

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**Regular Meeting of**

**October 24, 2018**

**At**

**5:00 p.m.**

**121 Palomino Drive**

**Big Bear City, California**

**1. Call to Order**

**2. Pledge of Allegiance**

**3. Presentations and Introduction**

A. Jennifer McCullar – 10 Year Recognition

B. Audit Report for Fiscal Year Ended June 30, 2018 (under separate cover)

**4. Closed Session**

A. Conference with Labor Negotiators – Government Code Section 54957.6

Agency Representatives: Caretto/Green

Employee Organization: All Agency Employees

**5. Approval of the Agenda**

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

A. Minutes of the Special Meeting on September 26, 2018 – Approve

B. Monthly Expenses – Informational

C. Governing Board Member Reimbursement – Approve

D. Investment Report – Informational

E. Operations and Connections Report– Informational

F. Annual Report, Twelve Months Ended June 30, 2018 – Informational

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

**8. Public Forum Response – None**

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

## **10. Old Business**

- A. Resolution No. R. 11-2018, A Resolution Authorizing an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the Big Bear Area Regional Wastewater Agency – Approval
- B. Implementation Process to Amend OPEB for Future Hires – Discussion and Approval

## **11. New Business**

- A. Schedule a Special Meeting and adjourn the Regular November (28<sup>th</sup>) and December (26<sup>TH</sup>) 2018 Meetings – Discussion and Possible Action
- B. Pay Schedule – Discussion and Possible Action
- C. Appropriate \$44,045 from the Capital and Replacement Fund to Complete the Reconstruction of the Horseshoe Ponds – Discussion and Possible Action

## **12. Information/Committee Reports**

- A. General Manager Update on Emergency Work on the Lucerne Valley Reuse Facility

## **13. Adjournment**

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

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

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



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

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**AGENDA ITEM: 3.B**

**MEETING DATE:** October 24, 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:** Audit Report for the Fiscal Year Ended June 30, 2018

**BACKGROUND:**

The Agency engaged the services of the Rogers, Anderson, Malody & Scott, LLP (“RAMS”), Certified Public Accountants, to perform the annual audit for the fiscal year ended June 30, 2018.

Please find attached 1) a letter addressing the Board and summarizing the audit (communication required to those in charge of governance) and 2) the comprehensive annual financial report (a bound copy to follow). RAMS has issued an unmodified opinion, stating that the financial statements for the fiscal year ended June 30, 2018 present fairly, in all material respects, the financial position of the Agency and are free of material misstatement (please see the Independent Auditor’s Report in the Comprehensive Annual Financial Report).

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Informational

**ATTACHMENTS:**

- 1) Letter to the Board
- 2) Comprehensive Annual Financial Report



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
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Board of Directors  
121 Palomino Drive  
Big Bear City, California 92314

**PARTNERS**

Sharon L. Diller, CPA, CFSA  
Terry D. Davis, CPA  
Curtis A. Fennell, CPA  
Scott W. Flanagan, CPA, CGMA  
Emma M. Hanning, CPA, CFSA, CGMA  
Richard A. Malody, CPA, MBA, CGMA  
Jay H. Zuckerman, CPA, CPAE, CFSA, CFP®  
Philip J. Waller, CPA, Chartered Financial

**MANAGERS & STAFF**

Joseph D. Diller, CPA, CFSA  
Jennifer B. Davis, CPA, CGMA  
Charles DeSantis, CPA  
Courtney D. DeLoe, CPA  
Dawn M. Hubert, CPA  
Lara E. Kempson, CPA, MBA  
Samuel M. Meyer, CPA  
Regina J. O'Neil



**RESOURCES**

Financial Statement  
Financial Policy & Controls  
Internal Control Structure  
Internal Control System  
Internal Control Plan  
Internal Control System  
Internal Control System  
Internal Control System

Dear Board of Directors:

We have audited the financial statements of Big Bear Area Regional Wastewater Agency as of and for the year ended June 30, 2018, and have issued our report thereon dated October 19, 2018. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 3, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Big Bear Area Regional Wastewater Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Big Bear Area Regional Wastewater Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability/net OPEB liability and related deferred inflows and deferred outflows is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Big Bear Area Regional Wastewater Agency's financial statements relate to:

The disclosure of fair value of investments in Note 3 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and deferred outflows in Note 8 to the financial statements is based on actuarial assumptions. Actual future liabilities and deferrals may vary from disclosed estimates.

The disclosure of the net OPEB liability and related deferred inflows and deferred outflows in Note 9 to the financial statements is based on actuarial assumptions. Actual future liabilities/assets may vary from disclosed estimates.

#### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Big Bear Area Regional Wastewater Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated October 19, 2018.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Big Bear Area Regional Wastewater Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Big Bear Area Regional Wastewater Agency's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Big Bear Area Regional Wastewater Agency and is not intended to be and should not be used by anyone other than these specified parties.

*Rogers, Anderson, Malody & Scott, LLP.*

October 19, 2018  
San Bernardino, California



## **BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

P.O. Box 517, 122 Palomino Drive, Big Bear City, CA 92314-0517

(909) 584-4018 • FAX (909) 585-4522 • e-mail: [jmccullar@bbarwa.org](mailto:jmccullar@bbarwa.org)

October 17, 2018

Rogers, Anderson, Malody & Scott, LLP,

This representation letter is provided in connection with your audit of the financial statements of Big Bear Area Regional Wastewater Agency as of June 30, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Big Bear Area Regional Wastewater Agency in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, we have made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 19, 2018.

### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 3, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- If applicable, all component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position, net investment in capital assets, restricted, and unrestricted are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as to operating or nonoperating.
- All expenses have been properly classified.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- Management;
- Employees who have significant roles in internal control; or
- Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Big Bear Area Regional Wastewater Agency has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Big Bear Area Regional Wastewater Agency is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Big Bear Area Regional Wastewater Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- We have evaluated Big Bear Area Regional Wastewater Agency's ability to continue as a going concern and appropriate disclosures are made in the financial statements as necessary under GASB requirements.
- As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

### **Supplementary Information in Relation to the Financial Statements as a Whole**

With respect to the schedule of revenues, expenses, and changes in net position - budget v. actual accompanying the financial statements:

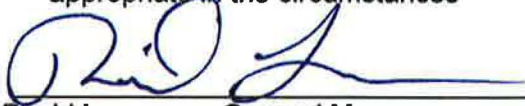
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with applicable criteria.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with any applicable criteria.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- e. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- f. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

### **Required Supplementary Information**

- With respect to the various required supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with the applicable GASB statements.
  - b. We believe the required supplementary information, including its form and content is measured and fairly presented in accordance with the applicable GASB statements.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.

**Pension and Postretirement Benefits**

We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities, deferrals and costs for financial accounting purposes are appropriate in the circumstances



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David Lawrence, General Manager



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Jennifer McCullar, Finance Manager

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
Special Board Meeting**

**Minutes**

**September 26, 2018**

**John Green**

**Via Teleconference**

**South Point Hotel**

**9777 Las Vegas Blvd. South #2077**

**Las Vegas, NV 89183**

**1. Call to Order**

A special meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, September 26, 2018 at 6:30 p.m. at 121 Palomino Drive, Big Bear City, California.

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

**Absent:** None

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

**Others:** None

**2. Pledge of Allegiance**

Vice Chairman Caretto called the meeting to order at 6:30 p.m. with Secretary Harris leading the Pledge of Allegiance.

**3. Presentations and Introduction: None**

**4. Approval of the Agenda**

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

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

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

- A. Minutes of the Special Meeting on August 20, 2018 and Minutes of the Regular Meeting on August 22, 2018 – Approved
- B. Monthly Expenses – Informational
- C. Governing Board Member Reimbursement – Approved
- D. Investment Report – Informational
- E. Operations Report – Informational
- F. Carry Over Appropriation – Approved
- G. Resolution No. R. 10-2018, A Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration, California Public Employees’ Retirement System and the Board of Directors, Big Bear Area Regional Wastewater Agency – Approved
- H. Administrative Leave – Approved
- I. Debt Policy Amendment – Approved

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

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

**7. Public Forum Response:**

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

**9. Old Business: None**

**10. New Business**

A. Mr. Lawrence gave some background on the recommendation regarding allocating additional funds to replace the splitter gates. At this time staff is recommending appropriate \$46,250 for the splitter gate and authorize the General Manager to negotiate and execute the contracts for the replacement. Discussion ensued between board and

staff. Upon motion by Secretary Harris, seconded by Director Herrick and carried, the Governing Board approved the staff recommendation.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

- B. Mr. Lawrence gave some background on replacing the oxidation ditch paddle and adjusting the rotor. At this time staff recommends to appropriate \$79,548 for the replacement of the oxidation ditch paddles and \$24,000 for the rotor adjustment and authorize the General Manager to negotiate and execute the contracts for the replacement of the oxidation ditch paddles and rotor adjustment. Discussion ensued between board and staff. Upon motion by Director Herrick, seconded by Director Oxandaboure and carried, the Governing Board approved to move forward with the staff recommendation.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

- C. Mr. Lawrence explained that the standby generator connections for the lift stations is already in the budget to be replaced. At this time staff recommends appropriating an additional \$25,050 for the standby generator connections. Discussion ensued between board and staff. Upon motion by Chairman Green, seconded by Secretary Harris and carried, the Governing Board approved the staff recommendation.

**Vote**

Green	Aye
Caretto	Aye
Harris	Aye
Oxandaboure	Aye
Herrick	Aye

**11. Information/Committee Reports**

- A. Mr. Lawrence gave an update on the emergency work on the Lucerne Valley Reuse Facility. The project should be completed in the next week. By the October board meeting Mr. Lawrence should bring the execution of completion to the board.
- B. Vice Chairman Caretto gave an update on the Administrative Committee Meeting that was held on September 26, 2018 and would like to bring something to the full board at the October board meeting.

**12. Adjournment**

With no further business to come before the Governing Board, Vice Chairman Caretto adjourned the meeting 6:45 p.m.

ATTEST: \_\_\_\_\_

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

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





Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 6.B**

**MEETING DATE:** October 24, 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 September check register which reflects accounts paid during the period.

