

Big Bear Area Regional Wastewater Agency

Regular Board Meeting Agenda
February 25, 2026 at 5:00 p.m.
121 Palomino Drive, Big Bear City, CA 92314 and
44-506 Hoomau St., Honokaa, HI 96727

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Approval of Agenda**
4. **Public Forum** - Public testimony is permitted at this time on the following sections of the agenda: Presentation and Introduction, Information/Committee Reports, Consent Calendar, and any other matters within the Agency's subject matter jurisdiction that are not included on the posted agenda. If you are unsure whether your public testimony falls within the subject matter jurisdiction or which agenda item it pertains to, please contact the Board Secretary before the meeting.

Each speaker is allotted a maximum of three minutes to address the Governing Board during this Public Forum. Public testimony on non-agenda items shall be limited to 30 minutes for all speakers. Please note that state law prohibits the Agency from taking action on matters not listed on the posted agenda.

For items on the posted agenda, public testimony will be taken prior to the Governing Board's deliberation of each item. Each speaker will be allotted a maximum of three minutes per item.

The Governing Board requests that public testimony focus specifically on BBARWA business. The Chair, by majority vote, may waive these time limitations and may rule out of order testimony that is unduly repetitious or irrelevant.

5. **Presentation and Introduction**

None

6. **Information/Committee Reports**

- a. General Manager's Report
- b. Replenish Big Bear Report

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

- a. January 28, 2026 Regular Meeting Minutes
- b. Monthly Disbursements Report for January

- c. Investment Report Identifying Agency Investments and Reporting Interest Income for January
- d. Second Quarter Report, Six Months Ended, December 31, 2025

8. Items Removed from the Consent Calendar

9. Old Business

- a. Public Hearing: Second Read and Adoption of Ordinance No. O. 01-2026, An Ordinance of the Big Bear Area Regional Wastewater Agency Code Amending Section 2.04.040 of the Big Bear Area Regional Wastewater Agency Code Regarding Time Limits on Public Testimony at Governing Board Meetings

10. New Business – Discussion/Action Items

- a. Introduction and First Read of Ordinance No. O. 02-2026, An Ordinance of the Big Bear Area Regional Wastewater Agency Amending Ordinance No. O. 02-2018 Regarding the Timing of Payment for Connection Fees
- b. Resolution No. R. 02-2026, A Resolution of the Big Bear Area Regional Wastewater Agency Naming a “Designated Person” to Determine Timeliness and Sufficiency of Claims Filed Against the Agency
- c. Update to Board Policy: Designated Funds
- d. Reimbursement of Replenish Big Bear Expenditures with Title XVI Grant Funds
- e. Governing Board Reorganization

11. Comments and Announcements

- a. General Manager Comments
- b. Governing Board Member Comments

12. Adjournment

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

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

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



Agenda Item 6.A.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Subject: General Manager's Report

Discussion:

Administration

Emergency Electric Power Supply and Coordination Agreement (no update)

Bear Valley Electric, Inc. (BVES) is reviewing the Emergency Electric Power Supply and Coordination Agreement.

Operations

Cactus Flats Outfall Line Repair Project (no update)

Southwest Gas received the United States Department of Agriculture Forest Service Special Use Permit.

Oxidation Ditch 1 Rotor 2 Shaft Replacement Project (no update)

Staff is waiting for replacement parts to be delivered.

Oxidation Ditch 1 Wall Rehabilitation Project (no update)

Due to weather conditions and the winter season with the potential for high flows, the ground penetrating radar will be scheduled for spring.

RAS Header Replacement Project Engineering (no update)

The design drawings and specifications are being finalized, with the project scheduled to go out to bid in the spring.

Outfall Line Investigation Project

The scope of work is being finalized.

Pump Station Investigation Project

The scope of work is being finalized.

Treatment Plant Data

Flow percentages for each Member Agency are shown below. The influent flow (MG) chart is attached.

<u>Member Agency</u>	<u>November</u>	<u>December</u>	<u>January</u>
City of Big Bear Lake	48.59%	53.28%	58.43%
Big Bear City CSD	48.27%	43.36%	37.86%
County of San Bernardino CSA 53B	3.14%	3.36%	3.71%

Solar Production

Actual net generation (kWh) for each fiscal year is summarized in the table below.

<u>Month</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
July		215,598.25	285,573.00	259,658.50	288,076.00
August		229,947.25	261,893.00	281,198.50	244,730.00
September		230,749.75	280,457.00	242,325.00	221,609.00
October		276,600.50	293,122.50	270,744.00	251,891.00
November		241,524.25	247,757.00	224,763.00	182,967.00
December	29,294.26	190,418.50	206,571.00	207,309.00	181,248.97
January	212,982.42	192,716.50	202,574.00	219,277.00	
February	260,767.19	224,106.25	204,564.50	229,821.00	
March	295,923.69	269,443.75	244,171.50	266,439.00	
April	319,902.94	316,650.00	301,025.00	287,155.00	
May	330,560.38	302,288.50	311,556.50	281,839.00	
June	316,253.50	287,765.00	294,047.50	272,851.00	
Total	1,765,684.38	2,977,808.50	3,133,312.50	3,043,380.00	1,370,521.97

Connections

The monthly connections for each fiscal year and by Member Agency are summarized in the table below.

