

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Regular Meeting of

August 22, 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. **Closed Session**
 - A. Public Employee Performance Evaluation 54957(b) General Manager
 - B. Public Employee Performance Evaluation 54957(b) Finance Manager
6. **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 Special Meeting on July 17, 2018 and Regular Meeting on July 25, 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. 08 – 2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Annual Statement of Investment Policy – Approve
 - G. Resolution No. R. 09 – 2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974 – Approve
7. **Items Removed From the Consent Calendar**
8. **Public Forum Response** – None
9. **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.”

10. Old Business

- A. Resolution No. R. 07 – 2018, a Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Execution and Delivery by the Agency of an Installment Purchase Agreement to Finance the Project and Approving Certain Other Actions in Connection Thereto – Discussion and Possible Action

11. New Business

- A. Other Post-Employment Benefits – Discussion and Possible Action
- B. 1959 Survivor Benefit – Discussion and Possible Action
- C. Organizational Changes – Discussion and Possible Action
- D. Adjourn September 26th Regular Board Meeting to a Special Meeting – Discussion and Possible Action

12. Information/Committee Reports

- A. General Manager Update on Emergency Work on the Lucerne Valley Reuse Facility
- B. Administrative Committee Meeting Update

13. Closed Session

14. 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 (BBARWA);
BIG BEAR CITY COMMUNITY SERVICES DISTRICT (BBCCSD);
CITY OF BIG BEAR LAKE, DEPARTMENT OF
WATER AND POWER (DWP);
BIG BEAR MUNICIPAL WATER DISTRICT (BBMWD)
AND BEAR VALLEY BASIN GROUNDWATER
SUSTAINABILITY AGENCY
WORKSHOP
MINUTES
July 17, 2018**

1. Call to Order

A workshop with Big Bear Area Regional Wastewater Agency; Big Bear City Community Services District; City of Big Bear Lake, Department of Water and Power; Big Bear Municipal District and Bear Valley Basin Groundwater Sustainability Agency was held on Tuesday, July 17, 2018 at 1:30 p.m. at 121 Palomino Drive, Big Bear City, California.

Board Members present: John Green, BBCCSD; David Caretto, BBARWA; Liz Harris, BBARWA; Rick Herrick, BBARWA; Karyn Oxandaboure, BBCCSD; Vince Smith, BBMWD; Frank Howes, BBMWD; Bob Ludecke, BBMWD; Larry Walsh, BBCCSD; John Russo, BBCCSD; V. Don Smith, City of Big Bear Lake, DWP; Bob Tarras, City of Big Bear Lake, DWP; Alan Lee, City of Big Bear Lake, DWP; and Barbara Willey, City of Big Bear Lake, DWP

Absent: Charlie Brewster, BBMWD; John Eminger, BBMWD; Al Ziegler, BBCCSD and Craig Hjorth, City of Big Bear Lake, DWP.

Staff members present: David Lawrence, BBARWA; Jennifer McCullar, BBARWA; Jan Guy, BBARWA; Kim Booth, BBARWA; Brittany Lamson, BBMWD; Mike Stephenson, BBMWD; Mary Reeves, BBCCSD; Morgan Szabad, BBCCSD; Jerry Griffith, BBCCSD; Nathan Zamorano, BBCCSD; Reginald Lamson, City of Big Bear Lake, DWP; Danielle McGee, City of Big Bear Lake, DWP and Jack Roberts, City of Big Bear Lake, DWP.

Others: Laine Carlson, WSC; Chris Deiter, WSC; Jeff Szytel, WSC; Holly Tichenor, WSC; Matt Rodriguez, WSC and Richard Stanton, Big Bear City.

2. Pledge of Allegiance

Rick Herrick called the meeting to order at 1:30 p.m. and lead the Pledge of Allegiance.

3. Public Comment on Agenda Items Only – The Public Comment portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters on the agenda.

4. Presentation and introductions

A. Mr. Lawrence introduced each General Manager, they then introduced their board and staff. Ms. Carlson presented the background of the Bear Valley Water Sustainability Project and where the project stands as of today. Mr. Szytel presented a program

charter overview and explained that the general managers of each agency should head this project. It should be one page with a vision, mission, goal, objectives, guiding principles and all agencies should sign. Ms. Tichenor presented branding, communication and outreach. It was discussed to have a presentation with all board members quarterly to give updates on where the project is. Ms. Carlson went over Phase 1 activities overview. 10 Minute Break. Ms. Carlson went over key funding opportunities: grant opportunities as well as possible low interest loans and the deadlines on when applications are due. Mr. Syztel went over Governance Process and who will be responsible for O & M cost. Ms. Carlson went over progress reporting and updating on progress along with updates regarding grant funding. A press release should go out soon and would like to have it combined with the solar project.

5. Adjournment

With no further business the special meeting was adjourned at 3:46 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
Regular Board Meeting
Minutes
July 25, 2018

1. Call to Order

A regular meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, July 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, Rick Herrick and Karyn Oxandaboure.

Absent: None

Staff present: David Lawrence, General Manager; Jennifer McCullar, Finance Manager; Jan Guy, Plant Manager and Kim Booth, Administrative Assistant

Others: None

2. Pledge of Allegiance

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

3. Presentations and Introduction: None

4. Approval of the Agenda

Upon motion by Director Herrick, seconded by Vice Chairman Caretto 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 Director Herrick, seconded by Vice Chairman Caretto and carried, the Governing Board approved the Consent Calendar as presented with Director Herrick abstaining from approval of the minutes:

- A. Minutes of the Regular Meeting on June 27, 2018 – Approved
- B. Monthly Expenses – Informational
- C. Governing Board Member Reimbursement – Approved
- D. Investment Report – Informational
- E. Operations and Connections Report – Informational
- F. Amendments to Joint Powers Agreement (the JPA) – 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 explained that after some employees raised some concerns with exposure to the solids in the covered drying bed it was concluded to relocate the project to the existing biosolids building. Mr. Lawrence gave the recommendation to increase borrowing for the belt press project by \$503,756 for the hopper, engineering of the footing and construction of the footing. Discussion ensued between the board and staff. Upon motion by Secretary Harris, seconded by Vice Chairman Caretto and carried the Governing Board approved the recommendation.

Vote

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

11. Information/Committee Reports

- A. General Manager updated the Governing Body on the emergency work on the Lucerne Valley Reuse Facility. Contracts have been signed with Estrada's Construction for the fencing work and Bruce Frost and Co. for the additional work. Work should start down there shortly.
- B. Mr. Lawrence explained that in the past CSDA voting has been handled by the General Manager and he would like to get approval by the board to vote accordingly on behalf of the Agency. Secretary Harris asked to have a policy come before the board in the future regarding voting for these types of positions and how to handle it. The board gave approval for the General Manager to vote as he sees fit for the CSDA board.
- C. Vice Chairman Caretto gave an update from the administrative committee meeting, the committee looked at some options on OPEB benefits as well as some other employee benefits, these items will be coming to the full board at the August board meeting.

12. Closed Session

13. Adjournment

With no further business to come before the Governing Board, Chairman Green adjourned the meeting at 5:45 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
Elizabeth Harris, Ed.D. – Secretary
Rick Herrick – Director
Karyn Oxandaboure – Director

AGENDA ITEM: 6.B

MEETING DATE: August 22, 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 July check register which reflects accounts paid during the period.

FINANCIAL IMPACT:

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

RECOMMENDATION:

Informational

**Big Bear Area Regional Wastewater Agency
Check Register**

For the Period From Jul 1, 2018 to Jul 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
CASH 1903	7/2/18	CALPERS RETIREMENT	1000-20	1,669.48
CASH 1904	7/2/18	CA PERS 457 PROGRAM	1000-20	2,400.82
CASH 1905	7/2/18	CALPERS RETIREMENT	1000-20	6,254.78
CASH 1906	7/3/18	EMPLOYMENT DEVELOPMENT DEPARTMEN	1000-20	1,491.41
CASH 1907	7/3/18	PRINCIPAL FINANCIAL GROUP	1000-20	2,195.67
CASH 1908	7/3/18	INTERNAL REVENUE SERVICE	1000-20	4,849.18
CASH 1909	7/3/18	CALPERS HEALTH	1000-20	30,000.95
CASH 1910	7/5/18	VISION SERVICE PLAN	1000-20	301.84
CASH 1911	7/5/18	LINCOLN NATIONAL LIFE INSURANCE CO.	1000-20	1,089.78
CASH 1912	7/6/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,792.77
CASH 1913	7/6/18	CALPERS RETIREMENT	1000-20	376.14
18539	7/10/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	974.67
18540	7/10/18	NANCY SANTILLAN	1000-20	225.00
18541	7/10/18	AMAZON CAPITAL SERVICES	1000-20	264.15
18542	7/10/18	ADDICTION MEDICINE CONSULTANTS, INC.	1000-20	51.00
18543	7/10/18	ARAMARK UNIFORM SERVICES	1000-20	1,123.28
18544	7/10/18	BIG BEAR CITY COMMUNITY SERVICES DIS	1000-20	608.32
18545	7/10/18	ROBIN A. BRADLEY	1000-20	120.00
18546	7/10/18	BRYCE CONSULTING, INC.	1000-20	425.00
18547	7/10/18	BUTCHER'S BLOCK & BUILDING	1000-20	373.27
18548	7/10/18	BEAR VALLEY ELECTRIC	1000-20	8,516.99
18549	7/10/18	CAR QUEST OF BIG BEAR	1000-20	93.79
18550	7/10/18	CLINICAL LAB OF SAN BERNARDINO	1000-20	1,215.00
18551	7/10/18	UNDERGROUND SERVICE ALERT	1000-20	71.05
18552	7/10/18	DIY HOME CENTER-BIG BEAR	1000-20	171.07
18553	7/10/18	DEPARTMENT OF WATER & POWER	1000-20	57.95
18554	7/10/18	ENVIRONMENTAL EXPRESS, INC	1000-20	359.62
18555	7/10/18	FLYERS ENERGY	1000-20	1,368.16
18556	7/10/18	JORGENSEN COMPANY	1000-20	50.00
18557	7/10/18	KING'S FIRE PROTECTION, INC.	1000-20	882.00
18558	7/10/18	THE LITTLE GREEN HOUSE FLORIST	1000-20	75.97
18559	7/10/18	MACLEOD WATTS, INC.	1000-20	1,300.00

**Big Bear Area Regional Wastewater Agency
Check Register**

For the Period From Jul 1, 2018 to Jul 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
18560	7/10/18	MCMASTER-CARR SUPPLY COMPANY	1000-20	614.02
18561	7/10/18	NAPA AUTO PARTS	1000-20	9.57
18562	7/10/18	PETTY CASH	1000-20	333.65
18563	7/10/18	POLYDYNE INC	1000-20	3,172.16
18564	7/10/18	QUILL	1000-20	360.85
18565	7/10/18	REBEL OIL CO., INC.	1000-20	933.33
18566	7/10/18	SAM'S ENTERPRISES	1000-20	73.27
18567	7/10/18	RYAN R. ABELN	1000-20	863.75
18568	7/10/18	SPECTRUM BUSINESS	1000-20	269.94
18569	7/10/18	TWIN BEAR EQUIPMENT RENTAL, INC	1000-20	299.61
18570	7/10/18	VALERO MARKETING & SUPPLY CO	1000-20	118.39
18571	7/10/18	WESTERN EPG PRODUCTS, INC.	1000-20	3,243.61
18572	7/10/18	BIG BEAR BODYTEK	1000-20	630.00
18573	7/10/18	COSTCO MEMBERSHIP	1000-20	60.00
18574	7/10/18	CWEA TCP/MEMBERSHIP	1000-20	700.00
18575	7/10/18	DIRECT TV	1000-20	45.99
18576	7/10/18	FRONTIER COMMUNICATIONS	1000-20	675.79
18577	7/10/18	JANICE M. DRAKE-GUY	1000-20	50.00
18578	7/10/18	HUGHESNET	1000-20	69.99
18579	7/10/18	DAVID LAWRENCE	1000-20	50.00
18580	7/10/18	JENNIFER MCCULLAR	1000-20	50.00
18581	7/10/18	CONSTANCE M. ALVARADO	1000-20	55.00
18582	7/10/18	PITNEY BOWES GLOBAL FINANCIAL SERVI	1000-20	128.22
18583	7/10/18	ROTARY CLUB OF BIG BEAR LAKE	1000-20	500.00
18584	7/10/18	SOUTH COAST AQMD	1000-20	7,357.62
18585	7/10/18	SDRMA	1000-20	97,149.42
18586	7/10/18	ARLANDA, LLC	1000-20	850.00
18587	7/10/18	DAVID A. CARETTO	1000-20	150.00
18588	7/10/18	JOHN GREEN	1000-20	150.00
18589	7/10/18	RICHARD T. HERRICK	1000-20	150.00
18590	7/10/18	KARYN K. OXANDABOURE	1000-20	150.00
18591	7/10/18	BEAR VALLEY PAVING, INC.	1000-20	263,228.4

**Big Bear Area Regional Wastewater Agency
Check Register**

For the Period From Jul 1, 2018 to Jul 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
CASH 1914	7/16/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72
CASH 1915	7/16/18	CALPERS RETIREMENT	1000-20	1,765.63
CASH 1916	7/16/18	CA PERS 457 PROGRAM	1000-20	2,400.82
CASH 1917	7/16/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,872.23
CASH 1918	7/16/18	CALPERS RETIREMENT	1000-20	6,237.62
CASH 1919	7/17/18	EMPLOYMENT DEVELOPMENT DEPARTMEN	1000-20	2,277.70
CASH 1920	7/17/18	INTERNAL REVENUE SERVICE	1000-20	7,297.52
18592	7/25/18	BIG TEX TRAILER WORLD	1000-20	8,491.77
18593	7/25/18	ARROWHEAD	1000-20	187.55
18594	7/25/18	BEST BEST & KRIEGER	1000-20	16,578.66
18595	7/25/18	BEST WINDOWS & DOORS	1000-20	819.49
18596	7/25/18	CUMMINS CAL PACIFIC HOLDING, LLC	1000-20	1,982.39
18597	7/25/18	DEPARTMENT OF WATER & POWER	1000-20	679.11
18598	7/25/18	ENGINEERING RESOURCES	1000-20	500.00
18599	7/25/18	JUST ENERGY SOLUTIONS INC.	1000-20	14,018.37
18600	7/25/18	SDRMA	1000-20	102.93
18601	7/25/18	SOUTHWEST GAS	1000-20	9,257.90
18602	7/25/18	SOUTHWEST GAS CORP	1000-20	6,921.60
18603	7/25/18	NANCY R. BOHL, INC.	1000-20	120.00
18604	7/25/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	2,781.10
18605	7/25/18	ALLISON MECHANICAL, INC.	1000-20	482.16
18606	7/25/18	ASBURY ENVIRONMENTAL SERVICE	1000-20	35.00
18607	7/25/18	BIG BEAR CHAMBER OF COMMERCE	1000-20	20.00
18608	7/25/18	BBHS BEAR BACKERS	1000-20	325.00
18609	7/25/18	BUSINESS CARD	1000-20	2,219.86
18610	7/25/18	CALOLYMPIC SAFETY	1000-20	719.85
18611	7/25/18	CALIFORNIA TOOL WELDING SUPPLY	1000-20	3,008.37
18612	7/25/18	COUNTY OF SAN BERNARDINO SOLID WAS	1000-20	151.05
18613	7/25/18	CWEA TCP/MEMBERSHIP	1000-20	280.00
18614	7/25/18	TIMOTHY HOLLAND	1000-20	3,319.58
18615	7/25/18	EVANTEC CORPORATION	1000-20	2,364.27
18616	7/25/18	GRAINGER	1000-20	966.91

