly on LAIF investment. Amount reflects interest income received at the reporting date for FY 2018 and excludes accrued interest.

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 June 08, 2018

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

[PMIA Average Monthly Yields](#)

Account Number:

[Tran Type Definitions](#)

May 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/8/2018	5/7/2018	RD	1570219	JENNIFER MCCULLAR	2,200,000.00
5/25/2018	5/24/2018	RW	1571459	JENNIFER MCCULLAR	-500,000.00

Account Summary.

Total Deposit:	2,200,000.00	Beginning Balance:	4,828,739.78
Total Withdrawal:	-500,000.00	Ending Balance:	6,528,739.78



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 5.E

MEETING DATE: June 27, 2018

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

FROM: David Lawrence, P.E. General Manager

PREPARED BY: Jan Guy, Plant Manager and Jennifer McCullar, Finance Manager *JG*

REVIEWED BY: Kim Booth, Administrative Assistant *KB*

SUBJECT: Operations and Connections Report

OPERATIONS:

2018 Treatment Plant Data

	February	March	April	May
Total Influent Flow (MG)	47.38	58.00	44.04	45.55
Average Daily Infuent Flow (MGD)	1.69	1.87	1.47	1.47
City of Big Bear Lake	51.1%	55.5%	48.6%	46.8%
Big Bear City CSD	45.7%	41.2%	47.5%	48.9%
County of San Bernardino	3.3%	3.3%	3.8%	4.3%
Average Influent BOD (mg/L)	249	270	248	308
Average Effluent BOD (mg/L)	14	6	7	8
BOD Removal Efficiency (%)	94.4%	97.8%	97.2%	97.4%
Precipitation (inch)	0.00	0.76	0.00	0.11

Moved: _____ Second: _____ Aye: _____ Nay: _____ Abstain/Absent: _____

Approved Date: _____ Witness: _____

Secretary of the Governing Board

The plant influent flow increased slightly due to area visitors enjoying the Memorial Day Holiday and various May Events. There was a small rain event on May 2 with a total accumulation of 0.11 inches. The treatment plant continued to operate at a high efficiency rate.

During the month of May, Oxidation Ditch #3 was removed from service to perform general preventive maintenance and will remain offline during the summer low flow periods; the ditch will be placed in service and utilized during peak flow periods.

CONNECTIONS:

MONTH	FYE 6/30/2018							CITY-BBL	CSD	CSA-53B
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018			
July	2	0	4	4	8	3	4	2	2	0
August	3	1	4	6	5	12	6	2	4	0
September	5	5	4	5	6	4	6	2	3	1
October	3	4	6	14	10	9	8	4	4	0
November	1	3	13	8	6	5	11	3	7	1
December	0	0	0	23	8	4	2	1	1	0
January	0	0	2	3	1	0	0	0	0	0
February	0	0	2	1	0	1	0	0	0	0
March	0	4	2	2	3	2	0	0	0	0
April	1	2	5	1	10	3	0	0	0	0
May	2	1	2	5	10	4	0	0	0	0
June	5	10	1	12	2	16	0	0	0	0
TOTAL	22	30	45	84	69	63	37	14	21	2
Nonrecurring (Multi Units)	<u>0</u>	<u>0</u>	<u>8</u>	<u>41</u>	<u>16</u>	<u>15</u>				
Adjusted Total	22	30	37	43	53	43				

FINANCIAL IMPACT: No financial impact.



Big Bear Area Regional
Wastewater Agency
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AGENDA ITEM: 5.F

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Kim Booth, Administrative Assistant *KB*

SUBJECT: Resolution No. R. 05-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)

BACKGROUND:

Public agencies are required to adopt implementing procedures for administering their Responsibilities under the California Environmental Quality Act (CEQA) annually. Changes in the law has been incorporated into the Big Bear Area Regional Wastewater Agency, 2018 CEQA Guidelines to make them consistent with current provisions and the courts interpretations of CEQA. A complete copy of the Local Guidelines for Implementing the California Environmental Quality Act (2018 Revision), is on file at the office of the Agency Clerk.

FINANCIAL IMPACT:

No Financial Impact

RECOMMENDATION:

Approve as presented

Attachment:

Resolution No. R. 05-2018

RESOLUTION NO. R. 05 - 2018

A RESOLUTION OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY AMENDING AND ADOPTING LOCAL GUIDELINES FOR IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)

WHEREAS, the California Legislature has amended the California Environmental Quality Act (“CEQA”) (Pub. Resources Code §§ 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA; and

WHEREAS, Section 21082 of CEQA requires all public agencies to adopt objectives, criteria and procedures for the evaluation of public and private projects undertaken or approved by such public agencies, and the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the Big Bear Area Regional Wastewater Agency must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, the Big Bear Area Regional Wastewater Agency (“Agency”) hereby resolves as follows:

SECTION 1. The Agency hereby adopts the “Local Guidelines for Implementing the California Environmental Quality Act (2018 Revision),” a copy of which is on file at the offices of the Agency and is available for inspection by the public.

SECTION 2. All prior actions of the Agency enacting earlier guidelines are hereby repealed.

ADOPTED this 27th day of June, 2018.

John Green, Chairman
Big Bear Area Regional Wastewater Agency

ATTEST:

Liz Harris, Ed.D., Secretary
Big Bear Area Regional Wastewater Agency

APPROVED AS TO FORM:

General Counsel
Big Bear Area Regional Wastewater Agency



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

AGENDA ITEM: 5.F

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Kim Booth, Administrative Assistant *KB*

SUBJECT: Resolution No. R. 05-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)

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FINANCIAL IMPACT:

No Financial Impact

RECOMMENDATION:

Approve as presented

Attachment:

Resolution No. R. 05-2018

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WHEREAS, Section 21082 of CEQA requires all public agencies to adopt objectives, criteria and procedures for the evaluation of public and private projects undertaken or approved by such public agencies, and the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the Big Bear Area Regional Wastewater Agency must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, the Big Bear Area Regional Wastewater Agency (“Agency”) hereby resolves as follows:

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SECTION 2. All prior actions of the Agency enacting earlier guidelines are hereby repealed.