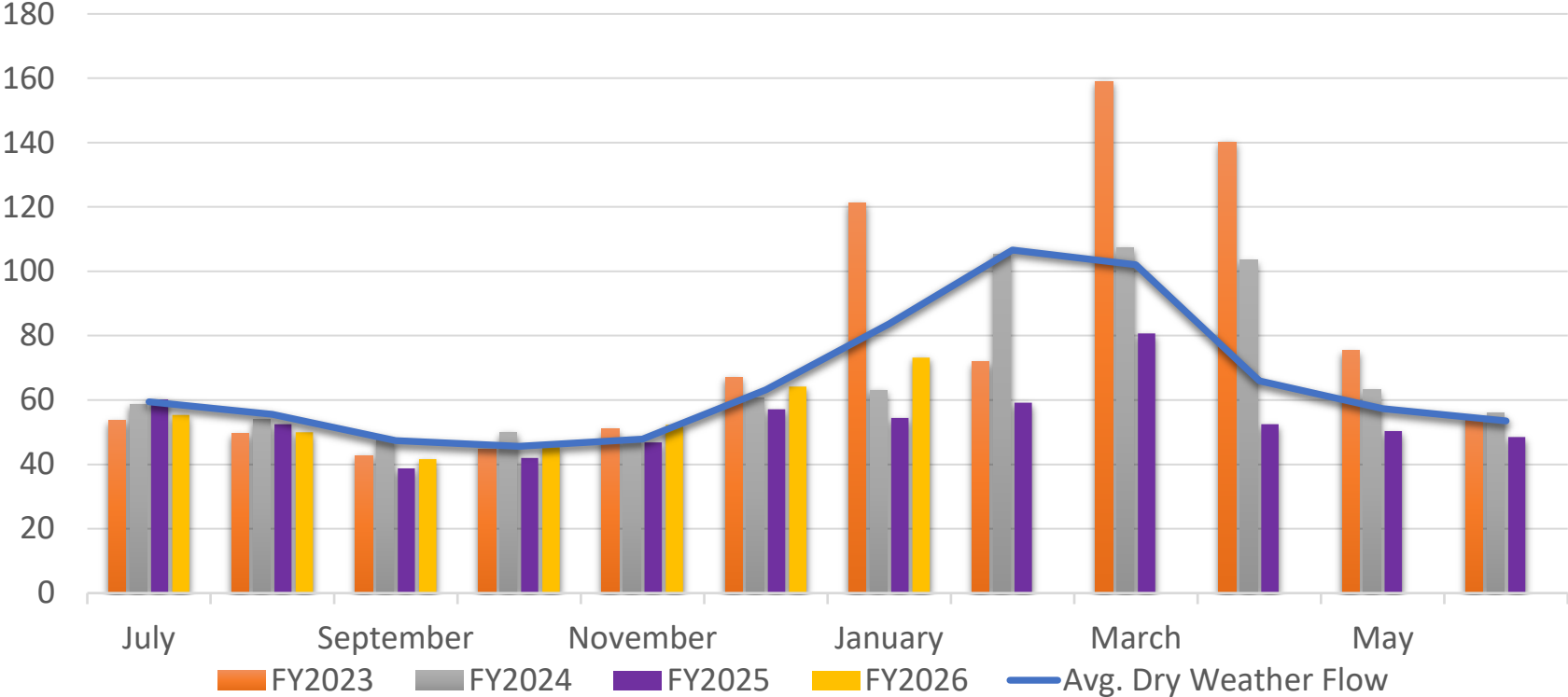
<u>Month</u>	<u>FY</u> <u>2022</u>	<u>FY</u> <u>2023</u>	<u>FY</u> <u>2024</u>	<u>FY</u> <u>2025</u>	<u>FY</u> <u>2026</u>	<u>CBBL</u>	<u>CSD</u>	<u>CSA</u> <u>53B</u>
July	11	2	5	4	6	4	2	0
August	5	13	4	7	4	1	3	0
September	7	8	69 ¹	12	5	1	4	0
October	9	6	6	1	4	0	4	0
November	5	4	2	2	1	0	1	0
December	3	2	2	4	4	3	1	0
January	2	0	2	2	2	0	2	0
February	6	0	1	2				
March	9	2	2	1				
April	12	4	5	1				
May	7	8	12	5				
June	<u>11</u>	<u>10</u>	<u>8</u>	6				
Total	87	59	118	47	26	9	17	0

Attachment:

Influent Flow Graph

¹ Hampton Inn in the City of Big Bear Lake was 62 connections.

Influent Flow (MG)





Agenda Item 6.B.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Subject: Replenish Big Bear Report

Discussion:

The following update of the Replenish Big Bear Program (Program) focuses on the current Project Expenditures, Funding and Financing, Grants, and Final Design for BBARWA's Wastewater Treatment Upgrades Project (Project).

***Project Expenditures**

Expenditure Category	Expenditures as of 12/31/2025
Planning	\$5,185,331
Final Design	1,036,023
Construction	0
Short-Term Financing Interest	396,251
Finance Costs ¹	284,485
Total	\$6,902,090

Funding and Financing

Funding and Financing Plan

Staff is proceeding with the preparation of an updated Funding and Financing Plan based on the October 2025 cost estimate. This effort is intended to provide the Governing Board with a clearer understanding of potential funding sources, financing approaches, and high-level financial considerations under various scenarios.

Grants

*Integrated Regional Water Management (IRWM) Proposition 1 Round 1 (Prop 1 Round 1) Grant - Invoice 16 was submitted in October 2025 in the amount of \$380,882. Invoice 17 was submitted on January 30, 2026, in the amount of \$222,451.

¹ Finance costs include the cost of issuance of the short-term financing which includes the municipal advisor, bond counsel, and placement agent; the EPA WIFIA application fee, the S&P preliminary rating, and financial advisor.

*2021, 2022, & 2023 Title XVI Grant – See Staff Report 10.D., Reimbursement of Prior Replenish Big Bear Expenditures with Title XVI Grant Funds, for additional information on this grant.