**Big Bear Area Regional Wastewater Agency
Check Register**

For the Period From Jul 1, 2018 to Jul 31, 2018

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

Check #	Date	Payee	Cash Account	Amount
18617	7/25/18	LEGALSHIELD	1000-20	218.35
18618	7/25/18	JOHN LISEE PUMPS INC	1000-20	2,400.16
18619	7/25/18	MACLEOD WATTS, INC.	1000-20	3,025.00
18620	7/25/18	RANDY J. SPITZ	1000-20	53.61
18621	7/25/18	PHENOVA	1000-20	407.30
18622	7/25/18	POLYDYNE INC	1000-20	3,172.16
18623	7/25/18	NICANOR M. LAUREL	1000-20	1,500.00
18624	7/25/18	REBEL OIL CO., INC.	1000-20	1,866.66
18625	7/25/18	SOUTHERN CALIFORNIA EDISON	1000-20	70.20
18626	7/25/18	SERVICEMASTER 360 PREMIER CLEANING	1000-20	649.53
18627	7/25/18	SPECTRUM BUSINESS	1000-20	1,014.25
18628	7/25/18	SUPPORT PRODUCT SERVICES, INC.	1000-20	5,248.36
18629	7/25/18	SOUTHWEST GAS	1000-20	112.81
18630	7/25/18	VERIZON WIRELESS	1000-20	269.04
18631	7/25/18	WINZER CORP	1000-20	225.09
18632	7/25/18	DAVID A. CARETTO	1000-20	150.00
18633	7/25/18	CWEA TCP/MEMBERSHIP	1000-20	165.00
18634	7/25/18	JOHN GREEN	1000-20	150.00
18635	7/25/18	KARYN K. OXANDABOURE	1000-20	150.00
CASH 1921	7/30/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72
CASH 1922	7/30/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	786.44
CASH 1923	7/30/18	CALPERS RETIREMENT	1000-20	1,839.14
CASH 1924	7/30/18	CA PERS 457 PROGRAM	1000-20	2,548.40
CASH 1925	7/30/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,836.13
CASH 1926	7/30/18	CALPERS RETIREMENT	1000-20	6,580.66
CASH 1927	7/31/18	CALPERS RETIREMENT	1000-20	213.00
CASH 1928	7/31/18	EMPLOYMENT DEVELOPMENT DEPARTMEN	1000-20	1,642.12
CASH 1929	7/31/18	INTERNAL REVENUE SERVICE	1000-20	5,491.98
CASH 1930	7/31/18	CALPERS RETIREMENT	1000-20	<u>88,627.00</u>
Total				<u><u>686,025.9</u></u>



Big Bear Area Regional
Wastewater Agency

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

AGENDA ITEM: 6.C

MEETING DATE: August 22, 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 July 2018 meeting records for each Governing Board Member and represent eligible compensation at a rate of \$150 per regular or special meeting pursuant to the Agency's Administrative and Personnel Policy, Board Member Reimbursement.

FINANCIAL IMPACT:

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

RECOMMENDATION:

Approve

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Karyn Oxandaboure

Date Submitted: JULY 25, 2018

Month Covered: JULY

BBARWA Regular Meeting Attended: _____ Date: 7-25-18 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: Karyn Oxandaboure Total Amount Paid \$ 150⁰⁰

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: David Caretto

Date Submitted: JULY 25, 2018

Month Covered: JULY

BBARWA Regular Meeting Attended: _____ Date: July 25, 2018 Compensation \$ 150⁰⁰

PURPOSE

BBARWA Special Meeting Attended: Water Sust. Pres. Date: July 17, 2018 \$ 150⁰⁰

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

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

PURPOSE

BBARWA Committee Meeting Attended: Admin. Comm. Date: July 19, 2018 \$ 150⁰⁰

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) \$ 450⁰⁰

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 Caretto Total Amount Paid \$ 450⁰⁰

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: John Green
Date Submitted: July 25, 2018
Month Covered: July

BBARWA Regular Meeting Attended: Date: 7/25/18 Compensation \$ 150

PURPOSE

BBARWA Special Meeting Attended: Date: 7/19
BBARWA Special Meeting Attended: Date:
BBARWA Special Meeting Attended: Date:

PURPOSE

BBARWA Committee Meeting Attended: ADMIN Date: 7/19/18 \$ 150
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 \$ 300

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Rick Hemick
Date Submitted: July 25, 2018
Month Covered: July

BBARWA Regular Meeting Attended: Date: 7-25-18 Compensation \$ 150

PURPOSE

BBARWA Special Meeting Attended: Workshop BWSP Date: 7-17-18 \$ 150
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 \$ 300.00

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
Elizabeth Harris, Ed.D. – Secretary
Rick Herrick – Director
Karyn Oxandaboure – Director

AGENDA ITEM: 6.D

MEETING DATE: August 22, 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 July Monthly Investment Report pursuant to the Agency's Investment Policy.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDATION:

Approve

BBARWA
Monthly Investment Report
July 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	\$ 5,557,379	\$ 5,546,969	28,639	1.94%	DAILY
TOTAL		\$ 5,557,379	\$ 5,546,969	28,639		

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 2019 and excludes accrued interest.

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

[www.treasurer.ca.gov/pmia-
laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)
August 10, 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

July 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/12/2018	7/12/2018	RW	1574719	JENNIFER MCCULLAR	-500,000.00
7/13/2018	7/12/2018	QRD	1578669	SYSTEM	28,639.02

Account Summary

Total Deposit:	28,639.02	Beginning Balance:	6,028,739.78
Total Withdrawal:	-500,000.00	Ending Balance:	5,557,378.80



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

AGENDA ITEM: 6.E

MEETING DATE: August 22, 2018

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

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

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

REVIEWED BY: Kim Booth, Administrative Assistant *KB*

SUBJECT: Operations and Connections Report

OPERATIONS:

2018 Treatment Plant Data

	April	May	June	July
Total Influent Flow (MG)	44.04	45.55	45.77	54.83
Average Daily Infuent Flow (MGD)	1.47	1.47	1.53	1.77
City of Big Bear Lake	48.6%	46.8%	47.5%	50.1%
Big Bear City CSD	47.5%	48.9%	47.5%	45.0%
County of San Bernardino	3.8%	4.3%	4.9%	4.9%
Average Influent BOD (mg/L)	248	308	255	267
Average Effluent BOD (mg/L)	7	8	9	9
BOD Removal Efficiency (%)	97.2%	97.4%	96.5%	96.6%
Precipitation (inch)	0.00	0.11	0.00	2.58

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

Approved Date: _____ Witness: _____

Secretary of the Governing Board

The plant influent flow increased significantly due to the July rain events. There was 2.58 inches of rain recorded at the treatment facility during the month of July. The treatment plant continued to operate at a high BOD and TSS efficiency rate.

During the month of July, the Oxidation Ditch #3 remained out of service due to low flow; the ditch will be placed in service and utilized during peak flow periods. The staff drained Clarifier #2 and performed preventive maintenance. They discovered and repaired the sweep arm and skirt.

CONNECTIONS:

MONTH	FYE 6/30/2019									
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	CITY-BBL	CSD	CSA-53B
July	0	4	4	8	3	4	3	1	2	0
August	1	4	6	5	12	6	0	0	0	0
September	5	4	5	6	4	6	0	0	0	0
October	4	6	14	10	9	8	0	0	0	0
November	3	13	8	6	5	11	0	0	0	0
December	0	0	23	8	4	2	0	0	0	0
January	0	2	3	1	0	3	0	0	0	0
February	0	2	1	0	1	2	0	0	0	0
March	4	2	2	3	2	2	0	0	0	0
April	2	5	1	10	3	7	0	0	0	0
May	1	2	5	10	4	10	0	0	0	0
June	10	1	12	2	16	7	0	0	0	0
TOTAL	30	45	84	69	63	68	3	1	2	0

FINANCIAL IMPACT: No financial impact.



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

AGENDA ITEM: 6.F

MEETING DATE: August 22, 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: Resolution No. R.08-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Annual Statement of Investment Policy

BACKGROUND:

The Annual Statement of Investment Policy is attached as Exhibit A to Resolution No. R.08-2018. The state legislature encourages local agencies to review the investment policy annually to ensure that public funds are being invested in safe and liquid vehicles. The investment policy and resolution remain unchanged from the prior year.

FINANCIAL IMPACT:

No Financial Impact

RECOMMENDATION:

Approve

RESOLUTION NO. R.08-2018

**A RESOLUTION OF THE GOVERNING BOARD OF THE
BIG BEAR AREA REGIONAL WASTEWATER AGENCY
ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY**

WHEREAS, the Governing Board has heretofore established general funds from which monies may be expended for general operating purposes; and

WHEREAS, the Governing Board has, in addition, established designated funds from which monies may be expended for specific purposes only; and

WHEREAS, the Big Bear Area Regional Wastewater Agency has on hand in the general and designated funds, from time to time, monies that are not required for immediate expenditure; and

WHEREAS, it has been determined to be in the public interest to invest such monies in a manner that seeks to ensure the preservation of capital while meeting the liquidity needs of the Agency;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Board of the Big Bear Area Regional Wastewater Agency that the Agency's Annual Statement of Investment Policy, attached hereto as Exhibit "A," is hereby approved and adopted and all prior resolutions or portions thereof that conflict with this resolution are rescinded and all prior resolutions or portions thereof that are repeated by this resolution are replaced.

ADOPTED this 22nd day of August 2018.

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

ATTEST:

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

EXHIBIT "A"

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

BOARD POLICY

INVESTMENT

I. Policy Statement

The Big Bear Area Regional Wastewater Agency ("Agency") has been entrusted with a special privilege and a unique responsibility to manage and protect public dollars. When managing public funds, the Agency understands that investment success can not be measured in terms of achieving the highest possible return but must be measured in terms of prudent investing that utilizes uncommitted dollars in safe, short-term instruments to earn the Agency reasonable returns with the least amount of risk and to maintain adequate liquidity.

II. Scope

This investment policy applies to all financial assets of the Agency which include:

1. Idle short-term operating cash.
2. Deposits held by fiscal agents, in accordance with the provisions of the applicable debt agreements, not necessarily limited to the specific investment types authorized under Section IV, Authorized Investments, set forth in this policy.
3. Restricted designated funds.

III. Objective

The primary objectives, in priority order, of the Agency's investment activities shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital.

2. **Liquidity:** The Agency's investment portfolio will remain sufficiently liquid to meet all operating requirements.
3. **Yield:** The investment portfolio shall be designed with the objective of attaining a rate of return commensurate with the Agency's investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above.

IV. Authorized Investments

The following investments will be permitted by this policy and are authorized pursuant to California Government Code 53600 et seq.:

1. The Local Agency Investment Fund (LAIF) managed by the Treasurer of the State of California.
2. Certificates of Deposit insured by the Federal Deposit Insurance Corporation. Maturities are not to exceed two years from the date of purchase. Purchases may not exceed 30 percent of the Agency's surplus money.
3. United States Treasury Bills, Notes and Bonds for which the full faith and credit of the United States are pledged for the payment of principal and interest. Maturities are not to exceed two years from the date of purchase.
4. Triple-A rated money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of United States Treasury securities.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Finance Manager and the General Manager of the Agency, who may invest the Agency's funds consistent with this investment policy and who shall establish procedures and a system of controls for the operation of the investment program consistent with this investment policy.

VI. Reporting

The Finance Manager shall render an investment report to the General Manager and the Governing Board of the Agency on a monthly basis.

1. The investment report shall include the type of investment, institution, date of maturity, par and dollar amount invested on all securities, interest rate, share of the liquid value, investments and monies held by the Agency, and shall additionally, include a description of any of the Agency's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the Agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report.
2. The investment report shall include a statement denoting the ability of the local agency to meet its expenditure requirements for the next six months or an explanation as to why sufficient money will not or may not be available.

VII. Standards of Care

1. Prudence

The Governing Board, General Manager and Finance Manager of the Agency are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

2. Ethics and Conflicts of Interest

In the manner required by applicable law, Officers and Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

VIII. Policy Adoption

The Governing Board shall adopt the Agency's investment policy on an annual basis at a public meeting. Any modifications to the policy shall also be considered at a public meeting.



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

AGENDA ITEM: 6.G

MEETING DATE: August 22, 2018

TO: Governing Board Big Bear Area Regional Wastewater Agency

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

PREPARED BY: Kim Booth, Administrative Assistant *KB*

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Resolution No. R. 09 – 2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

BACKGROUND:

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. Please find attached the Agency's 2018 amended Conflict of Interest Code.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

Approve Resolution No. R. 09 – 2018

ATTACHMENT:

- Resolution No. R. 09 – 2018
- Conflict of Interest Code

RESOLUTION NO. R. 09 – 2018

**RESOLUTION OF THE GOVERNING BOARD OF THE
BIG BEAR AREA REGIONAL WASTEWATER AGENCY
ADOPTING AN AMENDED CONFLICT OF INTEREST
CODE PURSUANT TO THE POLITICAL REFORM ACT
OF 1974**

WHEREAS, the Legislature of the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the “Act”), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Big Bear Area Regional Wastewater Agency (the “Agency”) and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Governing Board adopted a Conflict of Interest Code (the “Code”) which was amended on August 25, 2010, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the Agency have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the Agency’s Conflicts of Interest Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Agency being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Governing Board of, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the Agency; and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Governing Board on August 22, 2018, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Big Bear Area Regional Wastewater Agency that the Governing Board does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Administrative Assistant and available to the public for inspection and copying;

BE IT FURTHER RESOLVED that the said amended Code shall be submitted to the Board of Supervisors of the County of San Bernardino for approval and said Code shall become effective at the time which the Board of Supervisors approves the proposed amended Code as submitted.

