

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**Regular Meeting of**

**March 22, 2018**

**At**

**5:00 p.m.**

**121 Palomino Drive**

**Big Bear City, California**

**David Caretto**

**via teleconference**

**294 Desert Falls Dr. East**

**Palm Desert, CA. 92211**

**1. Call to Order**

**2. Pledge of Allegiance**

**3. Presentations and Introduction**

A. Liz Harris – 15 Years

**4. Approval of the Agenda**

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

A. Minutes of the Budget Workshop/Special Meeting March 7, 2018 – Approve

B. Monthly Expenses – Informational

C. Governing Board Member Reimbursement – Approve

D. Investment Report – Informational

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

**7. Public Forum Response – None**

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

## **9. Old Business – None**

## **10. New Business**

- A.** Public Hearing: Resolution No. R 02-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Operating and Capital Budget for Fiscal Year 2019, Approving Budgeted Projects and Finding Approval of the Budget and Budgeted Projects Exempt from Review Under the California Environmental Quality Act – Adopt
- B.** Ordinance No. O 01-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Establishing the Sewer User Charge and Taking Certain Other Actions Related Therto – Introduction and First Read
- C.** Ordinance No. O 02-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Increasing the Wastewater Connection Fee, Amending Ordinance No.2 and Taking Certain Other Actions– Introduction and First Read
- D.** Ordinance No. O 03-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Fiscal Year 2019 Sewer Standby or Immediate Availability Charges – Introduction and First Read
- E.** Ordinance No. O 04-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency to Increase the Current Fee Schedule for the Disposal of Waste Delivered to the Regional Treatment Plant – Introduction and First Read
- F.** Long Term Sludge Hauling Contract – Discussion and Possible Action
- G.** Governing Board Reorganization – Discussion and Possible Action

## **11. Information/Committee Reports**

## **12. Adjournment**

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

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

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

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
BUDGET WORKSHOP/SPECIAL MEETING  
March 7, 2018 Minutes**

**1. Call to Order**

A special meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Thursday, March 7, 2018 at 10:00 a.m. at 121 Palomino Drive, Big Bear City, California.

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

**Absent:** David Caretto

**Others present:** None

**Staff present:** David Lawrence, General Manager; Troy Bemisdarfer, Interim Plant Manager; Jennifer McCullar, Finance Manager; Kim Booth, Administrative Assistant and Sonja Kawa, HR Coordinator/Accounting Technician.

**2. Pledge of Allegiance**

Chairman Herrick called the meeting to order at 10:12 a.m. and lead the Pledge of Allegiance.

**3. Budget Workshop**

A. Mr. Lawrence gave an operations presentation regarding upcoming projects, sludge hauling and a presentation on the status on the water reclamation project. Discussion ensued between board and staff.

Mr. Lawrence introduced Ms. McCullar who provided a presentation on the Budget Overview, Capital Budget, FY 2018 Financial Review, Five Year Forecast (FY 2019-FY 2023), FY 2019 Budget. Discussion ensued between board and staff. The board thanked Jennifer on a job well done on the budget.

**4. Approval of Agenda**

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

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

A. Minutes of January 24, 2018 Regular Board Meeting - Approved

B. Second Quarter Report, Six Months Ended December 31, 2017 – Informational

C. Board Member Reimbursement – Approved

**Vote**

Herrick	Aye
Oxandaboure	Aye
Harris	Aye
Caretto	Absent
Green	Aye

**6. Items Removed from Consent: None**

**7. Public Forum Response: None**

**8. Public Forum** – The Public Forum portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters within the jurisdiction of this Agency and included on the agenda. 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 will be addressed in a future meeting as soon as practicable under “Public Forum Responses

**9. Old Business: None**

**10. New Business:**

**A.** David presented Bear Valley Water Sustainability Project Outreach Efforts to stakeholder and recommended the board appropriate \$25,000 for WSC’s outreach efforts for the BVWSP. Costs will be shared among the Project Team (excluding WSC), resulting in a net cost to BBARWA of \$6,250. Upon motion by Secretary Harris, seconded by Director Green and carried the board approved the recommendation as presented.

**Vote**

Herrick	Aye
Oxandaboure	Aye
Harris	Aye
Caretto	Absent
Green	Aye

**B.** Mr. Lawrence explained that the Agency needs a new belt press. Research has been done on the different methods used to dry the sludge and the belt press is the most sufficient in dewatering the sludge. Mr. Lawrence recommends the following:

1. The Governing Board find that the sludge dewatering project (i.e., Acquisition and Installation of a BDP Industries Belt Press and sludge conveyor system) is Exempt



from the California Environmental Quality Act pursuant to the Class 1 (Existing Facilities) Exemption; and

2. The Governing Board approve the \$1.3 million New Belt Press Project. Appropriate \$225,000 of the Project costs to occur in FY 2018 (lowering the FY 2019 Capital Budget by \$225,000). Authorize the General Manager to enter into contracts for the Acquisition and Installation of a BDP Industries Belt Press and sludge conveyor system in amounts not to exceed \$1.3 million in total.

Upon motion by Director Green, seconded by Secretary Harris and carried, the governing board approved the recommendation as presented.

**Vote**

Herrick	Aye
Oxandaboure	Aye
Harris	Aye
Caretto	Absent
Green	Aye

- C. Mr. Lawrence talked about some emergency repairs that needed to be done on the Waukesha generator. The recommendation is to appropriate \$30,000 from the Contingency Fund for the emergency generator repairs. Upon motion by Director Green, seconded by Vice Chairman Oxandaboure and carried, the Governing Board approved the recommendation as presented.

**Vote**

Herrick	Aye
Oxandaboure	Aye
Harris	Aye
Caretto	Absent
Green	Aye

- D. Ms. McCullar presented 2018 Rate and Fee Study. The studies are for informational purposes and provide support for future rate and fee adjustments which will be brought before the board at the March 22<sup>nd</sup> board meeting and April's board meeting.
- E. Mr. Lawrence explained how over the last several months the agency has been looking into new debt to finance some of the projects in the budget and one of the lending institutes expressed concerns regarding our JPA expiring in 2024. Authorize the General Manager to work with the member agencies in adopting the amendment. Mr. Lawrence would recommend 1) Sixth Amendment to The Joint Exercise of Powers Agreement Between Big Bear City Community Services District, City of Big Bear Lake and San Bernardino County Creating the Big Bear Area Regional Wastewater Agency and 2) Agreement Amending Operating Agreements No. 1 and No. 2. Upon motion Secretary Harris, seconded by Vice Chairman Oxandaboure and carried, the governing board approved the recommendation as presented.

**Vote**

Herrick	Aye
Oxandaboure	Aye
Harris	Aye
Caretto	Absent
Green	Aye

**11. Information/Committee Reports:**

A. Mr. Herrick gave an update on the finance committee meeting that

**12. Adjournment**

With no further business to come before the Governing Board, Chairman Herrick adjourned the meeting at 1:37 p.m.

ATTEST:

\_\_\_\_\_  
Elizabeth Harris, 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**

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

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**AGENDA ITEM: 5.B**

**MEETING DATE:** March 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 February check register which reflects accounts paid during the period.

**FINANCIAL IMPACT:**

No financial impact. Funds previously appropriated.

**RECOMMENDATION:**

Informational

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

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

Secretary of the Governing Board

**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Feb 1, 2018 to Feb 28, 2018**

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

Check #	Date	Payee	Cash Account	Amount
CASH 1799	2/1/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	954.44
CASH 1800	2/2/18	CALPERS HEALTH	1000-20	30,731.15
CASH 1801	2/2/18	VISION SERVICE PLAN	1000-20	301.84
CASH 1802	2/5/18	LINCOLN NATIONAL LIFE INSURANCE C	1000-20	1,034.95
CASH 1803	2/5/18	PRINCIPAL FINANCIAL GROUP	1000-20	2,565.41
18152	2/9/18	ALL PROTECTION ALARM	1000-20	543.25
18153	2/9/18	AMAZON CAPITAL SERVICES	1000-20	46.40
18154	2/9/18	ARAMARK UNIFORM SERVICES	1000-20	1,332.91
18155	2/9/18	KELLEY M. ARNOLD	1000-20	1,142.50
18156	2/9/18	BIG BEAR CITY COMMUNITY SERVICES	1000-20	460.40
18157	2/9/18	KYLE BURNETT	1000-20	304.09
18158	2/9/18	BUTCHER'S BLOCK & BUILDING	1000-20	0.94
18159	2/9/18	BEAR VALLEY ELECTRIC	1000-20	9,410.71
18160	2/9/18	CAR QUEST OF BIG BEAR	1000-20	162.88
18161	2/9/18	JOHN CONNELLY	1000-20	500.00
18162	2/9/18	RYAN CONNELLY	1000-20	304.09
18163	2/9/18	UNDERGROUND SERVICE ALERT	1000-20	43.00
18164	2/9/18	DIY HOME CENTER-BIG BEAR	1000-20	203.48
18165	2/9/18	DIRECT TV	1000-20	68.45
18166	2/9/18	DEPARTMENT OF WATER & POWER	1000-20	54.01
18167	2/9/18	EMPLOYMENT DEVELOPMENT DEPT	1000-20	9,674.00
18168	2/9/18	EVANTEC CORPORATION	1000-20	561.91
18169	2/9/18	FEDEX	1000-20	27.00
18170	2/9/18	FLYERS ENERGY	1000-20	715.09
18171	2/9/18	FRONTIER COMMUNICATIONS	1000-20	675.78
18172	2/9/18	GRAINGER	1000-20	1,671.62
18173	2/9/18	HAZ MAT TRANS, INC.	1000-20	5,610.00
18174	2/9/18	EDWARD M. HOBBS	1000-20	2,460.00
18175	2/9/18	HUGHESNET	1000-20	69.99
18176	2/9/18	J.J. KELLER & ASSOC, INC	1000-20	1,914.26
18177	2/9/18	JORGENSEN COMPANY	1000-20	100.00
18178	2/9/18	LEGALSHIELD	1000-20	199.40