ADOPTED this 27th day of June, 2018.

John Green, Chairman
Big Bear Area Regional Wastewater Agency

ATTEST:

Liz Harris, Ed.D., Secretary
Big Bear Area Regional Wastewater Agency

APPROVED AS TO FORM:

General Counsel
Big Bear Area Regional Wastewater Agency



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 10.A

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

REVIEWED BY: Jennifer McCullar, Finance Manager

SUBJECT: On-Call Engineering Services

DISCUSSION:

Over the past year there has been the need for on-call engineering services. As a result, the Agency advertised for a Request for Qualifications from qualified engineering companies to provide the engineering support services on an as-needed basis. The proposals were evaluated based on staff, responsiveness and cost for services. Two proposals were received, one from Engineering Resources and the other from Water Systems Consulting Inc. (WSC). Based on the proposals and recent experience, the recommendation is to issue an on-call services contract with WSC. WSC has demonstrated its ability to provide support services in the past and has a wide range of experience with wastewater facilities, environmental work, and process engineering.

FINANCIAL IMPACT:

No financial impact. The Agency budgets \$15,000 annually for engineering services.

RECOMMENDATION:

Authorize the General Manager to negotiate and execute a contract with WSC for on-call engineering services in the amount of \$10,000.



Big Bear Area Regional
Wastewater Agency

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AGENDA ITEM: 10.B

MEETING DATE: June 27, 2018

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

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

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Appropriate \$1,000,000 (net \$250,000) for Preliminary Engineering and Environmental Work on the Bear Valley Water Sustainability Project

BACKGROUND:

Over the past year the Bear Valley Water Sustainability Project (the Project) has had many advances and is being recognized for its true value to the Valley. We have presented the project concept to many organizations and agencies. The interest level is peaking and the opportunities for funding are becoming very real. To ensure that this project continues to move forward, the collaborating agencies are initiating the first major phase of this project which is the completion of the preliminary engineering and environmental work. A project that has environmental clearance and a flushed-out treatment process has an increased opportunity for grant funding.

Environmental and Preliminary Engineering

The Agency sent out a request for qualifications (RFQ) for on-call engineering services and based on the results of the RFQ combined with the current experience of Water Systems Consulting, Inc. (WSC) on this Project, the Agency will continue utilizing WSC. WSC has provided the Agency with a proposal in the amount of \$1.7 million which includes preliminary engineering along with other necessary services for this type of project such as funding procurement, outreach support, stakeholder coordination, and regulatory analysis and coordination. The environmental work will be completed by Tom Dodson & Associates, which had provided services to the Agency in 2004 during the Agency's prior reclamation efforts. With this type of project, the environmental work and preliminary engineering are expected to take approximately two years to complete. With the current WSC proposal, the Agency has a framework for the required services for this project; however, the full scope of work remains somewhat uncertain due to the infancy stage of the project. For simplicity and budgeting purposes, the Agency (along with its cost-sharing partners) will begin funding the environmental work and a portion (approximately 50%) of the services provided in the WSC proposal. It is anticipated that if the Project continues to evolve to the Board's satisfaction, additional funding will be requested.

Project Structure and Cost Sharing

The Project was initiated in a collaborative effort among BBARWA, the Big Bear Lake Department of Water and Power, the Big Bear City Community Services District and the Big Bear Municipal Water District, (together, the GSA Member Agencies). The collaboration began with the initial study in 2016 and continued with the current Lake Alternative Project. During the project evaluation process, the GSA (Groundwater Sustainability Agency) was formed and has become a possible vehicle for more attractive Project funding through a broader base of potential grant funding opportunities than may be possible for BBARWA. As a result, the GSA may apply for and be a recipient of grant funding for the Project, and therefore all expenses related to the Project will run through the GSA to increase the likelihood of expense reimbursement through grant proceeds. The Project is currently structured as a BBARWA project with BBARWA as the primary contractor for all Project-related services. BBARWA will seek reimbursement from the GSA for the GSA Member Agencies' proportionate share of costs associated with this initial funding. On May 30th, 2018, the GSA Board approved entering into agreements with each respective agency for cost-sharing and reimbursement purposes. The cost-sharing agreement between and among the GSA Member Agencies will be completed prior to BBARWA entering into agreements to proceed with WSC and Tom Dodson & Associates.

Now that the Project has started to take shape, the GSA Member Agencies have begun discussing the opportunities that this project will produce regarding water availability in the Valley. To that end, some of the GSA Member Agencies have expressed an interest in establishing some project expectations in consideration of their financial commitment. At this point, without a well-defined project, consideration is undeterminable. The cost-sharing and reimbursement agreement is expected to contain an express intent that the GSA Member Agencies will benefit from the Project and an understanding that each may decline to participate in the future funding (beyond the current cost-sharing) of the Project.

FINANCIAL IMPACT:

The net impact after cost sharing is \$250,000 for the initial funding phase or 25% of the \$1,000,000 budget. There are adequate funds available for this appropriation; however, future capital projects as currently scheduled in the capital improvement plan may need to be deferred until adequate funding is available or grant reimbursement proceeds are received. It is possible that the Agency may be reimbursed through grant proceeds for all or a portion of this expense.

RECOMMENDATION:

1. Appropriate \$1,000,000 for preliminary engineering and environmental work: \$870,000 for WSC initial funding of Phase 1 work and \$130,000 for Tom Dodson & Associates. Costs will be shared among GSA Member Agencies, resulting in a net cost to BBARWA of \$250,000.
2. Authorize the General Manager to enter into an agreement with and among the GSA Member Agencies that provides for the cost-sharing and reimbursement associated with the above appropriation.