2022, 2023, and 2024 EPA STAG – Staff consulted with the EPA, which recommended proceeding with an application for the FY 2022 funds only, in the amount of \$960,000. This approach provides the Agency flexibility to request a future technical correction to redirect the FY 2023 or FY 2024 funds to another project included in the 5-year Capital Improvement Plan (CIP), such as the North Shore Pump Station 3 Well Rehabilitation Project, which has an estimated budgetary project cost of \$2.75 million.

*The following table summarizes the Agency’s grants, current status, and the reimbursed and invoiced amounts as of January 30, 2026.

Grant	Status	Grant Amount	Reimbursed Amount (a)	Reimbursement Request (b)	Total (a) + (b)
State Grants					
DCI Technical Assistance	Fully Funded, Closed	\$500,000	\$500,000	\$0	\$500,000
IRWM Prop 1 Round 1	In Process	4,563,338	3,314,463	603,333	3,917,796
Subtotal State Grants		\$5,063,338	\$3,814,463	\$603,333	\$4,417,796
Federal Grants					
2021, 2022, & 2023 Title XVI	In Process	18,919,655	\$0	\$0	\$0
2022 STAG	Application in Process	960,000	0	0	0
2023 & 2024 STAG	Pending Application	2,000,000	0	0	0
Subtotal Federal Grants		\$21,879,655	\$0	\$0	\$0
Grand Total		\$26,942,993	\$3,814,463	\$603,333	\$4,417,796

Final Design

The Project continues toward development of final design drawings and specifications.



Big Bear Area Regional Wastewater Agency

Kendi Segovia – Chair
Larry Walsh – Vice-Chair
Rick Herrick – Director
John Russo – Director
Andrew Sauer - Director

Agenda Item 7.A.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary
Subject: January 28, 2026 Regular Meeting Minutes

Background & Discussion:

Attached are the meeting minutes from the January 28, 2026 regular meeting.

Financial Impact:

There is no financial impact.

Recommendation:

Approve.

Attachment:

January 28, 2026 Regular Meeting Minutes

Big Bear Area Regional Wastewater Agency

Regular Board Meeting Minutes
January 28, 2026 at 5:00 p.m.
121 Palomino Drive, Big Bear City, CA 92314

1. Call to Order

A Regular Meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was called to order by Chair Segovia at 5:00 p.m. on January 28, 2026 at 121 Palomino Drive, Big Bear City, California.

Board Members Present: Kendi Segovia, Chair; Larry Walsh, Vice-Chair; Rick Herrick, Director; John Russo, Director; and Andrew Sauer, Director

Board Members Absent: None

Staff Members Present: David Lawrence, General Manager; Bridgette Burton, Assistant General Manager/Board Secretary; Christine Bennett, Finance Manager; John Shimmin, Plant Manager; and Sonja Kawa, Human Resources Coordinator/Accounting Technician

Others: Jared Cheek, General Manager, Big Bear Municipal Water District; Glenn Jacklin, General Manager, Big Bear City Community Services District; and Sean Sullivan, Assistant City Manager/Director of Public Works, City of Big Bear Lake

Members of the public who signed in: Joyce Crist, Big Bear City

2. Pledge of Allegiance – Vice-Chair Walsh

3. Approval of Agenda

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

Ayes: Herrick, Russo, Sauer, Segovia, Walsh

Noes: None

Absent: None

Abstain: None

4. Public Forum

A public comment was heard after Item 10.F.

5. Presentation and Introduction

a. Ralph Curiel – 5-year Recognition

The General Manager and Governing Board thanked Mr. Curiel for his years of service.

6. Information/Committee Reports

a. General Manager's Report

The General Manager's Report was presented.

b. Replenish Big Bear Report

The General Manager informed the Governing Board that the U.S. Environmental Protection Agency (EPA) expressed a willingness to discuss an increase to the WIFIA Loan amount based on the October 2025 cost estimate.

The Governing Board requested clarification for the Title XVI Grant and noted that SBCTA is currently experiencing construction bids coming in under estimated costs.

7. Consent Calendar Approved Items

a. December 17, 2025 Special Meeting Minutes

b. Monthly Disbursements Report for November and December

c. Investment Report Identifying Agency Investments and Reporting Interest Income for November and December

d. Fixed and Variable Rates

Upon motion by Director Russo, seconded by Director Herrick and carried, the Governing Board approved the consent calendar as presented.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh

Noes: None

Absent: None

Abstain: None

8. Items Removed from the Consent Calendar

None

9. Old Business

10. New Business – Discussion/Action Items

a. Public Hearing: Assembly Bill 2561 - Local Public Employees Vacant Positions

The Human Resources Coordinator/Accounting Technician advised the Governing Board that the Agency has no changes to policies, procedures or recruitment activities that negatively impact the Agency's efforts to reduce its vacancies, and it has one vacancy and is actively recruiting for the Maintenance Worker position.

The public hearing opened at 5:08 p.m.

There were no public comments.

The public hearing closed at 5:08 p.m.

This was an information only item.

- b.** Resolution No. R. 01-2026, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Rescinding Resolution No. R. 16-2023 and Amending Resolution No. R. 09-2023, Adding the Assistant General Manager/Board Secretary as a signatory for the Agency's US Bank Accounts

The Finance Manager explained that an updated resolution was needed due to the job title change from Administrative Services Manager/Board Secretary to Assistant General Manager/Board Secretary.