APPROVED AND ADOPTED this 22nd day of August, 2018.

John Green, Chairman
Big Bear Area Regional Wastewater Agency

ATTEST:

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

CONFLICT OF INTEREST CODE
FOR THE
BIG BEAR AREA REGIONAL
WASTEWATER AGENCY

CONFLICT OF INTEREST CODE FOR THE
BIG BEAR AREA REGIONAL WASTEWATER AGENCY
(Amended August ~~25, 2010~~^{22, 2018})^{1/2}

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730, and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Big Bear Area Regional Wastewater Agency** (the “**Agency**”).

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Administrative Assistant** as the Agency’s Filing Officer. The **Administrative Assistant** shall make and retain a copy of all statements filed by Members of the Governing Board and the General Manager, and forward the originals of such statements to the Clerk of the Board of Supervisors of the

¹ ~~Nonsubstantive amendment of certain language to clarify requirements as provided by Fair Political Practices Commission (July 2012).~~

² ~~Nonsubstantive amendment to include statutory clarification in disclosure categories, Appendix, Part “B” (October 2014).~~

County of San Bernardino. The **Administrative Assistant** shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

(Amended August ~~25, 2010~~22, 2018)³

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Agency Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18701(b), are NOT subject to the Agency's Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments⁴:

Board Members

General Manager

Finance Manager

³ ~~Titles revised July 2012; October 2014~~

⁴ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

Financial Consultants

01552.00000\9356933.3
01552.00000\31366683.1

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE</u> <u>CATEGORIES ASSIGNED</u>
Administrative Assistant	4
Human Resource Coordinator/Accounting Technician	4
General Counsel	1, 2
<u>Laboratory Analyst</u>	<u>5</u>
<u>Plant Maintenance Supervisor</u>	<u>5</u>
Plant Manager	5
<u>Plant Operations Supervisor</u>	<u>5</u>
<u>Chief Plant Operator</u>	<u>5</u>
Consultant and New Positions ⁵	

PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic

⁵ Individuals providing services as a Consultant defined in Regulation 18701, or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The General Manager may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

LAW OFFICES OF
BEST BEST & KRIEGER LLP

interests that the Designated Position must disclose for each disclosure category to which he or she is assigned.⁶ Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the Agency.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Agency.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Agency.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Agency.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Agency.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment, of a type purchased or leased by the Designated Position's department, unit or division.

⁶ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)



**Big Bear Area Regional
Wastewater Agency**

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

AGENDA ITEM: 10.A

MEETING DATE: August 22, 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: Resolution No. R. 07-2018, a Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Authorizing Execution and Delivery by the Agency of an Installment Purchase Agreement to Finance the Project and Approving Certain Other Actions in Connection Thereto

BACKGROUND AND DISCUSSION:

At the June 27, 2018 Board Meeting, the Governing Board approved a commitment letter with Compass Bank to borrow up to \$2.4 million: \$1.4 million to purchase a belt press and related equipment (the Belt Press Project) and \$1.0 million to install new pipeline. Subsequently, the Agency limited its borrowing to the Belt Press Project and excluded the planned pipeline due to uncertainty related to that project. In August, the Belt Press Project was modified and the expected costs revised to \$1.76 million. As a result, the Agency plans to borrow up to \$1.76 million for the Belt Press Project.

The costs for the Belt Press Project are estimated and include \$114,000 in contingency. If the Belt Press Project comes in below the expected \$1.76 million, the Agency may borrow the remaining funds (up to the \$1.76 million agreement amount) for other projects identified in Exhibit A to the Installment Purchase Agreement. Any projects in Exhibit A that have not been approved by the Governing Board would be subject to such approval in advance of borrowing for such project.

The Installment Purchase Agreement has been prepared by the Agency's counsel, Best, Best & Krieger, and is attached hereto.

FINANCIAL IMPACT:

The Agency planned to borrow \$2.4 million at 3.5% for a 15-year term but will borrow \$1.76 million at 3.7%. As a result of borrowing a lesser amount, the Agency will incur lower total interest expense of \$151,837 over the life of the loan and lower transaction costs of \$17,788, for a total reduction in costs of \$169,625 compared to the Agency's plan. When compared to the FY 2019 budget, the Agency will experience slightly higher debt service. The Agency borrowed earlier in the budget year than planned. This will result in two debt service payments during the year compared to one in the budget. This will result in higher costs during the year of \$28,451 offset by the lower transaction costs of \$17,788, resulting in a net cost increase for the year of \$10,663.

RECOMMENDATION:

Approve the attached Resolution and authorize the execution of the Installment Purchase Agreement.

ATTACHMENTS:

1. Resolution 07-2018
2. Installment Purchase Agreement

RESOLUTION NO. R07-2018

RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY AUTHORIZING EXECUTION AND DELIVERY BY THE AGENCY OF AN INSTALLMENT PURCHASE AGREEMENT TO FINANCE THE PROJECT AND APPROVING CERTAIN OTHER ACTIONS IN CONNECTION THERETO

WHEREAS, the Big Bear Area Regional Wastewater Agency (the "Agency") would like to finance the acquisition, construction, installation and equipping of certain improvements for the Agency's wastewater system (the "Project"); and

WHEREAS, the Agency previously entered into that certain Loan Agreement dated as of November 1, 2011 (the "2011 Loan Agreement") by and between the Agency and Compass Bank D/B/A BBVA Compass (the "Bank") under which the Agency pledged Net Revenues (as defined in the 2011 Loan Agreement) for the purpose of financing additional improvements to the Agency's wastewater system; and

WHEREAS, the Bank and the Agency have agreed to enter into an Installment Purchase Agreement (the "Installment Purchase Agreement") in an amount not to exceed \$1,760,000, which amount the Agency has determined will be sufficient to finance the Project and to pay costs of issuance in connection with the Installment Purchase Agreement;

WHEREAS, the Installment Purchase Agreement is payable from Net Revenues on a parity basis with the 2011 Loan Agreement as described herein.

WHEREAS, a form of the Installment Purchase Agreement is on file with the Secretary of the Governing Board of the Agency (the "Board") and has been made available to the Board; and

WHEREAS, as the result of the passage of SB 450 that became effective on January 1, 2018, Section 5852.1 of the Government Code of the State of California ("Section 5852.1") provides that the Board obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the Installment Purchase Agreement, good faith estimates of: (a) the true interest cost of the installment payments made pursuant to the Installment Purchase Agreement (the "Installment Payments"), (b) the finance charge of the Installment Purchase Agreement, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the Installment Purchase Agreement received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement and (d) the sum total of all Installment Payments calculated to the final Installment Payment Date (as defined in the Installment Purchase Agreement) plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Agreement; and

WHEREAS, in accordance with Section 5852.1, the Board has obtained such good faith estimates from the Bank and such estimates are disclosed in Exhibit A attached hereto (the “SB 450 Summary”); and

WHEREAS, the Agency has not issued or effected the issuance of, and does not reasonably expect to issue or effect the issuance of more than \$10,000,000 of tax exempt obligations during the 2018 calendar year and, therefore, desires to designate the Installment Purchase Agreement as a “qualified tax-exempt obligation” as defined by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (a “Qualified Tax-Exempt Obligation”); and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

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

SECTION 1. The Installment Purchase Agreement presented at this meeting is approved, and the Chairman and Vice-Chairman of the Board of Directors and the General Manager of the Agency (each, an “Authorized Officer”) are each, acting alone, authorized to execute, acknowledge and deliver the Installment Purchase Agreement on behalf of the Agency. The principal of the Installment Payments shall be in an amount not to exceed \$1,760,000 and the interest rate of the Installment Payments shall not exceed 3.70% per annum.

SECTION 2. The approval of the Installment Purchase Agreement given by this Resolution shall apply to any modification or amendment of any of said document which is agreed upon and approved by the Authorized Officer executing the Installment Purchase Agreement and Best Best & Krieger LLP as General Counsel and Special Counsel to the Agency, as being necessary to carry out the provisions thereof and the authorizations and direction provided in this resolution.

SECTION 3. Based upon the fact that the Agency has not issued or effected the issuance of, and does not reasonably expect to issue or effect the issuance of more than \$10,000,000 of tax exempt obligations during the 2018 calendar year, the Agency hereby designates the Installment Purchase Agreement as a “qualified tax-exempt obligation.”

SECTION 4. Each Authorized Officer and the other officers of the Agency are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the agreements approved hereby and to otherwise effectuate the purpose of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 5. This resolution shall take effect immediately upon its adoption.

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

PASSED, ADOPTED, AND APPROVED this 22nd day of August, 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

EXHIBIT A

SB 450 SUMMARY

Set forth below are **good faith estimates** of Compass Bank, the private lender, as required under Section 5852.1 of the California Government Code (the “Code”) for the Installment Purchase Agreement to finance the acquisition, construction, installation and equipping of certain improvements for the Agency’s wastewater system. **The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

(a) The true interest cost of the installment payments is estimated at 3.70%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.

(b) The finance charge of the Installment Purchase Agreement, including all fees and charges paid to third parties, is estimated at \$29,100.00.

(c) Proceeds of the Installment Purchase Agreement received by the Agency of \$1,760,000.00 less the finance charges set forth in (b) above, is equal to \$1,730,000.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$2,305,982.49.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

INSTALLMENT PURCHASE AGREEMENT

Dated as of September 1, 2018

by and between

COMPASS BANK, D/B/A BBVA COMPASS

and

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT (this "Installment Purchase Agreement"), dated for convenience as of September 1, 2018, is by and between Compass Bank, d/b/a BBVA Compass, an Alabama banking corporation (the "Bank"), and the Big Bear Area Regional Wastewater Agency, a joint exercise of powers agency duly organized and existing under the laws of the State of California (the "Agency");

WITNESSETH:

WHEREAS, the Agency desires to enter into this Installment Purchase Agreement for the purpose of financing the acquisition and construction of certain improvements to the Agency's wastewater system as identified in Exhibit A attached hereto and incorporated herein by reference (the "Project"); and

WHEREAS, the Agency previously entered into that certain Loan Agreement dated as of November 1, 2011 (the "2011 Agreement") by and between the Agency and the Bank under which the Agency pledged Net Revenues for the purpose of financing and refinancing certain improvements to the Agency's wastewater system; and

WHEREAS, in order to finance the Project, the Bank has agreed to purchase the Project for \$ _____ and the Agency will acquire the Project from the Bank and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached hereto and incorporated herein by reference (the "Installment Payments"); and

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Purchase Agreement have the meanings herein specified or as hereinafter defined.

"2011 Loan" means the loan made by the Bank to the Agency pursuant to the 2011 Agreement.

"Agency" means Big Bear Area Regional Wastewater Agency, a joint exercise of powers agency duly organized and existing under the laws of the State of California.

"Annual Debt Service" means, for any Fiscal Year, the sum of (1) the interest accruing on the Installment Payments and any other Parity Obligations during such Fiscal Year, assuming that all principal payments required to be made hereunder and under such other Parity

Obligations are made as scheduled, plus (2) the principal component of the Installment Payments and principal amount due under any other Parity Obligations in such Fiscal Year, calculated as if such principal amounts were deemed to accrue daily during such Fiscal Year in equal amounts from, in each case, each date principal is to be paid under the Installment Purchase Agreement and under such other Parity Obligations to the next succeeding date that a principal payment is due hereunder and under such other Parity Obligations; provided, that the following adjustments shall be made to the following amounts in the calculation of Annual Debt Service.

(a) With respect to any Parity Obligations bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Annual Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of: (i) the then current variable interest rate borne by such Parity Obligations plus 3%; and (ii) the highest variable rate borne over the preceding twenty-four (24) months by outstanding variable rate debt issued by the Agency or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the Parity Obligation then proposed to be issued plus 3%.

(b) With respect to any such Parity Obligations having twenty-five percent (25%) or more of the aggregate principal amount thereof nominally due in the last Fiscal Year of such Parity Obligation, Annual Debt Service shall be calculated for the Fiscal Year of determination as if the interest on and principal of such Parity Obligations were being paid from the date of incurrence thereof in substantially equal annual amounts over the term of such Parity Obligations.

(c) With respect to any such Parity Obligations or portions thereof bearing no current interest but which are sold at a discount and which discount accretes with respect to such Parity Obligations or portions thereof, such accreted discount shall be treated as due when scheduled to be paid.

(d) The amount on deposit in a debt service reserve fund for any Parity Obligations on any date of calculation of Annual Debt Service shall be deducted from the amount of principal due at the final maturity of such Parity Obligations and in each preceding year until such amount is exhausted.

(e) With respect to any debt that constitute Parity Obligations, the interest rate on such Parity Obligations shall be the resulting linked rate or the effective fixed interest rate to be paid by the Agency with respect to such Parity Obligations.

(f) With respect to a Guarantee, there shall be included in the Annual Debt Service of the Agency (i) twenty-five percent (25%) of the Agency's maximum possible monetary liability under the Guarantee in any Fiscal Year unless the Guarantee is drawn upon, and (ii) one hundred percent (100%) of the Agency's monetary liability under a Guarantee which has been drawn upon, until such time as all amounts drawn upon the Guarantee have been repaid to the Agency and for two Fiscal Years thereafter.

“Business Day” means any day other than a Saturday or Sunday or a day on which (i) banks located in Los Angeles, California are not required or authorized to remain closed, and (ii) the New York Stock Exchange is not closed.

“Closing Date” means September 20, 2018.

“Contract Payment Date” means any date on which Contract Payments are scheduled to be paid by the Agency under and pursuant to the Parity Obligations.

“Contract Payments” means the payments scheduled to be paid by the Agency under and pursuant to the Parity Obligations, which payments are secured by a pledge of Net Revenues.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Agency and related to the authorization, execution, sale and delivery of this Installment Purchase Agreement any Parity Obligations, including but not limited to any costs, fees and charges for preparation and execution of Parity Obligations and any other cost, charge or fee incurred in connection with the delivery of such Parity Obligations.