**FINANCIAL IMPACT:**

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

**RECOMMENDATION:**

Informational

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

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

Secretary of the Governing Board

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

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

Check #	Date	Payee	Cash Account	Amount
CASH 1950	9/4/18	LEGALSHIELD	1000-20	218.35
CASH 1951	9/6/18	VISION SERVICE PL	1000-20	301.84
CASH 1952	9/6/18	LINCOLN NATIONAL	1000-20	1,101.53
CASH 1953	9/6/18	PRINCIPAL FINANCI	1000-20	2,488.50
CASH 1954	9/6/18	CALPERS HEALTH	1000-20	30,984.15
CASH 1955	9/6/18	AMERICAN FIDELIT	1000-20	593.72
18721	9/10/18	BRIAN C. BOCK	1000-20	350.00
18722	9/10/18	ACCENT COMPUTE	1000-20	693.70
18723	9/10/18	AMAZON CAPITAL S	1000-20	604.22
18724	9/10/18	ARAMARK UNIFOR	1000-20	1,342.37
18725	9/10/18	BIG BEAR CITY CO	1000-20	708.96
18726	9/10/18	BRENT BERG	1000-20	460.93
18727	9/10/18	BLUETARP FINANCI	1000-20	2,827.28
18728	9/10/18	ROBIN A. BRADLEY	1000-20	240.00
18729	9/10/18	BUTCHER'S BLOCK	1000-20	548.35
18730	9/10/18	BEAR VALLEY ELEC	1000-20	8,390.85
18731	9/10/18	CAR QUEST OF BIG	1000-20	117.56
18732	9/10/18	CWEA TCP/MEMBE	1000-20	560.00
18733	9/10/18	UNDERGROUND SE	1000-20	107.35
18734	9/10/18	DIY HOME CENTER-	1000-20	1,083.84
18735	9/10/18	DME INCORPORAT	1000-20	2,164.05
18736	9/10/18	DIRECT TV	1000-20	45.99
18737	9/10/18	DEPARTMENT OF	1000-20	57.91
18738	9/10/18	SAMUEL ESSEX	1000-20	460.93
18739	9/10/18	EVANTEC CORPOR	1000-20	2,336.70
18740	9/10/18	FLYERS ENERGY	1000-20	1,112.52
18741	9/10/18	FRONTIER COMMU	1000-20	682.50
18742	9/10/18	GRAINGER	1000-20	365.50
18743	9/10/18	THE GRIZZLY	1000-20	146.00
18744	9/10/18	JANICE M. DRAKE-	1000-20	50.00
18745	9/10/18	EDWARD M. HOBBS	1000-20	1,400.00
18746	9/10/18	HUGHESNET	1000-20	69.99

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

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

Check #	Date	Payee	Cash Account	Amount
18747	9/10/18	J.G. TUCKER & SON	1000-20	4,801.61
18748	9/10/18	DAVID LAWRENCE	1000-20	50.00
18749	9/10/18	JENNIFER MCCULL	1000-20	359.28
18750	9/10/18	NAPA AUTO PARTS	1000-20	23.69
18751	9/10/18	CONSTANCE M. AL	1000-20	55.00
18752	9/10/18	PITNEY BOWES GL	1000-20	128.22
18753	9/10/18	POLYDYNE INC	1000-20	3,320.86
18754	9/10/18	QUILL	1000-20	512.88
18755	9/10/18	JESSEE MCCLELLA	1000-20	900.00
18756	9/10/18	SAGE SOFTWARE, I	1000-20	2,786.29
18757	9/10/18	CHRIS SANTILLAN	1000-20	160.37
18758	9/10/18	SPECTRUM BUSINE	1000-20	269.94
18759	9/10/18	THERMO ELECTRO	1000-20	2,490.00
18760	9/10/18	TWIN BEAR EQUIP	1000-20	31.07
18761	9/10/18	WINZER CORP	1000-20	193.86
CASH 1956	9/10/18	CALPERS RETIREM	1000-20	1,839.14
CASH 1957	9/10/18	CA PERS 457 PROG	1000-20	2,645.17
CASH 1958	9/10/18	THE LINCOLN NAT'L	1000-20	2,836.13
CASH 1959	9/10/18	CALPERS RETIREM	1000-20	6,604.01
CASH 1960	9/10/18	EMPLOYMENT DEV	1000-20	1,689.87
CASH 1961	9/11/18	INTERNAL REVENU	1000-20	5,689.67
CASH 1962	9/24/18	AMERICAN FIDELIT	1000-20	593.72
CASH 1963	9/24/18	CALPERS RETIREM	1000-20	1,898.71
CASH 1964	9/24/18	CA PERS 457 PROG	1000-20	2,684.13
CASH 1965	9/24/18	THE LINCOLN NAT'L	1000-20	2,836.13
CASH 1966	9/24/18	CALPERS RETIREM	1000-20	6,705.36
CASH 1967	9/24/18	EMPLOYMENT DEV	1000-20	1,731.34
18762	9/25/18	ACCENT COMPUTE	1000-20	2,276.08
18763	9/25/18	AG TECH LLC	1000-20	31,287.69
18764	9/25/18	ALL PROTECTION A	1000-20	130.00
18765	9/25/18	AMAZON CAPITAL S	1000-20	1,509.66
18766	9/25/18	ARROWHEAD	1000-20	232.50

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

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

Check #	Date	Payee	Cash Account	Amount
18767	9/25/18	BEST BEST & KRIE	1000-20	4,430.47
18768	9/25/18	BUSINESS CARD	1000-20	6,310.31
18769	9/25/18	BRYCE CONSULTIN	1000-20	127.50
18770	9/25/18	BEAR VALLEY PAVI	1000-20	147,915.2
18771	9/25/18	CANON SOLUTIONS	1000-20	741.52
18772	9/25/18	CLINICAL LAB OF S	1000-20	85.00
18773	9/25/18	COUNTY OF SAN B	1000-20	510.82
18774	9/25/18	DADDY'S PEST CON	1000-20	965.00
18775	9/25/18	EVANTEC CORPOR	1000-20	727.28
18776	9/25/18	GRAINGER	1000-20	1,191.49
18777	9/25/18	JANICE M. DRAKE-	1000-20	457.30
18778	9/25/18	HAZ MAT TRANS, IN	1000-20	986.50
18779	9/25/18	JUST ENERGY SOL	1000-20	15,037.78
18780	9/25/18	LYNN MERRILL & A	1000-20	4,136.98
18781	9/25/18	RANDY J. SPITZ	1000-20	70.38
18782	9/25/18	NATIVESCAPES INC	1000-20	16,946.00
18783	9/25/18	POLYDYNE INC	1000-20	3,320.86
18784	9/25/18	REBEL OIL CO., INC	1000-20	874.83
18785	9/25/18	ROCKWELL SOLUTI	1000-20	1,550.37
18786	9/25/18	SAFETY-KLEEN	1000-20	282.82
18787	9/25/18	SOUTH COAST AQ	1000-20	2,846.14
18788	9/25/18	SOUTHERN CALIFO	1000-20	64.74
18789	9/25/18	SDRMA	1000-20	2,898.47
18790	9/25/18	SERVICEMASTER 3	1000-20	2,818.18
18791	9/25/18	RYAN R. ABELN	1000-20	300.00
18792	9/25/18	SPECTRUM BUSINE	1000-20	1,013.77
18793	9/25/18	SOUTHWEST GAS	1000-20	8,819.02
18794	9/25/18	SOUTHWEST GAS	1000-20	111.25
18795	9/25/18	VERIZON WIRELES	1000-20	269.02
18796	9/25/18	WATER SYSTEMS C	1000-20	1,107.50
CASH 1968	9/25/18	INTERNAL REVENU	1000-20	5,657.48
<b>Total</b>				<b><u>384,461.9</u></b>



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

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**AGENDA ITEM: 6.C**

**MEETING DATE:** October 24, 2018

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

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

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

**SUBJECT:** Board Member Reimbursement

**BACKGROUND:**

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

**FINANCIAL IMPACT:**

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

**RECOMMENDATION:**

Approve

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Rick Herrick

Date Submitted: September 26, 2018

Month Covered: September

BBARWA Regular Meeting Attended: Date: 9-29-18 Compensation \$ 150.-

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

BBARWA Committee Meeting Attended: Date: \$

PURPOSE

Other Governing Board Approved Meetings:

Date: \$

Date: \$

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

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: Date: \$

Lodging: Date: \$

Registration: Date: \$

Tuition: Date: \$

Meals: Date: \$

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

TOTAL OTHER EXPENSE REIMBURSEMENT: \$

Uncompensated Meetings Attended:

PURPOSE

Date: \$

Date: \$

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

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

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: David Caretto

Date Submitted: September 20, 2018

Month Covered: September

BBARWA Regular Meeting Attended: Date: 9/26/18 Compensation \$ 150

PURPOSE

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

BBARWA Special Meeting Attended: Date: \$

PURPOSE

BBARWA Committee Meeting Attended: Admin. Date: 9/26/18 \$

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: David Caretto Total Amount Paid \$ 150.00

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

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REPORT OF MEETINGS ATTENDED**

Governing Board Member: Karyn Oxandaboure

Date Submitted: September 26, 2018

Month Covered: September

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

**PURPOSE**

BBARWA Special Meeting Attended: September Date: 9.26.18 \$ 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: \_\_\_\_\_ Total Amount Paid \$ 150.00

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



BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: John Green

Date Submitted: September 26, 2018

Month Covered: September

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

PURPOSE

BBARWA Special Meeting Attended: September Date: 9.26.18 \$ 150.00

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

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

PURPOSE

BBARWA Committee Meeting Attended: Admin. Comm. Date: 9.26.18 \$ \_\_\_\_\_

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: \_\_\_\_\_ Total Amount Paid \$ 150.00

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



Big Bear Area Regional  
Wastewater Agency

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

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**AGENDA ITEM: 6.D**

**MEETING DATE:** October 24, 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 September 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  
 September 2018

<u>INVESTMENT TYPE</u>	<u>COST</u>	<u>FAIR MARKET VALUE (1)</u>	<u>YEAR TO DATE INTEREST(2)</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
LOCAL AGENCY INVESTMENT FUND	\$ 4,557,379	\$ 4,547,500	28,639	2.063%	DAILY
TOTAL	\$ 4,557,379	\$ 4,547,500	28,639		

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in August 2018. The Agency will be able to meet its expenditure requirements for the next six months.

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

(2) Interest paid quarterly on LAIF investment. Amount reflects interest income received at the reporting date for FY 2019 and excludes accrued interest.

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

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
 October 18, 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

September 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/26/2018	9/26/2018	RW	1584523	JENNIFER MCCULLAR	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	5,057,378.80
Total Withdrawal:	-500,000.00	Ending Balance:	4,557,378.80



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

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**AGENDA ITEM: 6.E**

**MEETING DATE:** October 24, 2018

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

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

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

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

**SUBJECT:** Operations and Connections Report

**OPERATIONS:**

**2018 Treatment Plant Data**

	July	August	September
Total Influent Flow (MG)	54.83	51.08	46.16
Average Daily Infuent Flow (MGD)	1.77	1.65	1.54
City of Big Bear Lake	50.1%	48.3%	44.5%
Big Bear City CSD	45.0%	47.1%	48.5%
County of San Bernardino	4.9%	4.6%	4.4%
Average Influent BOD (mg/L)	267	281	308
Average Effluent BOD (mg/L)	9	5	7
BOD Removal Efficiency (%)	96.6%	98.2%	97.7%
Precipitation (inch)	2.58	0.76	0.00

The plant influent flow decreased compared to July and August which is attributed to no rain events. There were no significant rain events in September and there was no precipitation recorded at the treatment

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

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

Secretary of the Governing Board

facility during the month of September. The treatment plant continued to operate at a high BOD removal efficiency rate.

Process equipment out of service during the month of September:

- Oxidation Ditch #3 remained out of service due to low flows; the ditch will be placed in service and utilized during peak flow periods.
- Clarifier #3 was drained in August for preventive maintenance but was halted when the staff discovered the undrain valve was not operational. During September, Bear Valley Paving began to remove the pavement and approximately 20-foot of dirt covering the drain valve. This will allow the staff to inspect and determine the cause of the undrain valve failure.