Upon motion by Director Sauer, seconded by Director Herrick and carried, the Governing Board adopted Resolution No. R. 01-2026, rescinded Resolution No. R. 16-2023 and amended Resolution No. R. 09-2023, adding the Assistant General Manager/Board Secretary as a signatory for the Agency's US Bank accounts.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh

Noes: None

Absent: None

Abstain: None

- c.** Introduction and First Read of Ordinance O. 01-2026, An Ordinance of the Big Bear Area Regional Wastewater Agency Code Amending Section 2.04.040 of the Big Bear Area Regional Wastewater Agency Code Regarding Time Limits on Public Testimony at Governing Board Meetings

The Assistant General Manager/Board Secretary outlined staff's recommendation to revise the Ordinance to allow a reasonable amount of time for general public comment during teleconferenced meetings, rather than requiring attendees to wait the full 30-minute general comment period to conclude under the current Ordinance.

A public comment was heard.

Upon motion by Director Walsh, seconded by Director Russo and carried, the Governing Board waived the full reading of the proposed Ordinance O. 01-2026 and directed staff to place it on the agenda for consideration and adoption at a public hearing on February 25, 2026.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh

Noes: None

Absent: None

Abstain: None

- d.** Allocate \$146,498 from the Contingency Fund and Reallocate \$243,502 from the Force Main Project to the Outfall Line Investigation Project

The General Manager provided an overview of the goal and process for the Outfall Line Investigation, along with the timeline, cost estimate, and impacts on the Capital Improvement Plan.

A public comment was heard.

Upon motion by Director Herrick, seconded by Director Sauer and carried, the Governing Board allocated \$146,498 from the Contingency Fund and reallocated \$243,502 from the Force Main Project to the Outfall Line Investigation Project planning and engineering phases in FY 2026 and directed staff to program \$1,350,000 in FY 2027 for the investigation and construction phases.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh
Noes: None
Absent: None
Abstain: None

- e. Allocate \$75,000 for the Investigation of North Shore Pump Stations 1, 2, and 3 and the Lake Pump Station from the Contingency Fund

The General Manager provided an overview of the investigation process, timeline, and cost estimate.

Upon motion by Director Russo, seconded by Director Herrick and carried, the Governing Board allocated \$75,000 for the investigation of North Shore Pump Stations 1, 2, and 3, and Lake Pump Station from the Contingency Fund.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh
Noes: None
Absent: None
Abstain: None

- f. 2026 Gaeta Lease of 340 Acres in Lucerne Valley

The General Manager detailed changes in the lease terms and payment.

A public comment was heard.

Upon motion by Director Herrick, seconded by Chair Segovia and carried, the Governing Board authorized the General Manager to negotiate and execute the 2026 Gaeta Lease Agreement.

Ayes: Herrick, Russo, Sauer, Segovia, Walsh
Noes: None
Absent: None
Abstain: None

11. Comments and Announcements

a. General Manager Comments

None.

b. Governing Board Comments

The Governing Board expressed support for Team USA at the Olympic Games.

12. Adjournment

With no further business to come before the Governing Board, Chair Segovia adjourned the meeting at 5:46 p.m.

Attest:

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



Big Bear Area Regional Wastewater Agency

Kendi Segovia – Chair
Larry Walsh – Vice-Chair
Rick Herrick – Director
John Russo – Director
Andrew Sauer - Director

Agenda Item 7.B.

Meeting Date: February 25, 2026

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

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

Prepared By: Christine Bennett, Finance Manager

Subject: Monthly Disbursement Report

Background:

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

Financial Impact:

There is no financial impact.

Recommendation:

Informational

Attachments:

Check Register

Check Register by Account

Big Bear Area Regional Wastewater Agency

Check Register

For the Period From Jan 1, 2026 to Jan 31, 2026

Check #	Date	Payee	Cash Account	Amount
25423	1/8/26	APPLIED INDUSTRIAL TECHNOLOGIES- CA LLC	1000-20	11,962.24
25424	1/8/26	AUTOZONE, INC.	1000-20	212.01
25425	1/8/26	BEST BEST & KRIEGER LLP	1000-20	5,870.46
25426	1/8/26	BIG BEAR CITY COMMUNITY SERVICES DIST.	1000-20	1,050.37
25428	1/8/26	BRAX COMPANY INC.	1000-20	49,473.21
25429	1/8/26	BUTCHER'S BLOCK	1000-20	793.79
25430	1/8/26	BEAR VALLEY ELECTRIC	1000-20	17,330.14
25431	1/8/26	CIVICPLUS LLC	1000-20	1,515.47
25432	1/8/26	CWEA TCP MEMBERSHIP	1000-20	963.00
25433	1/8/26	DIY HOME CENTER-BIG BEAR	1000-20	102.95
25434	1/8/26	FLO-SYSTEMS INC.	1000-20	2,797.88
25435	1/8/26	FLYERS ENERGY, LLC	1000-20	1,177.04
25436	1/8/26	FRONTIER	1000-20	1,509.91
25437	1/8/26	GRAINGER	1000-20	139.00
25438	1/8/26	HUGHES NETWORK SYSTEMS LLC	1000-20	101.52
25439	1/8/26	LIFE TECHNOLOGIES CORPORATION	1000-20	1,346.88
25440	1/8/26	NAPA OF BIG BEAR	1000-20	18.47
25441	1/8/26	RINGCENTRAL INC.	1000-20	408.27
25442	1/8/26	SKYVIEW ELECTRIC	1000-20	4,205.58
25443	1/8/26	SMARTCOVER SYSTEMS	1000-20	260.00
25444	1/8/26	SOUTHLAND PIPE CORP.	1000-20	2,882.32
25445	1/8/26	SPECTRUM BUSINESS	1000-20	1,053.96
25446	1/8/26	STATE WATER RESOURCES CONTROL BOARD	1000-20	1,873.00
25447	1/8/26	TWIN BEAR EQUIPMENT RENTAL INC	1000-20	331.69
25448	1/8/26	UNDERGROUND SERVICE ALERT	1000-20	125.17
25449	1/8/26	VC3 INC.	1000-20	42,816.67
25450	1/8/26	VESTIS	1000-20	2,581.84
25451	1/8/26	VIKING COMMERCIAL CLEANING	1000-20	1,525.57
25452	1/8/26	WATER SYSTEMS CONSULTING INC.	1000-20	16,007.40
25459	1/22/26	AMAZON CAPITAL SERVICES	1000-20	2,081.67
25460	1/22/26	RICK M. BOWERS	1000-20	205.97
25461	1/22/26	BUSINESS CARD	1000-20	588.40
25462	1/22/26	CANON FINANCIAL SERVICES INC	1000-20	1,438.07
25463	1/22/26	CLINICAL LAB OF SAN BERNARDINO	1000-20	2,545.00
25464	1/22/26	COUNTY OF SAN BERNARDINO	1000-20	672.30
25465	1/22/26	DISTRIBUTED SOLAR DEVELOPMENT LLC	1000-20	14,434.77
25466	1/22/26	DEPARTMENT OF WATER & POWER	1000-20	54.84
25467	1/22/26	GRAINGER	1000-20	412.09
25468	1/22/26	BEAR VALLEY BASIN GSA	1000-20	953.40
25469	1/22/26	JENSEN INFRASTRUCTURE	1000-20	9,018.68
25470	1/22/26	MCR TECHNOLOGIES INC.	1000-20	4,995.29
25471	1/22/26	S PORTER INC.	1000-20	600.00
25472	1/22/26	POWERFLO PRODUCTS INC.	1000-20	4,420.56
25473	1/22/26	SOUTHERN CALIFORNIA EDISON	1000-20	49.39
25474	1/22/26	SOUTHWEST GAS	1000-20	2,683.55
25475	1/22/26	SYNAGRO TECHNOLOGIES INC	1000-20	22,287.72
25476	1/22/26	VC3 INC.	1000-20	1,411.38
25477	1/22/26	VERIZON WIRELESS	1000-20	224.53
25478	1/22/26	WATER SYSTEMS CONSULTING INC.	1000-20	72,331.75
Total				311,845.17