“Default Rate” means a rate of interest equal to the interest rate with respect to the Installment Purchase Agreement, plus 5%.

“Event of Default” means any of the events of default as defined in Section 5.1.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Year” means each twelve-month period during the Term of this Installment Purchase Agreement commencing, on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the Agency as its fiscal year period.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“Guarantee” means any obligation of the Agency guaranteeing in any manner, whether directly or indirectly, any obligation of any person which would, if such person were the Agency, constitute a Parity Obligation.

“Independent Certified Public Accountant” means a certified public accountant or any firm of certified public accountants appointed by the Agency that is independent according to the Statement of Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Independent Financial Consultant” means a financial consultant qualified in the field of municipal finance, appointed and paid by the Agency, and who:

(i) is in fact independent and not under the domination of the Agency or any member thereof;

(ii) does not have a financial interest, direct or indirect, in the operations of the Agency; and

(iii) is not connected with the Agency as an officer or employee of the Agency or any member thereof, but may be regularly retained to audit the accounting records of and make reports thereon to the Agency.

“Installment Payment Date” means May 15 and November 15 of each year commencing on November 15, 2018.

“Installment Payments” means all payments required to be paid by the Agency on any date under the Installment Purchase Agreement and pursuant to Section 3.4, including any prepayment thereof pursuant to Section 6.1 or 6.2.

“Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of September 1, 2018, between the Bank and the Agency.

“Maintenance and Operation Costs” means the reasonable and necessary costs paid or incurred by the Agency for maintaining and operating the System, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of the Agency that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self-insurance funds), and including all other reasonable and necessary costs of the Agency or charges required to be paid by it to comply with the terms of this Installment Purchase Agreement or of any resolution authorizing the execution of any Parity Obligation or of such Parity Obligation, and fees and expenses of Independent Certified Public Accountants; but excluding in all cases (1) the principal of and interest on Contract Payments, and payment of Subordinate Obligations, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under Generally Accepted Accounting Principles are chargeable to a capital account, and (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

“Material Adverse Change” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the Agency or the System, (b) the ability of the Agency to carry out its business in the manner conducted as of the date of this Installment Purchase Agreement or to meet or perform its obligations under this Installment Purchase Agreement on a timely basis, (c) the validity or enforceability of this Installment Purchase Agreement, or (d) the exclusion of interest on the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the Agency in any court or before any arbitrator of any kind or before or by any Governmental Authority, of which the Agency has notice or knowledge and which, (i) if determined adversely to the Agency, may have a Material Adverse Change, (ii) seek to restrain or enjoin any of the transactions contemplated hereby or by this Installment Purchase Agreement, or (iii) may adversely affect (A) the exclusion of interest on the Installment Payments [with respect to the Installment Payments] from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the Agency to perform its obligations under this Installment Purchase Agreement.

“Maximum Annual Debt Service” means, as of any date of calculation, the largest Annual Debt Service during the period from the date of such calculation through the final Contract Payment Date of all Parity Obligations.

“Net Revenues” means for any period Revenues less Maintenance and Operation Costs for such period.

“Parity Obligations” means the 2011 Agreement, and all other bonds, notes, loans, installment sale agreements, leases, or other obligations of the Agency payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the Installment Payments, issued in accordance with Section 4.10 hereof.

“Project” means the acquisition and construction of certain improvements to the Agency’s wastewater system, as more particularly described on Exhibit A attached hereto.

“Project Fund” means the Project Fund held by the [Bank] and established under Section 3.7 hereof.

“Revenue Fund” means the fund established and held by the Agency for the receipt and deposit of Revenues.

“Revenues” means all gross income, receipts and revenue received or receivable by the Agency from the ownership or operation of the System, determined in accordance with Generally Accepted Accounting Principles, including all fees, rates, charges and all amounts paid under any contracts received or owed by the Agency in connection with the ownership or operation of the System and all proceeds of insurance covering business interruption loss relating to the System and all other income and revenue howsoever derived by the Agency from the ownership or operation of the System or arising from the System.

“Subordinate Obligations” means all obligations of the Agency that are subordinate in priority and payment to the Installment Payments and payments required under Parity Obligations.

“System” means all land, facilities and equipment owned or used by the Agency for the collection and treatment of wastewater by the Agency, together with all additions, betterments, extensions or improvements to such land, facilities and equipment or any part thereof hereafter acquired or constructed by the Agency.

“Tax Code” means the Internal Revenue Code of 1986, as amended. Any reference herein to a provision of the Tax Code shall include all applicable temporary and permanent regulations promulgated under the Tax Code.

“Term of this Installment Purchase Agreement” or “Term” means the time during which this Installment Purchase Agreement is in effect, as provided in Section 3.3.

SECTION 1.2. Liability of Agency Limited to Net Revenues. Notwithstanding anything to the contrary contained in this Installment Purchase Agreement, the Agency shall not be required to advance any money derived from any source of income other than the Net Revenues, for the payment of the principal of or interest or prepayment premiums, if any, on the Installment Payments or for the performance of any covenants herein contained, nor for the maintenance and operation of the System from any source of income other than the Revenues. The Agency may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring any indebtedness. The Installment Payments shall be payable exclusively from the Net Revenues as provided in this Installment Purchase Agreement except as otherwise provided in this Installment Purchase Agreement. The credit of the Agency is not pledged for the payment of the Installment Payments or interest thereon. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be payable from or secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Agency or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

SECTION 1.3. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein and except as it relates to the holders of Parity Obligations other than the Installment Purchase Agreement, expressed or implied, is intended to give to any person other than the Agency and the Bank any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the Agency shall be for the sole and exclusive benefit of the Bank.

SECTION 1.4. Successor Is Deemed Included in all References to Predecessor. Whenever the Agency is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Agency, and all agreements and covenants required hereby to be performed by or on behalf of the Agency shall bind and inure to the benefit of the successors thereof whether so expressed or not.

SECTION 1.5. Waiver of Personal Liability. No member of the Agency Board of Directors and no officer, agent, or employee of the Agency, or of any department or agency thereof, shall be individually or personally liable for the payment of the principal of or interest on the Installment Purchase Agreement, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby.

SECTION 1.6. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction

or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 1.7. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Agency shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof; but the Bank shall retain all the rights and benefits accorded to it under any applicable provisions of law.

SECTION 1.8. Exhibits. The following Exhibits are attached to, and by reference made a part of this Installment Purchase Agreement:

Exhibit A: Description of the Project.

Exhibit B: The schedule of Installment Payments to be paid by the Agency hereunder, showing the date and amount of each such Installment Payment.

Exhibit C: Form of Investor Letter to be executed by the Bank.

ARTICLE 2

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the Agency. The Agency represents, covenants and warrants to the Bank as follows:

(a) **Due Organization and Existence.** The Agency is a joint exercise of powers agency and political subdivision of the State of California, duly organized and existing under the laws of the State of California, with full power and authority to enter into this Installment Purchase Agreement and conduct its business.

(b) **Authorization.** The laws of the State of California authorize the Agency to enter into this Installment Purchase Agreement and to enter into the transactions contemplated hereby, and to carry out its obligations under this Installment Purchase Agreement and the Board of Directors of the Agency has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) **No Violations.** Neither the execution and delivery of the this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Agency is now a party or by which the Agency is bound, or constitutes a default

under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the Agency, other than as set forth herein.

(d) Litigation. To Agency's actual current knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, government agency, public board or body, is pending and served or, threatened against the Agency: (i) in any way affecting the existence of the Agency or in any way challenging the respective powers of the several offices or the titles of the officials of the Agency to such offices; (ii) affecting or seeking to prohibit, restrain or enjoin the making, execution or delivery of this Installment Purchase Agreement or the application of the proceeds of this Installment Purchase Agreement; (iii) in any way contesting or affecting, as to the Agency, the validity or enforceability of this Installment Purchase Agreement; (iv) in any way contesting the powers of the Agency or its authority with respect to the adoption of Resolution No. R07-2018 of the Agency, or the execution and delivery of this Installment Purchase Agreement; or (v) in any way contesting or challenging the consummation of the transactions contemplated hereby or thereby or that might materially adversely affect the ability of the Agency to perform and satisfy its obligations under this Installment Purchase Agreement; nor to the best of the Agency's knowledge is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the proceedings authorizing this Installment Purchase Agreement or the performance by the Agency of its obligations thereunder, or the authorization, execution, delivery or performance by the Agency of this Installment Purchase Agreement.

(e) Valid and Binding Obligation. This Installment Purchase Agreement is a valid and binding obligations of the Agency enforceable in accordance with its terms.

(f) Pledge and Other Liens. The pledge in Section 3.6 of this Installment Purchase Agreement constitutes a lien on and a pledge of all Net Revenues, and other than the 2011 Loan and 2011 Agreement, there are no other liens on the Net Revenues as of the Closing Date.

(g) Due Execution. The Agency has duly authorized and executed this Installment Purchase Agreement in accordance with the laws of the State.

(h) No Default Event of Non-Appropriation. The Agency is not in default and has not failed to appropriate funds required under the terms, conditions or provisions of any agreement or instrument to which the Agency has issued debt.

(i) No Material Adverse Change. Since the most current date of the information, financial or otherwise, supplied by the Agency to the Bank.

(a) there has been no change in the assets, liabilities, financial position or results of operations of the Agency which might reasonably be anticipated to cause a Material Adverse Change;

(b) the Agency has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Change; and

(c) the Agency has not (A) incurred any material indebtedness, other than the Installment Payments and trade accounts payable arising in the ordinary course of the Agency's business and not past due, or (B) guaranteed the indebtedness of any other person.

(d) The Agency's comprehensive annual financial report for the period ended June 30, 2017, presents fairly the financial condition of the Agency and the System as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Bank, there has been no change in the financial condition of the Agency or the System since June 30, 2017, that will in the reasonable opinion of the Agency materially impair its ability to perform its obligations under this Installment Purchase Agreement. All information provided by the Agency to the Bank with respect to the financial performance of the System is accurate in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading.

(e) To the best of its knowledge, as currently conducted, the Agency's activities with respect to the System are in all material respects in compliance with all applicable laws, administrative regulations of the State of California and of the United States and any agency or instrumentality of either, and any judgment or decree to which the Agency is subject.

(f) To the best of its knowledge, the Agency is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either or any judgment or decree or any loans, indenture, bond, note, resolution, agreement or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject (including, without limitation, this Installment Purchase Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution, and the execution and delivery of this Installment Purchase Agreement and compliance with the Agency's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, Installment Purchase Agreement, indenture, agreement, mortgage, lease or other instrument to which the Agency is a party or to which the Agency or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Agency or under the terms of any such law, regulation or instruments, except as provided by this Installment Purchase Agreement.

(g) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or

that would constitute a condition precedent to or the absence of which would materially adversely affect the making or accepting of the Installment Purchase Agreement and the execution, delivery of and performance of this Installment Purchase Agreement by the Agency have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Installment Purchase Agreement, as to which no representation is made).

(h) The Agency acknowledges that (i) the Bank, is acting solely for its own loan account and not as a fiduciary for the Agency or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor, (ii) the Bank has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the Agency with respect to the Installment Payments, (iii) the Bank has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, if any, or the correctness of any legal interpretation made by counsel to any other party, if any, with respect to any such matters, and (iv) the Agency has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing effectuated through this Installment Purchase Agreement from its financial, legal and other advisors (and not from the Bank nor the Bank's legal counsel Kutak Rock LLP) to the extent that the Agency desired to obtain such advice.

(i) During the term of this Installment Purchase Agreement, the Project will be used by the Agency only for the purpose of performing one or more governmental or proprietary functions of the Agency consistent with the permissible scope of the Agency's authority.

SECTION 2.2. Representations, Covenants and Warranties of the Bank. The Bank represents, covenants and warrants to the Agency as follows:

(a) Due Organization and Existence. The Bank is a banking corporation organized and existing under the laws of the State of Alabama.

(b) Authorization. The Bank is authorized to enter into this Installment Purchase Agreement and the transactions contemplated hereby, and the Bank has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Bank is now a party or by which the Bank is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Bank.

(d) **Litigation.** To the best knowledge of the Bank, there is no pending or threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the Bank to perform its obligations under this Installment Purchase Agreement.

(e) **Investor Letter.** The Bank will deliver to the Agency a certificate or letter substantially in the form set forth in Exhibit C attached hereto, and will abide by all transfer restrictions herein and therein.

ARTICLE 3

TERMS OF AGREEMENT

SECTION 3.1. Purchase of Project and Agency. The Bank agrees to acquire, construct, install and/or equip the Project and to provide funds for and assist the Agency in acquiring property and easements which are necessary for the acquisition, construction and/or installation of the Project. The Bank hereby appoints the Agency as its agent to carry out all phases of the acquisition, construction, installation and/or equipping of the Project and the Agency, as agent of the Authority, assumes all rights, duties, responsibilities and liabilities of the Bank regarding the acquisition, construction, installation and/or equipping of the Project, except as limited herein. The Agency, as agent of the Bank, may enter into any purchase order, construction management agreement, architecture or engineering contract or construction contract required for the design, acquisition, construction, installation and completion of the Project. The Bank hereby assigns to the Agency all rights and powers to enforce in its own name or the name of the Bank on such purchase orders or contracts as are required for design, acquisition, construction, installation, purchase and completion of the Project, which enforcement may be by auction at law or in equity; provided that the assignment made by the Bank herein shall not prevent the Bank, or its assignee, from asserting such rights and powers in its own behalf.

SECTION 3.2. Repayment of the Project by the Agency. The Agency hereby agrees to repurchase from the Bank the Project at equal to \$_____ together with interest (calculated at the rate of [3.70%], on the basis of a 360 day year of twelve 30 day months) on the unpaid principal balance of the Installment Payments, payable on each Installment Payment Date as set forth in Exhibit B attached hereto.

SECTION 3.3. Substitution of the Project. The Agency may substitute other property or components of the Project, but only if the Agency first obtains the consent of the Bank and files with the Bank a statement of the Agency;

(a) identifying the property, facilities or combination thereof, to be substituted and the components of the Project that they will replace; and

(b) stating that the estimated costs of the substituted property, facilities or combination thereof is not less than the cost of the components of the Project being replaced.