MONTH	FYE 6/30/2019								CITY-BBL	CSD	CSA-53B
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019				
July	0	4	4	8	3	4	3	1	2	0	
August	1	4	6	5	12	6	9	1	8	0	
September	5	4	5	6	4	6	3	3	0	0	
October	4	6	14	10	9	8	0	0	0	0	
November	3	13	8	6	5	11	0	0	0	0	
December	0	0	23	8	4	2	0	0	0	0	
January	0	2	3	1	0	0	0	0	0	0	
February	0	2	1	0	1	0	0	0	0	0	
March	4	2	2	3	2	0	0	0	0	0	
April	2	5	1	10	3	0	0	0	0	0	
May	1	2	5	10	4	0	0	0	0	0	
June	10	1	12	2	16	0	0	0	0	0	
<b>TOTAL</b>	<b>30</b>	<b>45</b>	<b>84</b>	<b>69</b>	<b>63</b>	<b>37</b>	<b>15</b>	<b>5</b>	<b>10</b>	<b>0</b>	

**FINANCIAL IMPACT:** No financial impact.



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: 6.F**

**MEETING DATE:** October 24, 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 *JM*

**SUBJECT:** Annual Report, Twelve Months Ended June 30, 2018

**BACKGROUND:**

Please find attached the Annual Report which discusses the most recent year's financial performance compared to the budget.

The Agency ended FY 2018 mostly on plan and in a slightly higher cash position due to higher cash from operations and lower capital expenditures. The Agency's operating expenses were below the budget by \$284,714 or 6% (before accounting adjustments). Lower operating expenses were due in large part to timing. The Agency carried over approximately \$277,000 in budgeted expenses not completed at year end, with the Lucerne Valley emergency repairs accounting for \$184,670 of the carryover amount. Capital expenditures were under the budget by \$410,459. The variance was also due largely to timing. The Agency carried over \$335,074 in capital expenditures that were budgeted but not completed at year end.

At June 30, 2018, the Agency is financially strong with current debt service coverage of 2.5 times, excess debt capacity and adequate funding to meet its reserve balance targets. Historically, over the long term, the Agency has experienced relatively flat operating expenses driven by flat salaries and benefits expense and declining collection, treatment and disposal costs due to multiple factors including cost reductions, staffing changes, low inflation and low flows. Recent trends indicate rising costs driven by higher inflation, salaries and benefits expense, and sludge removal expense.

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Informational

Big Bear Area Regional Wastewater Agency

# Annual Report FY 2018

Period ended June 30, 2018





## INCOME STATEMENT (STATEMENT OF NET POSITION)

The statement below is net of accounting adjustments made in FY 2018 and reflects GAAP.

	Actual FY 2018	Revised Budget FY 2018	Increase (Decrease)	% Change
<b>Operating revenues:</b>				
Annual charges	\$ 5,091,576	\$ 5,091,576	\$ (0)	0%
Standby fees	85,180	85,180	-	0%
Rental income	50,449	50,344	105	0%
Waste disposal fees	23,113	21,798	1,315	6%
Other operating income	<u>1,916</u>	<u>-</u>	<u>1,916</u>	<u>nm (b)</u>
Total operating revenues	5,252,233	5,248,898	3,336	0%
<b>Operating expenses:</b>				
Salaries and benefits	2,144,299	2,047,122	97,176	5%
Power	386,367	501,011	(114,644)	-23%
Sludge removal	397,813	303,809	94,004	31%
Chemicals	49,409	43,362	6,047	14%
Materials and supplies	127,278	142,037	(14,760)	-10%
Repairs and replacements	155,447	338,250	(182,803)	-54%
Equipment rental	37,215	40,786	(3,571)	-9%
Utilities expense	26,737	16,837	9,900	59%
Communications expense	37,064	43,719	(6,655)	-15%
Contractual services - other	74,947	99,435	(24,488)	-25%
Contractual services - prof	399,514	240,111	159,403	66%
Permits and fees	145,515	150,199	(4,684)	-3%
Property tax expense	3,599	3,572	27	1%
Insurance expense	99,428	93,306	6,122	7%
Other operating expense	50,470	64,869	(14,399)	-22%
Depreciation expense (a)	<u>842,154</u>	<u>811,358</u>	<u>30,796</u>	<u>4%</u>
Total operating expenses	4,977,255	4,939,783	37,472	1%
<b>Operating Income</b>	274,979	309,115	(34,136)	-11%
<b>Nonoperating revenues (expenses):</b>				
Nonoperating revenues	73,866	48,817	25,049	51%
Nonoperating expenses	<u>(1,841,539)</u>	<u>(125,947)</u>	<u>(1,715,592)</u>	<u>- (c)</u>
Total nonoperating income (exp)	(1,767,673)	(77,130)	(1,690,543)	- (c)
<b>Income before capital contribution</b>	(1,492,695)	231,985	(1,724,679)	- (c)
Capital contrib - conn fees	<u>249,560</u>	<u>201,850</u>	<u>47,710</u>	<u>24%</u>
<b>Change in net position</b>	\$ (1,243,135)	\$ 433,835	\$ (1,676,969)	- (c)

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

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

(c) Percent change is not provided if either the latest period or the year-ago period contains a loss or negative number. If the actual performance is improved when compared to the budget a "+" is given. If the actual performance is worse when compared to the budget, a "-" is given.



**CASH FLOW STATEMENT**

	Actual FY 2018	Revised Budget FY 2018	Increase (Decrease)
<b>Cash flows from operating activities:</b>			
Operating income (loss)	\$ 274,979	\$ 309,115	\$ (34,136)
Depreciation expense	842,154	811,358	30,796
Abandoned Construction in Process	166,165	-	166,165
Change in working capital	285,106	20,781	264,325
GASB noncash adjustments	(43,979)	-	(43,979)
Net cash provided by operating activities	<u>1,524,425</u>	<u>1,141,254</u>	<u>383,171</u>
<b>Cash flows from noncapital financing activities:</b>			
Payment of pension related debt/liability	-	(200,000)	200,000
<b>Cash flows from capital and related financing activities</b>			
Interagency Expense	(19,777)	-	(19,777)
Purchases of property, plant and equipment	(1,489,193)	(1,916,761)	427,568
Sale, Disposal of property, plant and equipment	4,700	-	4,700
Capital contributions	282,590	201,850	80,740
Proceeds from debt issuance	-	-	-
Prepayment premiums and issuance costs	-	-	-
Principal payments on long-term debt	(473,594)	(473,594)	-
Interest paid on long-term debt	(102,489)	(102,489)	-
Net cash used for capital and related financing activities	<u>(1,797,763)</u>	<u>(2,290,994)</u>	<u>493,231</u>
<b>Cash flows from investing activities:</b>			
Investment income received	<u>59,598</u>	<u>48,817</u>	<u>10,781</u>
Net cash provided by investing activities	<u>59,598</u>	<u>48,817</u>	<u>10,781</u>
Net increase (decrease) in cash	<u>(213,740)</u>	<u>(1,300,923)</u>	<u>1,087,183</u>
Cash equivalents, beginning of period	6,933,280	6,933,280	-
Cash equivalents, end of period	<u>6,719,539</u>	<u>5,632,357</u>	<u>1,087,182</u>
Net change in cash equivalents	<u>\$ (213,741)</u>	<u>\$ (1,300,923)</u>	<u>\$ 1,087,182</u>



## Discussion and Analysis

### FY 2018 Budget Revisions

During the year, the Agency modified its budget to include carryover appropriations from the prior year and new appropriations during the year. Carryover appropriations are those expenditures that were budgeted but not spent by fiscal year end and are carried over to the next year or budget cycle.

	<u>Carry Over Appropriations</u>	<u>New Appropriations</u>	<u>Total Appropriations</u>
<b>Operating Expenses</b>			
IT Consulting	\$ 10,413	\$ -	\$ 10,413
Power Generation Solutions	4,850	-	4,850
Generator Repairs	-	30,000	30,000
Equipment Rental	-	40,000	40,000
Government Advocacy	-	21,000	21,000
WSC Outreach	-	6,250	6,250
LV Emergency Repair	-	174,670	174,670
LV Emergency Repair	-	10,000	10,000
Interagency Expense	-	11,758	11,758
	<u>15,263</u>	<u>293,678</u>	<u>308,941</u>
<b>Capital Expenditures</b>			
Pond Rehab	3,578	679,383	682,961
Study, Groundwater Plan	52,719	-	52,719
Study, Irrigation Mgt	4,262	-	4,262
Study, Lucerne O&M	8,500	-	8,500
RAS Pump 4 Rebuild	4,743	-	4,743
Splitter Box Building	54,960	-	54,960
LV Emergency Repair	-	15,330	15,330
Belt Press	-	175,000	175,000
Conveyor System	-	50,000	50,000
Total	<u>128,761</u>	<u>919,713</u>	<u>1,048,474</u>
<b>Total</b>	<u>\$ 144,025</u>	<u>\$ 1,213,391</u>	<u>\$ 1,357,416</u>



**Operating Revenues**

Operating revenues were slightly ahead of the budget by \$3,336 or less than 1% primarily due to other operating revenue from materials recycling and slightly higher waste disposal fees.

	Actual FY 2018	Budget FY 2018	Actual vs Budget \$	Actual vs Budget %
<b>Operating revenues:</b>				
Annual charges	\$ 5,091,576	\$ 5,091,576	\$ (0)	0%
Standby fees	85,180	85,180	-	0%
Rental income	50,449	50,344	105	0%
Waste disposal fees	23,113	21,798	1,315	6%
Other operating revenue	<u>1,916</u>	<u>-</u>	<u>1,916</u>	<u>nm (a)</u>
Total operating revenues	\$ 5,252,233	\$ 5,248,898	\$ 3,336	0%

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

CONTINUED



### Operating Expenses

In the tables that follow, and for discussion purposes, salaries and benefits expense excludes GASB adjustments of \$156,021<sup>1</sup> and contractual services professional expense excludes a noncash accounting adjustment related to prior period costs (abandoned construction in progress) of \$166,165.

Operating expenses were below the budget by \$284,714 or 6%. Line items with the largest variances (greater than \$20,000 or 20%) from budget are highlighted below.

	Actual FY 2018	Budget FY 2018	Actual vs. Budget \$	Actual vs. Budget %
<b>Operating expenses:</b>				
Salaries and benefits	\$ 1,988,277	\$ 2,047,122	\$ (58,845)	-3%
Power	386,367	501,011	(114,644)	-23%
Sludge removal	397,813	303,809	94,004	31%
Chemicals	49,409	43,362	6,047	14%
Materials and supplies	127,278	142,037	(14,760)	-10%
Repairs and replacements	155,447	338,250	(182,803)	-54%
Equipment rental	37,215	40,786	(3,571)	-9%
Utilities expense	26,737	16,837	9,900	59%
Communications expense	37,064	43,719	(6,655)	-15%
Contractual services - other	74,947	99,435	(24,488)	-25%
Contractual services - prof	233,350	240,111	(6,761)	-3%
Permits and fees	145,515	150,199	(4,684)	-3%
Property tax expense	3,599	3,572	27	1%
Insurance expense	99,428	93,306	6,122	7%
Other operating expense	50,470	64,869	(14,399)	-22%
Depreciation expense (a)	842,154	811,358	30,796	4%
Total operating expenses	\$ 4,655,069	\$ 4,939,783	\$ (284,714)	-6%

An explanation of each major variance by line item is as follows.