**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Feb 1, 2018 to Feb 28, 2018**

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

Check #	Date	Payee	Cash Account	Amount
18179	2/9/18	NAPA AUTO PARTS	1000-20	458.99
18180	2/9/18	ONE STOP LANDSCAPE SUPPLY, INC	1000-20	8,487.60
18181	2/9/18	CONSTANCE M. ALVARADO	1000-20	55.00
18182	2/9/18	QUINN COMPANY	1000-20	6,916.64
18183	2/9/18	SAM'S ENTERPRISES	1000-20	23.53
18184	2/9/18	SPECTRUM BUSINESS	1000-20	269.94
18185	2/9/18	NANCY SANTILLAN	1000-20	225.00
CASH 1804	2/12/18	CALPERS RETIREMENT	1000-20	6,279.59
CASH 1805	2/12/18	CA PERS 457 PROGRAM	1000-20	1,884.34
CASH 1806	2/12/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1819	2/12/18	CALPERS RETIREMENT	1000-20	1,302.10
CASH 1807	2/13/18	EMPLOYMENT DEVELOPMENT DEPARTM	1000-20	1,448.02
CASH 1808	2/13/18	INTERNAL REVENUE SERVICE	1000-20	4,675.50
CASH 1809	2/14/18	EMPLOYMENT DEVELOPMENT DEPARTM	1000-20	68.31
CASH 1810	2/14/18	INTERNAL REVENUE SERVICE	1000-20	212.48
CASH 1811	2/16/18	AMERICAN FIDELITY ASSURANCE CO	1000-20	593.72
18186	2/23/18	ACCENT COMPUTER SOLUTIONS, INC.	1000-20	2,159.08
18187	2/23/18	ARROWHEAD	1000-20	141.42
18188	2/23/18	BEST BEST & KRIEGER	1000-20	5,982.99
18189	2/23/18	BIG BEAR DISPOSAL	1000-20	412.73
18190	2/23/18	BUSINESS CARD	1000-20	1,001.11
18191	2/23/18	KIMBERLY BOOTH	1000-20	125.35
18192	2/23/18	MARK S. BURNETT	1000-20	140.61
18193	2/23/18	BEAR VALLEY PRINTING	1000-20	369.82
18194	2/23/18	CLINICAL LAB OF SAN BERNARDINO	1000-20	440.00
18195	2/23/18	COLE-PARMER	1000-20	364.08
18196	2/23/18	EVANTEC CORPORATION	1000-20	1,972.13
18197	2/23/18	NAVY MEN, LLC	1000-20	420.44
18198	2/23/18	JANICE M. DRAKE-GUY	1000-20	300.00
18199	2/23/18	HAZ MAT TRANS, INC.	1000-20	4,500.00
18200	2/23/18	HDR ENGINEERING, INC.	1000-20	11,145.78
18201	2/23/18	JUST ENERGY SOLUTIONS INC.	1000-20	18,812.88

**Big Bear Area Regional Wastewater Agency**  
**Check Register**  
**For the Period From Feb 1, 2018 to Feb 28, 2018**

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

Check #	Date	Payee	Cash Account	Amount
18202	2/23/18	KMART STORE #7653	1000-20	29.06
18203	2/23/18	M & M MECHANICAL SERVICES, INC.	1000-20	332.50
18204	2/23/18	RANDY J. SPITZ	1000-20	152.93
18205	2/23/18	NURSERY PRODUCTS, LLC	1000-20	7,743.00
18206	2/23/18	POLYDYNE INC	1000-20	3,172.16
18207	2/23/18	NICANOR M. LAUREL	1000-20	6,196.22
18208	2/23/18	QUILL	1000-20	745.34
18209	2/23/18	QUINN COMPANY	1000-20	600.00
18210	2/23/18	REBEL OIL CO., INC.	1000-20	2,559.08
18211	2/23/18	SOUTHERN CALIFORNIA EDISON	1000-20	58.96
18212	2/23/18	SERVICEMASTER 360 PREMIER CLEANI	1000-20	630.62
18213	2/23/18	SPECTRUM BUSINESS	1000-20	1,012.73
18214	2/23/18	SUPPORT PRODUCT SERVICES, INC.	1000-20	1,555.65
18215	2/23/18	SOUTHWEST GAS CORP	1000-20	9,327.80
18216	2/23/18	SOUTHWEST GAS	1000-20	1,109.74
18217	2/23/18	NANCY R. BOHL, INC.	1000-20	120.00
18218	2/23/18	VALLEY POWER SYSTEMS, INC	1000-20	1,907.43
18219	2/23/18	VERIZON WIRELESS	1000-20	1,004.05
18220	2/23/18	WINZER CORP	1000-20	42.21
18221	2/23/18	WATER SYSTEMS CONSULTING, INC.	1000-20	7,610.75
18192V	2/23/18	MARK S. BURNETT	1000-20	-140.61
18222	2/23/18	KYLE BURNETT	1000-20	140.61
CASH 1812	2/23/18	CALPERS RETIREMENT	1000-20	300.00
CASH 1813	2/26/18	CALPERS RETIREMENT	1000-20	1,201.05
CASH 1814	2/26/18	CA PERS 457 PROGRAM	1000-20	1,965.03
CASH 1815	2/26/18	THE LINCOLN NAT'L LIFE INS CO	1000-20	2,706.81
CASH 1816	2/26/18	CALPERS RETIREMENT	1000-20	6,279.59
CASH 1817	2/27/18	EMPLOYMENT DEVELOPMENT DEPARTM	1000-20	1,427.80
CASH 1818	2/27/18	INTERNAL REVENUE SERVICE	1000-20	4,629.87
<b>Total</b>				<b><u>222,160.3</u></b>



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

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**AGENDA ITEM: 5.C**

**MEETING DATE:** March 22, 2018

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

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

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

**SUBJECT:** Board Member Reimbursement

**BACKGROUND:**

Attached are the February 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:**

No financial impact. Funds previously appropriated.

**RECOMMENDATION:**

Approve

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Rick Henick

Date Submitted:

Month Covered: February

BBARWA Regular Meeting Attended: Date: Compensation \$

PURPOSE

BBARWA Special Meeting Attended: Finance Committee Date: 1-8-18 \$ 150.00

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: Rick Henick KB Total Amount Paid \$ 150.00

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



**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REPORT OF MEETINGS ATTENDED**

Governing Board Member: Karyn Oxandaboure

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

Month Covered: February

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ Compensation \$ \_\_\_\_\_

**PURPOSE**

BBARWA Special Meeting Attended: Finance Committee Date: 2-8-18 \$ 150<sup>00</sup>

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 <sup>KB</sup> Total Amount Paid \$ 150<sup>00</sup>

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



**Big Bear Area Regional  
Wastewater Agency**

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

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**AGENDA ITEM: 5.D**

**MEETING DATE:** March 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:** Investment Report

**BACKGROUND:**

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

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Approve

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

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

Secretary of the Governing Board

BBARWA  
 Monthly Investment Report  
 February 2018

<u>INVESTMENT TYPE</u>	<u>INSTITUTION</u>	<u>COST</u>	<u>FAIR MARKET VALUE (1)</u>	<u>YEAR TO DATE INTEREST(2)</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
<b>FUNDS INVESTED BY AGENCY:</b>						
LOCAL AGENCY INVESTMENT FUND	STATE OF CALIFORNIA	\$ 5,707,816	\$ 5,696,934	28,853	1.41%	DAILY
TOTAL		\$ 5,707,816	\$ 5,696,934	28,853		

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

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

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

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

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
March 08, 2018

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

[PMIA Average Monthly Yields](#)

**Account Number:**

[Tran Type Definitions](#)

February 2018 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	5,707,815.74
Total Withdrawal:	0.00	Ending Balance:	5,707,815.74



Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 10.A**

**MEETING DATE:** March 22, 2018

**TO:** Governing Board

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

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

**SUBJECT:** Public Hearing: Resolution No. R.02-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Operating and Capital Budget for Fiscal Year 2019, Approving Budgeted Projects and Finding Approval of the Budget and Budgeted Projects Exempt from Review Under the California Environmental Quality Act

**Background:**

Pursuant to the Agency's Appropriation and Expenditure policy, the Agency will annually prepare a balanced budget for review, approval and adoption prior to May 1<sup>st</sup>.

On March 7, 2018, a budget workshop was held wherein the Governing Board reviewed and discussed the Agency's FY 2019 Budget and five-year forecast. There have been no changes to the budget since the budget workshop.