SECTION 3.4. Term. The Term of this Installment Purchase Agreement shall commence on the Closing Date, and shall end on the earlier of [November 15, 2033] or the date upon which the Installment Payments shall be paid in full or provision for such payment shall be made as provided herein.

SECTION 3.5. Wire Instructions.

So long as the Installment Purchase Agreement is held by Compass Bank, all principal and interest payments with respect to Installment Purchase Agreement shall be made by wire transfer using the following wiring instructions (unless the Agency shall receive subsequent wiring instructions from the Bank):

Compass Bank
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: Global Risk Management

ABA#: 113-010-547
Beneficiary Account No.: 90124099
Beneficiary Account Name: Wire FL
Reference: DO NOT POST CONTACT:
LDFCPublicFinance.us@bbva.com
Reference: Big Bear Area Regional Wastewater Agency– Insert Acct # Included on Invoice

(b) Effect of Prepayment. In the event that the Agency prepays the Installment Payments in full pursuant to Article 6, the Agency's obligations under this Installment Purchase Agreement shall thereupon cease and terminate, including but not limited to the Agency's obligation to pay Installment Payments under this Section 3.4; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit.

(c) Rate on Overdue Payments. In the event the Agency should fail to make any of the payments required in this Section 3.4, the payment in default shall continue as an obligation of the Agency until the amount in default shall have been fully paid, and the Agency agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the Default Rate.

SECTION 3.6. Nature of Agency's Obligations.

(a) Special Obligation. The Agency's obligation to pay the Installment Payments is a special obligation of the Agency limited solely to the Net Revenues. Under no circumstances is the Agency required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments, and no other funds or property of the Agency are liable for the payment of the Installment Payments.

(b) Obligations Absolute. The obligations of the Agency to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained

herein are absolute and unconditional and are not subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach of the Agency or the Bank of any obligation to the Agency or otherwise with respect to the System, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the Agency by the Bank. Until such time as all of the Installment Payments have been fully paid or prepaid, the Agency:

(i) will not suspend or discontinue payment of any Installment Payments;

(ii) will perform and observe all other agreements contained in this Installment Purchase Agreement; and

(iii) will not terminate this Installment Purchase Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the System, sale of the System, the taking by eminent domain of title to or temporary use of any component of the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Purchase Agreement.

(c) Protection of Rights. If the Bank fails to perform any such agreements on its part, the Agency may institute such action against the Bank as the Agency deems necessary to compel performance so long as such action does not abrogate the obligations of the Agency contained in the preceding subsection (b). The Agency may, however, at the Agency's own cost and expense and in the Agency's own name or in the name of the Bank prosecute or defend any action or proceeding or take any other action involving third persons which the Agency deems reasonably necessary in order to secure or protect the Agency's rights hereunder, and in such event the Bank will cooperate fully with the Agency and take such action necessary to effect the substitution of the Agency for the Bank in such action or proceeding if the Agency shall so request.

SECTION 3.7. Revenue Fund; Pledge of Net Revenues.

(a) Revenue Fund; Receipt and Deposit of Net Revenues. There has heretofore been established a special fund known as the "Big Bear Area Regional Wastewater Agency Revenue Fund," which fund shall continue to be held and maintained by the Agency so long as this Installment Purchase Agreement and any Parity Obligations are outstanding. The Agency shall deposit all Revenues as and when received by it in the Revenue Fund and the Agency agrees and covenants that all Revenues deposited by it in the Revenue Fund will be accounted for through and held in trust in the Revenue Fund for the benefit of the Bank and for the benefit of the owners of any Parity Obligations. The Agency shall withdraw from such Revenue Fund and transfer to the Bank an amount of Net Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable.

(b) Pledge of Net Revenues. All the Net Revenues are irrevocably pledged by the Agency to the punctual payment of the interest on and principal of and redemption premiums, if

any, on the Installment Payments and the payment of any Contract Payments, subject to the provisions permitting the application thereof for the purposes and on the conditions and terms set forth in this Installment Purchase Agreement. This pledge shall constitute a first lien on the Net Revenues and such other money for the payment of the Installment Payments, and the payment of any Contract Payments in accordance with the terms of this Installment Purchase Agreement and any Parity Obligations. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be payable from or secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Agency or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

(c) Other Uses Permitted. The Agency shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the Agency may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of improvements to the System; (ii) the prepayment of this Installment Purchase Agreement or Parity Obligations; or (iii) any other lawful purpose of the Agency.

SECTION 3.8. Project Fund. The Bank shall establish a special fund to be held in trust at [the Bank] designated as the "Project Fund," shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided herein. [Amounts in the Project Fund shall be held in trust for the benefit of the Agency and the Bank shall have a security interest in the Project Fund until such time as moneys are released pursuant to this Section.]

The Bank shall disburse moneys in the Project Fund from time to time upon receipt by the Bank of a written request of the General Manager or Finance Manager of the Agency which: (1) states with respect to each disbursement to be made: (A) the requisition number, (B) the name and address of the person, firm or entity to whom payment is due, (C) the amount to be disbursed, and (D) that each obligation mentioned therein has been properly incurred, and is a proper charge against the Project Fund; (2) specifies in reasonable detail the nature of the obligation; (3) is accompanied by a bill or statement of account for each obligation; and (4) states that there has not been filed with or served upon the Agency notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in the requisition which has not been released or will not be released simultaneously with the payment of such obligation, other than materialman's or mechanic's liens accruing by operation of law; and (5) is accompanied by a written request of the General Manager or Finance Manager of the Agency certifying that no Event of Default has occurred and is continuing under this Installment Purchase Agreement.

The Bank shall be responsible for the safekeeping and investment of the moneys held in the Project Fund in accordance with the written direction of the Agency, and the payments therefrom in accordance with this Section. Moneys deposited in the Project Fund shall be invested in a money market fund comprised of securities directly or indirectly guaranteed by the United States of America or an agency thereof and interest accruing thereon shall be retained in the Project Fund.

Upon the earlier of September 15, 2021 or the filing with the Bank of a certificate of the General Manager or Finance Manager of the Agency that all costs associated with the Project have been paid or are provided for, then the Bank shall retain in the Project Fund the amount, if any, specified in a written request of the General Manager or Finance Manager of the Agency needed or required to pay future costs of the Project, as set forth above, and the Bank shall withdraw and credit the balance of moneys in the Project Fund to pay interest on the principal amount of the Installment Payments, as specified in such certificate.

ARTICLE 4

COVENANTS OF THE AGENCY

SECTION 4.1. Release and Indemnification Covenants. The Agency shall indemnify the Bank and its officers, employees, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

- (a) the use, maintenance, condition or management of, or from any work or thing done on or about the System by the Agency, or its employees, agents, directors, contractors or officers;
- (b) any breach or default on the part of the Agency in the performance of any of its obligations under this Installment Purchase Agreement;
- (c) any intentional misconduct or negligence of the Agency or of any of its agents, contractors, servants, employees or licensees with respect to the System; and
- (d) any intentional misconduct or negligence of any lessee of the Agency with respect to the System.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Purchase Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Purchase Agreement by the Bank, its officers, agents, employees, successors or assigns.

SECTION 4.2. Against Sale or Other Disposition of the System. The Agency will not sell or otherwise dispose of the System or any part thereof essential to the proper operation of the System or that would have a Material Adverse Change on the Net Revenues received or receivable by the Agency, unless the Installment Payments and the Parity Obligations have been fully paid or provision has been made therefor. The Agency will not enter into any lease or agreement which impairs the operation of the System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the Parity Obligations, or which would otherwise impair the rights of the Bank or the owners of the Parity Obligations with respect to the Net Revenues or the operation of the System.

SECTION 4.3. Eminent Domain Proceeds. If all or any part of the System shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom

shall be deposited by the Agency in a special fund with the Bank and applied by the Agency to the cost of acquiring and constructing additions, betterments, extensions or improvements to the System. If (A) the Agency first secures and files with the Bank a Certificate of the Agency showing (i) the loss in annual Revenues, if any, suffered, or to be suffered, by the Agency by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the System then proposed to be acquired and constructed by the Agency from such proceeds, and (iii) an estimate of the additional Revenues to be derived from such additions, betterments, extensions or improvements; and (B) the Bank has been furnished a Certificate of the Agency, certifying that such additional Revenues will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the Agency to meet its obligations under this Installment Purchase Agreement and Parity Obligations, if any, will not be substantially impaired, and such Certificate of the Agency shall be final and conclusive, and any balance of such proceeds not required by the Agency for such purpose shall be deposited in the Revenue Fund provided, that if the foregoing conditions are not met, then such proceeds shall be applied on a pro rata basis so as to pay principal of, interest and prepayment premium, if any, on the Installment Payments and with respect to unpaid Parity Obligations as they shall become due.

If such eminent domain proceedings have had no effect, or at most an immaterial effect, upon the Revenues and the security of the Installment Payments and the Parity Obligations, and a Certificate of the Agency to such effect has been filed with the Bank, then the Agency shall be permitted to deposit such proceeds in the Revenue Fund.

SECTION 4.4. Insurance.

(a) The Agency will procure and maintain at all times while any of the Installment Payments shall be outstanding insurance on the System against such risks (including accident to or destruction of the System as well as loss of use) as are usually insured in connection with operations similar to the System and, to the extent such insurance is available for reasonable premiums from a reputable insurance company, such insurance shall be adequate in amount and, as to the risks insured against, shall be maintained with responsible insurers; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound.

(b) The Agency shall procure and maintain or cause to be procured and maintained, with responsible insurers, public liability and worker's compensation insurance covering claims against the Agency (including its directors, officers and employees) for bodily injury or death, or damage to property occasioned by reason of the Agency's operations, including any use of the System, and such insurance shall afford protection in such amounts as are usually covered in connection with operations similar to the System; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound. The Bank shall be named as an additional insured with respect to any public liability insurance.

SECTION 4.5. Amounts of Rates, Fees and Charges.

(a) The Agency will, at all times while any of the Installment Payments remain outstanding, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield Revenues at least sufficient, after making reasonable

allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year:

- (i) All current Maintenance and Operation Costs;
- (ii) The interest on and principal of the Installment Payments and the payments for the Parity Obligations;
- (iii) All payments required for compliance with the terms of this Installment Purchase Agreement or any other Parity Obligation, including without limitation, any obligation to maintain a reserve fund at a certain level;
- (iv) All payments to meet any other obligations of the Agency which are charges, liens or encumbrances upon, or payable from, the Net Revenues; and
- (v) Payment with respect to the Subordinate Obligations as they become due and payable.

(b) In addition to the requirements described above, the Agency will, at all times while this Installment Purchase Agreement and any Parity Obligations remain outstanding, to the maximum extent permitted by law, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield Net Revenues during such Fiscal Year equal to at least one hundred twenty per cent (120%) of the Annual Debt Service in such Fiscal Year.

SECTION 4.6. Enforcement of and Performance Under Parity Obligations. The Agency shall enforce all material provisions of any contracts to which it is a party, an assignee, successor in interest to a party, or third-party beneficiary, in any case where such contracts provide for wastewater to be collected and treated by the System or provide for payments or services to be rendered to the Agency. Further, the Agency will comply with, keep, observe and perform all material agreements, conditions, covenants and terms, express or implied, required to be performed by it, contained in all contracts affecting or involving the System, to the extent that the Agency is a party thereto.

SECTION 4.7. Collection of Charges, Fees and Rates. The Agency will have in effect at all times rules and regulations requiring each member agency to pay the applicable charges, fees and rates and providing for the billing thereof. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the Agency will take necessary actions to enforce the collection procedures contained in the rules and regulations.

SECTION 4.8. Against Encumbrances. The Agency will not mortgage or otherwise encumber, pledge or place any charge or lien upon any of the Net Revenues except as provided in this Installment Purchase Agreement and will not issue any obligations secured by Net Revenues on a parity with, or senior to, the Installment Payments and Parity Obligations; provided, that the Agency may at any time issue any Subordinate Obligations.

SECTION 4.9. Execution of Parity Obligations.

The Agency may at any time execute any Parity Obligations the Contract Payments under which are payable on a parity with the Installment Payments; provided, that such Parity Obligations meet the conditions and requirements for the issuance of Parity Obligations under Section 4.10 below.

SECTION 4.10. Conditions for Entering into Parity Obligations. The Agency may at any time enter into a Parity Obligation payable from the Net Revenues and secured by a lien and charge upon the Net Revenues equal to and on a parity with the lien and charge securing this Installment Purchase Agreement, but only subject to specific conditions precedent, which are summarized below:

(a) The Agency shall be in compliance with all agreements, conditions, covenants and terms contained in this Installment Purchase Agreement and in any other Parity Obligations required to be observed or performed by it, and a certificate signed by the General Manager or Finance Manager of the Agency to that effect shall have been filed with the Bank (this condition shall not apply where the purpose of a Parity Obligation proposed to be issued is to cure such non-compliance).

(b) The execution of the Parity Obligation shall have been duly authorized pursuant to all applicable laws, and the Parity Obligation shall specify among other items, the amount, if any, to be deposited from the proceeds of such Parity Obligation into a reserve fund established for such Parity Obligation.

(c) The Net Revenues for the most recent Fiscal Year for which audited financial statements are available, or, alternatively, any 12 consecutive months within the last 18 months preceding the date of such Parity Obligation, as shown by a certificate signed by the General Manager or Finance Manager of the Agency on file with the Bank, plus

(i) An allowance for Net Revenues for such Fiscal Year or 12 month period from any additions, betterments, extensions or improvements to the System or expansions to the service area of the System (including any material increase in the wastewater expected to be delivered to the System based on an executed contract providing therefor), which during any part of such Fiscal Year or 12 month period, were not in service or not in effect, as the case may be, all in an amount equal to the estimated additional average annual Net Revenues to be derived from such additions, betterments, extensions or improvements or expansions for the first thirty-six (36) months or shorter period in which each addition, betterment, extension or improvement is respectively to be in operation or expansion is to be in effect, all as shown by a written certificate signed by the General Manager or Finance Manager of the Agency; and

(ii) An allowance for increased Net Revenues arising from any increase in the rates, fees and charges of the System which became effective prior to the date of the execution of such Parity Obligation but which, during all or any part of such Fiscal Year or 12 month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates, fees and charges had been

in effect during the whole of such Fiscal Year or 12 month period, as shown by a certificate signed by the General Manager or Finance Manager of the Agency;

shall have produced a sum equal to at least one hundred twenty percent (120%) of the Maximum Annual Debt Service as calculated after the date of such Parity Obligation; provided, that in the event that all or a portion of such Parity Obligation being entered into is for the purpose of refunding and retiring any outstanding Parity Obligation, interest and principal payments on the Parity Obligation to be so refunded and retired from the proceeds of such Parity Obligation being issued shall be excluded from the foregoing computation of Maximum Annual Debt Service.