**Salaries and benefits** expense was under the budget by \$58,845 or 3%, driven largely by lower wages (lower by \$60,612 or 5%) and lower employee benefits expense (lower by \$26,865 or 4%) offset by higher unemployment expense (higher by \$28,631). Please see table next page.

<sup>1</sup> Pension expense and OPEB expense, for the purpose of GASB 68 and GASB 75, respectively, reflect the net change in the Agency's pension/OPEB-related assets and liabilities and may be more or less than the actual cash pension/OPEB contribution that the Agency makes during the year (as determined by the Agency's actuarial valuations related to its pension and OPEB obligations). GASB adjustments are made for the difference between the GASB pension and OPEB expense, and the Agency's actual cash contributions.



Both salaries and wages and employee benefits expense were lower due to staffing changes. During the period a long-term senior manager retired. The gap between the retirement and the new hire date along with pay differential resulted in lower expenses than budgeted. Also during the period, an employee transitioned from a supervisory position to an operator position, with the supervisory position remaining unfilled during the remainder of the period. This also resulted in lower expenses than budgeted. The Agency incurred high unemployment expense during the period which resulted from higher separations than usual during the last two years.

Item	Over (Under)
Salaries and Wages	(\$60,612)
Employee Benefits Expense	(26,865)
Unemployment Compensation Expense	28,631
Payroll Tax	<u>2</u>
Total	(\$58,844)

**Power** expense was under the budget by \$114,644 due to lower power transportation costs (lower by \$90,251) and lower electrical costs at the stations (lower by \$26,540). Lower power costs are due in part to lower flows during the period. Actual flows for the period were 602 MG, down 24% from budgeted flows of 788 MG (long-term average dry weather).

**Sludge Removal** expense was over the budget by \$94,004 or 31%. The Agency removed 4,777 tons of sludge compared to 3,400 tons in the budget. In addition, the Agency self-hauled fewer tons than budgeted (20 tons actual compared to 528 tons budgeted). New operating parameters designed to optimize plant performance resulted in an increase in solids removed from the plant. We expect this trend to continue into the next fiscal year as the plant stabilizes. Lower self-hauling was the result of the Agency's decision to discontinue its self-hauling operations due to the frequent breakdowns and repair costs associated with the hauling truck.

**Repairs and Replacements** expense was under the budget by \$182,803 or 54% primarily due to the emergency repairs in Lucerne Valley that were not completed prior to year-end (\$184,750 will be carried over to FY 2019).

**Utilities** expense was over the budget by \$9,900 or 59% due to higher solids waste disposal (grit and rag removal) and is related to deferred disposal from the prior period, resulting in more trips in the current period than budgeted.

**Contractual Services - Other** expense was under the budget by \$24,488 or 25% and reflects timing associated with testing and labor expense and lower uniform expense related to uniform changes made during the period.

**Other** expense was under the budget by \$14,399 or 22% due mostly to lower education and training costs than budgeted.



**Nonoperating Revenues, Nonoperating Expenses**

Nonoperating revenues (expenses) had a \$1,690,544 negative variance from the budget primarily due to higher loss on asset disposal. The Agency as a matter of practice does not budget for asset disposals. During the period, the Agency wrote off \$1.7 million in assets related to its cannibal system. These assets were no longer being utilized by the Agency and will be dismantled in part to facilitate a new belt press and related equipment in FY 2019. The Agency incurred interagency expense of \$19,777 during the period related to 1) costs associated with the formation and efforts of the area’s groundwater sustainability joint powers agency, the Bear Valley Basin Groundwater Sustainability Agency, and 2) costs related to securing funding for the Bear Valley Water Sustainability Project, a water reclamation project recently renamed “Replenish Big Bear”.

	Actual FY 2018	Budget FY 2018	\$ Increase (Decrease)	% Change
<b>Nonoperating revenues:</b>				
Interest income	\$ 73,866	\$ 48,817	\$ 25,049	51%
Other nonoperating revenues	-	-	-	=
Total nonoperating revenues	73,866	48,817	25,049	51%
<b>Nonoperating expenses:</b>				
Net loss on asset disposal	1,709,527	-	1,709,527	nm (a)
Amortization of refunding charges	11,700	11,700	-	0%
Interagency Expense	19,777	11,758	8,019	68%
Interest expense	100,536	102,489	(1,953)	2%
Total nonoperating expense	1,841,540	125,947	1,715,593	1362%
Total nonoperating revenues (expenses)	\$ (1,767,674)	\$ (77,130)	\$ (1,690,544)	- (b)

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

(b) Percent change is not provided if either the latest period or the year-ago period contains a loss or negative number. If the actual performance is improved when compared to the budget a "+" is given. If the actual performance is worse when compared to the budget, a "-" is given.

**Capital Contributions - Connection Fees**

Connection fees were \$249,560, up \$47,710 or 13 connections compared to the budget. The Agency budgeted 55 connections compared to 68 connections for the year.

	Actual FY 2018	Budget FY 2018	\$ Increase (Decrease)	% Change
Income before capital contributions	\$ (1,492,695)	\$ 231,985	\$ (1,724,680)	- (a)
Capital contrib - connection fees	249,560	201,850	47,710	24%
Net Income or Change in Net Assets	\$ (1,243,135)	\$ 433,835	\$ (1,676,970)	- (a)

(a) Percent change is not provided if either the latest period or the year-ago period contains a loss or negative number. If the actual performance is improved when compared to the budget a "+" is given. If the actual performance is worse when compared to the budget, a "-" is given.



**Capital Expenditures**

Capital expenditures for the period were \$1,489,193, down \$410,459 compared to the budget, primarily due to deferred projects of \$335,074.

Cactus Flats Repair	\$	50,742
Pump Rebuilds (3)		14,457
Pond Reconstruction		101,172
Splitter Box Building		54,960
Main Pump Building - Block Entry		12,000
Effluent Flow Meter		9,898
Flow Meter CSDA/CSA - OAC		16,444
Lucerne Valley Automatic Control Valves		15,330
Ground Fault Interruptor		25,071
Asphalt and Paving		35,000
	\$	<u>335,074</u>

**Cash and Designated Fund Balances**

The Agency had a net use of cash for the period of \$213,741. The Agency generated approximately \$1.9 million in cash from operations, connection fee revenue, interest income, and asset sale proceeds. These sources of cash were offset by capital expenditures of \$1.5 million and debt service payments of \$576,083. Compared to the final budget, the Agency's cash flow was higher by approximately \$1,087,183 and was due higher cash from operations, working capital and lower capital expenditures (largely due to timing associated with capital projects that were planned but not completed during the period). The following reflects designated fund activity during the period.

	Balance	During Period	Balance	Allocations	Balance
<b>Cash Balance</b>	6,933,280	(213,742)	6,719,538		6,719,538
<b>Designated Fund Balances:</b>					
Capital and Replacement Fund:					
Current Year	1,916,761	(1,489,193)	427,568	1,013,620	1,441,188
Future Year	<u>1,201,758</u>	<u>0</u>	<u>1,201,758</u>	<u>314,159</u>	<u>1,515,917</u>
	3,118,519	(1,489,193)	1,629,326	1,327,779	2,957,105
Debt Service Fund	576,084	(576,084)	0	576,084	576,084
Liquidity Fund	2,050,913	1,568,945	3,619,858	(1,608,131)	2,011,727
Contingency Fund:			0		
Emergency Fund	500,000	0	500,000	0	500,000
Operating	<u>687,764</u>	0	<u>687,764</u>	<u>(13,141)</u>	<u>674,623</u>
Total	1,187,764	0	1,187,764	(13,141)	1,174,623
<b>Restricted Funds:</b>					
Connection Fees	0	282,590	282,590	(282,590)	0
<b>Total Designated &amp; Restricted Funds</b>	6,933,280	(213,742)	6,719,538	1	6,719,538





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

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**AGENDA ITEM: 10.A**

**MEETING DATE:** October 24, 2018

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

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

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

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

**SUBJECT:** Resolution No. R. 11-2018, A Resolution Authorizing an Amendment to the Contract Between the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the Big Bear Area Regional Wastewater Agency

**BACKGROUND:**

The Governing Board previously adopted a resolution of intention to amend the CalPERS retirement contract and provide Level 4 1959 Survivor Benefits to employees. The final contract amendment is herewith presented to the Governing Board for authorization.

**FINANCIAL IMPACT:**

No Financial Impact

**RECOMMENDATION:**

Authorize amendment and execution by the presiding officer

**ATTACHMENT:**

- Resolution No. R. 11-2018
- Amendment to Contract

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**RESOLUTION  
AUTHORIZING AN AMENDMENT TO THE CONTRACT**

No. R. 11-2018

WHEREAS, the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the Big Bear Area Regional Wastewater Agency entered into a contract effective on December 21, 1996 providing for the participation of said public agency in the California Public Employees' Retirement System; and

WHEREAS, it is now desirable to take advantage of certain benefits provided under said Retirement System and not included in said contract;

NOW, THEREFORE, BE IT RESOLVED, that said governing body authorized, and it does hereby authorize, an amendment to said contract, a copy of said amendment attached hereto and by such reference made a part hereof as though herein set out in full; and

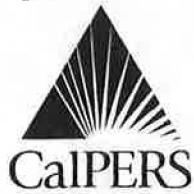
NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said amendment for and on behalf of said public agency.

Adopted this 24<sup>th</sup> day of October, 2018.

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Clerk/Secretary



California  
Public Employees' Retirement System

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**AMENDMENT TO CONTRACT**

Between the  
Board of Administration  
California Public Employees' Retirement System  
and the  
Board of Directors  
Big Bear Area Regional Wastewater Agency

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The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective December 21, 1996, and witnessed December 17, 1996, and as amended effective August 4, 1999, May 23, 2002 and March 8, 2003 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 12 are hereby stricken from said contract as executed effective March 8, 2003, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for classic local miscellaneous members and age 62 for new local miscellaneous members.
  2. Public Agency shall participate in the Public Employees' Retirement System from and after December 21, 1996 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:
  - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
  - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.
  - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.
4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
  - a. Employees other than local safety members (herein referred to as local miscellaneous members).
5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
  - a. **MEMBERS OF THE GOVERNING BODY; AND**
  - b. **SAFETY EMPLOYEES.**
6. This contract shall be a continuation of the contract of the Big Bear City Community Services District, hereinafter referred to as "Former Agency". The accumulated contributions, assets and liability for prior and current service under the Former Agency's contract shall be merged pursuant to Section 20508 of the Government Code. Such merger occurred December 21, 1996.

7. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment before and not on or after March 8, 2003 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).
8. The percentage of final compensation to be provided for each year of credited prior and current service as a classic local miscellaneous member in employment on or after March 8, 2003 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).
9. The percentage of final compensation to be provided for each year of credited prior and current service as a new local miscellaneous member shall be determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).
10. Public Agency elected and elects to be subject to the following optional provisions:
  - a. Section 20042 (One-Year Final Compensation) for classic members only.
  - b. Section 20938 (Limit Prior Service to Members Employed on Contract Date).
  - c. Section 20965 (Credit for Unused Sick Leave).
  - d. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
  - e. Section 21024 (Military Service Credit as Public Service).
  - f. Section 21574 (Fourth Level of 1959 Survivor Benefits).
11. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
12. Public Agency shall also contribute to said Retirement System as follows:
  - a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
  - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

- c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
13. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
  14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the 17<sup>th</sup> day of October, 2018.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS  
BIG BEAR AREA REGIONAL  
WASTEWATER AUTHORITY

BY \_\_\_\_\_  
ARNITA PAIGE, CHIEF  
PENSION CONTRACTS AND PREFUNDING  
PROGRAMS DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk



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

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**AGENDA ITEM: 10.B**

**MEETING DATE:** October 24, 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:** Implementation Process to Amend OPEB for Future Hires

**BACKGROUND:**

At the August 22, 2018 Board Meeting, the Governing Board directed staff to proceed with the implementation process to modify OPEB for future hires pursuant to Option 2 as presented (90% of the Highest HMO Family Plan with BBARWA Vesting).

**DISCUSSION:**

As part of the implementation process, the Board must approve 1) a resolution with CalPERS establishing the employer contribution as the PEMCHA Minimum (R. 12-2018), and 2) a resolution amending the Agency’s Health Premium Reimbursement Plan (R. 13-2018), which provides the appropriate reimbursement to the Agency’s retirees based upon their respective tier.

**FINANCIAL IMPACT:**

There is no financial impact.

**RECOMMENDATION:**

Approve Resolutions R. 12-2018 and R. 13-2018.

**ATTACHMENTS:**

- 1) Resolution No. R. 12-2018, Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees’ Medical and Hospital Care Act
- 2) Resolution No. R. 13-2018, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency, Amending and Restating the Big Bear Area Regional Wastewater Agency Health Premium Reimbursement Plan

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

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

Secretary of the Governing Board

**RESOLUTION NO. R. 12-2018**

**FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) Big Bear Area Regional Wastewater Agency is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the **PEMHCA Minimum** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) Big Bear Area Regional Wastewater Agency has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of Big Bear Area Regional Wastewater Agency shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that Big Bear Area Regional Wastewater Agency would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, David Lawrence, General Manager to file with the Board a verified copy of this resolution, and to perform on behalf of Big Bear Area Regional Wastewater Agency all functions required of it under the Act.

Adopted at a regular meeting of the Governing Board at 121 Palomino Drive, Big Bear City, CA, this 24th day of October, 2018.

Signed: \_\_\_\_\_  
John Green, Chairman

Attest: \_\_\_\_\_  
Elizabeth Harris, Ed.D., Secretary



**RESOLUTION NO. R. 13-2018**

**A RESOLUTION OF THE GOVERNING BOARD OF THE  
BIG BEAR AREA REGIONAL WASTEWATER AGENCY,  
AMENDING AND RESTATING THE BIG BEAR AREA  
REGIONAL WASTEWATER AGENCY HEALTH  
PREMIUM REIMBURSEMENT PLAN**

**WHEREAS**, the Governing Board of the Big Bear Area Regional Wastewater Agency (“Agency”) adopted Resolution No. R.05-2010 to create two tiers of retiree health benefits;

**WHEREAS**, the Agency adopted the Big Bear Area Regional Wastewater Agency Health Reimbursement Plan (“Plan”), effective as of January 1, 2011, to reimburse eligible tier one retirees for the cost of premiums paid by such retirees for coverage under a group health plan sponsored by the Agency which exceeds the cost of the premium for the highest HMO health plan rate annually published by CalPERS for the Los Angeles Region for the retiree plus two or more dependents (“HMO Family Plan”); and

**WHEREAS**, the Governing Board has determined that it is in the best interests of the Agency to adopt two additional tiers of retiree health benefits covering individuals hired on or after January 1, 2019; and

**WHEREAS**, on August 22, 2018, at a regular Board Meeting, the Governing Board approved establishing these two additional tiers of retiree health benefits; and

**WHEREAS**, the Agency is a local agency contracting for health coverage for its eligible employees and retirees under the Public Employees’ Medical and Hospital Care Act (“PEMHCA”); and

**WHEREAS**, Government Code Section 22892(a) provides that a local agency contracting under PEMHCA shall fix the amount of the employer’s contribution at an amount not less than the amount required under Government Code Section 22892(b)(1) (“PEMHCA Minimum”); and

**WHEREAS**, on October 24, 2018, the Governing Board adopted Resolution No. R. 12-2018 (“PEMHCA Resolution”), setting the Agency’s contribution to CalPERS for each employee and annuitant at the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of the PEMHCA Minimum (plus administrative fees and Contingency Reserve Fund assessments); and

**WHEREAS**, the PEMHCA Resolution will go into effect on January 1, 2019; and

**WHEREAS**, as of January 1, 2019, the Agency will reimburse retirees who retired before January 1, 2011 for the costs of premiums for any HMO or PPO plan offered by CalPERS that exceed the PEMHCA minimum; and

**WHEREAS**, as of January 1, 2019, the Agency will reimburse retirees who were hired before January 1, 2019 and retire after January 1, 2011 for the costs of premiums that exceed the PEMHCA Minimum, up to the cost of the highest HMO health plan rate annually published by CalPERS for the Los Angeles Region for the HMO Family Plan; and

**WHEREAS**, the Agency will reimburse individuals hired on or after January 1, 2019 with at least 5 years of employment with the Agency who are eligible retirees up to 90% of the cost of the highest HMO health plan rate annually published by CalPERS for the Los Angeles Region for the HMO Family Plan, based on years of employment with the Agency, less the PEMHCA minimum; and

**WHEREAS**, the adoption of the PEMHCA Resolution and the Retiree Resolution requires the amendment and restatement of the Plan; and

**WHEREAS**, the Agency desires to adopt the Amended and Restated Big Bear Area Regional Wastewater Agency Health Premium Reimbursement Plan.

**IT IS NOW, THEREFORE RESOLVED**, by the Governing Board of the Big Bear Area Regional Wastewater Agency:

1. The Agency hereby adopts the Amended and Restated Big Bear Area Regional Wastewater Agency Health Premium Reimbursement Plan ("Amended Plan") as heretofore considered and discussed, effective January 1, 2019, in the form attached hereto as Exhibit "A" and incorporated herein by this reference.

2. The Governing Board directs and authorizes the General Manager, or his or her designee, to execute the Amended Plan on behalf of the Agency, along with any future amendments that contain only non-substantive and/or administrative changes to the plan documents.

3. The Governing Board hereby appoints the Human Resources Coordinator, or his or her designee, as the Privacy Official of Amended Plan for purposes of HIPAA.

4. The Governing Board hereby authorizes the General Manager, or his or her designee, to automatically update Schedule "A" to the Amended Plan as changes to the benefits referenced therein are approved by the Governing Board.

**PASSED AND ADOPTED BY THE GOVERNING BOARD OF THE BIG BEAR  
AREA REGIONAL WASTEWATER AGENCY** this 24th day of October, 2018, by the  
following votes:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

**APPROVED:**

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John Green  
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

**EXHIBIT “A”**  
**AMENDED AND RESTATED**  
**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**  
**HEALTH PREMIUM REIMBURSEMENT PLAN**

The BIG BEAR AREA REGIONAL WASTEWATER AGENCY (“Agency”) established the BIG BEAR AREA REGIONAL WASTEWATER AGENCY HEALTH PREMIUM REIMBURSEMENT PLAN (“Plan”) for the benefit of certain retirees described herein effective January 1, 2011. The Agency desires to amend and restate the Plan effective January 1, 2019.

**ARTICLE I**  
**PURPOSE**

This Plan shall be known as the AMENDED AND RESTATED BIG BEAR AREA REGIONAL WASTEWATER AGENCY HEALTH PREMIUM REIMBURSEMENT PLAN. This Plan is created under the authority of Section 53201 of the California Government Code and is an “employee welfare benefit plan,” established to provide health and welfare benefits to certain retirees of the Agency. These benefits are to be provided through group contracts with third party insurers. The Plan is intended as an uninsured health reimbursement arrangement to provide reimbursement of health insurance premiums. The Plan is intended to qualify as an accident and health plan and a group health plan under applicable provisions of the Code, and as a health reimbursement arrangement. It is further intended that the benefits paid to eligible retirees be excluded from their gross income pursuant to Section 105(b) of the Code.

**ARTICLE II**  
**DEFINITIONS**

The following words and phrases as used in this Plan shall have the following meanings, unless a different meaning is plainly required by the context:

2.1 Agency. “Agency” shall refer to the BIG BEAR AREA REGIONAL WASTEWATER AGENCY.

2.2 Allowance. “Allowance” shall refer to the amount set forth at Schedule “A”.

2.3 Base Contribution Rate. “Base Contribution Rate” shall refer to the rate of contribution applicable to the Agency as determined under the provisions of Section 22892(b) of the California Government Code which is paid directly by the Agency to CalPERS on behalf of a Participant.

2.4 Benefits. “Benefits” shall refer to benefits available to Participants in accordance with Section 4.1 of this Plan.

2.5 Board. “Board” shall refer to the board of administration of CalPERS.

2.6 Board of Directors. “Board of Directors” shall refer collectively to the members of the board of directors of the Agency.

2.7 CalPERS. “CalPERS” shall refer to the California Public Employees’ Retirement System created under the authority of the Public Employees’ Retirement Law as provided under Section 20000 et. seq. of the California Government Code and as administered by the Board.

2.8 Code. “Code” shall mean the Internal Revenue Code of 1986, as may be amended from time to time.

2.9 Dependent Child. “Dependent Child” shall refer to a dependent child, as defined under the terms of the health benefit plan in which the Participant is enrolled in during the Plan Year.

2.10 Dependent Domestic Partner. “Dependent Domestic Partner” shall mean a Domestic Partner who meets the following five requirements: (1) Domestic Partner has the home of Participant as his or her principal abode and is a member of Participant’s household during the entire taxable year of Participant; (2) Domestic Partner’s gross income for the calendar year in which such taxable year begins is less than the exemption amount, as defined in Section 151(d) of the Code; (3) Domestic Partner receives more than half of his or her support from Participant for the year; (4) Domestic Partner is not a qualifying child, as defined in Section 152(c) of the Code, of any taxpayer for any taxable year beginning in the calendar year in which such taxable year begins; and (5) the relationship between Domestic Partner and Participant is not in violation of local law.

2.11 Domestic Partner. “Domestic Partner” shall mean a registered domestic partner of a Participant who has fulfilled the requirements provided in Section 297 of the California Family Code.

2.12 Effective Date. “Effective Date” shall mean January 1, 2019, the date this amended and restated Plan became effective. The original effective date was January 1, 2011.

2.13 ERISA. “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as may be amended from time to time.

2.14 Health Benefit Plan. “Health Benefit Plan” shall refer to a health benefit plan approved or maintained by the Board, which is available to CalPERS members.