Big Bear Area Regional
Wastewater Agency

John Green - Chairman
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Karyn Oxandaboure - Director

AGENDA ITEM: 10.C

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Jan Guy, Plant Manager *JMG*

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Appropriate \$16,100 for Redundant Return Activated Sludge (RAS) Pump Purchase

BACKGROUND:

There are four RAS Pumps providing sludge removal for the three secondary clarifiers. The two small clarifiers have a dedicated RAS Pump and the large secondary clarifier requires two RAS Pumps. There are three RAS Pumps (RAS Pumps #2, #3, and #4) requiring a maintenance rebuild service. The rebuild service requires the pump to be removed and shipped to the repair shop. A pump rebuild service typically requires 3-4 weeks. When the staff previously undertook a RAS rebuild service, they removed a clarifier from service during low-flow periods and hoped there would be no storm events, steady flow, no RAS equipment failure, and no delay in the return of the RAS Pump.

DISCUSSION:

The purchase of a redundant RAS Pump would allow continuous process when providing maintenance activities and backup equipment during a failure. The RAS Pump purchase price is \$16,055.68; pump cost \$13,871, sales tax \$2,184.68, and shipping is included in the pump cost.

FINANCIAL IMPACT:

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

RECOMMENDATION:

Appropriate the funds for the purchase of a redundant RAS Pump.

ATTACHMENT:

Flo-Systems, Inc Quote #M05334



Established 1976

140 S. Chaparral Ct., Ste. 140, Anaheim Hills, CA 92808 | Phone: (714) 202-8101 | Fax: (714) 627-4936
Website: flo-systems.net

May 11, 2018

Justin Ploense
Big Bear Area Regional Wastewater Agency
jploense@bbarwa.org
909-584-4018

Hidrostal E5K-H-E2S SN 04DW04865-01 Replacement

Dear Mr. Ploense,

Flo-Systems, Inc is pleased to present a copy of the proposal requested. Please let me know if there are any discrepancies, or if you have any questions.

We look forward to working with you on this project.

Regards,

Alex Dagondon

FLO-SYSTEMS INC | (714) 202-8101 | (714) 627-4936 | alex@flo-systems.net

Enclosure:
Proposal M05334
Terms of Sale



Established 1976

QUOTE

#

M05334

Date 5/11/2018

140 S. Chaparral Ct., Ste. 140, Anaheim Hills, CA 92808 | Phone: (714) 202-8101 | Fax: (714) 627-4936
 Website: flo-systems.net

Justin Ploense
 Big Bear Area Regional Wastewater Agency
 jploense@bbarwa.org
 909-584-4018

Customer No.	Salesperson ID	Shipping Method		Payment Terms
BBA030	NK	FOB FACTORY	PREPAID & ALLOWED	N30

Qty	Part Number	Description	Unit Price	Ext Price
1	HID E5K	END USER: BBARWA SN: 04DW04865-01 HIDROSTAL E5K Hidrostal Replacement pump Model E5K-H-E2S w/ cast iron impeller, high chrome suction liner, graphite packing, cast iron gland, and hardened shaft sleeve. NOT INCLUDING MOTOR, BASE, COUPLING, GUARD OR PERFORMANCE TEST. Freight included with price.	13,871.000	13,871.000

QUOTED BY ALEX DAGONDON QUOTE VALID FOR 30 DAYS ESTIMATED DELIVERY TIME 10-12 WEEKS 1. Equipment quoted is subject to Flo-Systems standard Terms & Conditions attached, unless agreed to otherwise. 2. Accessories, testing, services or anything not specifically mentioned in this quotation are not included. 3. Applicable sales tax will be added to order, or valid resale card for non-taxable. 4. Price reflects a 3.5% cash/check discount off the credit card price.	Subtotal Freight Sales Tax Total	13,871.00 0.00 2,184.68 16,055.68
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Established 1976

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Website: flo-systems.net

TERMS OF SALE

1. ACCEPTANCE. These terms govern the purchase and sale of equipment, contractors services, etc, referred to in SELLER'S proposal or acknowledgement. Acceptance by SELLER, such offer or acceptance is conditioned on BUYER'S assent to these terms. SELLER rejects all additional or different terms in any of BUYER'S forms or documents unless specifically accepted by SELLER in writing. Where our Principal (manufacturer) reserves the right to accept the purchase order and invoice BUYER directly, our principals' terms and conditions shall apply if same is included with the proposal.

2. PAYMENT. Terms are Net 30 days from date of shipment and invoice, subject to approval of credit. SELLER may ship on a "when ready" basis and partial invoice for the equipment that has shipped. Partial invoices are bound by the same terms as those invoices submitted upon complete shipment of equipment. Interest at one percent per month or at the legal maximum rate will be assessed for late payment.

3. RETENTIONS not previously approved in writing by SELLER are not permitted.

4. BACK CHARGES accepted only upon written approval by SELLER.

5. DELIVERY. SELLER shall not be liable for delays in delivery due to fire, flood, labor issues, war, civil disorders, delay in transportation, inability to obtain materials, accidents, acts of God or other causes beyond SELLER'S reasonable control. If shipment is delayed due to BUYER or by government action, payment becomes due when the factory is ready to make shipment and storage charges, if any, become the BUYERS responsibility.

6. RESPONSIBILITY. SELLER shall not be responsible for damage to equipment if misused, improperly stored, installed or maintained. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL, LIQUIDATED OR OTHER INDIRECT DAMAGES. CONSEQUENTIAL DAMAGES FOR THE PURPOSE OF THIS AGREEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF USE, INCOME, PROFIT, LOSS OF OR DAMAGE TO PROPERTY, ETC. These limitations apply whether the liability is based upon contract, tort, strict liability or any other theory.