Information pertaining to finding approval of the budget and budgeted projects exempt from review under CEQA is on page two of this staff report.

**FINANCIAL IMPACT:**

The FY 2019 Budget will provide appropriations for the fiscal year ending June 30, 2019.

**RECOMMENDATION:**

Approve Resolution No. R 02-2018.

### The California Environmental Quality Act:

As in past years, the FY 2019 Budget sets financial priorities for BBARWA and authorizes staff to expend funds on the pursuit of certain projects. This year, the specific projects identified within the Budget involve minor repairs and maintenance actions, the purchase of new equipment and the addition of new pipeline to the existing facilities. Specifically, the minor projects identified in the Budget before the Board include: (1) acquiring and installing office cabinets; (2) landscaping and irrigation system repairs to the administration building, treatment plant, and lake pump station; (3) repairing the Cactus Flats pipeline; (4) installing two gravity sewer pipelines within an existing system; (5) replacing the existing supervisory control and data acquisition (“SCADA”) system; (6) replacing frequency drive rotor 5 and 7; (7) installing a backflow device; (8) replacing the station one generator and fuel system; (9) installing standby connections at lake pump station (“LPS”) and Station 1, 2, and 3; (10) replacing the snow plow on the duty truck; (11) acquiring a trailer for hauling materials to the transfer station; (12) replacing the existing belt press; (13) repairing the Operations and Control Building’s roof; and (14) repairing and updating the Agency’s Headworks area.

Based on the minor nature of these proposed activities, and as described in greater detail in the proposed Board Resolution, staff is recommending that the Board find that the adoption of the Budget and approval of the above-described projects are exempt from environmental review under CEQA. Staff would return to the Board for further Board authorization as to any major projects outside of these minor improvements or if the nature and scope of these proposed activities changes in any significant way.

Specifically, staff recommend that the Board find that the Budget is not a “project” under State CEQA Guidelines section 15378 because there is no potential that approval of the Budget will result in either a direct physical change or reasonably foreseeable indirect change in the environment. In the alternative, and even assuming the FY 2019 Budget is a “project” within the meaning of CEQA, the Budget is nonetheless exempt from CEQA review pursuant to State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that approval of the Budget has no potential for direct physical impacts to the environment.

Likewise, each of the fourteen minor activities identified in the Budget are exempt, both individually and in the aggregative, for the same reasons as the Budget. Finally, each of the above proposed activities are also exempt from CEQA, because the activities merely involve the in-kind replacement of existing facilities, and minor repair/maintenance of facilities that already exist – all of which are exempt under the State CEQA Guidelines as set forth in the proposed Board Resolution.

Consistent with approval of Resolution 02-2018, staff recommends that the Board adopt the Budget, approve the fourteen minor activities described above, and direct staff to file a CEQA Notice of Exemption.

**RESOLUTION NO. R 02-2018**

**A RESOLUTION OF THE GOVERNING BOARD OF THE  
BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
ADOPTING THE OPERATING AND CAPITAL BUDGET  
OF THE BIG BEAR AREA REGIONAL WASTEWATER  
AGENCY FOR FISCAL YEAR 2019, APPROVING  
BUDGETED PROJECTS, AND FINDING APPROVAL OF  
THE BUDGET AND BUDGETED PROJECTS EXEMPT  
FROM REVIEW UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT**

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (“BBARWA” or “Agency”), established in 1974, is a public agency formed to transport, treat and dispose of wastewater for the entire Big Bear Valley area residents and businesses; and

**WHEREAS**, the purpose of BBARWA, pursuant to its Joint Powers Agreement, is to create an agency that will acquire, construct, install, maintain, and operate a regional system for the treatment and disposal of sewage and wastewater for the entire Big Bear Valley area; and

**WHEREAS**, to fulfill this purpose, it is necessary that BBARWA’s Governing Board (“Board”) adopt a budget for the Agency for the 2019 Fiscal Year (the “Budget”); and

**WHEREAS**, staff evaluated the estimated budgetary needs for the Agency for the 2019 Fiscal Year and prepared a budget proposal, which includes funding for fourteen potential future projects to maintain or replace existing equipment, including: (1) acquiring and installing office cabinets; (2) landscaping and irrigation system repairs to the administration building, treatment plant, and lake pump station; (3) repairing the Cactus Flats pipeline; (4) installing two gravity sewer pipelines within an existing system; (5) replacing the existing supervisory control and data acquisition (“SCADA”) system; (6) replacing frequency drive rotor 5 and 7; (7) installing a backflow device; (8) replacing the station one generator and fuel system; (9) installing standby connections at lake pump station (“LPS”) and Station 1, 2, and 3; (10) replacing the snow plow on the duty truck; (11) acquiring a trailer for hauling materials to the transfer station; (12) replacing the existing belt press; (13) repairing the Operations and Control Building’s roof; and (14) repairing and updating the Agency’s Headworks area (collectively, “Proposed Approvals”); and

**WHEREAS**, staff evaluated the Budget and the Proposed Approvals in light of the standards for environmental review outlined in the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq.) and the California Code of Regulations (Cal. Code Regs., tit. 14, §§ 15000 et seq.) (“State CEQA Guidelines”); and

**WHEREAS**, staff determined that the Budget and the Proposed Approvals do not constitute a “project” within the meaning of State CEQA Guidelines § 15378; and

**WHEREAS**, even assuming the Budget and the Proposed Approvals constitute a “project” within the meaning of CEQA, staff has determined that the Budget and the Proposed Approvals are exempt from further CEQA review pursuant to State CEQA Guidelines 15061(b)(3), 15301, 15302, and 15303; and



**WHEREAS**, on March 22, 2018, at a scheduled meeting, the Board considered staff's proposed Budget and staff report, and accepted any oral and written testimony from interested parties; and

**WHEREAS**, having reviewed and considered the information contained in the Proposed Approvals, together with the staff report, all comments made at the meeting, and all other information before the Board, the Board has determined that the Budget and the Proposed Approvals are not subject to further environmental review under CEQA; and

**WHEREAS**, the proposed Budget is attached hereto as Exhibit "A;" and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

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

**SECTION 1. Compliance with the California Environmental Quality Act and Findings on Environmental Impacts.** The Board hereby finds and determines that the approval of the Annual Budget for the 2019 Fiscal Year and the related Proposed Approvals are not a "project" pursuant to CEQA. Specifically, the Board finds that approval of the Budget and the Proposed Approvals is not a project under State CEQA Guidelines § 15378 because there is no potential that the Budget and Proposed Approvals will result in either a direct physical change or reasonably foreseeable indirect change in the environment. In the alternative, and assuming the Budget and Proposed Approvals are a "project" within the meaning of CEQA, the Board finds that the Budget and Proposed Approvals are nonetheless exempt from CEQA review pursuant to State CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no potential for direct physical impacts to the environment.

Additionally, and even if the Budget and related Proposed Approvals are a CEQA "project," they are still categorically exempt from further environmental review pursuant to State CEQA Guidelines, §§ 15301, 15302, and 15303 because the Budget and the Proposed Approvals involve:

- the operation, repair, maintenance, or minor alteration of existing public structures, facilities, or mechanical equipment that will result in negligible or no expansion of use beyond that existing today, such that the Proposed Approvals are categorically exempt from CEQA pursuant to State CEQA Guidelines §15301;
- the replacement or reconstruction of existing structures and facilities, which will be located on the same site have substantially the same purpose and capacity as the structure or facility replaced, such that the Proposed Approvals are categorically exempt from CEQA pursuant to State CEQA Guidelines § 15302; and
- the construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where



only minor modifications are made in the exterior of the structure, such that the Proposed Approvals are categorically exempt from CEQA pursuant to State CEQA Guidelines § 15303.

Finally, the Board finds that none of the “exceptions” to the use of the categorical exemptions exist pursuant to State CEQA Guidelines § 15300.2. Specifically, the Board finds that none of the Proposed Approvals will:

- be located within or adjacent to a particularly sensitive environment, because all of the Proposed Approvals will occur within BBARWA’s existing facilities or in areas already fully developed with existing facilities;
- result in a potentially significant cumulative impact, because all of the Proposed Approvals are intended to maintain the existing system and existing services rather than to introduce new facilities which may result in cumulative impacts;
- result in a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances, because the Proposed Approvals are exactly the type of minor repair and replacement actions commonly required for the ongoing maintenance of public infrastructure and thus do not present any “unusual circumstances”;
- result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway; or
- be located on a hazardous waste site included on any list compiled pursuant to § 65962.5 of the Government Code.

**SECTION 2. Approval and Adoption of the Annual Budget for Fiscal Year 2019.** The Board hereby approves and adopts the FY 2019 Budget, a copy of which has been provided to each Board member. By approving the Budget, the Board hereby also approves each of the fourteen minor Proposed Approvals recommended by staff, including: (1) acquiring and installing office cabinets; (2) landscaping and irrigation system repairs to the administration building, treatment plant, and lake pump station; (3) repairing the Cactus Flats pipeline; (4) installing two gravity sewer pipelines within an existing system; (5) replacing the existing supervisory control and data acquisition (“SCADA”) system; (6) replacing frequency drive rotor 5 and 7; (7) installing a backflow device; (8) replacing the station one generator and fuel system; (9) installing standby connections at lake pump station (“LPS”) and Station 1, 2, and 3; (10) replacing the snow plow on the duty truck; (11) acquiring a trailer for hauling materials to the transfer station; (12) replacing the existing belt press; (13) repairing the Operations and Control Building’s roof; and (14) repairing and updating the Agency’s Headworks area.