2.15 Participant. “Participant” shall refer to a Retired Employee that has satisfied the eligibility requirements of Section 3.1, has submitted an election form to the Plan Administrator in accordance with Section 3.3, and participates in a Health Benefit Plan.

2.16 Plan. “Plan” shall mean the AMENDED AND RESTATED BIG BEAR AREA REGIONAL WASTEWATER AGENCY HEALTH PREMIUM REIMBURSEMENT PLAN, as may be amended from time to time.

2.17 Plan Administrator. “Plan Administrator” means the Agency or any person or entity appointed by the Agency to administer this Plan on its behalf.

2.18 Plan Year. “Plan Year” shall mean the twelve (12) month period beginning on July 1 and ending on June 30.

2.19 Retired Employee. “Retired Employee” shall refer to an employee of the Agency that has retired from service with the Agency through CalPERS except that an employee hired on or after January 1, 2019 must also have at least 5 years of service with the Agency. An employee is deemed to be “retired from service with the Agency” if his or her effective retirement date is within 120 days of separation from employment with the Agency and he or she is receiving a service or disability retirement allowance from CalPERS resulting from the individual’s service to the Agency.

2.20 Reimbursement Amount. “Reimbursement Amount” shall refer to the reimbursement by the Agency to a Participant for health insurance premiums actually paid by the Participant in an amount not to exceed the difference between the Allowance and the Base Contribution Rate, if any. Such Reimbursement Amount is intended for the purpose of reimbursing a Participant for health insurance premiums paid by the Participant and shall only be paid upon the Agency receiving satisfactory substantiation of the Participant’s payment of such premiums.

2.21 Spouse. “Spouse” means a spouse by legal marriage of the Participant.

### **ARTICLE III** **ELIGIBILITY**

3.1 Eligibility. This Plan shall cover all Retired Employees. A Retired Employee who is eligible to participate in this Plan pursuant to this Section 3.1 shall be eligible to receive Benefits as of the later of the Effective Date or the date that he or she submits the election form required under Section 3.3. A Retired Employee who has met the foregoing eligibility requirements shall be referred to as Participant.

3.2 Participation. All eligible Retired Employees shall submit a duly completed election form to the Plan Administrator, in the form provided by the Plan Administrator, to commence participation in the Plan. Participants shall not be required to submit a subsequent election form prior to each Plan Year unless a Participant chooses to make a change in election in accordance with Section 3.3. A Participant’s election to participate in the Plan shall continue to be valid until expressly revoked or altered.

3.3 Change In Election. A Participant shall be permitted to revoke or modify his or her election of benefits upon the occurrence of a Qualifying Event (as defined in Section 6.2(d)) by submitting a completed election form to the Plan Administrator. All other election changes shall be accepted only during the annual open enrollment period as prescribed by the Plan Administrator.

**ARTICLE IV**  
**BENEFITS AND CONTRIBUTIONS**

4.1 **Benefits.** Each Participant shall be entitled to an Allowance from the Agency to be credited against the premium for the Health Benefit Plan in which the Participant enrolls in for the Plan Year, in the following amounts and payable in the following forms: (1) Base Contribution Rate payable by the Agency directly to CalPERS, and (2) Reimbursement Amount payable to the Participant. The combined Base Contribution Rate and Reimbursement Amount shall not exceed the Allowance. If a Participant enrolls in a Health Benefit Plan with a premium in excess of the Allowance, he or she will be responsible for the payment of any excess. Conversely, if a Participant enrolls in a Health Benefit Plan with a premium that is less than the Allowance, the Participant's Benefit shall be limited to the payment of such premium.

(a) **Substantiation.** The Reimbursement Amount is intended for the purpose of reimbursing a Participant for health insurance premiums actually paid by the Participant and shall only be paid upon the Agency receiving satisfactory substantiation of the Participant's payment of the premiums. The Agency shall obtain such substantiation by reviewing the monthly invoice that it receives from CalPERS. The Agency shall use this information to determine the Reimbursement Amount.

4.2 **Agency and Participant Contributions.**

(a) **Agency Contributions.** The Agency shall bear the entire cost of providing the Benefits available under this Plan.

(b) **Participant Contributions.** There are no Participant contributions permitted to the Plan for Benefits provided under the Plan.

(c) **No Funding Under Cafeteria Plan.** Under no circumstances will the Benefits be funded with salary reduction contributions, employer contributions (e.g., flex credits) or otherwise under a cafeteria plan, nor will salary reduction contributions or employer contributions under a cafeteria plan be treated as Agency contributions to the Plan.

4.3 **Taxable Benefits.** Any Benefits provided to a Domestic Partner, other than a Dependent Domestic Partner, shall constitute wages of the Participant and shall be subject to inclusion in the gross income of the Participant.

**ARTICLE V**  
**ADMINISTRATION**

5.1 **Allocation of Responsibility for Administration.**

(a) **Plan Administrator.** The Plan Administrator shall have only those powers, duties, responsibilities and obligations as are specifically given to the Plan Administrator under the Plan or under any administration agreement between the Plan Administrator and the Agency.

(b) Agency Responsibilities. The Agency shall have the sole responsibility for making the contributions provided for under Article IV and shall have the sole authority to amend or terminate, in whole or in part, the Plan at any time.

(c) Administrator's Responsibilities. The Plan Administrator shall have the sole responsibility for the administration of the Plan, as set forth herein. The Plan Administrator warrants that any directions given, information furnished, or action taken by him or her shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action. The Plan Administrator shall be responsible for the proper exercise of his, her or its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another employee. Neither the Plan Administrator nor the Agency makes any guarantee to any Participant for any loss or other event because of Participant's participation in the Plan.

(d) Transfer of Duties. The Agency may, at any time, assign all or any portion of the Plan Administrator's duties to a third party.

## 5.2 Powers and Duties of Plan Administrator.

(a) Powers and Duties Delegated to Plan Administrator. The Plan Administrator shall supervise the administration of the Plan. The Plan Administrator shall be responsible for ensuring that the terms and conditions of the Plan are carried out for the exclusive benefit of persons entitled to participate in the Plan without discrimination. The Plan Administrator shall have full power to administer the Plan, subject to the applicable requirements of the law and any administration agreement executed by and between the Agency and Plan Administrator. For this purpose, the Plan Administrator's powers shall include the following:

(1) to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any Benefits hereunder;

(2) to prescribe the procedures for Participants to follow in filing applications for Benefits and to prepare forms to be used by Participants;

(3) to prepare and distribute, in such manner as the Plan Administrator determines appropriate, information explaining the Plan;

(4) to receive from the Agency, Participants and other persons, such information as shall be necessary for the proper administration of the Plan;

(5) to furnish to the Agency and Participants, upon request, annual reports detailing the administration of the Plan;

(6) to receive, review and keep on file such records pertaining to the Plan as the Plan Administrator deems convenient and proper;

(7) to allocate his, her or its administrative responsibilities;



(8) to appoint or employ individuals and any other agents the Plan Administrator deems advisable, including legal and actuarial counsel, to assist in the administration of the Plan;

(9) to adopt such rules as the Plan Administrator deems necessary, desirable or appropriate, subject to applicable laws. All rules and decisions of the Plan Administrator shall be uniformly and consistently applied to all Participants in similar circumstances; and

(10) to take all other steps necessary to properly administer the Plan in accordance with its terms and conditions and the requirements of applicable laws.

(b) Powers and Duties Not Delegated to Plan Administrator. The Plan Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any Benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for Benefits under the Plan, except as may be expressly provided herein. Interpretations of the provisions of the Plan shall not be deemed to be additions, subtractions or modifications of the Plan.

5.3 Indemnification of Employee Administrator. The Agency agrees to indemnify any employee serving as Plan Administrator (including any employee or former employee who formerly served as Plan Administrator), against any and all liabilities, damages, costs and expenses (including attorneys' fees and amounts paid in settlement of any claims approved by Board of Directors) occasioned by any act or omission to act in connection with the Plan, if such act or omission is made in good faith pursuant to the provisions of the Plan and not as a result of the Plan Administrator's gross negligence or willful misconduct.

5.4 Claims Procedure. All claims for benefits that are provided through insurance contracts, whether such contracts are between an insurer and the Agency or an insurer and Participant, shall be made by filing a claim for benefits in accordance with the claims procedure set forth under the insurance contract. The Agency does not have the authority or responsibility for processing, reviewing or paying such claims. All disputes regarding those claims shall be resolved in accordance with the procedures set forth in the separate document concerning those benefits.

## ARTICLE VI COBRA CONTINUATION COVERAGE

6.1 In General. This Article VI shall apply to Benefits provided to Participants under the Plan, but only to the extent that the Benefits selected pertain to health care coverage providing medical, surgical or hospital benefits and to plans providing ancillary medical coverage such as dental or prescription drug benefits. This coverage shall be continued pursuant to the continuation coverage provisions of the Public Health Service Act, as set forth in 42 U.S.C. §300bb-1 et seq. ("PHSA"), and any amendments thereto with respect to Participant and his or her Dependent Child, his or her Spouse or Dependent Domestic Partner. And with respect to Domestic Partners covered under this Plan and to the extent that it offers greater protection than PHSA for all other eligible individuals, continuation coverage shall be pursuant

to the California Continuation Benefits Replacement Act, as set forth in the California Health and Safety Code §1366.20 et seq.

6.2 Definitions. For purposes of this Article VI, the following words and phrases are intended to supplement, and in some instances replace, the defined terms listed generally in Article II and to the extent of any conflict between the terms set forth in this Section and those of Article II, the defined terms set forth in this Section shall control:

(a) Covered Individual. "Covered Individual" shall mean any individual who receives (or received) Benefits under the Plan as a Participant.

(b) Election Period. "Election Period" shall mean the sixty (60) day period during which a Qualified Beneficiary who would lose coverage as a result of a Qualifying Event may elect continuation coverage. This sixty (60) day period begins not later than the date of termination of coverage as a result of a Qualifying Event and ends not earlier than the sixty (60) days after the later of such date of termination of coverage or the receipt of notice of the right to elect continuation coverage under this Plan.

(c) Qualified Beneficiary. "Qualified Beneficiary" shall mean any individual who, on the day before a Qualifying Event is a beneficiary under the Plan as a (i) Participant, (ii) Spouse; (iii) Dependent Child, or (iv) Domestic Partner. Qualified Beneficiary shall also include a child who is born to (or placed for adoption with) a Covered Individual during the coverage period. The term Qualified Beneficiary does not include an individual whose status as a Covered Individual is attributable to a period in which such individual is a nonresident alien who received no earned income from the Agency which constituted income from sources within the United States (within the meaning of Code Sections 911(d)(2) and 861(a)(3)). If an individual is not a Qualified Beneficiary pursuant to this paragraph, a spouse or dependent child of such individual shall not be considered a Qualified Beneficiary by virtue of the relationship to such individual.

(d) Qualifying Event. "Qualifying Event" shall mean any of the following events which, but for the continuation coverage under this provision, would result in the loss of coverage to a Qualified Beneficiary:

- (1) the death of the Participant; or
- (2) the divorce or legal separation of the Participant from his or her Spouse, or Domestic Partner with respect to state coverage.