7. WARRANTY. For benefit of the original user, SELLER warrants all new equipment sold to be free from defects in material and workmanship, and will replace or repair, F.O.B. at its factories or other location designated by it, any part or parts returned to it which SELLERS examination shall show to have failed under normal use and service by the original user within one year following initial shipment to the BUYER. This warranty does not cover damage by decomposition from chemical action or wear caused by abrasive materials nor does it cover damage resulting from misuse, alteration, accident or neglect, or from improper operation, maintenance, installation, modification or adjustment. Such repair or replacement shall be free for all items except for those items that are consumable and normally replaced during maintenance. THIS WARRANTY IS EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED. Warranty does not cover removal and installation of equipment.

8. TAXES. Prices are exclusive of all taxes, federal, state local of any kind or nature.

9. TRANSPORTATION. Unless otherwise set forth herein, prices are F.O.B. our factories. The consignee must report all claims for damages in transit to the carrier.

10. COMPLIANCE WITH LAWS. BUYER shall be solely responsible for securing any necessary permits and for compliance with all safety, health, sanitation and any other laws, ordinances and regulations in connection with the design, installation and operation of the equipment.

11. INDEMNIFICATION. It is understood that SELLER has relied upon data furnished by and on behalf of BUYER with respect to the safety aspects and application of the equipment and that it is BUYER'S responsibility to assure that the equipment will, when installed and put in use, be in compliance with requirements fixed by law and otherwise legally adequate to safeguard against injuries or damage to persons or property. BUYER hereby agrees to defend, indemnify and hold harmless SELLER, its agents and employees against any and all losses, costs, damages, claims, liabilities or expenses, arising out of or resulting from any injury or damage to any person or property caused by the inadequacy of safety features, devices or characteristics in the equipment or in the installation, use or operation of the same, except claims for repair or replacement of defective parts are provided in Paragraph 7 hereof. SELLER will indemnify, defend and hold BUYER harmless from any claim, cause of action or liability incurred by BUYER as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by SELLER'S sole negligence. SELLER shall have the sole authority to direct the defense of and settle any indemnified claim. SELLER'S indemnification is conditioned on BUYER (a) promptly notifying SELLER of any claim, and (b) providing reasonable cooperation in the defense of any claim. SELLER'S liability is limited to the coverage offered and paid by the SELLERS insurance policies.

12. TITLE & LIEN RIGHTS. After delivery to Buyer, Seller will have all such rights, including security interests and liens, in the equipment as lawfully may be conferred upon Seller by contract under any applicable provision of law.

13. MISCELLANEOUS. Goods may not be returned without previous written permission and are subject to a restocking charge. The SELLER may cancel agreement only upon written notice and payment of reasonable cancellation charges, including anticipated profit. Attorney's fees and court costs necessary to enforce these terms of sale will be paid to the prevailing party. No part of the Agreement may be changed or cancelled except by a written document signed by SELLER and BUYER. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable and all other terms shall remain in full force and effect. BUYER may not assign or permit any other transfer of the Agreement without SELLER'S prior written consent. The Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provision

Submitted by: Neil Kulkarni
Date: May 11, 2018

Accepted _____ by _____ Contractor: _____
Print Name: _____
Date: _____

Accepted _____ by _____ Flo-Systems, Inc.: _____
Print Name: _____
Date: _____



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 10.D

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: David Lawrence, Plant Manager

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Appropriate \$21,758 for Groundwater Sustainability Agency Expenses

BACKGROUND:

In August 2017, the Board approved the Agency joining the Groundwater Sustainability Agency (GSA) and at the time an estimate was given for the legal costs to develop the joint powers authority (JPA) agreement of \$5,000. Since that time, the formation of the JPA has been completed, bylaws have been developed and board meetings have taken place.

DISCUSSION:

The formation of the GSA required more work and expense than expected due to the addition of bylaws. The bylaws had to be developed to provide direction for staff and the board to ensure all legal requirements are being met. The total cost for BBARWA's share of the upfront legal fees for both the JPA and the bylaws was \$11,078.12.

Other expenses have been incurred as a result of a Prop 1B grant application to provide funding for a groundwater sustainability plan (GSP). BBARWA's proportionate share, as determined by the GSA, is 5% for the GSP, and thus \$679.11 for the Prop 1B grant application. It should be noted that the GSA was successful in receiving grant funding for the GSP in the amount of \$177,000. BBARWA is expected to continue to work with the GSA on this plan development.

General expenses of GSAs are commonly shared by the member agencies. A FY 2019 budget is expected to be developed and approved by the GSA Board which will outline the expected expenditures during the period and which will likely include administrative expenses associated with the development of grant opportunities. General expenses of the GSA will be shared equally among the member agencies, or 25% each. Based on recent discussions, \$10,000 from each member agency

Moved: _____ Second: _____ Aye: _____ Nay: _____ Abstain/Absent: _____

Approved Date: _____ Witness: _____

Secretary of the Governing Board

is expected. In order to streamline our process, we are proposing an appropriation of \$10,000 at this time for GSA expenses that will be allocated to the GSA on a project-by-project basis by the General Manager. It is BBARWA's intent to support only those projects which serve the interests of BBARWA's customer base and fulfill the purpose of its mission.

FINANCIAL IMPACT:

The Agency has adequate funds available to make the appropriation.

RECOMMENDATION:

- 1) Appropriate \$11,758 for legal costs associated with the formation of the GSA.
- 2) Appropriate \$10,000 for GSA general expenses for FY 2019.



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

AGENDA ITEM: 10.E

MEETING DATE: June 27, 2018

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

FROM: Sonja Kawa, HR Coordinator/Accounting Technician *SK*

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

SUBJECT: General Manager Employment Agreement Amendment

BACKGROUND:

The Governing Board had an opportunity to review Mr. Lawrence's performance and is pleased with his overall performance since his appointment as General Manager on April 25, 2017. The Governing Board provided Mr. Lawrence with some goals and objectives for the coming year. They further provided direction regarding acceptable amendments to the General Manager's employment agreement.