**SECTION 3. Execution of Resolution.** The Chairperson of the Board shall sign this Resolution and the Secretary of the Board shall certify this Resolution was duly and properly adopted by the Board.

**SECTION 4. Notice of Exemption.** The Board hereby directs staff to file a Notice of Exemption with the San Bernardino County Clerk within five (5) working days of the adoption of this resolution

**SECTION 5. Location of Documents.** The documents and materials that constitute the record of proceedings on which these findings have been based are located at BBARWA's office located at 121 Palomino Drive, Big Bear City, California 92314. The custodian for these records is the General Manager of BBARWA.

**SECTION 6. Certified Copies.** Certified copies of this Resolution and copies of said budget shall be delivered to the County of San Bernardino on behalf of County Service Area 53B, the Big Bear City Community Services District, and the City of Big Bear Lake.

**PASSED, ADOPTED, AND APPROVED** this 22nd day of March, 2018.

\_\_\_\_\_  
Rick Herrick, 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

I, Elizabeth Harris, Secretary of the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency adopting the Fiscal Year 2019 Operating and Capital Budget, being Resolution No. R 02-2018, was adopted at a meeting on March 22, 2018 of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

EXHIBIT A  
 FY 2019 Budget  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 For the Period Ending June 30, 2019

	Budget <u>FY 2019</u>
<b>Operating Revenues:</b>	
Annual Charges	5,251,785
Standby Charges	83,200
Rental Income	51,071
Waste Disposal	21,798
Other Revenue	<u>0</u>
Total Operating Revenues	5,407,854
<b>Operating Expenses:</b>	
Salaries and Benefits	2,150,153
Power	445,035
Sludge Removal	355,339
Chemicals	47,864
Materials and Supplies	156,052
Repairs and Replacements	183,326
Equipment Rental	803
Utilities Expense (other than power)	20,376
Communications Expense	47,734
Contractual Services - Other	94,285
Contractual Services - Professional	231,143
Permits and fees	151,465
Property Tax Expense	3,652
Insurance	103,132
Other Operating Expense	57,382
Depreciation Expense	<u>975,331</u>
Total Operating Expenses	5,023,071
<b>Operating Income</b>	384,783
<b>Nonoperating Income</b>	
Gain (loss) on asset disposition	0
Finance Charge Income	0
Interest Income	72,043
Other Nonoperating Income	<u>0</u>
Nonoperating income	72,043
<b>Nonoperating Expense</b>	
Other Expense	11,700
Interest Expense	<u>128,264</u>
Nonoperating expense	139,964
<b>Income before Contributions</b>	316,862
Connection Fees	<u>201,850</u>
<b>Change in Net Position</b>	518,712

EXHIBIT A, CONT.  
 FY 2019 Budget  
 STATEMENT OF CASH FLOWS  
 For the Period Ending June 30, 2019

	<u>Budget FY 2019</u>
<b>Cash from operating activities:</b>	
Operating Income (Loss)	384,783
Depreciation expense	975,331
Change in Working Capital	<u>10,155</u>
Net cash provided by op activities	1,370,268
<b>Cash from noncapital financing:</b>	
Payment of pension/OPEB related debt/liability	-200,000
<b>Cash from capital and related financing:</b>	
Capital Expenditures	-2,937,284
Proceeds from Asset Disposition	0
Connection Fee (Capital Contrib)	201,850
Proceeds from Debt Issuance	2,374,403
Debt Service:	
Interest Expense	-128,264
Principal Debt Amortization	<u>-441,719</u>
Total Debt Service	-569,983
Net cash used for cap and related financing	-931,014
<b>Cash from investing:</b>	
(Increase) Decrease in Other Assets	0
Other Proceeds	0
Interest Income	72,043
Proceeds from the Sale of Investment	<u>0</u>
Net cash from investing	72,043
<b>NET CHANGE IN CASH</b>	<b>311,297</b>
Beginning Cash Balance	6,370,807
Ending Cash Balance	<u>6,682,104</u>
<b>Change in Cash Balance</b>	<b>311,297</b>

EXHIBIT I, CONT.  
 FY 2019 Budget  
 CAPITAL EXPENDITURES  
 For the Period Ending June 30, 2019

	<u>Budget FY 2019</u>
<b>ADMINISTRATION BUILDING</b>	
Admin Building - Land Improvements	18,100
Admin Building - Cabinetry	<u>7,800</u>
Total administration building	25,900
<b>EFFLUENT DISPOSAL ASSETS</b>	
Cactus Flats Repair	<u>85,000</u>
Total	85,000
<b>INTERCEPTOR SYSTEM</b>	
<b>Pipeline</b>	
Engineering Sewer Gravity Line	195,346
15 Inch Gravity Sewer Pipeline NEW	659,868
8 Inch Gravity Sewer Pipeline NEW	<u>414,535</u>
Total interceptor system	1,269,749
<b>OTHER EQUIPMENT</b>	
<b>Communications</b>	
SCADA	30,000
Electrical:	
VFD T/P - Rotor 5 60 HP (7 yr)	13,931
VFD T/P - Rotor 7 60 HP (7 yr)	14,076
Other	
Backflow Device	<u>10,000</u>
Total other equipment	<u>68,007</u>
<b>POWER GENERATING EQUIPMENT</b>	
Station 1 Generator and Fuel System	67,328
Station 1,2,3 LPS Standby Connections	<u>40,000</u>
Total	107,328
<b>TRANSPORTATION EQUIPMENT</b>	
<b>Heavy Equipment and Accessories</b>	
Plow	10,000
Trailer	<u>9,000</u>
Total transportation equipment	19,000
<b>TREATMENT PLANT</b>	
Processing Equipment:	
New Belt Press	1,300,000
OAC Roof	12,300
Headworks	<u>50,000</u>
Total treatment plant equipment	1,362,300
<b>TOTAL</b>	<b>2,937,284</b>



Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 10.B**

**MEETING DATE:** March 22, 2018

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

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

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

**SUBJECT:** Introduction and First Read of Ordinance No. O.01-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Establishing the Sewer User Charge and Taking Certain Other Actions Related Thereto

**BACKGROUND:**

Based on the Agency's financial requirements, the Sewer User Charge will increase 2.8% from \$204.34 to \$210.06, an increase of \$5.72 per equivalent dwelling unit, effective July 1, 2018. This is consistent with the rate recommended in the 2018 Comprehensive Sewer Rate Study.

**FINANCIAL IMPACT:**

The FY 2019 established rate, or Sewer User Charge, is used to calculate the Agency's FY 2019 rate revenues. The rate revenues are collected from the member agencies pursuant to the Payment and Collection Agreement dated August 2011, as amended.

**RECOMMENDATION:**

Introduce Ordinance.

**ORDINANCE NO. O. 01-2018**

**AN ORDINANCE OF THE GOVERNING BOARD  
OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
ESTABLISHING THE SEWER USER CHARGE AND TAKING CERTAIN  
OTHER ACTIONS RELATING THERETO**

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (“BBARWA”) is a joint powers authority that provides wholesale sewer service to customers within its service area, including the City of Big Bear Lake, the Big Bear City Community Services District (“Big Bear City CSD”), and Zone “B” of County Service Area 53 (“CSA 53 B”) (each a “Collecting Agency” and, collectively, the “Collecting Agencies”); and

**WHEREAS**, the Governing Board of BARWA has been empowered to establish sewer rates and charges, including the Sewer User Charge (“User Charge”) to be imposed on the Collecting Agencies during the applicable fiscal year; and

**WHEREAS**, the costs of providing service have increased; and

**WHEREAS**, BBARWA has retained the services of HDR Engineering, Inc. to develop recommendations and a comprehensive sewer rate study (“Report”) regarding the new amount for the User Charge in order to address BBARWA's increased costs of providing service, and a copy of the Report is on file at BBARWA's administrative offices and available for public review; and

**WHEREAS**, pursuant to Health and Safety Code Section 5471 and Government Code Section 61115(a), the Governing Board is empowered to prescribe and collect rates and charges for services and facilities furnished by BBARWA in connection with its sewerage system; and

**WHEREAS**, the Governing Board is required by BBARWA Operating Agreement No. 1 to present to each Collecting Agency a statement showing the amount of the User Charge to be collected for each Equivalent Dwelling Unit (“EDU”) during the ensuing fiscal year, as such term is defined in the Report, and it is therefore necessary that the Governing Board establish the amount of the User Charge to be so collected for the applicable fiscal year; and

**WHEREAS**, the proposed rates for the User Charge consists of a single charge, per EDU (referred to in this Ordinance as the “Base Rate”), as set forth in the Report, to which the Collecting Agencies have agreed to apply adjustments to account for varying levels of demand on the sewer system by each Collecting Agency, as set forth in that certain Payment and Collection Agreement, dated as of August 23, 2011, by and among BBARWA and the Collecting Agencies, as has been amended from time to time (the “Agreement”); and

**WHEREAS**, as a result, the User Charge for certain Collecting Agencies will be higher than the Base Rate in the applicable fiscal year, and for others the User Charge will be lower than the Base Rate pursuant to the Agreement; and