SECTION 4.11. Tax Covenants.

The Agency hereby covenants that, notwithstanding any other provision of this Installment Purchase Agreement, it will make no use of the proceeds of the Installment Purchase Agreement or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Installment Purchase Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The Agency will not use or permit the use of either System or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest payable pursuant to the Installment Purchase Agreement under Section 103 of the Code.

The Agency will not make any use of the proceeds from the Installment Purchase Agreement or any other funds of the Agency, or take or omit to take any other action, that would cause the obligation provided herein to be "federally guaranteed" within the meaning of Section 149(b) of the Code or "private activity bonds" within the meaning of Section 141 of the Code. To that end, so long as the Installment Payments are unpaid, the Agency, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended, to the extent such requirements are, at the time, applicable and in effect.

The Agency shall promptly file or cause to be filed an information report for the Installment Payments in compliance with Section 149 (e) of the Tax Code.

The Agency has complied with the Code, with respect to the Installment Purchase Agreement, and the Agency shall not knowingly take or omit to take any action that, under existing law which may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on Installment Purchase Agreement.

The Agency hereby designates the Installment Purchase Agreement as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Tax Code.

SECTION 4.12. Reconstruction of System; Application of Insurance Proceeds.

If any useful portion of the System shall be damaged or destroyed, the Agency shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless the Agency shall file with the Bank a written certificate of an engineer qualified to render such certificate to the effect that such reconstruction or replacement is not in the best interests of the Agency and the Bank. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption loss insurance or public liability insurance, shall be deposited by the Agency in a special account, held in trust by the Agency, and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be invested by the Agency in investments permitted by Section 53601 of the California Government Code which mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance not required by the Agency for the purposes aforesaid shall be deemed Revenues.

SECTION 4.13. Records and Accounts. The Agency covenants and agrees that it shall keep proper books of record and accounts of the System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, the Revenues and the Net Revenues. Said books shall at all reasonable times be subject to the inspection of the Bank.

SECTION 4.14. Collection of Charges. The Agency covenants and agrees that, except to the extent that the Agency is required under agreements and/or contracts existing on the effective date of this Installment Purchase Agreement, no wastewater treatment and disposal or other service from the System may be furnished or rendered to the United States of America, the State, or any private corporation or person free of charge, or for consideration lower than that charged other persons for similar service in accordance with the Agency's regulations. The Agency covenants that it shall maintain and enforce valid regulations for the payment of bills for wastewater treatment and disposal service.

SECTION 4.15. Against Competing Utility. The Agency will not acquire, construct, operate or maintain, and will not, within the scope of its lawful powers, permit any other private or public corporation, political subdivision, district or agency, or any person whomsoever to acquire, construct, operate or maintain any sewer system or sewer utility in an area presently served by the System.

SECTION 4.16. Financial Reports. Promptly upon receipt by the Agency and in no event later than two hundred ten (210) days after the close of each Fiscal Year of the Agency (unless otherwise agreed in writing by the Bank), the Agency will furnish, or cause to be furnished, to the Bank detailed certified reports of audit, based on an examination sufficiently complete, prepared by an independent certified public accountant, covering the operations of the System for said Fiscal Year. Such audit report shall include statements of the status of each account pertaining to the System, showing the amount and source of all deposits therein, the amount and purpose of the withdrawals therefrom and the balance therein at the beginning and end of said Fiscal Year. With each such audit, the Agency shall provide a written statement as to whether or not the Net Revenues for such Fiscal Year were equal to at least 1.20 times the

Annual Debt Service for such Fiscal Year. In addition, the Agency shall deliver to the Bank, not later than thirty (30) days after the close of each Fiscal Year (unless otherwise agreed in writing with the Bank), a copy of the Agency's adopted budget for the then current Fiscal Year. Any reporting required pursuant to this Section 4.16 may be provided by submitting such reports on the Municipal Securities Rule Making Board's Electronic Municipal Market Access System or its successor system.

SECTION 4.17. Compliance with this Installment Purchase Agreement. The Agency will faithfully observe and perform or cause to be faithfully observed and performed all the covenants, conditions and requirements of this Installment Purchase Agreement, and will not suffer or permit any default to occur hereunder. The Agency will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would constitute an Event of Default hereunder. Upon request by the Bank, Agency shall provide a written certificate of the Agency to the effect that it is in compliance with all covenants, conditions and requirements of this Installment Purchase Agreement, other than those expressly waived by Bank.

SECTION 4.18. Observance of Laws and Regulations. The Agency will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the Agency, including the Agency's right to exist and carry on business as a public utility district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 4.19. Budget. The Agency hereby covenants to take such action as may be necessary to include all Installment Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Installment Payments and all other amounts due hereunder. The covenants on the part of the Agency herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the Agency to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the Agency to carry out and perform the covenants and agreements on the part of the Agency contained in this Installment Purchase Agreement.

SECTION 4.20. Notices. The Agency shall provide to the Bank:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Purchase Agreement, together with a detailed statement by an Agency officer of the steps being taken by the Agency to cure the effect of such Event of Default.

(b) Prompt written notice (i) of any action, suit or proceeding or any investigation, inquiry or similar proceeding by or before any court or other governmental authority, domestic or foreign, against the Agency or any of the System or the Revenues which involve claims equal

to or in excess of \$500,000 or that seeks injunctive relief or (ii) of any loss or destruction of or damage to any portion of the System in excess of \$500,000.

(c) Prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Authority with respect to any matter that relates to or could impact any of the Revenues.

(d) Promptly upon notice thereof, any termination or cancellation of any insurance policy which the Agency is required to maintain, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Agency property in excess of an aggregate of \$500,000.

(e) With reasonable promptness, such other information respecting the Agency, the System, and the operations, affairs and financial condition of the Agency as the Bank may from time to time reasonably request.

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.1. Events of Default and Acceleration of Installment Purchase Agreement. If one or more of the following events (herein an “Event of Default”) shall happen, that is to say:

(a) If default shall be made in the due and punctual payment of the interest payable pursuant to the Installment Purchase Agreement or with respect to any Parity Obligation when and as the same shall become due and payable;

(b) If default shall be made in the due and punctual payment of the principal of or redemption premium, if any, on or of any sinking fund installment for any Parity Obligation with respect to any Parity Obligation when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(c) If default shall be made by the Agency in the observance or performance of any of the other agreements, conditions, covenants or terms on its part contained in this Installment Purchase Agreement, and such default shall have continued for a period of sixty (60) days after the Agency shall have been given notice in writing of such default by the Bank, which may give notice in its discretion; provided, that such default shall not constitute an Event of Default if the Agency shall commence to cure such default within such sixty (60)-day period and thereafter diligently and in good faith shall proceed to cure such default within a reasonable period of time but not later than an additional sixty (60) days; or

(d) If the Agency shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under

the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Agency or of the whole or any substantial part of its property

(e) Any representation or warranty made or deemed to be made by or on behalf of the Agency in this Installment Purchase Agreement or in any certificate, financial or other statement furnished by or on behalf of the Agency to the Bank pursuant hereto or thereto shall prove to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made;

(f) This Installment Purchase Agreement or any material provision of this Installment Purchase Agreement shall at any time for any reason cease to be the legal, valid and binding obligation of the Agency or shall cease to be in full force and effect, or shall be declared to be unenforceable, invalid or void, or the validity or enforceability thereof shall be contested by the Agency, or the Agency shall renounce the same or deny that it has any further liability hereunder or thereunder;

(g) Dissolution, termination of existence, insolvency or business failure of the Agency; or

(h) Any court of competent jurisdiction with jurisdiction to rule on the validity of any provision of this Installment Purchase Agreement shall find or rule that this Installment Purchase Agreement is not valid or not binding on the Agency, then, and in each and every such case during the continuance of such Event of Default, the Bank may declare all the Installment Payments to be immediately due and payable, whereupon the same will immediately become due and payable; provided that if, at any time after the Installment Payments shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Agency shall deposit with the Bank a sum sufficient to pay all of Installment Payments, and the expenses of the Bank, including attorneys' fees, together with interest on any such amounts advanced, and any and all other defaults known to the Bank (other than in the payment of the Installment Payments due and payable solely by reason of such declaration) shall have been made good or cured or provision shall have been made therefor, then, and in every such case, the Bank may rescind and annul such declaration and its consequences; except that no such rescission or annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

(j) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Bank shall have the right, at its option upon notice to the Agency, to declare the unpaid aggregate Principal Components of the Installment Payments, and the interest accrued thereon, to be immediately due and payable, whereupon the same shall immediately become due and payable.

The Bank shall also have the right, at its option upon notice to the Agency, to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the Agency to charge and collect rates for services provided by the Agency

and the System sufficient to meet all requirements of this Installment Purchase Agreement, and (ii) take whatever action at law or in equity as may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Purchase Agreement, or enforce performance and observance of any obligation, agreement or covenant of the Agency under this Installment Purchase Agreement, subject to the following paragraph.

Notwithstanding any provision of this Installment Purchase Agreement, the Agency's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Article IV hereof. In the event that Net Revenues shall be insufficient at any time to pay the principal and interest on the Installment Payments in full, the Agency shall not be liable to pay or prepay such delinquent Installment Payments other than from Net Revenues.

SECTION 5.2. Other Remedies of the Bank. The Bank shall have the right:

(k) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Agency or any director, officer or employee thereof, and to compel the Agency or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(l) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Bank; or

(m) by suit in equity upon the happening of an Event of Default to require the Agency and its Board of Directors, officers and employees to account as the trustee of an express trust.

SECTION 5.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article 5 it shall not be necessary to give any notice, other than such notice as may be required, in this Article 5 or by law.

SECTION 5.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Installment Purchase Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house counsel) or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including the allocable cost of in-house counsel) and such other expenses so incurred by the non-defaulting party.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Purchase Agreement should be breached by either party

and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

A waiver of any default or breach of duty or contract by the Bank shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Bank to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bank by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bank. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Bank, the Agency and the Bank shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

ARTICLE 6

PREPAYMENT OF AGREEMENT

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Purchase Agreement, the Agency may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with Bank an amount of cash which is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant to Section 3.4(a), or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant to Section 3.4(a) or when due on any optional prepayment date pursuant to Section 6.2, as the Agency shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the Agency under this Installment Purchase Agreement, and the pledge of Net Revenues and all other security provided by this Installment Purchase Agreement for said obligations, shall cease and terminate, excepting only the obligation of the Agency to make, or cause to be made, all of Installment Payments from such security deposit. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Purchase Agreement.

SECTION 6.2. Optional Prepayment. The Agency may not prepay the Installment Payments prior to [September __, 2028]. On or after [September __, 2028], the Installment Payments may be prepaid, in whole or in part, on any date by paying to the Bank the principal portion of the Installment Payments to be prepaid, together with accrued interest to the date set for prepayment, without premium.

During the Term of this Installment Purchase Agreement, the Agency shall keep a complete and accurate record of all such notices of assignment.

SECTION 7.3. Assignment by the Agency. This Installment Purchase Agreement may not be assigned by the Agency, other than to a public agency which shall succeed to the interests of the Agency in and to the System and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof. In connection with any such assignment by the Agency, the Agency shall provide the Bank with an opinion of bond counsel that such assignment shall not adversely affect the exclusion of interest payable pursuant to the Installment Purchase Agreement from gross income for federal income tax purposes and the exemption of such interest for State of California income tax purposes.

SECTION 7.4. Amendment of this Installment Purchase Agreement. This Installment Purchase Agreement may be amended in writing by the Agency and the Bank.

SECTION 7.5. Binding Effect. This Installment Purchase Agreement shall inure to the benefit of and shall be binding upon the Bank and the Agency and their respective successors and assigns.

SECTION 7.6. Severability. In the event any provision of this Installment Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.7. Net-Net-Net Parity Obligation. This Installment Purchase Agreement shall be deemed and construed to be a “net-net-net” contract, and the Agency hereby agrees that the Installment Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.8. Further Assurances and Corrective Instruments. The Bank and the Agency agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Purchase Agreement.

SECTION 7.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.10. Applicable Law, and Venue. This Installment Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California and venue shall be in the County of Riverside.

SECTION 7.11. Captions. The captions or headings in this Installment Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Purchase Agreement.

SECTION 7.12. Judicial Reference.

(a) The Bank and the Agency hereby agree: (i) each proceeding or hearing based upon or arising out of, directly or indirectly, this Installment Purchase Agreement or any document related thereto, any dealings between the Agency and the Bank related to the subject matter of this Installment Purchase Agreement or any related transactions, and/or the relationship that is being established between the Agency and the Bank (hereinafter, a "Claim") shall be heard by a single referee (a "Referee") by consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Bank or the Agency, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the decision of the court with respect to the Claim. The Bank and the Agency agree that the Referee's remedies shall include the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Bank and the Agency shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 7.13; (iv) either the Bank or the Agency, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Bank and the Agency, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, provided, however, that all records relating to the Reference shall be publically available when the order thereon becomes final.

(b) The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Riverside County Superior Court, or of the U.S. District Court for the Central District of California. The Referee shall determine all issues relating to the applicability, interpretation, legality and enforceability of this Section 7.13.

(c) No provision of this Section 7.13 shall limit the right of either the Bank or the Agency, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, or (ii) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy

does not waive the right of the Bank or the Agency to the Reference pursuant to this Section 7.13(c).

(d) Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

(Signature page follows)

IN WITNESS WHEREOF, the Bank has caused this Installment Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the Agency has caused this Installment Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

COMPASS BANK, D/B/A BBVA COMPASS

By:

[Name, Title]

BIG BEAR AREA REGIONAL WASTEWATER
AGENCY

By:

John Green, Chairman of the Board

*-Signature Page-
Installment Purchase Agreement*

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Proceeds of the Installment Purchase Agreement shall be used to finance improvements to the Agency's System, including but not limited to one or more of the following:

1. New Belt Press and Related Equipment
Purchase and installation of a new belt press including a conveyor and hopper.
2. Outfall Line Repair and Replacement
Reinforcement of existing pipeline with concrete encasement.
3. New Gravity Sewer Line
Approximately 4,000 feet of 15 to 18" pipeline.
4. SCADA System Replacement
Replacement of SCADA system equipment.
5. Station Generator with Fuel System
Replacement of standby generator.
6. Headworks Replacement
Replacement of the Agency's headworks operations including the building and all equipment.
7. Oxidation Ditches Replacement Gates and Rotors
Replacement of three gates and rotors at Oxidation Ditches 1-3.