DISCUSSION:

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

Salary

- The General Manager's base salary will be \$14,069.61 per month. This reflects a 3.4% merit increase and a 3.6% Cost of Living Adjustment and will be effective on Mr. Lawrence's anniversary date of April 25, 2018.

Benefits

- Employee shall accrue vacation leave on a pro rata basis of 160 hours per year with no maximum limit.
- Employee shall accrue administrative leave of 60 hours per year with no maximum limit.

Severance

- In the event the General Manager is terminated without cause, he shall be entitled a severance payment equal to the value of 12 months' base salary and the continuation of his health benefits for 12 months.

Certification

- Mr. Lawrence will not be required to obtain California State Water Resources Control Board Wastewater Treatment Plant Operator certification as a provision of employment.

FINANCIAL IMPACT:

The salary amendment is below what the Agency budgeted for FY 2019 (7% recommended compared to 8.6% budgeted), resulting in a small, but positive impact to the budget. The provision of an unlimited accrual of vacation and administrative leave could result in a potentially higher liability to be paid at separation than if an accrual limit were in place.

RECOMMENDATION:

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




Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 10.F

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Jennifer McCullar, Finance Manager 

SUBJECT: Resolution 06-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Approving a Commitment Letter from Compass Bank to Issue Tax-Exempt Obligations to Finance Certain Public Improvements

BACKGROUND:

Pursuant to the Agency's FY 2019 Budget approved in May 2018, the Agency planned to borrow up to \$2.4 million for 1) the purchase and installation of a new belt press and related conveyor system and 2) the engineering and installation of two, new gravity pipelines identified in the Agency's Master Plan.

DISCUSSION:

The Agency approached three lenders for rates and terms on a 15-year loan. Two of the three lenders were competitive, with very comparable terms. The Agency chose to go with its existing lender, Compass Bank, due to previously negotiated documentation associated with the Agency's existing 2011 Loan. This lowers the transaction costs and simplifies the process to close. The interest rate is 3.7% per the attached Commitment Letter.

Upon Board approval of the attached Resolution and Commitment Letter, the Agency will proceed with documentation by negotiating acceptable terms and finalizing the loan agreement. The Agency's counsel (BB&K) will draft the loan documentation, consistent with the 2011 borrowing. We expect to return to the Board in August for final approval and borrow by September 15, 2018.

FINANCIAL IMPACT:

Overall, we expect slightly higher costs than budgeted for of approximately \$1,700 per year (\$25,562 over the life of the loan) due to a difference in the assumed interest rate and transaction costs. The budget is expected to absorb the variance.

RECOMMENDATION:

Approve the resolution and authorize the General Manager to execute the attached Commitment Letter with Compass Bank.

ATTACHMENTS:

1. Resolution 06-2018
2. Commitment Letter

RESOLUTION NO. 06-2018

**RESOLUTION OF THE GOVERNING BOARD OF THE
BIG BEAR AREA REGIONAL WASTEWATER AGENCY
APPROVING A COMMITMENT LETTER FROM
COMPASS BANK TO ISSUE TAX-EXEMPT
OBLIGATIONS TO FINANCE CERTAIN PUBLIC
IMPROVEMENTS**

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

WHEREAS, BBARWA received a Commitment Letter (the “Letter”) from Compass Bank (the “Bank”) dated June 15, 2018 which sets forth certain terms and conditions pursuant to which the Bank will enter into an agreement with BBARWA to cause the execution, delivery and sale of tax-exempt obligations for the purpose of providing financing for the Projects in a principal amount of approximately \$2,400,000 (the “Obligations”); and

WHEREAS, the Governing Board desires to enter into the Letter and to proceed to finance the Obligations; and

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

SECTION 1. The Recitals stated above are true and correct.

SECTION 2. The Governing Board hereby approves the form of the Letter presented to such Governing Board and authorizes the General Manager or the Finance Manager to take any and all actions as may be required to execute and deliver the Letter.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

SECTION 4. The Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, ADOPTED, AND APPROVED this 27th day of June, 2018.

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

ATTEST:

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

6/15/2018

Big Bear Area Regional Wastewater Agency
Big Bear City CA 92314

Dear Jennifer McCullar

Compass Bank, an Alabama banking corporation (the "Bank" or "Lender"), has reviewed the information provided by the **Big Bear Area Regional Wastewater Agency** ("Borrower") in connection with the proposed **Tax Exempt Bank Qualified Agreement**. Based on the review to date and subject to the timely receipt of a signed copy of this letter as indicated below, and satisfying the conditions outlined herein, the Bank is pleased to commit to provide up to a **\$2,400,000** bank qualified, tax-exempt financing (the "Financing" or "Obligation") as outlined in this correspondence (this "Commitment Letter").

Except as required by law, for approval by the Borrower's governing board or to individuals who are officers, employees or advisors of the Borrower, neither this Commitment Letter nor its contents may be disclosed by the Borrower.

The Borrower hereby represents and covenants (and it is a condition to the Bank's commitment hereunder) that all financial information and projections, and all other information and general economic or specific industry information (the "Information") that has been or will be made available to the Bank by Borrower and its representatives is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made. The Borrower agrees that if at any time prior to the closing of the Financing any of the representations in the preceding sentences would be incorrect if the Information were being furnished, and such representations were being made, at such time, then the Borrower will promptly supplement the Information, as the case may be, so that such representations will be correct at such time. The Borrower understands and acknowledges that in arranging the Financing the Bank may use and rely on the Information without independent verification thereof. Notwithstanding anything herein to the contrary, the Bank's obligation to provide the Financing shall be subject to the condition that from the date hereof to the date of closing the Financing, there shall not have occurred any: (i) material adverse change in the financial condition, operations or general affairs of the Borrower; (ii) event, court decision, proposed law or rule which may have the effect of changing the status of the Financing or the interest thereon or the transaction contemplated herein; or (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in our opinion, the Bank's ability to close the Financing transaction.