**WHEREAS**, the Governing Board desires to adopt an ordinance to establish a new amount for the User Charge in order to address BBARWA's increased costs of providing service, in accordance with the methodology described above; and

**WHEREAS**, pursuant to California Constitution article XIII C, section 1(e)(2), a fee or charge is a tax and subject to voter approval if it is imposed on a fee payer for a service and that service is provided to others who are not charged for the same service, or the fee exceeds the cost of providing the service; and

**WHEREAS**, wholesale sewer service fees, such as the User Charges, are fees for a service subject to California Constitution article XIII C, section 1(e)(2); and

**WHEREAS**, pursuant to California Constitution article XIII C, section 1(e), an agency imposing fees for wholesale sewer services has the burden of demonstrating that the amount of the fees imposed are no more than necessary to cover the reasonable costs of providing the wholesale sewer services, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer's burdens on, or benefits received from, the governmental activities provided; and

**WHEREAS**, based on the Report, the Governing Board has determined that the amount of the proposed User Charge, is no more than necessary to cover the reasonable costs of providing the wholesale sewer services, that the manner in which those costs are allocated to the Collecting Agencies bears a fair or reasonable relationship to each of the Collecting Agencies burden on, or benefit received from, BBARWA's wholesale sewer service, and that the User Charge is not a property-related fee or fee imposed as an incident of property ownership; and

**WHEREAS**, in accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, BBARWA staff has determined that the increases in User Charges are exempt from CEQA pursuant to Section 15378 and Section 15273 of the CEQA Guidelines and Public Resources Code section 21080(b)(8) because: (i) the increased charges are for the purpose of meeting operational and maintenance expenses of the aforementioned services; and (ii) the charges constitute the creation of a funding mechanism/other governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and

**WHEREAS**, the adoption of this Ordinance is exempt from CEQA for the same reason.

**NOW, THEREFORE**, be it ordained by the Governing Board of the Big Bear Area Regional Wastewater Agency as follows:

1. Recitals. The recitals set forth above are true and correct and by this reference incorporated herein.
2. New User Charge Adopted. The Governing Board hereby adopts the User Charge in the maximum amount set forth below.



<b>Collecting Agency</b>	<b>\$/EDU (effective July 1, 2018)</b>
Base Rate	\$210.06
City of Big Bear Lake	\$218.38
Big Bear City CSD	\$203.39
CSA 53 B	\$198.83

The User Charge imposed on each Collecting Agency is determined in accordance with the provisions of the Agreement in order to fairly allocate the costs of BBARWA based on demand placed on the system by each Collecting Agency.

4. Inflationary Adjustments. Commencing July 1, 2019, the Governing Board hereby authorizes BBARWA to increase the Base Rate for its wholesale sewer User Charges annually by an amount not to exceed the percentage change in the twenty-city, construction cost index (“CCI”) published by Engineering News Record. The percentage change in the CCI would be calculated using the twelve-month period ending December 31 of the prior year in which the rate change would be effective, i.e. for a rate change effective July 1, 2019 (FY 2020), the proposed rate adjustment would be based on the annual percentage change in the twenty-city construction cost index for the twelve months ending December 31, 2018.

5. Amendment to Code of Regulations and Ordinances. Chapter 5.16.020 of the Big Bear Area Regional Wastewater Agency Code of Regulations and Ordinances is hereby reaffirmed to read as follows:

**Chapter 5.16**

**USER CHARGES**

**5.16.020 User Charge.**

The annual maximum base rate for the User Charge, effective July 1, 2018, is as follows:

<b>Collecting Agency</b>	<b>\$/EDU (effective July 1, 2018)</b>
Base Rate	\$210.06
City of Big Bear Lake	\$218.38
Big Bear City CSD	\$203.39
CSA 53 B	\$198.83

The User Charge imposed on each Collecting Agency is determined in accordance with the provisions of the Payment and Collection Agreement, dated as of August 23, 2011, by and among BBARWA and the Collecting Agencies, as has been amended from time to time in order to fairly allocate the costs of BBARWA based on demand placed on the system by each Collecting Agency.

Beginning July 1, 2019, the Agency may increase its wholesale sewer User Charges annually by an amount not to exceed the percentage change in the twenty-city, construction cost index (“CCI”) published by Engineering News Record. The percentage change in the CCI would be calculated using the twelve-month period ending December 31 of the prior year in which the rate change would be effective, i.e. for a rate change effective July 1, 2019 (FY 2020), the proposed rate adjustment would be based on the annual percentage change in the twenty-city construction cost index for the twelve months ending December 31, 2018.

The rates will be effective July 1 of each fiscal year with the member agencies receiving notice of the rate change by May 1 of the preceding fiscal year.

The current rate adjustment will become effective on July 1, 2018. The basis and reasons for the sewer rate adjustment is to enable BBARWA to recover increasing operating expense, as well as fund additional capital needs required to operate the sewer system in a financially prudent manner. The reasonable basis for the rate adjustment is particularly analyzed in the Report dated February 2018, prepared for BBARWA and made available for viewing by any interested person at the BBARWA offices. This User Charge shall remain in effect for succeeding fiscal years unless amended by action of the Governing Board.

6. Amendments to User Charges. On or before adoption of BBARWA's annual budget, or at any other appropriate time, the Governing Board may review the amount of the User Charge that will be effective for the upcoming fiscal year and may exercise its authority to take action in regard to said User Charge. Such action may include, without limitation, establishing a reduced amount for the User Charge than the amount set forth in the Chapter 5.16.020 for the applicable fiscal year. In the event the Governing Board does not take any such action, the amount of the User Charge set forth in Chapter 5.16.020 shall remain in effect for the applicable fiscal year.

7. Relationship Between Costs and User Charges. By adoption of this Ordinance, the Governing Board finds that the amount of the User Charge is no more than necessary to cover the costs of providing wholesale sewer service, and that the manner in which those costs are allocated bears a fair or reasonable relationship to burdens on, or benefits received from, BBARWA’s wholesale sewer service activities This relationship is more fully documented in the Report. The new User Charge shall not be used for any other purpose than that for which the new User Charge is imposed. The new User Charge is not imposed upon real property or upon persons as an incident of property ownership. The User Charge is imposed only as a condition of service upon the request of the Collecting Agency. As documented in the Report, the User Charge is based upon reasonable estimates of the demand placed upon BBARWA in its role as a provider of regional wholesale sewer services

8. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the User Charge adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

9. Prior Rates; Future Action by Resolution Authorized. All ordinances, resolutions or administrative actions by the Governing Board, or parts thereof that are inconsistent with any provision of this Ordinance, are hereby superseded only to the extent of such inconsistency. If in the future BBARWA intends to revise rates for the User Charge, BBARWA may do so by resolution.

10. Publication of Notice. This Ordinance shall become effective thirty days after adoption. The Secretary of this Governing Board shall cause a summary of this Ordinance to be published once in the Big Bear Grizzly at least five days prior to passage of this Ordinance, and shall either post a copy of the full text of the Ordinance on BBARWA's web site, or shall post a certified copy of the full text in the office of the Secretary of BBARWA, at least five days prior to the date of passage. Once adopted, the Secretary shall cause the summary to be published within 15 days after passage of the Ordinance with the names of those Governing Board members voting for and against this Ordinance, and shall also either post a copy of the full text of the Ordinance and the names of those Governing Board Members voting for and against the Ordinance on the BBARWA web site, or shall post a full certified copy of the Ordinance with the names of those Governing Board Members voting for and against in the office of the Secretary. The Secretary of the Governing Board shall provide a copy of this Ordinance to the City of Big Bear Lake, the County of San Bernardino and the Big Bear City Community Services District.

11. Effective Date. This Ordinance shall be effective thirty days after adoption. The increased rates for the User Charges set forth herein shall become effective as authorized herein.

**ADOPTED**, this 25th day of April, 2018.

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

**ATTEST:**

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

I, Elizabeth Harris, Ed.D., Secretary of the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Establishing Sewer User Charges,

ABSTAIN:  
ABSENT:

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Secretary



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

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**AGENDA ITEM: 10.C**

**MEETING DATE:** March 22, 2018

**TO:** Governing Board

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

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

**SUBJECT:** Introduction and First Read of Ordinance No. O.02-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Increasing the Wastewater Connection Fee, Amending Ordinance No. 2 and Taking Certain Other Actions

**BACKGROUND:**

In FY 2012, the Governing Board adopted the current wastewater connection fee of \$3,670 per Equivalent Dwelling Unit. The rate will increase in FY 2019 to \$4,180 as recommended by the 2018 Regional Sewer Connection Fee report.

**FINANCIAL IMPACT:**

During FY 2019, the member agencies shall collect \$4,180 per EDU for each new connection and shall submit such connection fee revenue to BBARWA.

**RECOMMENDATION:**

Introduce Ordinance.