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Fiscal Total</u>
11/15/2018				
05/15/2019				
06/30/2019				
11/15/2019				
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11/15/2033				
Total				

* Actual interest amount may be different than shown on schedule depending on whether the Repayment Date is a Business Day.

EXHIBIT C

FORM OF INVESTOR LETTER

This letter is to provide you with certain representations and agreements in connection with the execution and delivery of that certain Installment Purchase Agreement dated as of September 1, 2018, by and between BBVA Compass Bank d/b/a BBVA Compass, an Alabama banking corporation (the “Bank,” the “undersigned,” “us” or “we,” as applicable), and the Big Bear Area Regional Wastewater Agency (the “Agency ”) on [September 15, 2018] (the “Installment Purchase Agreement”). Capitalized terms not otherwise defined herein will have the meanings set forth in the Installment Purchase Agreement.

We hereby represent and warrant to you and agree with you as follows:

1. the Bank is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to enter into the Installment Purchase Agreement;
2. the undersigned is a duly appointed, qualified, and acting officer of the Bank and is authorized to cause the Bank to make the representations and warranties contained herein on behalf of the Bank;
3. the Bank has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations similar to the Installment Purchase Agreement, to be able to evaluate the risks and merits of the investment represented by the Installment Purchase Agreement and is able to bear the economic risks of such investment;
4. the Bank understands that the Installment Purchase Agreement has been registered with any federal or state securities agency or commission; and further understands that the Installment Purchase Agreement (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;
5. the Bank acknowledges that it has either been supplied with or has been given access to information to which a reasonable investor would attach significance in making investment decisions, and the Bank has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the Agency and the Agency’s Systems, as well as the insurance, security and prepayment arrangements set forth in the Installment Purchase Agreement, so that, as a reasonable investor, the Bank has been able to make an informed investment decision to enter into the Installment Purchase Agreement;
6. the Bank understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared;

7. the Bank acknowledges that there is no reserve fund required pursuant to the Installment Purchase Agreement;

8. the Bank understands and acknowledges it is entering into the Installment Purchase Agreement on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and therefore the Agency has not undertaken, other than as provided in the Installment Purchase Agreement, to provide to or for the benefit of holders of the Installment Purchase Agreement financial or operating data or any other information with respect to the Agency on an ongoing basis;

9. the Bank has made its own inquiry and analysis with respect to the Installment Sale Agreement and the security therefore, and other material factors affecting the security and payment of the Installment Sale Agreement;

10. the Bank is either:

i. an “accredited investor” as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the “Securities Act”);
or

ii. a “qualified institutional buyer” as such term is defined in Rule 144A promulgated under the Securities Act;

11. the Bank is entering into the Installment Purchase Agreement for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the Installment Payments by means of any form of general solicitation or general advertising, and we are not an underwriter of the Installment Payments within the meaning of Section 2(11) of the Securities Act; provided, however, that the Bank reserves the right to sell, transfer or redistribute the Installment Payments without the consent of the Agency in accordance with the Installment Purchase Agreement and all applicable securities laws, and agrees that any such sale, transfer or redistribution by the Bank shall be in accordance with the Installment Purchase Agreement;

12. the Bank recognizes that an investment in the Installment Payments involves significant risks, there is no established market for the Installment Payments and that none is likely to develop; and

13. the Bank further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the Installment Payments if and when any such future disposition of the Installment Purchase Agreement may occur.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [15] day of September, 2018.

BBVA COMPASS BANK d/b/a BBVA
COMPASS, an Alabama banking corporation

By: _____
[Name, Title]



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

AGENDA ITEM: 11.A

MEETING DATE: August 22, 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: Other Post-Employment Benefits

BACKGROUND:

In September 2017, the Governing Board directed the Administrative Committee to discuss the Agency’s Other Post-Employment Benefits (OPEB) and look at potential changes to such benefits for new hires (existing “active” employees have a vested benefit and pursuant to Counsel’s review such benefit should not be modified). OPEB are medical benefits received in retirement and available to BBARWA employees that retire within 120 days of separation.

At the direction of the Administrative Committee, the Agency worked with its actuary to better understand the types of modifications that were taking place at other agencies and to identify which options might be possible for BBARWA. Based on this information, the Administrative Committee selected two options to have evaluated by the actuary for financial impact and reasonableness.

DISCUSSION:

Current Benefit Level

The Agency currently has two benefit levels, a Tier 1 and a Tier 2:

Tier 1 (retired before Jan 1, 2011)

Benefit is 100% of Any Plan, Vesting is 5 years in CalPERS

Tier 2 (employees retired after Jan 1, 2011 and current actives)

Benefit is 100% of Highest HMO Family Plan; Vesting is 5 years in CalPERS

Options Evaluated

The Administrative Committee evaluated two benefit options: 1) the Minimum Employer Contribution (the MEC) and 2) 90% of the Highest HMO Family Rate subject to a Vesting Schedule.

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

Approved Date: _____ Witness: _____

Secretary of the Governing Board

Option 1 - MEC: The MEC is the lowest amount the Agency can pay under the Public Employees' Medical & Hospital Care Act (PEMHCA) which governs the CalPERS Health Program. It is currently set at \$133 per month per eligible retiree (five years within the CalPERS system) and increases by the consumer price index.

Option 2 - 90% of Highest HMO Family Plan with BBARWA Vesting:

Benefit	BBARWA Vesting		Note
Up to 90% of Highest HMO Family Rate	Years of Service	% of Benefit	If < 5 years of service with BBARWA but 5 years of service with CalPERS, BBARWA must pay MEC
	< 5	0	
	5	25%	
	10	50%	
	15	75%	
	20	100%	

Administrative Committee Recommendation

The Administrative Committee is recommending the Agency consider Option 2 above. This option continues to provide a reasonably good benefit and is still competitive in the market for recruitment purposes, it increases the employee's cost sharing of the monthly premium, it provides for vesting with BBARWA to be eligible for the benefit in retirement and provides sizable savings in the long term. The reduction in the present value of projected benefits (the discounted total of all future benefits expected to be paid) under Option 2 is estimated to save 6% or \$253,571 after 10 years and 33% or \$9,162,019 after 50 years.

Implementation Process

If a change is approved by the Governing Board, the implementation process and expected effective date would likely be a few months in the future and requires a new resolution with CalPERS, a review of the Agency's Section 125 Plan, and new Health Reimbursement Agreements related to each affected Tier.

FINANCIAL IMPACT:

The financial impact is as stated above with the expected reduction in the present value of projected benefits (the discounted total of all future benefits expected to be paid) under Option 2 estimated to save 6% or \$253,571 after 10 years and 33% or \$9,162,019 after 50 years

RECOMMENDATION:

Approve the recommended change in OPEB benefits for new hires to Option 2 discussed above and direct staff to proceed with the implementation process.



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: 11.B

MEETING DATE: August 22, 2018

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

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

PREPARED BY: Sonja Kawa, HR Coordinator/Accounting Technician

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: 1959 Survivor Benefit

BACKGROUND:

The Agency contracts with CalPERS to provide the 1959 Survivor Benefit to employees who are not covered by Social Security. This benefit provides a monthly allowance to eligible survivors of covered members who die before they would be eligible for retirement (age 50 or 52 with five years of service.)

DISCUSSION:

The Agency currently contracts for the 1959 Survivor Benefit Level 3 which provides a maximum allowance of \$840 per month for three or more survivors. Level 4 provides a maximum allowance of \$2,280 per month for three or more survivors. The employee-paid premium for either level is \$2.00 per month. There is currently no cost to the Agency for Level 3 benefits. On direction from the Administrative Committee, a valuation report was obtained from CalPERS to determine the cost to the Agency in providing the higher level of benefit to employees. Due to surplus funding of the pools, the cost analysis determined the Agency's first year payment for transitioning to Level 4 benefits is \$0. Payments for years two through five will be recalculated each year but could remain minimal based upon current data and assumptions. At the end of five years, the Agency's cost will be the pool's net normal cost premium as calculated by CalPERS annually. As an indication of the Agency's future cost, the employer normal cost payment for Level 4 FY 2018-19 is \$5.50 per employee per month.

FINANCIAL IMPACT:

There is no financial impact during FY 2019, and minimal expected costs overall of \$1,000 annually for this benefit.

RECOMMENDATION:

Authorize staff to initiate the contract amendment process with CalPERS to provide Level 4 1959 Survivor Benefits.

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

Approved Date: _____ Witness: _____

Secretary of the Governing Board



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

AGENDA ITEM: 11.C

MEETING DATE: August 22, 2018
TO: Governing Board of the Big Bear Area Regional Wastewater Agency
FROM: David Lawrence, P.E., General Manager
REVIEWED BY: Jennifer McCullar, Finance Manager
SUBJECT: Organizational Changes

BACKGROUND:

The Administrative Committee met on August 14, 2018 to discuss some recommended organizational changes. Staff presented the Agency's needs for two positions and the Administrative Committee supported our findings.

DISCUSSION:

Two managerial positions have been identified as necessary to improve the operational and administrative efficiency of the Agency.

Operational Needs

With recent changes in plant management, operational deficiencies have been identified in the areas of regulatory compliance, operational processes and procedures, and safety. This combined with a high level of plant repairs and a young workforce (50% with three years or less) is driving the need for a highly certified and experienced operator with supervisory and management skills. The following needs have been identified:

Compliance – regulatory reporting, permit-required plan development, and compliance-related training

Operations – treatment process optimization, process plans and standard operating procedures development, and providing plant process training

Safety – plan development and revision, site audits and inspections, and staff training

Technical Knowledge – Membrane bioreactor (MBR), Reuse Water Treatment, Computerized Maintenance Management System (CMMS), Supervisory Control And Data Acquisition (SCADA), Data Management Systems, and technical staff training.

The Agency currently has an unfilled operations position. The recent retirement of a Plant Operator opened up a Plant Operator spot, and the existing Plant Operations Supervisor voluntarily stepped down into this position leaving the Plant Operations Supervisor position open. While considering recruitment for the open Plant Operations Supervisor, the Agency determined that a Plant Superintendent with a higher level of operational and managerial experience would better meet the Agency's needs and provide the depth of knowledge that is desired. The plan is to leave the vacant position unfilled and to hire a slightly higher-level position to meet the Agency's identified needs. As a result, the Agency will not be increasing its operations staffing at this time. The Plant Operations Supervisor position will remain unfilled and a new Plant Superintendent position will be created. The annual fully-burdened cost differential between the two positions is estimated at \$24,134 assuming the position is hired at mid-range.

Administration Needs

On the administrative side, the Agency has multiple areas that are undermanaged, such as the Agency's information and technology systems, and areas that have gone unmanaged, such as the Agency's records keeping. Disorganization, combined with a lack of attainable records and systems for storage and retrieval, is creating inefficiencies and the inability to work effectively. With increasing needs related to large projects such as the reclamation and solar projects, and the high level of attention directed towards the Agency's current infrastructure and human resource needs, administrative assistance is needed in the following areas:

1. Records management and retrieval – organization and digitization of existing records
2. IT Systems (currently Finance Manager but previously Lab Director) - Computer networking system and equipment; telephone system; surveillance system
3. Oversight of regulatory reporting and legal records
4. Policy and procedures development and implementation
5. Office equipment purchasing and related contracts
6. High level managerial and financial analysis; grant writing; project management

A mid-management, administrative position has been identified for some time as a needed position. This is an office administration position that will have an emphasis on office organization and managerial analysis. This new position will help with agenda report writing, creating presentations, revamping existing policies and procedures, managing IT systems, contracting, and assisting in grant opportunities. The annual, fully burdened cost to fill this position is estimated at \$127,150 assuming the position is hired at mid-range.

FINANCIAL IMPACT:

The Agency's rate levels will not support this increase in the cost structure; however, there are cost saving projects occurring during the current fiscal year (belt press and sludge hauling) and in the next fiscal year (solar) that we expect to offset this cost increase. Currently there are higher levels of maintenance occurring than planned and the Agency's capital projects will likely be revised. As time passes, we will be more certain of the net financial impact of the above moving parts and will be able to report to the Board with more certainty. It is expected that during the budget process in February

the Agency will have solid projections for FY 2019, and if an appropriation is needed it will be requested at that time. The Agency has adequate reserves to fund its current and anticipated needs for FY 2019.

The impact on the Agency's salaries and benefits expense for FY 2019 can be estimated assuming a three-month recruitment period and a hire date of December 1 for the new hires. This would result in a seven-month period, or approximately 58% of the annual estimated amounts or \$88,249 for the budget year.