Personnel Expenditures (e.g., benefits, reimbursements) are not included in this report.

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Jan 1, 2026 to Jan 31, 2026

Account #	Check #	Date	Payee	Description	Amount
Power					
6100-05	25465	1/22/26	DISTRIBUTED SOLAR DEVELOPMENT LLC	Solar Purchases	14,434.77
6100-10	25474	1/22/26	SOUTHWEST GAS	Fuel for Power Production	54.97
6100-11	25474	1/22/26	SOUTHWEST GAS	Gas - Administration Building	869.96
6100-12	25474	1/22/26	SOUTHWEST GAS	Gas - Treatment Plant	1,758.62
6100-20	25430	1/8/26	BEAR VALLEY ELECTRIC	Electricity - Treatment Plant	9,955.84
6100-21	25430	1/8/26	BEAR VALLEY ELECTRIC	Electricity - Stations	7,358.61
6100-22	25430	1/8/26	BEAR VALLEY ELECTRIC	Electricity - Administration Building	15.69
6100-23	25473	1/22/26	SOUTHERN CALIFORNIA EDISON	Electricity - Lucerne Valley	49.39
Total Power					34,497.85
Sludge Removal					
6200-00	25475	1/22/26	SYNAGRO TECHNOLOGIES INC	Sludge Removal	22,287.72
Total Sludge Removal					22,287.72
Materials and Supplies					
6400-10	25459	1/22/26	AMAZON CAPITAL SERVICES	Office, Janitorial, and Breakroom Supplies	617.82
6400-10	25461	1/22/26	BUSINESS CARD	Meeting Provisions	518.83
6400-10	25462	1/22/26	CANON FINANCIAL SERVICES INC	Quarterly Copier Lease	1,438.07
6400-20	25459	1/22/26	AMAZON CAPITAL SERVICES	Safety Supplies	636.38
6400-20	25460	1/22/26	RICK M. BOWERS	Hats	205.97
6400-25	25439	1/8/26	LIFE TECHNOLOGIES CORPORATION	Laboratory Supplies	1,346.88
6400-26	25435	1/8/26	FLYERS ENERGY, LLC	Fuel	1,177.04
6400-40	25467	1/22/26	GRAINGER	Padlocks	341.79
6400-40	25472	1/22/26	POWERFLO PRODUCTS INC.	Sealing Compound	404.97
6400-50	25429	1/8/26	BUTCHER'S BLOCK	Ground Maintenance Supplies	622.59
6400-50	25433	1/8/26	DIY HOME CENTER-BIG BEAR	Ground Maintenance Supplies	47.51
6400-60	25467	1/22/26	GRAINGER	Electrical Supplies	70.30
6400-75	25424	1/8/26	AUTOZONE, INC.	Tools	53.85
6400-75	25429	1/8/26	BUTCHER'S BLOCK	Tools	107.74
6400-75	25440	1/8/26	NAPA OF BIG BEAR	Tools	18.47
6400-75	25459	1/22/26	AMAZON CAPITAL SERVICES	Compactor	776.87
6400-80	25429	1/8/26	BUTCHER'S BLOCK	Plumbing Supplies	63.46
6400-80	25433	1/8/26	DIY HOME CENTER-BIG BEAR	Plumbing Supplies	55.44
6400-80	25459	1/22/26	AMAZON CAPITAL SERVICES	Plumbing Supplies	50.60
Total Materials and Supplies					8,554.58