**ORDINANCE NO. O. 02-2018**

**AN ORDINANCE OF THE GOVERNING BOARD  
OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
INCREASING THE WASTEWATER CONNECTION FEE,  
AMENDING ORDINANCE NO. 2 AND  
TAKING CERTAIN OTHER ACTIONS**

**WHEREAS**, the Governing Board (“the Board”) of the Big Bear Area Regional Wastewater Agency (“BBARWA”) has been empowered to establish sewer rates and charges, including a regional connection fee for each Equivalent Dwelling Unit (“EDU”), which each member agency of BBARWA is required to charge to each new sewer connection within the member agency’s jurisdiction; and

**WHEREAS**, the Board previously hired HDR Engineering, Inc., to provide a comprehensive cost of service analysis and rate study to determine the appropriate level for the connection fees, and in March 2018, the Board was presented with a “Regional Sewer Connection Fee” report (the “Report”), which conducted a review of the BBARWA connection fee in accordance with Government Code section 66000 et seq., which requires a “fair share” analysis of the computation of the connection fee in order to ensure that new connections will bear an appropriate share of the costs of existing regional facilities and specific future capital improvements as discussed in the Report; and

**WHEREAS**, the Board finds that it is appropriate at this time to adjust the amount of BBARWA’s connection fee based on the findings and analysis contained in the Report; and

**WHEREAS**, the Board finds that it is appropriate and necessary to allow the Board to reduce the connection fee to be charged to a property owner who makes application to connect a residence or business establishment to the sewer system, where such reduction is in the best interest of BBARWA’s service territory, so long as there are sufficient unrestricted revenues to cover such reduction in connection fee; and

**WHEREAS**, notwithstanding the references herein to the fee charged as a “connection fee,” it is actually intended as a “fee” a “capacity charge,” as such term is defined in Section 66013 of the Government Code; and

**WHEREAS**, notice of a open and public meeting adopting this Ordinance has been given in compliance with Government Code section 66016; and

**WHEREAS**, the Board has determined that: (1) the proposed connection fees do not exceed the estimated reasonable cost of the services and facilities for which the connection fees will be imposed; (2) the allocation of those costs bear a fair or reasonable in relationship to the burdens on, or benefits that those who pay the connection fees will receive from such services and facilities; (3) the proposed connection fees are imposed for public facilities in existence at the time the fees are imposed or for new facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

**NOW, THEREFORE,** be it ordained by the Governing Board of the Big Bear Area Regional Wastewater Agency as follows:

1. Findings. On the basis of the Report dated February 2018, and other related information presented to the Board, the Board hereby adopts the Report, and finds, with respect to the connection fee discussed therein as follows:

(a) The purpose of such connection fees will be to finance existing wastewater treatment facilities and planned capital improvements to BBARWA's treatment facilities, as identified in the Report (the "Facilities"), as well as to finance that portion of the cost of other facilities and improvements which is attributable to the demand created by new development.

(b) There is a reasonable relationship between the amount of the connection fee and the costs of the Facilities attributable to new development upon which such fees will be imposed, as identified in the Report.

(c) There is a reasonable relationship between (i) the need for the Facilities and the type of development upon which the connection fee will be imposed, and (ii) the use of the connection fee and the type of development on which the connection fee will be imposed. Both relationships are described in the Report.

(d) The connection fee herein adopted represents the reasonable cost borne by BBARWA in providing the Facilities and related services to new users. Further, the connection fee will assure that new connections will bear an appropriate share of the cost of the existing regional facilities and future capital improvements to be made to the wastewater treatment system made necessary by the increasing demands on BBARWA's facilities.

2. Increase in Fee. BBARWA's connection fee shall be and is hereby increased from \$3,670 per equivalent dwelling unit ("EDU") to \$4,180 per EDU, as such term is defined in the Report.

Each Collection Agency (as the term is defined in BBARWA's Operating Agreement No. 1) shall require each property owner who makes application to connect a residence or business establishment to its sewage collection system on or after the effective date of this Ordinance to pay a connection fee in the aforesaid amount for each EDU assigned to such residence or business establishment by the Collection Agency, the total of which shall be referred to as the "Total Connection Fee." If requested to do so by the Collection Agency, the Board of BBARWA may reduce the Total Connection Fee to be charged to an applicant if such reduction is found by the Board to be in the best interest of BBARWA's service area.

3. Effective Date. The fees adopted by this ordinance shall become effective on July 1, 2018.

4. Amendment of Ordinance No. 2. In order to effectuate the increase in the connection established by this Ordinance, Subsection 2.06 of Ordinance No. 2 is hereby amended to read as follows:



“2.06 After June 30, 1983. For applications filed between July 1, 1983 and June 30, 1984, the connection fee shall be \$450 per EDU. For application filed after July 1, 1989, the connection fee shall be \$1400 per EDU. For applications filed after July 27, 1993, the connection fee shall be \$2,000 per EDU. For applications filed after July 26, 1994 but prior to July 1, 2004, the connection fee shall be \$2,298 per EDU. For applications filed after July 1, 2004, the connection fee shall be \$2,410 per EDU. For applications filed after July 1, 2005, the connection fee shall be \$2,576.71 per EDU. For applications filed after July 1, 2006, the connection fee shall be \$2,704.99 per EDU. For applications filed after July 1, 2007, the connection fee shall be \$2,793.45. For applications filed after July 1, 2008, the connection fee shall be \$2,867.76. For applications filed after July 1, 2009, the connection fee shall be \$3,031.22. For applications filed after July 1, 2011, the connection fee shall be \$3,670.00. For applications filed after July 1, 2018, the connection fee shall be \$4,180.00.”

5. Prior Actions Superseded. All ordinances, resolutions or administrative actions by the Governing Board, or parts thereof that are inconsistent with any provision of this Ordinance, are hereby superseded only to the extent of such inconsistency.

6. Accounting of Funds. BBARWA shall at all times comply with the provisions of Government Code section 66013 with respect to the connection fees. All revenues collected from the connection fees established herein shall be deposited with other such revenues in a separate capital facilities fund so as to avoid commingling of the charges with other revenues and funds of BBARWA. Any interest income earned by the monies in the fund shall be credited to the fund, and may be expended only for the purposes for which the connection fees are imposed. All revenue collected from the connection fees established herein shall be reviewed annually during the course of the annual audit, to identify any connection fees that have not been expended within five years of being collected. BBARWA shall make findings with respect to any portion of the connection fees remaining unexpended or uncommitted in the amount five or more years after deposit of such fees. These findings shall identify the purpose to which the connection fees are to be put, and will demonstrate a reasonable relationship between the fees and purpose for which the fees are imposed.

7. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the fee adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

8. Publication-Notice. This Ordinance shall become effective thirty days after adoption. The Secretary of this Governing Board shall cause a summary of this Ordinance to be published once in the Big Bear Grizzly at least five days prior to passage of this Ordinance, and shall either post a copy of the full text of the Ordinance on BBARWA's web site, or shall post a certified copy of the full text in the office of the Secretary of BBARWA, at least five days prior to the date of passage. Once adopted, the Secretary shall cause the summary to be published within 15 days after passage of the Ordinance with the names of those Governing Board members voting for and against this Ordinance, and shall also either post a copy of the full text of the Ordinance and the names of those Governing Board Members voting for and against the Ordinance on the BBARWA web site, or shall post a full certified copy of the Ordinance with



the names of those Governing Board Members voting for and against in the office of the Secretary. The Secretary of the Governing Board shall provide a copy of this Ordinance to the City of Big Bear Lake, the County of San Bernardino and the Big Bear City Community Services District.

**ADOPTED**, this 25th day of April, 2018.

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

**ATTEST:**

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

I, Elizabeth Harris, Ed.D., Secretary of the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Increasing the Wastewater Connection Fee, Amending Ordinance No. 2 and Taking Certain Other Actions, being Ordinance No. O. 02-2018 was adopted at a regular meeting on April 25th, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary

(Seal)



Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 10.D**

**MEETING DATE:** March 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:** Introduction and First Read of Ordinance No. O.03-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Fiscal Year 2019 Sewer Standby or Immediate Availability Charges

**BACKGROUND:**

Annually, the Governing Board adopts an ordinance to establish standby fees for the upcoming fiscal year. Standby fees are charged to owners of vacant or improved parcels of real property located within 200 feet of a member agency's sewer main, but which are not connected to public sewer system. These fees are used to maintain the regional system in an immediately available state. Standby fees are charged based upon parcel size, as follows:

Parcel Size	Amount
≤ 1 acre	\$20
> 1 acre	\$30

**FINANCIAL IMPACT:**

During FY 2019, the member agencies shall collect the standby fee and shall submit such standby fee revenue to BBARWA.

**RECOMMENDATION**

Introduce Ordinance.

**ORDINANCE NO. O. 03-2018**

**AN ORDINANCE OF THE GOVERNING BOARD  
OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
CLARIFYING THE FISCAL YEAR 2019 SEWER STANDBY OR IMMEDIATE  
AVAILABILITY CHARGES**

**WHEREAS**, the Governing Board desires to clarify the sewer standby or immediate availability charges contained in Ordinance No. O. 01-2017; and

**WHEREAS**, the sewer standby or immediate availability charges are not being increased or extended beyond levels previously approved in accordance with article XIII D of the California Constitution. This Ordinance only clarifies that the standby or immediate availability charges previously approved shall continue to be imposed in the same manner, and at the same amounts, as in previous years.