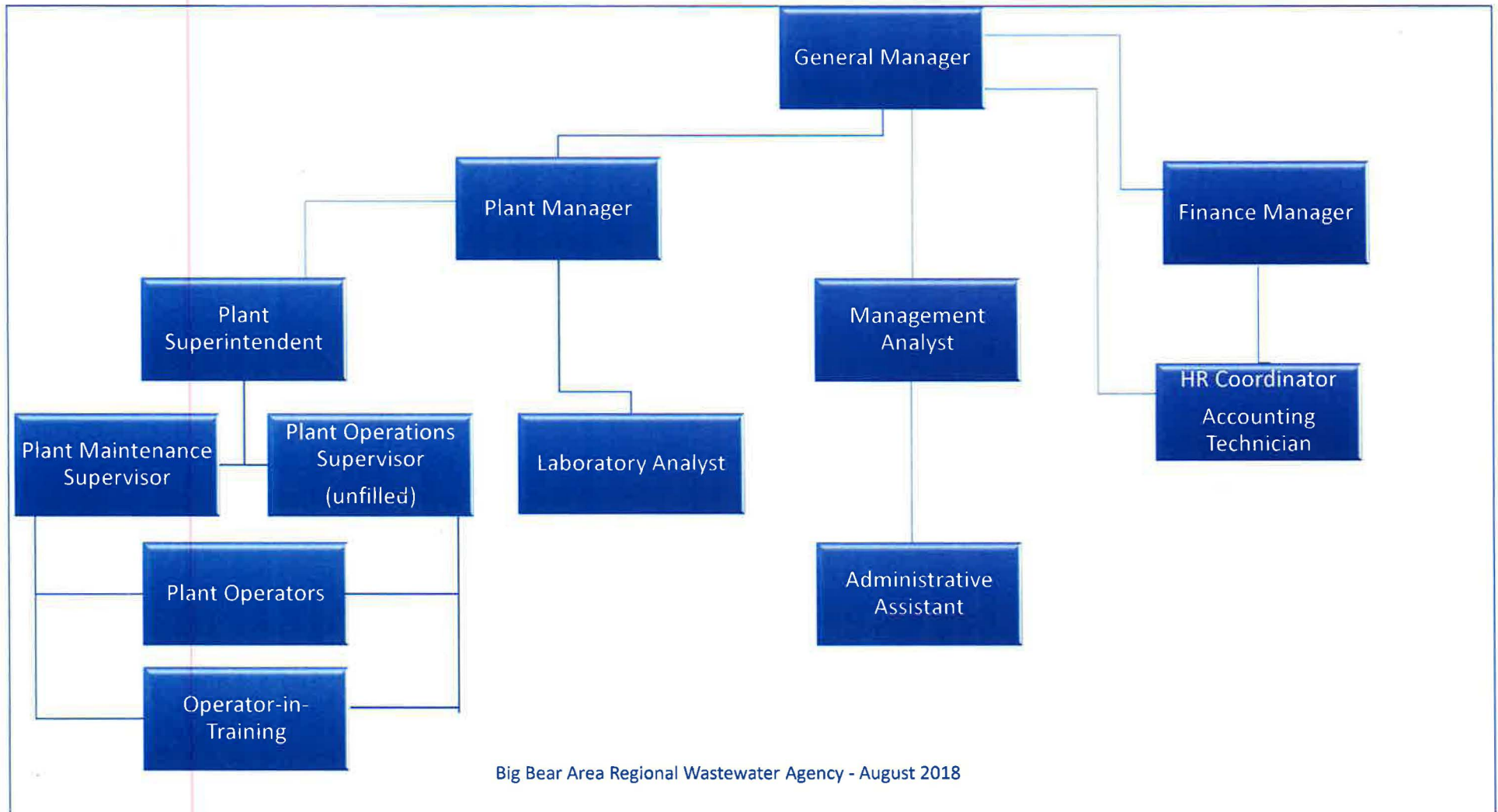
RECOMMENDATION:

Approve 1) the Organizational Chart, 2) the job descriptions for the Plant Superintendent and the Management Analyst, and 3) the revised Pay Schedule. Authorize the recruitment of the Plant Superintendent and the Management Analyst.

ATTACHMENTS:

- Organizational Chart
- Plant Superintendent job description
- Management Analyst job description
- Pay Schedule

Organizational Chart



Big Bear Area Regional Wastewater Agency - August 2018



PLANT SUPERINTENDENT

DEFINITION

To plan, organize and direct day-to-day activities associated with the operation, maintenance modification, and improvement of the wastewater treatment plant; and to provide highly complex staff assistance to the Plant Manager.

DISTINGUISHING CHARACTERISTICS

The Plant Superintendent level recognizes positions that provide second level supervision over plant operations and maintenance.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Plant Manager.

Exercises direct supervision over assigned supervisory and technical staff.

EXAMPLES OF ESSENTIAL DUTIES – Duties may include, but are not limited to, the following:

Recommend and implement section goals and objectives, establish performance standards and methods for maintenance and operations activities; develop and implement policies and procedures.

Plan, develop and oversee the work of the section; implement improvements and modifications; prepare various reports on operations and activities.

Participate in budget preparation and administration; prepare cost estimates for budget recommendations; submit justifications for staff, supplies, equipment, services and capital improvements; monitor and control expenditures.

Participate in the selection of staff; coordinate staff training; conduct performance evaluations; recommend discipline; implement discipline procedures as directed.

Assist in the coordination and implementation of safety programs, including employee training.

Assist the Plant Manager in investigating complaints and recommend corrective action as necessary to resolve complaints.

Analyze process control procedures, maintenance procedures, and institute changes when necessary to achieve full compliance with regulatory agency water quality and solids disposal requirements.

Maintain accurate operational records and assist in preparation of reports required by regulatory agencies.

Job Description
Plant Superintendent

Serve as the designated operator-in-charge (DOIC) in the absence of the Plant Manager.

Inspect facilities, analyze and evaluate operations and maintenance functions.

Develop plans and procedures to ensure that facilities operate within permit limits.

Recommend additions or improvements to treatment facilities and analyze their cost effectiveness.

Build and maintain positive working relationships with co-workers, Governing Board, other Agency employees and the public using principles of good customer service.

Perform related duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles and practices of wastewater collections, treatment and disposal.

Treatment plant operations which may include treatment process such as bio-filtration, activated sludge, chemical, biological and mechanical processes.

Maintenance of plant and equipment such as motors, gas engines, generators, pumping stations and lubrication procedures.

Pertinent local, State and Federal rules, regulations and laws.

Principles and practices of budgeting development, implementation and monitoring.

Principles and practices of supervision, training and personnel management.

Safety hazards of volatile solvents, noxious gases, prevention of physical injuries and body infections.

Sampling and testing procedures and laboratory testing including chemical, biological and bacteriological.

Modern office procedures and computer equipment.

Principles of customer service.

Ability to:

Organize, implement and direct operations and maintenance activities.

On a continuous basis, analyze regulatory technical reports; interpret and evaluate staff reports; know laws, regulations and codes; observe performance and evaluate staff; problem solve department related issues; remember various rules and procedures; and explain and interpret policy.

Job Description
Plant Superintendent

Operate and maintain a wastewater treatment facility.

Assist in the development and monitoring of an assigned budget.

Develop and recommend policies and procedures.

Interpret and apply Agency and department policies, procedures, rules and regulations.

Supervise, train and evaluate personnel.

Establish and maintain effective working relationships with those contacted in the course of work.

Communicate clearly and concisely, both orally and in writing.

In an emergency, respond to and deploy personnel and equipment as may be necessary.

On a continuous basis, sit at desk and in meetings for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, and write or use keyboard to communicate through written means; and lift or carry weight of 50 pounds or less.

EXPERIENCE, TRAINING AND EDUCATION

Any combination of experience, training and education that would provide the required knowledge, skills and abilities would be qualifying. A typical way to obtain the required knowledge, skills and abilities would be:

Education:

Equivalent to completion of the twelfth grade.

Experience and Training:

Six years increasingly responsible experience in wastewater treatment plant operations and maintenance including two years of supervisory level.

LICENSE AND/OR CERTIFICATES

Possession of a valid California Class C driver's license, including possession and maintenance of a satisfactory driving record and the ability to meet eligibility standards for motor vehicle insurance coverage established by the Agency's insurance carrier.

Possession of a Grade IV State of California Wastewater Treatment Plant Operator Certificate as issued by the State Water Resources Control Board.

Possession of Grade II Collection and Grade I Plant Maintenance certifications as issued by the California Water Environment Association, or the ability to obtain certification within two (2) years of employment as Plant Superintendent.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential duties of this job. While performing the duties of this job, the employee will work within or near wastewater and wastewater treatment facilities, work at elevations of 6,700+ feet, be regularly exposed to fumes or airborne particles in addition to outside weather conditions involving wind, rain, heat, and humidity, and extreme cold and snow during the winter months. The noise level in the work environment is usually moderate.

THIS IS A SAFETY-SENSITIVE POSITION REQUIRING A PRE-EMPLOYMENT PHYSICAL EXAMINATION INCLUDING A DRUG and ALCOHOL SCREEN AND BACKGROUND CHECK



MANAGEMENT ANALYST

DEFINITION

To perform a variety of professional analytical work in support of administrative and program activities of the Agency including the overall day-to-day management, organization and coordination of administrative functions; grant writing; public outreach and education; legislative monitoring and regulatory compliance; and to fulfill other administrative assignments as required.

DISTINGUISHING CHARACTERISTICS

The Management Analyst performs the full range of professional analytical duties in the development and implementation of Agency policies, procedures, and programs; administrative support through research, analysis, report writing, and recommendations; and other related work, as required. Employees at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of the operating procedures and policies of the work unit.

SUPERVISION EXERCISED AND RECEIVED

Receives general supervision and direction from the General Manager.

Exercises supervision of assigned staff.

EXAMPLES OF ESSENTIAL DUTIES – Duties may include, but are not limited to, the following:

Manage day-to-day administrative support functions, including office organization and procedures, recordkeeping and files, meetings and event planning.

Manage office technology systems and procedures; coordinate technology system services, including website, phones, security/surveillance, and office equipment; coordinate with outside consultants and vendors to ensure the Agency's technology needs are met.

Prepare staff reports, agenda items, and resolutions as needed; oversee preparation of Governing Body agenda packets, resolutions, ordinances and public notices. Proofread copy for spelling, grammar and layout, making appropriate changes. Responsible for accuracy and clarity of final copy.

Compose emails, general correspondence, memos, charts, business plans.

Maintain accurate and complete records; develop and establish office filing, index, record keeping and reporting systems and oversee the organization and maintenance of administrative documents including but not limited to policies, procedures, rates, rules, regulations, forms, notices, and webpage content.

Conduct or direct complex studies, research, analysis, and projects; prepare and present detailed and comprehensive reports to a variety of audiences.

Job Description
Management Analyst

Participate in data collection for studies, reports, and surveys that relate to the annual audit, budget process, salaries and benefits, and confidential matters.

Research grant opportunities and assist with the preparation of grant applications for various programs.

Monitor new and pending legislation and regulations for their impact on Agency operations and ensure timely compliance with regulatory matters and reporting requirements.

Participate in the development and implementation of Agency strategic plans.

Prepare bid specifications and scope of work for projects and programs; assist with the selection and management of consultants and contractors.

Evaluate operations and activities of assigned responsibilities; recommend improvements and modifications; prepare various reports on operations and activities.

Assist in coordinating human resources programs such as recruitment and selection, classification and compensation, and employee benefits.

Supervise, train, motivate, and evaluate assigned personnel; make effective recommendations regarding promotion, transfer, and disciplinary action of assigned personnel.

Represent the Agency at various meetings; attend Governing Board meetings, as necessary.

Perform other duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles and practices of office organization, supervision and management.

Principles and techniques of project management.

Grant writing and application procedures.

General information technology systems.

State and Federal legislative and regulatory process.

Report preparation and written communication using proper English, spelling and grammar.

Modern office equipment and methods including use of computer applications in word processing, spreadsheet, database, and graphic presentation.

Job Description
Management Analyst

Safe work practices.

Principles and practices of customer service.

Ability to:

Independently perform professional analytical work in support of assigned programs; prepare clear and concise technical and administrative reports.

Interpret and apply rules, regulations, laws, ordinances, and the Agency policies and procedures.

Organize and maintain recordkeeping and retrieval functions.

On a continuous basis, know and understand all aspects of the job. Intermittently analyze work papers, reports and special projects.

Review and analyze organizational and administrative issues; recommend and implement effective courses of action.

Evaluate and interpret a variety of statistical and narrative information and data and make sound recommendations.

Coordinate and prioritize multiple tasks and projects effectively and efficiently and meet multiple deadlines.

Communicate clearly and concisely, both orally and in writing including the preparation and delivery of public presentations.

Maintain confidentiality of information.

Establish and maintain effective working relationships with those contacted in the course of work.

On a continuous basis, sit at desk for long periods of time. Intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone and write or use a keyboard to communicate through written means; and lift or carry weight of 25 pounds or less.

EDUCATION, EXPERIENCE AND TRAINING

Any combination of education, experience and training that would provide the required knowledge, skills and abilities would be qualifying. A typical way to obtain the required knowledge, skills and abilities would be:

Education:

A Bachelor's degree from an accredited college or university with major coursework in public or business administration, finance, economics or a related field.

Job Description
Management Analyst

Experience and Training:

Four years of increasingly responsible administrative and analytical experience involving financial, budgetary, or administrative issues, preferably within a local government environment. Experience in project management, contract administration, policy development, and technology management is highly desirable.

LICENSE AND/OR CERTIFICATE

Possession of a valid California Class C driver's license, including possession and maintenance of a satisfactory driving record and ability to meet eligibility standards for motor vehicle insurance coverage established by the agency's insurance carrier.

WORK ENVIRONMENT

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job, the employee will work near wastewater treatment facilities, works at elevations of 6,700+ feet, may be exposed to fumes and airborne particles in addition to outside weather conditions involving wind, rain, heat, and extreme cold and snow during the winter months. The noise level in the work environment is usually moderate.

PRE-EMPLOYMENT PHYSICAL EXAMINATION AND BACKGROUND CHECKS ARE REQUIRED

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

**PAY SCHEDULE
Effective August 22, 2018**

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

Classification	Start	Top
Hourly Pay Rate:		
Active		
Non-Regular	\$14.52	\$21.58
Plant Operator-In-Training	\$16.27	\$22.02
Plant Operator	\$25.57	\$34.52
Laboratory Analyst	\$28.24	\$38.12
Plant Maintenance Supervisor	\$29.40	\$39.70
Plant Operations Supervisor	\$29.40	\$39.70
Plant Superintendent	\$36.87	\$49.77
Plant Manager	\$41.68	\$60.43
Administrative Assistant	\$23.32	\$31.48
Management Analyst	\$29.53	\$39.87
Human Resources Coordinator / Accounting Technician	\$34.18	\$46.14
Finance Manager	\$46.57	\$67.53
General Manager	\$67.46	\$97.83

Governing Board Approval Date: August 22, 2018



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

AGENDA ITEM: 11.D

MEETING DATE: August 22, 2018

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

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

PREPARED BY: Kim Booth, Administrative Assistant *KB*

REVIEWED BY: Jennifer McCullar, Finance Manager *JM*

SUBJECT: Adjourn September 26th Regular Board Meeting to a Special Meeting

DISCUSSION:

Due to a scheduling conflict, staff is requesting to move the Regular Meeting on September 26th from 5:00 p.m. to 6:30 p.m. If this time does not work for the Governing Board, an alternate time or date can be determined.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDATION:

Approve to adjourn the Regular Meeting on September 26th at 5:30 p.m. to a Special Meeting at 6:30 p.m. on September 26th.

Page 1 of 1 Agenda Item: 11.D Adjourn September 26th Regular Board Meeting to a Special Meeting

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

Approved Date: _____ Witness: _____

Secretary of the Governing Board