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Jan 1, 2026 to Jan 31, 2026

Account #	Check #	Date	Payee	Description	Amount
Repairs and Replacements					
6500-10	25469	1/22/26	JENSEN INFRASTRUCTURE	Vault Lids	9,018.68
6500-20	25423	1/8/26	APPLIED INDUSTRIAL TECHNOLOGIES- CA LLC	Bearings	11,962.24
6500-20	25434	1/8/26	FLO-SYSTEMS INC.	Bearing Assembly	2,797.88
6500-20	25444	1/8/26	SOUTHLAND PIPE CORP.	Pipe Fittings	2,882.32
6500-20	25472	1/22/26	POWERFLO PRODUCTS INC.	Pump Seals/Gasket Kit	4,015.59
6500-30	25424	1/8/26	AUTOZONE, INC.	Equipment Battery	63.15
6500-30	25470	1/22/26	MCR TECHNOLOGIES INC.	Flowmeter Transmitter Converter Module	4,995.29
6500-35	25424	1/8/26	AUTOZONE, INC.	Vehicle Maintenance Supplies	24.77
6500-36	25424	1/8/26	AUTOZONE, INC.	Generator Maintenance Supplies	70.24
6500-40	25471	1/22/26	S PORTER INC.	Trench Plate Rental	600.00
Total Repairs and Replacements					36,430.16
Equipment Rental					
6520-00	25447	1/8/26	TWIN BEAR EQUIPMENT RENTAL INC	Equipment Rental	331.69
Total Equipment Rental					331.69
Utilities					
6530-10	25426	1/8/26	BIG BEAR CITY COMMUNITY SERVICES DIST.	Utilities - Water	671.61
6530-10	25466	1/22/26	DEPARTMENT OF WATER & POWER	Utilities - Water	54.84
6530-20	25426	1/8/26	BIG BEAR CITY COMMUNITY SERVICES DIST.	Trash Service	378.76
6530-30	25464	1/22/26	COUNTY OF SAN BERNARDINO	Solid Waste Disposal	672.30
Total Utilities					1,777.51
Communication Expense					
6550-10	25436	1/8/26	FRONTIER	SCADA	971.62
6550-10	25438	1/8/26	HUGHES NETWORK SYSTEMS LLC	SCADA	101.52
6550-10	25445	1/8/26	SPECTRUM BUSINESS	SCADA	344.97
6550-40	25436	1/8/26	FRONTIER	Telephone Service	538.29
6550-40	25441	1/8/26	RINGCENTRAL INC.	Telephone Service and Maintenance	408.27
6550-40	25477	1/22/26	VERIZON WIRELESS	Telephone Service	185.17
6550-50	25445	1/8/26	SPECTRUM BUSINESS	Internet, Wireless Service	708.99
6550-50	25477	1/22/26	VERIZON WIRELESS	Internet, Wireless Service	39.36
6550-60	25431	1/8/26	CIVICPLUS LLC	Annual Software Subscription	1,515.47
6550-60	25449	1/8/26	VC3 INC.	Monthly IT Services	3,610.00
6550-60	25476	1/22/26	VC3 INC.	Wireless Access Point Replacements	1,411.38
Total Communication Expense					9,835.04
Contractual Services Other					

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Jan 1, 2026 to Jan 31, 2026

Account #	Check #	Date	Payee	Description	Amount
6600-10	25463	1/22/26	CLINICAL LAB OF SAN BERNARDINO	Testing	2,545.00
6600-20	25450	1/8/26	VESTIS	Uniform Laundry Service	2,581.84
6600-50	25461	1/22/26	BUSINESS CARD	Website Domain Renewal	69.57
6600-60	25442	1/8/26	SKYVIEW ELECTRIC	Upgrade Pump #1 Wiring	4,205.58
6600-60	25443	1/8/26	SMARTCOVER SYSTEMS	Repair	260.00
6600-80	25451	1/8/26	VIKING COMMERCIAL CLEANING	Janitorial Service	1,525.57
Total Contractual Services Other					11,187.56
Contractual Services Professional					
6700-20	25425	1/8/26	BEST BEST & KRIEGER LLP	Legal Services	5,870.46
Total Contractual Services Professional					5,870.46
Permits and Fees					
6810-00	25446	1/8/26	STATE WATER RESOURCES CONTROL BOARD	Annual Stormwater Permit	1,873.00
6810-00	25448	1/8/26	UNDERGROUND SERVICE ALERT	Dig Alert Ticket Charges	125.17
Total Permits and Fees					1,998.17
Other Expense					
6950-10	25432	1/8/26	CWEA TCP MEMBERSHIP	CWEA Membership Dues	502.00
6950-10	25437	1/8/26	GRAINGER	Annual Membership	139.00
6950-40	25432	1/8/26	CWEA TCP MEMBERSHIP	CWEA Certifications	461.00
Total Other Expense					1,102.00
Other Nonoperating Expense					
8000-11	25468	1/22/26	BEAR VALLEY BASIN GSA	GSA Administration Costs	953.40
Total Nonoperating Other Expense					953.40
Capital Expenditures					
9500-00	25428	1/8/26	BRAX COMPANY INC.	Auxiliary Pump #1 Rebuild	49,473.21
9500-00	25449	1/8/26	VC3 INC.	VM & Host Backup Refresh	39,206.67
9500-00	25452	1/8/26	WATER SYSTEMS CONSULTING INC.	Oxidation Ditch Wall Project Engineering	465.00
9500-00	25452	1/8/26	WATER SYSTEMS CONSULTING INC.	RAS Header Replacement Engineering	6,720.00
Total Capital Expenditures					95,864.88
Replenish Big Bear Capital Expenditures					
9500-10	25452	1/8/26	WATER SYSTEMS CONSULTING INC.	RBB Engineering	8,822.40
9500-10	25478	1/22/26	WATER SYSTEMS CONSULTING INC.	RBB Final Design	72,331.75
Total Replenish Big Bear Capital Expenditures					81,154.15
Grand Total					311,845.17

Personnel Expenditures (e.g., benefits, reimbursements) are not included in this report.