**NOW, THEREFORE**, the Governing Board of the Big Bear Area Regional Wastewater Agency hereby ordains as follows:

1. Recitals. The recitals set forth above are true and correct and by this reference incorporated herein.

2. Amendment to Code of Regulations and Ordinances. Chapter 5.20 of the Big Bear Area Regional Wastewater Agency Code of Regulations and Ordinances is hereby amended to read as follows:

**Chapter 5.20**

**SEWER STANDBY OR IMMEDIATE AVAILABILITY CHARGES**

**Sections:**

**5.20.010 Properties subject to charges.**

**5.20.020 Amount of charges.**

**5.20.030 Collection**

**5.20.040 Credit against connection fee.**

**5.20.010 Properties subject to charges.**

This Governing Board does hereby prescribe sewer standby or immediate availability charges (hereinafter "standby charge") for the fiscal year ending June 30, 2019 in the amounts hereinafter specified to be paid by the owners of all vacant parcels of real property which are located within 200 feet of a sewer main of the public sewer system of either the Big Bear City Community Services District or the City of Big Bear Lake or the public sewer system within Improvement Zone "B" of San Bernardino County Service Area 53 and by the owners of all improved parcels of real property which are so located but not connected to the public system. Such standby charges shall be collected from all owners of vacant parcels of real property which are so located and which are vacant as of July 1, 2018 and from all owners of improved

parcels of real property which are so located and which are not connected to the public sewer system as of said date; provided, however, that owners of parcels of real property which are used primarily for public parking areas shall not be required to pay such a standby charge. The term "parcel of real property" means a parcel to which the County Assessor of the County of San Bernardino has assigned a separate assessor's parcel number, whether such parcel consists of a single lot or parcel or combination of lots or parcels.

**5.20.020 Amount of charges.**

Owners of parcels of real property which are an acre or less in size shall pay a standby charge in the amount of \$20.00, and owners of parcels or real property which are more than an acre shall pay a standby charge in the amount of \$30.00.

**5.20.030 Collection.**

Such standby charges shall be collected by the Big Bear City Community Services District, the City of Big Bear Lake, and the County of San Bernardino from all owners of parcels of real property within their respective service area, the service area of said County being the territory within Improvement Zone "B" of San Bernardino County Service Area 53, whose parcels are subject to such charges, and shall be remitted by said District, City and County to the Agency on or before December 31, 2018 (fifty percent of such charges) and April 30, 2019 (fifty percent of such charges). Said District, City and County are hereby designated as and shall be the agents of the Agency for purposes of collecting such standby charges and shall have and exercise all powers which could be exercised by the Agency with respect to the collection of such charges.

**5.20.040 Credit against connection fee.**

Any owner of a parcel of real property who pays a standby charge and who later during said fiscal year makes application to connect to the public sewer system a home or business establishment which is located upon the parcel of real property for which such standby charge was paid, shall receive a credit against the connection fee, if any is due, in the amount of such standby charge."

3. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the fee adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

4. Prior Rates; Future Action by Resolution Authorized. All ordinances, resolutions or administrative actions by the Governing Board, or parts thereof that are inconsistent with any provision of this Ordinance, are hereby superseded only to the extent of such inconsistency. BBARWA may revise future rates by resolution.

5. Effective Date; Publication of Notice. This Ordinance shall become effective thirty days after adoption. The Secretary of this Governing Board shall cause a summary of this Ordinance to be published once in the Big Bear Grizzly at least five days prior to passage of this Ordinance, and shall either post a copy of the full text of the Ordinance on BBARWA's web site,

or shall post a certified copy of the full text in the office of the Secretary of BBARWA, at least five days prior to the date of passage. Once adopted, the Secretary shall cause the summary to be published within 15 days after passage of the Ordinance with the names of those Governing Board members voting for and against this Ordinance, and shall also either post a copy of the full text of the Ordinance and the names of those Governing Board Members voting for and against the Ordinance on the BBARWA web site, or shall post a full certified copy of the Ordinance with the names of those Governing Board Members voting for and against in the office of the Secretary. The Secretary of the Governing Board shall provide a copy of this Ordinance to the City of Big Bear Lake, the County of San Bernardino and the Big Bear City Community Services District.

**ADOPTED**, this 25th day of April 2018.

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

**ATTEST:**

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

I, Elizabeth Harris, Secretary of the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Sewer Standby or Immediate Availability Charges for the Fiscal Year 2019 of the Big Bear Area Regional Wastewater Agency, San Bernardino County, State of California, being Ordinance No. O. 03-2018 was adopted at a regular meeting on April 25th, 2018 of said Agency by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Secretary

(Seal)



**Big Bear Area Regional  
Wastewater Agency**

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

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**AGENDA ITEM: 10.E**

**MEETING DATE:** March 22, 2018

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

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

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

**SUBJECT:** Introduction and First Read of Ordinance No. O.04-2018, An Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency to Increase the Current Fee Schedule for the Disposal of Waste Delivered to the Regional Treatment Plant

**BACKGROUND:**

The Agency last modified the waste disposal fee schedule in 2008. The fees were reviewed in the 2018 Comprehensive Sewer Rate Study. The proposed adjustments reflect the same rate adjustment (2.8%) needed under the Agency’s Sewer User Charge and reflect the Agency’s increased costs to treat wastewater. It is recommended that future adjustments in waste disposal fees be consistent with the timing and percentage change in the Sewer User Charge. The proposed rates are as follows (rate is per 1,000 gallons):

Waste Type	Current	FY 2019
<b>Chemical Toilet</b>	\$60.45	\$62.14
<b>Holding Tank</b>	\$6.43	\$6.61
<b>Septic Tank</b>	\$72.33	\$74.36
<b>% Change</b>		<b>2.8%</b>

**FINANCIAL IMPACT:**

Waste disposal fee revenue is approximately \$22,000, and represents only 0.4% of the Agency’s overall revenues. Rates charged for waste disposal are designed to equal the Agency’s cost to treat it.

**RECOMMENDATION**

Introduce Ordinance.



**ORDINANCE NO. O. 04-2018**

**AN ORDINANCE OF THE GOVERNING BOARD OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY TO INCREASE THE CURRENT FEE SCHEDULE FOR THE DISPOSAL OF WASTE DELIVERED TO THE REGIONAL TREATMENT PLANT**

**WHEREAS**, the Big Bear Area Regional Wastewater Agency (“BBARWA”) is a joint powers agency created under Government Code sections 6500 *et seq.* to exercise specified common powers of the member agencies for the purpose of constructing, maintaining and operating a regional system for the treatment and disposal of sewage and wastewater for the entire Big Bear Valley area (“Regional System”); and

**WHEREAS**, the Regional System is operated by BBARWA pursuant to the Waste Discharge Requirements and/or National Pollution Discharge Elimination System permits issued to BBARWA by a California Regional Water Quality Control Board in conformity with sections 13263, 13377, and 13523 of the California Water Code and Title 40 CFR Part 403 of the Clean Water Act; and

**WHEREAS**, Title 7 of the BBARWA Code of Resolutions and Ordinances (“BBARWA Code”) provides uniform rules for the regulation of wastewater discharges by establishing terms, limits, conditions, and permits for discharges, whether from existing, new or increased pollutant contributions, to provide for equitable distribution of BBARWA’s and collecting agencies’ costs, and to provide procedures for complying with requirements placed upon BBARWA and collecting agencies by local, state and federal regulations (BBARWA Code 7.040.020 A); and

**WHEREAS**, Section 7.24.090 (A) of the BBARWA Code requires in part that “[a]ll domestic waste haulers discharging sanitary waste to BBARWA’s regional treatment plant pay applicable fees related to said discharge” (“Waste Disposal Fee”); and

**WHEREAS**, the costs of operating and maintaining the regional treatment plant have increased, resulting in the need for a Waste Disposal Fee increase in order to recover and fairly allocate BBARWA’s costs; and

**WHEREAS**, BBARWA retained the services of HDR Engineering, Inc. in order to develop recommendations and a Comprehensive Sewer Rate Study (“Study”). A copy of the Study dated February 2018 is on file at BBARWA’s administrative offices and is available for public review; and

**WHEREAS**, section 5741 of the Health and Safety Code and Government Code sections 54344-54358, and Government Code Section 61000 *et seq.*, authorize the



Governing Board to prescribe and collect rates and charges for services and facilities furnished by BBARWA in connection with its sewerage system; and

**WHEREAS**, following the Study's recommendations, the Governing Board finds it necessary to revise the current "fee for discharge" as defined in Section 7.24.090 (B) of the BBARWA Code while using the same formula for Equivalent Dwelling Units (EDU) as such term is defined in the Study; and

**WHEREAS**, notice of public hearing has been given in compliance with Government Code section 66018; and

**WHEREAS**, pursuant to California Constitution article XIII C, section 1(e)(2), a fee or charge is a tax and subject to voter approval if it is imposed on a fee payer for a service and that service is provided to others who are not charged for the same service, or the fee exceeds the cost of providing the service; and

**WHEREAS**, Waste Disposal Fees are fees for a service subject to California Constitution article XIII C, section 1(e)(2); and

**WHEREAS**, pursuant to California Constitution article XIII C, section 1(e), BBARWA has the burden of demonstrating that the amount of the Waste Disposal Fees imposed is no more than necessary to cover the reasonable costs of providing discharge services, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer's burdens on, or benefits received from, the governmental activities provided; and