By signing below, the Borrower acknowledges and agrees to the terms and conditions of this Commitment Letter and agrees to pay upon demand to the Bank all fees and expenses (including but not limited to all costs and fees of external legal counsel) in connection with this Commitment Letter and the negotiation, documentation and closing thereof of this Financing.

To accept this Commitment Letter, please execute it in the space provided below and return it to us by no later than 4:00pm, Pacific Time, on **June 30, 2018**. If this Commitment Letter is not accepted in the manner aforesaid, it shall expire and be of no further force and effect as of that date and time. If this Commitment Letter is accepted in the manner aforesaid, the closing and funding of the Financing must occur on or before **September 15, 2018**. These deadlines may be extended upon Bank's written approval.

We appreciate the opportunity to provide you this Commitment Letter and look forward to working with you to expeditiously close this transaction. Please do not hesitate to contact us if you have any questions or if we may be of further assistance to you at this time.

Sincerely,



Jean C. Austin, SVP Relationship Manager

ACCEPTED and AGREED TO on _____, 2018:

By: _____

Name: _____

Title: _____

Borrower: *Big Bear Area Regional Wastewater Agency* (the “Borrower”).

Lender: Compass Bank through its Compass Mortgage Corporation (the “Lender” or the “Bank”).

Jean C. Austin
SVP/Relationship Manager
901 Piemonte Suite 120
Ontario CA 91764
(909) 285-3927
Jean.austin@bbva.com

James Manning, Senior Vice President
Government & Institutional Banking
2850 E. Camelback Rd., Ste. 140
Phoenix, AZ 85016
Ph: (602) 778-0795
james.manning@bbva.com

Obligation Type: Tax Exempt Bank Qualified Agreement.

Obligation Amount: Up to \$2,400,000 (the “Obligation” or “Financing”).

Purpose: \$2,400,000 to purchase a Belt Filter Press for the dewatering of solid waste and installation of pipeline.

Maturity: Approximately 15 years from closing.

Repayment: The Obligation will amortize over 15 years as per their original obligation with BBVA Compass, calling for semiannual principal and interest payments due on each 5/15 and 11/15 over the Obligation’s tenor.

Interest Rate: Tax Exempt Fixed Rate of 3.70% fixed for the full tenor of the Obligation.** This rate is indicative and subject to change daily depending on market conditions. Upon formal credit approval and at the Borrower’s option, fixed rate may be locked up to 30 days prior to closing (60 days at 3 bp premium).

** Indexed to 127 bps over 79% of the prevailing 15-year LIBOR swap rate. Based on the current rate of 3.08% for the swap index as of 06/12/2018, the interest rate on funded balances today would be 3.70%.

Upfront Origination Fee: None.

Targeted Closing: September 15, 2018 or as requested by the Borrower.

Prepayment: Obligation is not subject to optional redemption at the proposed rate prior to the 10th anniversary of loan closing, after which time the Borrower may prepay the loan without penalty. However, a par call option to prepay without penalty after the 5th or 7th anniversaries of loan closing is available upon request at a premium to the proposed interest rate. The par call option must be selected prior to rate lock.

Security: Parity 1st-position Net Revenue Pledge on the Borrower’s water system revenues.

- Covenants:**
- Parity Debt Test of 1.20
 - Rate and Coverage Covenant of 1.20 and

**Representations/
Warranties/
Covenants:**

The documents will contain those representations and warranties and covenants customarily found in transactions of this nature, and others appropriate to the transaction, including but not limited to:

- Standard representations including but not limited to: no adverse litigation and District has not defaulted or non-appropriated on past obligations.
- Default rate of 5.00% over the Obligation's proposed rate. Default rate to apply if payment is not made within 10 days of due date in addition to other events of default.
- No material adverse change in financial condition since fiscal year ended 6/30/18.
- Notices of (i) any default on any obligation, (ii) material litigation, (iii) material governmental proceedings and (iv) material adverse effect.
- Designation as bank-qualified.
- Bank will sign a traveling Purchaser's Letter in form acceptable to Bank's counsel. Bank will agree that any future transferee of the Obligation signs a Purchaser's Letter in the substantially the same form that the Bank signed prior to any transfer.
- To the extent permitted by law, the Borrower will indemnify the Bank and its officers against all and any liabilities that might arise related to the Obligation.
- Additional representations and warranties, and other affirmative and negative covenants that Bank considers customary and reasonably appropriate for the Credit Facility.

This Obligation is being purchased by BBVA Compass under the following conditions: (i) not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) the Lender will hold as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Obligation; (iv) no official Statement or similar offering document has been prepared in connection with the private placement of this Obligation; (v) the Obligation will not close through the DTC or any similar repository and will not be in book entry form. Obligation must be able to be classified as a loan or held-to-maturity security in order to be acceptable to the Lender.

**Note, all of the foregoing are subject to Lender's receipt and satisfactory review.*

Financial Reporting:

- Annual audited financial statements due within 210 days of fiscal year end.
- Annual approved operating budget due within 30 days of fiscal year end.
- Annual Certification of Borrower due within 210 days of FYE that District has met the 1.20 rate coverage covenant.
- Borrower shall furnish at Lender's request such additional information that Lender may from time to time reasonably request.

Annual disclosure information may be provided via EMMA.

**Tax Exempt Status /
Yield Adjustment
Event:**

The quoted tax exempt interest rate will be subject to gross-up upon an event of taxability.

Closing Costs:

Borrower will pay all reasonable, out-of-pocket costs and expenses incurred by Lender in connection with due diligence and the preparation of documentation, regardless of whether or not the Obligation is closed, including but not limited to, financial advisory fees if applicable, bond counsel, Lender's counsel and CDIAC fees. Lender's Counsel limited to \$8,500.