Big Bear Area Regional Wastewater Agency

Kendi Segovia – Chair
Larry Walsh – Vice-Chair
Rick Herrick – Director
John Russo – Director
Andrew Sauer - Director

Agenda Item 7.C.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Prepared By: Christine Bennett, Finance Manager
Subject: Investment Report Identifying Agency Investments and Reporting Interest Income

Background:

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

Financial Impact:

There is no financial impact.

Recommendation:

Informational

Attachments:

Monthly Investment Report
LAIF Statement

BBARWA
 Monthly Investment Report
 January 2026

<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	\$ 12,033,965	\$ 12,060,216	\$ 421,173	3.931%	DAILY
TOTAL	\$ 12,033,965	\$ 12,060,216	\$ 421,173		

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in August 2025. The Agency will be able to meet its expenditure requirements for the next six months.

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

(2) Interest paid quarterly on LAIF investment. Amount reflects interest income received at the reporting date during FY 2026 and excludes accrued interest.

Attachment (s): Monthly LAIF Statement

California State Treasurer
Fiona Ma, CPA



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

February 02, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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

[Tran Type Definitions](#)

Account Number:

January 2026 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
1/6/2026	12/30/2025	RD	1788557	1749199	CHRISTINE BENNETT	2,100,000.00
1/15/2026	1/15/2026	QRD	1792418	N/A	SYSTEM	106,057.65
1/28/2026	1/26/2026	RW	1794011	1754668	CHRISTINE BENNETT	-500,000.00

Account Summary

Total Deposit:	2,206,057.65	Beginning Balance:	10,327,906.89
Total Withdrawal:	-500,000.00	Ending Balance:	12,033,964.54



Agenda Item 7.D.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Prepared By: Christine Bennett, Finance Manager
Subject: Second Quarter Report, Six Months Ended December 31, 2025

Background:

Please find attached the Second Quarter Report, which discusses the most recent quarter's financial performance compared to budget.

The Agency performed under budget for the second quarter with operating expenses falling below the budget by approximately \$300,118 or 9%. A detailed description of major variances to budget is included in the attached report.

Financial Impact:

There is no financial impact.

Recommendation:

Informational

Attachments:

Second Quarter Report

Big Bear Area Regional Wastewater Agency

2nd Quarter Report

Six Months ended December 31, 2025



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Operating Revenues						
Annual charges	0	4,855,393	4,855,393	4,855,393	0	0%
Waste disposal fees	7,629	6,605	14,234	13,296	938	7%
Rental income	2,211	4,352	6,563	2	6,561	nm (b)
Standby fees	0	35,903	35,903	35,903	0	0%
Other operating revenue	<u>311</u>	<u>4,066</u>	<u>4,377</u>	<u>0</u>	<u>4,377</u>	nm (b)
Total Operating Revenues	10,151	4,906,318	4,916,470	4,904,595	11,875	0%
Operating Expenses						
Salaries and benefits	1,059,306	689,760	1,749,066	1,772,821	(23,755)	-1%
Power	99,259	97,501	196,760	237,220	(40,460)	-17%
Sludge removal	68,831	65,175	134,006	166,073	(32,068)	-19%
Chemicals	24,793	9,127	33,921	45,663	(11,742)	-26%
Materials and supplies	24,258	34,733	58,991	74,420	(15,430)	-21%
Repairs and replacements	102,988	51,807	154,795	166,252	(11,457)	-7%
Equipment rental	781	332	1,113	1,027	86	8%
Utilities expense	8,440	4,286	12,726	26,838	(14,112)	-53%
Communications expense	64,648	31,008	95,656	117,701	(22,046)	-19%
Contractual services – other	49,819	34,384	84,203	108,617	(24,415)	-22%
Contractual services – Prof	21,096	26,682	47,778	74,715	(26,937)	-36%
Permits and fees	23,117	244,572	267,688	293,445	(25,757)	-9%
Property tax expense	0	4,354	4,354	4,309	46	1%
Insurance expense	275,714	1,445	277,160	317,839	(40,679)	-13%
Other operating expense	8,298	20,282	28,580	39,973	(11,393)	-29%
Depreciation expense (a)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	nm (b)
Total Operating Expenses	1,831,348	1,315,448	3,146,796	3,446,914	(300,118)	-9%
Operating Income	(1,821,197)	3,590,871	1,769,674	1,457,680	311,993	21%
Nonoperating income (expense)						
Nonoperating income	(11,949)	153,395	141,445	1,166,795	(1,025,350)	-88%
Nonoperating expense	<u>(250)</u>	<u>(71,002)</u>	<u>(71,252)</u>	<u>(98,934)</u>	<u>27,682</u>	+ (c)
Total nonoperating income (expense)	(12,199)	82,392	70,193	1,067,861	(997,668)	-93%
Income before capital contributions	(1,833,396)	3,673,263	1,839,867	2,525,541	(685,674)	-27%
Capital contributions – connection fees	<u>58,520</u>	<u>37,620</u>	<u>96,140</u>	<u>96,140</u>	<u>0</u>	<u>0%</u>
Change in Net Position	(1,774,876)	3,710,883	1,936,007	2,621,681	(685,674)	-26%

(a) Currently, the agency depreciates its assets at the end of the year. Therefore, depreciation expense is presented as 0 on an interim basis.

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

(c) Percent change is not provided if either of the comparison periods 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.