**WHEREAS**, the Governing Board has determined that: (1) the proposed Waste Disposal Fees do not exceed the estimated reasonable cost of the services and facilities for which the Waste Disposal Fees will be imposed; (2) the allocation of those costs bear a fair or reasonable in relationship to the burdens on, or benefits that those who pay the Waste Disposal Fees will receive from such services and facilities; (3) the proposed Waste Disposal Fees are imposed for public facilities in existence at the time the Waste Disposal Fees are imposed or for new facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged; and

**WHEREAS**, in accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, BBARWA staff has determined that the increases in Waste Disposal Fees are exempt from CEQA pursuant to Section 15378 and Section 15273 of the CEQA Guidelines and Public Resources Code section 21080(b)(8) because: (i) the increased charges are for the purpose of meeting operational and maintenance expenses of the aforementioned services; and (ii) the charges constitute the creation of a funding mechanism/other governmental fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and

**WHEREAS**, the adoption of this Ordinance is similarly exempt from CEQA.

**NOW, THEREFORE**, the Governing Board of the Big Bear Area Regional Wastewater Agency hereby ordains as follows:

1. Recitals. The recitals set forth above are true and correct and by this referenced incorporated herein.

2. Adoption of Waste Disposal Fee. The Governing Board hereby adopts the Waste Disposal Fees in the maximum amounts and on the dates set forth below, measured in \$/1,000 gallons:

	<b>July 1, 2018</b>
<b>Chemical Toilet</b>	\$62.14
<b>Holding Tank</b>	\$ 6.61
<b>Septic Tank</b>	\$74.36

The treatment and disposal costs shall be prorated for discharges less than or in excess of 1,000 gallons.

3. Inflationary Adjustment Authorized. Commencing July 1, 2019, and each July 1 thereafter, the Waste Disposal Fees may be increased annually by an amount not to exceed the percentage change in the twenty-city, construction cost index (“CCI”) published by Engineering News Record. The percentage change in the CCI would be calculated using the twelve-month period ending December 31 of the prior year in which the rate change would be effective, i.e. for a rate change effective July 1, 2019 (FY 2020), the proposed rate adjustment would be based on the annual percentage change in the twenty-city construction cost index for the twelve months ending December 31, 2018.

4. Amendment to BBARWA Code. Section 7.24.090 of the BBARWA Code is hereby replaced in its entirety, to read as follows:

**“Section 7.24.090 Fee for discharge**

A. All domestic waste haulers discharging sanitary waste to the Agency’s regional treatment plant shall pay all applicable fees relating to said discharge. Failure to pay any applicable fee on a timely basis after billing by the agency may result in suspension of the domestic waste hauler’s DWH permit.

B. For discharge, treatment, and disposal of sanitary waste, a domestic waste hauler shall pay a fee to the Agency to compensate the Agency for the costs of discharge, treatment, and disposal for various types of sanitary waste (measured in dollars per 1,000 gallons):

	<b>July 1, 2018</b>
<b>Chemical Toilet</b>	\$62.14
<b>Holding Tank</b>	\$ 6.61
<b>Septic Tank</b>	\$74.36

The treatment and disposal costs shall be prorated for discharges less than or in excess of 1,000 gallons.

C. All domestic waste haulers will be required to submit an annual fee of \$98.07 for the base cost of monitoring.

D. Commencing July 1, 2019, the Waste Disposal Fees may be increased annually by an amount not to exceed the percentage change in the twenty-city, construction cost index (the CCI) published by Engineering News Record. The percentage change in the CCI would be calculated using the twelve-month period ending December 31 of the prior year in which the rate change would be effective, i.e. for a rate change effective July 1, 2019 (FY 2020), the proposed rate adjustment would be based on the annual percentage change in the twenty-city construction cost index for the twelve months ending December 31, 2018.”

5. Findings. The Governing Board finds that there is a reasonable relationship between the amount of the Waste Disposal Fee and the cost of providing the service for which the Waste Disposal Fee is charged. This relationship is more fully documented in the Study. The Waste Disposal Fee shall not be used for any other purpose than that for which the Waste Disposal Fee is imposed. The Waste Disposal Fee is not imposed upon real property or upon persons as an incident of property ownership. The Waste Disposal Fee is imposed only as a condition of service upon the requesting of the Collecting Agency. The Waste Disposal Fee is based on reasonable estimates of the demand placed upon BBARWA in its role as a provider of regional wastewater services.

6. Future Actions. All ordinances, resolutions or administrative actions by the Governing Board, or parts thereof that are inconsistent with any provision of this Ordinance, are hereby superseded only to the extent of such inconsistency. BBARWA may revise the rates for the Waste Disposal Fees in the future do so by resolution.

7. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the fee adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

8. Publication of Notice. This Ordinance shall become effective thirty days after adoption. The Secretary of this Governing Board shall cause a summary of this Ordinance to be published once in the Big Bear Grizzly at least five days prior to passage of this Ordinance, and shall either post a copy of the full text of the Ordinance on BBARWA’s web site, or shall post a certified copy of the full text in the office of the Secretary of BBARWA, at least five days prior to the date of passage. Once adopted, the Secretary shall cause the summary to be published within 15 days after passage of the Ordinance with the names of those Governing Board members voting for and against this Ordinance, and shall also either post a copy of the full text of the Ordinance and the names of those Governing Board Members voting for and against the Ordinance on the

BBARWA web site, or shall post a full certified copy of the Ordinance with the names of those Governing Board Members voting for and against in the office of the Secretary. The Secretary of the Governing Board shall provide a copy of this Ordinance to the City of Big Bear Lake, the County of San Bernardino and the Big Bear City Community Services District.

9. Effective Date. This Ordinance shall take effect 30 days after adoption. The Waste Disposal Fees shall take effect as authorized herein.

**ADOPTED**, this 25th day of April, 2018.

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

**ATTEST:**

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

I, Elizabeth Harris, Ed.D., Secretary of the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency Increasing the Current Fee Schedule for the Disposal of Waste Delivered to Regional Treatment Plant, being Ordinance No. O. 04-2018 was adopted at a regular meeting on April 25th, 2018, of said Agency by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

Secretary

(Seal)



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

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**AGENDA ITEM: 10.F**

**MEETING DATE:** March 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:** Long Term Sludge Hauling Contract

**DISCUSSION:**

The Agency has been hauling sludge through a combination of hauling with various contractors and in recent years, self-hauling. Under the new proposed contract, the Agency will reduce hauling costs from \$85 - \$98 per ton, to approximately \$60 per ton and will simplify operations by reducing hauling contractors and eliminating self-hauling.

Currently the Agency utilizes Hazmat trucking company to transport sludge to One-Stop Nursery Products as well as Synagro Technologies, Inc., a company that both transports and disposes to its own sites. During a recent visit to another plant to evaluate the belt press, we identified an alternative disposal method that was being utilized at that facility. After negotiation with the company, Ag Tech LLC (Ag Tech) and some trial hauling we are recommending a three-year sludge hauling contract. Ag Tech plans to land apply the sludge in Arizona as fertilizer in growing grain for livestock and has received approval from the state for our sludge.

We have negotiated a price of \$60 per ton plus a fuel surcharge, tied to the current energy information administration California retail on highway diesel price index. The current published fuel price per the index is \$3.68. We don't anticipate the fuel surcharge affecting the per ton price greatly. For example, if the price of fuel were to go up to \$3.78 per gallon, the Agency would pay \$60.37 per ton. We have checked references and feel confident in our new hauler.

**FINANCIAL IMPACT:**

The estimated sludge removal costs in the FY 2019 Budget are based on \$88 per ton and approximately 4,000 tons, for a total cost of \$355,339. Based on the new removal cost per ton of \$60,

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

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

Secretary of the Governing Board

the estimated total cost would be \$240,000, or a reduction of \$115,339. These cost savings may provide the Agency with the opportunity to increase sludge removal from its ponds in FY 2019 while staying within the appropriated budget.

**RECOMMENDATION:**

1. Authorized General Manager to enter into a three-year contract with Ag Tech LLC for sludge hauling.





Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 10.G**

**MEETING DATE:** March 22, 2018

**TO:** Governing Board

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

**PREPARED BY:** Kimberly Booth, Administrative Assistant

**SUBJECT:** Governing Board Reorganization

**BACKGROUND:**

Per the Governing Board Members Handbook, Meetings of the Big Bear Area Regional Wastewater Agency, Item 5, Annual Organizational Meeting, “The Governing Board shall hold an annual election of officers at a meeting in February or as soon thereafter as possible. At this meeting, the Governing Board will elect a Chairperson, Vice-Chairperson and Secretary of the Governing Board from its members.” An additional item for board consideration is; Officers of the Governing Board, “A Governing Board member must serve on the Governing Board for a period of one year (12-months) before qualifying for the office of Chairperson”.

Historically the Governing Board has utilized various methods to fill the positions (rotation between member agencies (County – Big Bear City – City of Big Bear Lake), maintaining positions for more than one year and conventional motion, second and vote).

The procedure is as follows, Chairman Herrick begins by opening nominations for the position of Chairperson, a second is offered followed by a vote of the governing board. The same procedure is utilized for the positions of Vice-Chair and Secretary. The designated officers will assume their positions at the next scheduled meeting.

**FINANCIAL IMPACT:**

No financial impact.