Lender's Counsel:

Sam S. Balisy
Partner
Kutak Rock LLP
777 S. Figueroa St Suite 4550
Los Angeles CA 90017
(213) 312-4009
Sam.Balisy@KutakRock.com

Conditions Precedent: Prior to the consummation of the Credit Facility, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and its counsel.

- Formal credit approval from the Bank.
- Opinion addressed to the Bank, from counsel to Borrower reasonably acceptable to the Bank, setting forth such opinions as the Bank may require, including opinions concerning the legal status of Borrower, the due authorization, execution and delivery of the Obligation documents, the enforceability of the private placement documents, no conflict with law, no litigation, and the receipt of all necessary governmental approvals.
- Tax Opinion addressed to the Bank from counsel reasonably acceptable to the Bank that interest payable with respect to the debt service payments is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Service Code and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.
- Properly executed documents in form and substance satisfactory to Bank and/or Bank's counsel evidencing or supporting the Obligation. In terms of service level commitment, Lender's counsel will respond with initial comments within 7 business days of receiving draft legal documents from bond counsel, and within 5 business days of receiving any subsequent iteration of the legal documents.
- Additional conditions precedent that Bank considers customary and reasonably appropriate for the Credit Facility, including further information disclosures.

Ancillary Business: The structure, pricing, and terms contained herein are conditioned upon the establishment of a banking relationship that includes the opportunity to reasonably bid on ancillary financial services in good faith.

Governing Law: This transaction shall be governed by and construed in accordance with the laws of the State of California.

Expiration: This term sheet shall expire by 4:00pm on 09/15/2018 unless previously accepted.

This commitment letter is issued in reliance on the accuracy of all information, representations, schedules, and other data and materials submitted by Borrower, all of which are deemed material. This commitment letter does not contain all of the terms and conditions or other provisions that may be included in the final documents evidencing the Obligation.

*The terms and provisions of this correspondence are **confidential** and may not be disclosed by Borrower to any other person or entity. However, the foregoing restrictions on disclosure shall not apply to disclosure(s): (i) to Borrower's legal counsel or financial advisor for purposes of advising Borrower with respect hereto and provided, however, that such counsel and financial advisor agree to preserve the confidentiality of this correspondence; or (ii) in response to any properly issued subpoena from any court or other governmental authority with jurisdiction over Borrower, provided that Lender has been*

furnished reasonable advance notice of the intended disclosure and the opportunity to prevent or limit the scope of any such disclosure.

Lender is providing the information contained in the document in connection with a proposed arm's-length commercial banking transaction between Borrower and Lender. This information is provided to you pursuant to and in reliance upon the "independent municipal investment advisor exemption" or "request for proposals exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, 17 C.F.R. § 240.15Ba1-1 et seq. (the "Municipal Advisor Rules").

Lender is acting for its own interest and has financial or other interests that differ from yours. Lender is not acting as a municipal advisor or financial advisor, and has no fiduciary duty to you or any other person pursuant to Section 15B of the Securities Exchange Act of 1934 or otherwise. The information provided in this document is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 and the Municipal Advisor Rules.

Lender is not recommending that you take any action with respect to the information contained in this document. Before acting on this information, you should discuss it with your own financial and/or municipal, legal, accounting, tax, and other advisors as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, then you are free to engage a municipal advisor to serve in that capacity.

Lender does not provide legal, compliance, tax or accounting advice. Accordingly, any statements contained herein as to tax matters are not intended by Lender to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on such taxpayer.

This commitment letter is intended for the sole and exclusive benefit of Borrower and Lender and may not be relied upon by third parties.



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 10.G

MEETING DATE: June 27, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Kim Booth, Administrative Assistant

REVIEWED BY: Jennifer McCullar, Finance Manager

SUBJECT: Service Agreement Between the Bear Valley Basin Groundwater Sustainability Agency (the GSA) and the Big Bear Area Regional Wastewater Agency

BACKGROUND:

The attached service agreement is being executed between the GSA and each of its member agencies. The service agreement is necessary to eliminate the possibility that work completed by GSA member agency employees for the GSA is not considered eligible and pensionable compensation of the GSA but rather eligible and pensionable compensation of the respective member agencies.

The agreement stipulates that all BBARWA employees that may provide or perform services to the GSA are doing so on behalf of BBARWA and as employees of BBARWA and not the GSA. It further states that all BBARWA employees that perform services for the GSA are solely under the direction of BBARWA and are therefore compensated only by BBARWA and not the GSA.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

Authorize General Manager to execute attached Service Agreement.

Attachment:

Service Agreement

Moved: _____ Second: _____ Aye: _____ Nay: _____ Abstain/Absent: _____

Approved Date: _____ Witness: _____

SERVICE AGREEMENT BETWEEN THE BEAR VALLEY BASIN GROUNDWATER
SUSTAINABILITY AGENCY AND
BIG BEAR AREA REGIONAL WASTEWATER AGENCY

THIS AGREEMENT is made and effective this 30th day of May, 2018, by and between the Bear Valley Groundwater Sustainability AGENCY, a joint powers public agency (“AGENCY”), and the BIG BEAR AREA REGIONAL WASTEWATER AGENCY, (“BBARWA”). AGENCY and BBARWA are sometimes referred to herein as the “Party” or, collectively, the “Parties.”

RECITALS

WHEREAS, the Bear Valley Basin Groundwater Sustainability AGENCY is a joint powers public agency under Section 6500, et seq., of the Government Code pursuant to the Joint Powers Agreement By and Among the BIG BEAR AREA REGIONAL WASTEWATER AGENCY, BIG BEAR AREA REGIONAL WASTEWATER AGENCY, Big Bear City Community Services District and Big Bear Area Regional Wastewater Agency for the Formation of a Joint Powers AGENCY and Management of the Bear Valley Groundwater Basin (“Joint Powers Agreement”); and

WHEREAS, the Board of Directors of the AGENCY desires to utilize BBARWA’s services, pursuant to Section 15 of the Joint Powers Agreement and Sections 3.8 and 6.2 of the AGENCY’s Bylaws, for the purpose of providing certain services to the AGENCY; and

WHEREAS, BBARWA has represented to the AGENCY that it possesses the necessary skills, qualifications, personnel, and equipment to provide the services identified in this Agreement.