6.3 Continuation Coverage. To the extent required by Section 6.1, a Qualified Beneficiary who would lose health coverage under this Plan as a result of a Qualifying Event is entitled to elect continuation coverage within the Election Period under this Plan. Coverage provided under this provision is on a contributory basis. No evidence of good health will be required. Except as otherwise specified in an election, any election by a Qualified Beneficiary who is a Covered Individual will be deemed to include an election for continuation coverage under this provision on behalf of any other Qualified Beneficiary who would lose coverage by reason of a Qualifying Event. If this Plan provides a choice among the types of coverage under

this Plan, each Qualified Beneficiary is entitled to make a separate selection among such types of coverage (e.g., single, family, etc.).

6.4 Type of Coverage. Continuation coverage under this provision is coverage which is identical to the coverage provided under this Plan to similarly situated beneficiaries under this Plan with respect to whom a Qualifying Event has not occurred as of the time coverage is being provided. If coverage under this Plan is modified for any group of similarly situated beneficiaries, the coverage shall also be modified in the same manner for all Qualified Beneficiaries under this Plan in connection with such group. Continuation coverage available to a Qualified Beneficiary under this provision shall apply only to the type and level of health coverage under the Plan that a Qualified Beneficiary was actually receiving on the day before the Qualifying Event. The Qualified Beneficiary may change his or her election in accordance with Section 3.3.

6.5 Coverage Period. For most Qualifying Events, the coverage under this provision will extend for a maximum period of thirty-six (36) months after the date of the Qualifying Event.

6.6 Notification Requirements.

(a) Notification by Qualified Beneficiary. Each Covered Individual or Qualified Beneficiary must notify the Plan Administrator of the occurrence of a divorce or legal separation of the Covered Individual from his or her Spouse or Domestic Partner within sixty (60) days after the date of such occurrence.

(b) Notification by Agency. The Agency shall notify the Plan Administrator within thirty (30) days of a Qualifying Event, as required by federal law.

(c) Notification to Qualified Beneficiary.

(1) The Plan Administrator shall provide written notice to each Covered Individual of his or her right to continuation coverage under this Section upon commencement of coverage under a component plan providing health coverage, as required by federal law, or state law if applicable.

(2) The Plan Administrator shall notify any Qualified Beneficiary of the right to elect continuation coverage under this provision within fourteen (14) days of receiving notice of the occurrence of a Qualifying Event, as required by law. If the Qualifying Event is the divorce or legal separation of the Covered Individual from his or her Spouse or Domestic Partner, the Plan Administrator shall only be required to notify a Qualified Beneficiary of his or her right to elect continuation coverage if the Participant, or his or her Spouse or Domestic Partner, notifies the Plan Administrator of such Qualifying Event within sixty (60) days after the date of such Qualifying Event.

Notification of the requirements of this provision to the Spouse or Domestic Partner of a Participant shall be treated as notification to all other Qualified Beneficiaries residing with such Spouse or Domestic Partner at the time notification is made.

6.7 Termination of Continuation Coverage. The continuation coverage provided in this Article VI shall be terminated prior to the expiration of the coverage period provided in Section 6.5 upon the earlier of the following:

(a) the date on which the Agency ceases to provide any group health plan to any employee;

(b) the date on which Qualified Beneficiary fails to make timely payment, as set forth in Section 6.8(b), of the required contribution pursuant to this Article;

(c) the date on which Qualified Beneficiary first becomes, after the date of the election, covered under any other group health plan as an employee or dependent. However, if the other group health plan has a preexisting condition limitation, continuation coverage under the Plan will not cease while such preexisting condition limitation under the group plan remains in effect (taking into account prior creditable coverage under the portability rules of the Health Insurance Portability and Accountability Act of 1996); or

(d) the date on which Qualified Beneficiary becomes entitled to benefits under Medicare.

6.8 Contribution.

(a) A Qualified Beneficiary shall only be entitled to continuation coverage provided such Qualified Beneficiary pays the applicable premium required by the Agency to the Plan Administrator in full and in advance, except as provided in (b) below. Such premium shall not exceed the requirements of applicable federal law. A Qualified Beneficiary may elect to pay such premium in installments if permitted by the Plan Administrator.

(b) Except as provided in (c) below, the payment of any premium shall be considered to be timely if made within thirty (30) days after the date due, or within such longer period of time as applies to or under this Plan.

(c) Notwithstanding (a) or (b) above, if an election is made after a Qualifying Event during the election period, this Plan will permit payment of the required initial premium for continuation coverage during the period preceding the election to be made within forty-five (45) days of the date of the election.

(d) A premium payment received by the Plan Administrator which is deficient by an insignificant amount shall be treated as full payment of the premium amount. For purposes of this Section, an insignificant amount is an amount not greater than the lesser of (i) ten percent (10%) of the required amount; or (ii) fifty dollars (\$50). Alternatively, in the event the Plan Administrator receives an insufficient premium payment, the Agency and/or the Plan Administrator retain the option of taking steps to collect the deficient insignificant amount by notifying the Qualified Beneficiary of the deficiency and allowing thirty (30) days after the date of the notice for payment of the deficiency.

**ARTICLE VII**  
**HIPAA PRIVACY STANDARDS**

7.1 **Protection of Individually Identifiable Health Information.** The Agency and the Plan have adopted policies and procedures (“Privacy Policy”) for the sole and limited purpose of complying with the Standards for Privacy of Individually Identifiable Health Information, 45 CFR § 164.102 *et seq.*, as amended (the “Privacy Rule”). The manner in which these provisions will be administered shall in no way affect, or be taken into account in determining, the benefits under the Plan with respect to any individual.

7.2 **Definitions.** The defined terms and phrases used in this Article shall carry the same meaning and intent set forth under the Privacy Rule, and in some instances may replace the defined terms listed generally in Article II and to the extent of any conflict between the terms set forth herein and those of Article II, the defined terms shall carry the meaning prescribed under the Privacy Rule.

7.3 **Protected Health Information.** For purposes of this Article VII, Protected Health Information (or “PHI”) means information that (a) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (c) is limited to the information created or received by Business Associate, or is made accessible to Business Associate. Further, PHI means individually identifiable information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. § 1232g, records described at 20 U.S.C. § 1232g(a)(4)(B)(iv), and employment records held by a covered entity in its role as employer.

7.4 **Identity of Plan Sponsor.** The Agency shall be the Plan Sponsor for purposes of the Privacy Rule when performing Plan administration functions or Plan Sponsor functions, when acting on behalf of the Plan with respect to its obligations under the Privacy Rule, and when acting on behalf of the Plan’s participants and beneficiaries with respect to Participation and Enrollment Information. The Privacy Official shall act for the Plan Sponsor and shall be entitled to delegate its powers and responsibilities in accordance with its usual practices.

7.5 **Responsibilities and Undertakings.** The Plan Sponsor shall be responsible for making any necessary certifications to the Plan. Such certifications shall be delivered to the Plan’s Privacy Official. The Plan Sponsor also undertakes and agrees that it:

- (a) Shall not use or disclose any PHI except as to those uses specifically permitted under the Privacy Rule.
- (b) Shall require any agents or subcontractors to whom it discloses PHI to agree to the same restrictions on the use and disclosure of PHI as apply to the Plan Sponsor.
- (c) Shall not use or disclose PHI for any employment-related actions

of the Agency.

- (d) Shall not use or disclose PHI in connection with any other benefits or benefit plan, program, or arrangement of the Agency.
- (e) Shall report to the Privacy Official any uses or disclosures of PHI inconsistent with the Privacy Policy of which it becomes aware.
- (f) Shall make PHI available in accordance with an individual's right of access in accordance with the Privacy Policy.
- (g) Shall make PHI available for amendment and shall incorporate amendments in accordance with the Privacy Policy.
- (h) Shall make information available to provide any required accounting of disclosures of PHI in accordance with the Privacy Policy.
- (i) Shall make available to the Secretary of Health and Human Services its internal practices, books, and records relating to the use and disclosure of PHI from the Plan for purposes of determining the Plan's compliance with the Privacy Rule.
- (j) Shall, if feasible, return to the Plan or destroy any PHI from the Plan that it maintains in any form, and shall retain no copies of the PHI when the PHI is no longer needed for the purpose for which disclosure was originally made. If it is not feasible to return or destroy the PHI, the Plan Sponsor agrees that it shall further limit any uses and disclosures to those purposes that make the return or the destruction of the information not feasible.
- (f) Shall ensure that adequate separation between the Plan Sponsor and the Plan is established.

#### 7.6 Uses and Disclosures of Protected Health Information.

(a) Certification. The Plan, and any Health Insurance Issuer or Health Maintenance Organization with respect to the Plan, may disclose PHI to the Plan Sponsor only following receipt of the Plan Sponsor's certification that the Plan has been amended in accordance with the requirements of the Privacy Rule.

(b) Plan Administration. The Plan Sponsor shall be permitted to the limited use and disclosure of PHI for purposes of plan administration, including all Payment Activities and health care operations, as permitted under the Plan's Privacy Policy.

(c) Compliance with Privacy Rule. The Plan Sponsor shall be entitled to those uses and disclosures of PHI as permitted by the Privacy Rule to the extent necessary for compliance, including but not limited to any uses and disclosures permitted (1) without

permission from an individual; (2) only with explicit or implicit authorization; or (3) because the PHI has been cleansed.

(d) Participation and Enrollment Information. Participation and Enrollment Information may be disclosed as necessary to the Plan Sponsor.

(e) Summary Health Information. Summary Health Information may be disclosed to the Plan Sponsor for the limited purpose of performing Plan Sponsor functions.

(f) Individuals With Access to PHI. The Privacy Official and his or her delegates, if any, are permitted to have access to PHI disclosed to or by the Plan. In addition, the Plan Sponsor shall designate the individual(s) or group(s) of individuals under the direct control of the Plan Sponsor who are permitted to have access to PHI disclosed by or to the Plan.

(g) Limitations on Disclosures of, Access to, and Uses of PHI. PHI may be disclosed from the Plan only for Plan Administration Functions performed on behalf of the Plan, and the other purposes identified in the Plan's Privacy Policy.

## **ARTICLE VIII** **AMENDMENT; TERMINATION**

8.1 Amendment. The Plan may be amended by the Board of Directors at any time and from time to time. This Plan may be amended by a written resolution adopted by a majority of the Board of Directors.

8.2 Termination. The Plan may be terminated at any time by the Agency. Termination of the Plan shall be effected by a written resolution adopted by a majority of the Board of Directors.

## **ARTICLE IX** **MISCELLANEOUS**

9.1 Non-Assignability and Facility of Payment. Benefits payable under the Plan are not in any way subject to the debts or other obligations of the persons entitled thereto and may not be voluntarily or involuntarily sold, transferred or assigned to any person or persons other than the provider or providers of such Benefits. When any person entitled to Benefits under the Plan is under a legal disability or, in the Plan Administrator's opinion, is unable to manage his or her affairs, then, to the extent permitted under the applicable group contract, the Plan Administrator may cause his or her Benefit to be paid to his or her legal representative for his or her benefit, or to be applied for his or her benefit in any other manner that the Plan Administrator may determine.