NOW, THEREFORE, based on the foregoing Recitals, the AGENCY and BBARWA agree as follows:

1. Scope of Services. BBARWA shall be responsible for:
 - (i) Administration. Tasks to support the AGENCY and its Board of Directors including, for example, recording meeting minutes and other Board Secretary related duties.
 - (ii) Other Services. Any other specified administrative or other tasks related to support for the AGENCY and its Board of Directors.
2. Performance of BBARWA's Obligations.
 - a. Location of Services. Whenever possible, all services to be provided by BBARWA under this Agreement shall be carried out from one of the member agency's offices.
 - b. BBARWA's Employees. When appropriate, BBARWA shall assign some of its employees to perform the obligations set forth in Section 1 of this Agreement ("BBARWA Employees") as part of their regular duties for BBARWA. The Parties acknowledge and agree that at all times BBARWA Employees shall remain under the exclusive control of the BBARWA board of directors, a supervisor or manager that reports directly to the BBARWA General Manager or the BBARWA board of directors, or a management employee subject to the exclusive control of the BBARWA board of directors, such as the BBARWA General Manager. Subject to the AGENCY's power to set the overall budget for compensation of independent contractors, the AGENCY shall not have any right to control the manner or means in which the BBARWA Employees perform services under this Agreement. Rather, BBARWA shall have the sole and exclusive AGENCY to do the following:
 - (i) Make decisions regarding the hiring, retention, discipline or termination of BBARWA Employees. The AGENCY will have no discretion over those functions.
 - (ii) Determine the wages to be paid to BBARWA Employees, including any pay increases. These amounts shall be determined in accordance with BBARWA's published publicly available pay schedule and shall be subject to changes thereto approved by the BBARWA board of directors.
 - (iii) Set the benefits of BBARWA Employees, including health and welfare benefits, retirement benefits, and leave accruals in accordance with BBARWA's policies.

(iv) Evaluate the performance of BBARWA Employees through performance evaluations performed by a management level employee that reports directly to the BBARWA General Manager or the BBARWA board of directors.

(v) Perform all other functions related to the service, compensation, or benefits of the BBARWA Employees assigned to perform services under this Agreement.

b. Insurance. BBARWA shall maintain comprehensive general public liability and automobile insurance policies in an amount of not less than One Million (\$1,000,000.00) Dollars per occurrence for all coverages and naming the AGENCY and its other Member Agencies as additional insureds. BBARWA shall also maintain Workers' Compensation Insurance for its employees and agents with limits as prescribed by law. BBARWA waives all subrogation rights against the AGENCY and its other Member Agencies. Written evidence in a form acceptable to the AGENCY of all insurance coverages shall be provided to the AGENCY. All such insurance policies shall be issued by a highly rated insurer with a minimum A.M. BEST's Insurance Guide rating of "A:VII" and shall be licensed and admitted to do business in the State of California. Each policy shall provide that such policy cannot be cancelled or amended without thirty (30) days prior written notice to the AGENCY.

c. Indemnification. Subject to any other obligation of the AGENCY, BBARWA shall fully indemnify and save the AGENCY free and harmless from any and all claims, demands, losses, fines, penalties and/or liabilities of any kind or nature, asserted or otherwise, that may arise from, be occasioned by, or be otherwise related to, the performance or nonperformance by BBARWA of the services, duties, and obligations provided for in this Agreement. In the event BBARWA retains the services of a contractor or subcontractor to assist BBARWA in the performance of its duties, BBARWA shall require the contractor or subcontractor to procure and maintain a policy of comprehensive public liability and property damage insurance, at its sole cost and expense, adequate to protect the AGENCY.

3. BBARWA's Compensation

The AGENCY is funded by each of the four member agencies. Periodically, each member agency will provide in-kind services to the AGENCY. These in-kind services are

expected to balance out over time, so individual monthly billing from each agency will not be required.

4. Miscellaneous.

a. Commencement and Termination of Services. BBARWA shall begin providing services under this Agreement beginning on July 1, 2017. BBARWA shall provide services under this Agreement for a term of ten years; provided, however, that either Party may terminate this Agreement, without cause, upon 60 days prior written notice. After the expiration of the five-year term, this agreement shall also automatically renew for consecutive one-year periods unless earlier terminated.

b. Compliance with Law. BBARWA shall comply with all applicable federal, state, and local laws, rules, and regulations. If compliance is impossible for reasons beyond its control, BBARWA shall immediately notify the AGENCY in writing of the fact and the reasons therefor.

c. Independent Contractor. BBARWA shall perform the services required under this Agreement as an independent contractor, and not as an employee of AGENCY. BBARWA shall use its own employees, contractors and subcontractors in the performance of the services required by this Agreement and those employees, contractors and subcontractors shall not be deemed employees, contractors or subcontractors of the AGENCY. BBARWA Employees assigned to provide services under this Agreement on behalf of BBARWA shall be under the exclusive control of BBARWA and shall remain employees of BBARWA and shall not be employees of the AGENCY.

d. Dispute Resolution. Any disputes regarding this Agreement shall be subject to the Dispute Resolution provisions under Section 16 of the Joint Powers Agreement.

e. Assignment. Neither this Agreement nor any of the duties or obligations hereunder shall be assigned by BBARWA without the prior written consent of the AGENCY.

f. Further Acts. Each Party agrees to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.

g. Amendment. This Agreement may be amended in writing by mutual agreement of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the date first above written.

BEAR VALLEY BASIN GROUNDWATER
SUSTAINABILITY AGENCY

Chairman, Board of Directors

BIG BEAR AREA REGIONAL WASTEWATER
AGENCY

Chairman of the Board