9.2 Mistake of Fact. Any misstatement or any other mistake of fact in any notice or other document filed with the Agency or Plan Administrator shall be corrected when it becomes known and proper adjustment made by reason thereof. Neither the Agency nor the Plan Administrator shall be liable in any manner for any determination of fact made in good faith.

9.3 Source of Payments. The Agency shall be the sole source of Benefits under the Plan. No Participant shall have any right to, or interest in, any assets of the Agency except as provided from time to time under the Plan, and then only to the extent of the Benefits which are payable under the Plan to such Participant.

9.4 Status of Benefits. The Agency believes that this Plan is written in accordance with Section 105 of the Code and that it provides certain benefits to Participants which are free from Federal income tax under the Code. This Plan has not been submitted to the Internal Revenue Service for approval and thus there can be and is no assurance that intended tax benefits will be available. Any Participant, by accepting a benefit under this Plan, agrees to be liable for any tax plus interest that may be imposed with respect to those Benefits.

9.5 Applicable Law. Subject to the provisions of ERISA, which may be applicable and which provide to the contrary, this Plan, as amended from time to time, shall be administered, construed and enforced according to the laws of the State of California.

9.6 Employment Rights. Employment rights of an employee shall not be deemed to be enlarged or diminished by reason of the establishment of this Plan, nor shall any provisions of this Plan be deemed to confer any right upon any employee to be retained in the service of the Agency.

9.7 Construction. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine or neuter gender, and the singular shall be deemed to include the plural, and vice-versa, unless the context clearly indicates to the contrary. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular provision or Section.

***[Signatures Follow on Next Page]***



IN WITNESS WHEREOF, the Agency has caused this AMENDED AND RESTATED BIG BEAR AREA REGIONAL WASTEWATER AGENCY HEALTH REIMBURSEMENT PLAN to be executed on October 24, 2018.

**BIG BEAR AREA REGIONAL  
WASTEWATER AGENCY:**

By: \_\_\_\_\_  
David Lawrence  
General Manager

**ATTEST**

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

**APPROVED AS TO FORM AND CONTENT:**

**BEST BEST & KRIEGER LLP**

By: \_\_\_\_\_  
Attorneys for Big Bear Area Regional  
Wastewater Agency

**SCHEDULE "A"**

<b>Retiree Group</b>	<b>Allowance as of January 1, 2019</b>												
Retired prior to January 1, 2011 and 5 years of CalPERS service credit (Tier 1 Retiree)	Full cost of the premium for any HMO or PPO plan offered by CalPERS for the retiree, his or her Spouse, and eligible dependents.												
Hired before January 1, 2019 and retired on or after January 1, 2011 and 5 years of CalPERS service credit (Tier 2 Retiree)	An amount equal to the highest HMO health plan rate published by CalPERS on January 1 of each year for the Los Angeles Area Region for the retiree plus two or more dependents ("HMO Family Plan").												
Hired on or after January 1, 2019 (Tier 3 Retiree)	<p>An amount equal to the result of the "applicable percentage" of 90% of the highest HMO health plan rate published by CalPERS on January 1 of each year for the Los Angeles Area Region for the HMO Family Plan. The "applicable percentage" shall be based on the retiree's years of service with the Agency as determined below:</p> <table border="0" data-bbox="558 1016 1317 1440"> <thead> <tr> <th data-bbox="558 1016 922 1045"><u>Years of Service with the Agency</u></th> <th data-bbox="1078 1016 1317 1045"><u>Percentage of Benefit</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="678 1094 802 1123">Less than 5</td> <td data-bbox="1175 1094 1219 1123">0%</td> </tr> <tr> <td data-bbox="711 1171 769 1201">5 – 9</td> <td data-bbox="1166 1171 1229 1201">25%</td> </tr> <tr> <td data-bbox="699 1249 781 1278">10 – 14</td> <td data-bbox="1166 1249 1229 1278">50%</td> </tr> <tr> <td data-bbox="699 1327 781 1356">15 – 19</td> <td data-bbox="1166 1327 1229 1356">75%</td> </tr> <tr> <td data-bbox="678 1404 802 1434">20 or more</td> <td data-bbox="1166 1404 1229 1434">100%</td> </tr> </tbody> </table> <p data-bbox="505 1486 1425 1608"><i>Illustration:</i> An individual hired on or after January 1, 2019 retires after accruing 12 years of service with the Agency. The highest HMO Family Plan is \$1,000 during her first year of retirement. The retiree's allowance will be \$450 during this year (50% (90% x 1,000 = \$450).</p>	<u>Years of Service with the Agency</u>	<u>Percentage of Benefit</u>	Less than 5	0%	5 – 9	25%	10 – 14	50%	15 – 19	75%	20 or more	100%
<u>Years of Service with the Agency</u>	<u>Percentage of Benefit</u>												
Less than 5	0%												
5 – 9	25%												
10 – 14	50%												
15 – 19	75%												
20 or more	100%												

Tier 4 Retirees – Employees hired on or after January 1, 2019 that retire from Agency service with less than 5 years of service with the Agency are not eligible for an Allowance. Rather, Tier 4 Retirees are only eligible to receive the Base Contribution Rate which shall be paid directly to CalPERS by the Agency.



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

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**AGENDA ITEM: 11.A**

**MEETING DATE:** October 24, 2018

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

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

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

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

**SUBJECT:** Schedule a Special Meeting and Adjourn the Regular November (28<sup>th</sup>) and December (26<sup>TH</sup>) 2018 Meetings.

**BACKGROUND:**

Depending upon the administrative workload, the Agency historically adjourns the November and December regularly scheduled meetings due to the proximity of the holidays. At this time, it is appropriate for the Governing Board to consider formally adjourning these meetings and schedule a special meeting for some time the week of December 3<sup>rd</sup> – 7<sup>th</sup>, at a time convenient for the Governing Board.

**FINANCIAL IMPACT:**

No financial impact.

**RECOMMENDATION:**

Adjourn the regular board meetings on November 28<sup>th</sup> and December 26<sup>th</sup> and schedule a special meeting.

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

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

Secretary of the Governing Board



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: 11.B**

**MEETING DATE:** October 24, 2018  
**TO:** Governing Board of the Big Bear Area Regional Wastewater Agency  
**FROM:** David Lawrence, P.E., General Manager  
**PREPARED BY:** Sonja Kawa, Human Resources Coordinator/Accounting Technician  
**REVIEWED BY:** Jennifer McCullar, Finance Manager  
**SUBJECT:** Pay Schedule

**BACKGROUND:**

The Agency engaged the services of Bryce Consulting in 2016 to conduct an Agency-wide classification and compensation study (the Study). The Study was accepted by the Governing Board in August 2017 and the recommended classification plan was implemented with a Pay Schedule effective August 22, 2017. It was agreed that staff should update its compensation survey on an annual basis in order to monitor the labor market (within the comparable agency group used in the Study) in an effort keep pay scales in line with market, to better stabilize costs and to avoid large, infrequent pay schedule adjustments that can be difficult to manage. The compensation survey of the comparable agencies was updated by Bryce Consulting in July 2018.

**DISCUSSION:**

The labor market median was used as a basis for comparison. The compensation survey data indicated Agency salaries are below market for some classifications. The results were presented to the Administrative Committee on September 26, 2018. It is the recommendation of the Administrative Committee and the General Manager to adjust the Agency pay schedule to meet the market median. The attached Pay Schedule is presented for approval of the Governing Board.

**FINANCIAL IMPACT:**

Since there are no immediate pay adjustments, only an adjustment to the pay scales, there is no impact in FY 2019. Incorporating the new pay scales into the current salaries and benefits projection

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

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

Secretary of the Governing Board

through FY 2023, results in the following financial impact by year:

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
\$ Impact	\$0	\$15,639	\$28,192	\$45,561	\$55,395

**RECOMMENDATION:**

Approve Pay Schedule effective October 24, 2018

**ATTACHMENTS:**

- Pay Schedule

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**PAY SCHEDULE**  
**Effective August 5, 2017**

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

<b>Classification</b>	<b>Start</b>	<b>Top</b>
Hourly Pay Rate:		
Active		
Non-Regular	\$14.02	\$20.83
Plant Operator-In-Training	\$15.70	\$21.25
Plant Operator	\$24.68	\$33.32
Plant Maintenance Supervisor	\$28.38	\$38.32
Plant Operations Supervisor	\$28.38	\$38.32 <sup>1</sup>
Plant Manager	\$40.23	\$58.33 <sup>2</sup>
Laboratory Analyst	\$27.26	\$36.80
Administrative Assistant	\$22.51	\$30.39
Human Resources Coordinator/Accounting Technician	\$32.99	\$44.54
Finance Manager	\$44.95	\$65.18
General Manager	\$65.12	\$94.43

Governing Board Approval Date: July 26, 2017

<sup>1</sup>The pay range for incumbent Plant Operations Supervisor is Y-rated at \$33.87 - \$45.38, subject to generally applicable cost of living adjustments

<sup>2</sup>The pay range for incumbent Plant Manager is Y-rated at \$44.00 - \$63.10, subject to generally applicable cost of living adjustments



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

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**AGENDA ITEM: 11.C**

**MEETING DATE:** October 24, 2018

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

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

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

**SUBJECT:** Appropriate \$44,045 from the Capital and Replacement Fund to Complete the Reconstruction of the Horseshoe Ponds

**BACKGROUND:**

At the July 26, 2017 Board Meeting, the Board awarded a contract for the reconstruction of the Horseshoe Ponds to Bear Valley Paving in the amount of \$1,146,837.00. In addition, the Board approved project support, bringing the total budget to \$1,146,837.

**DISCUSSION:**

Overall construction has gone very well, and the South Pond has been completed and put back into service. During the construction of the North Pond, it was determined that the clay layer elevation was approximately one foot lower than expected after removing debris from the bottom of the pond. The ponds are intended to operate concurrently and balance, requiring the bottom elevations to be equal. In addition, the sidewalls of the North Pond have been constructed at the correct elevation, bringing them to about one foot from the bottom. To ensure those sidewalls are not undermined by water circulation, we are recommending that additional clay material be brought in and placed in the bottom of the North Pond. To accomplish this, we have been coordinating with Big Bear Municipal Water District (MWD) to gain access to clay currently being removed from Big Bear Marina as part of an MWD project. The clay that is being removed has been tested and found suitable for our use at the bottom of this pond. We have received an estimate of \$105,010 from our contractor to place the clay at the bottom of this pond. A recommended revised budget including the new clay placement is \$1,172,928, compared to the original budget of \$1,128,883, an increase of \$44,045.

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Page 1 of 2

Agenda Item 11.C

Appropriate \$44,045 from the Capital and Replacement Fund to Complete the Reconstruction of the Horseshoe Ponds

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

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

Secretary of the Governing Board

**FINANCIAL IMPACT:**

There are adequate funds available in the Capital and Replacement Fund to make the appropriation.

**RECOMMENDATION:**

Appropriate \$44,045 from the Capital and Replacement Fund to complete the reconstruction of the Horseshoe Ponds.