STATEMENT OF CASH FLOW

	Q2 9/1 Thru 12/31/2025
Cash flows from operating activities	
Cash received from customers and other sources	5,211,529
Cash payments to suppliers for goods and services	(1,506,413)
Cash payments to employees	<u>(1,778,850)</u>
Net cash provided by operating activities	1,926,265
Cash flows from capital and related financing activities	
Interagency and GSA Expense	(1,194)
Purchases of property, plant, and equipment	(1,660,905)
Sale, disposal of PP&E and other	0
Capital contributions	104,500
Proceeds from debt issuance	0
Proceeds from grant issuance	(5,683)
Proceeds from lease revenues	9,768
Prepayment premiums and issuance costs	0
Principal payments on long-term debt	(3,625,873)
Interest paid on long-term debt	<u>(95,292)</u>
Net cash used for capital and related financing activities	(5,274,678)
Cash flows from investing activities	
Investment income received	<u>296,107</u>
Net cash provided by investing activities	296,107
Net change in cash equivalents	(3,052,306)
Cash equivalents, beginning of period	16,173,777
Cash equivalents, end of period	<u>13,121,471</u>
Change in cash equivalents	(3,052,306)

Discussion and Analysis

Operating Revenues

Operating revenues were higher than the budget by \$11,875, which generates a variance of under 1%.

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Operating Revenues						
Annual charges	0	4,855,393	4,855,393	4,855,393	0	0%
Waste disposal fees	7,629	6,605	14,234	13,296	938	7%
Rental income	2,211	4,352	6,563	2	6,561	nm (b)
Standby fees	0	35,903	35,903	35,903	0	0%
Other operating revenue	<u>311</u>	<u>4,066</u>	<u>4,377</u>	<u>0</u>	<u>4,377</u>	nm (b)
Total Operating Revenues	10,151	4,906,318	4,916,470	4,904,595	11,875	0%

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



Operating Expenses

Operating expenses were below the budget by \$300,118 or 9%. Variances greater than 10% and \$20,000 are highlighted and discussed below.

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Operating Expenses						
Salaries and benefits	1,059,306	689,760	1,749,066	1,772,821	(23,755)	-1%
Power	99,259	97,501	196,760	237,220	(40,460)	-17%
Sludge removal	68,831	65,175	134,006	166,073	(32,068)	-19%
Chemicals	24,793	9,127	33,921	45,663	(11,742)	-26%
Materials and supplies	24,258	34,733	58,991	74,420	(15,430)	-21%
Repairs and replacements	102,988	51,807	154,795	166,252	(11,457)	-7%
Equipment rental	781	332	1,113	1,027	86	8%
Utilities expense	8,440	4,286	12,726	26,838	(14,112)	-53%
Communications expense	64,648	31,008	95,656	117,701	(22,046)	-19%
Contractual services – other	49,819	34,384	84,203	108,617	(24,415)	-22%
Contractual services – Prof	21,096	26,682	47,778	74,715	(26,937)	-36%
Permits and fees	23,117	244,572	267,688	293,445	(25,757)	-9%
Property tax expense	0	4,354	4,354	4,309	46	1%
Insurance expense	275,714	1,445	277,160	317,839	(40,679)	-13%
Other operating expense	8,298	20,282	28,580	39,973	(11,393)	-29%
Depreciation expense (a)	0	0	0	0	0	nm (b)
Total Operating Expenses	1,831,348	1,315,448	3,146,796	3,446,914	(300,118)	-9%

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

An explanation of the major variances by line item follows.

Power was under budget by \$40,460 or 17% which was mainly a result of higher production of solar power resulting in a decrease in electricity costs for the treatment plant and administration building. Electricity costs are budgeted based on anticipated rate increases and average usage. Solar production came online in December of Fiscal Year 2022. As more data is available, the budget for solar purchases and electricity will adjust.

Sludge Removal expense was under budget by \$32,068 or 19% which was due to lower sludge removal compared to budget. Sludge removal budget was based on removing 2,431 tons; however, actual tons hauled was 1,963, a reduction of 468 tons for the year-to-date period.

Communications expense was under budget by \$22,046 or 19% primarily as a result of the VPN Phase 2 project budgeted in Information Technology (IT) that has not been completed. Coordination with Frontier Communications is taking longer than expected. Once the IT consultant can coordinate with Frontier Communications, the project should be completed fairly quickly. The hope is that this project will be completed in the next quarter. Additionally, the computer replacement project was approximately \$9,000 lower than originally quoted.

Contractual Services - Other expense was under budget by \$24,415 or 22% with the most notable variances in testing and HVAC (heating, ventilation, and air conditioning). HVAC includes the replacement of a pump seal in the chilled water pump and the condenser fan motor, blade, and sensors in the main chiller. These projects are expected to be completed within the next quarter. Additionally, the budget for testing included the purchase of a



Variable Frequency Drive (VFD) for the portable well pump unit for Lucerne Valley. The plan has changed and this is not going to be purchased; other alternatives for a mobile unit are being considered.

Contractual Services - Professional expense was under budget by \$26,937 or 36%. Budgeted on-call engineering services were not used during the first half of the year, but are expected to be used during the second half of the year. Additionally, legal services were lower than expected.

Insurance expense was under budget by \$40,679 or 13% due mostly to adjustments for longevity distribution, a 6% credit incentive program discount, a 5% multi-program discount, and credits earned for Agency training. Additionally, final insurance premiums were much lower than the Agency’s insurance provider quoted during the budget process.

Non-Operating Income (Expense)

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Nonoperating income (expense)						
Nonoperating income	(11,949)	153,395	141,445	1,166,795	(1,025,350)	-88%
Nonoperating expense	(250)	(71,002)	(71,252)	(98,934)	27,682	+ (c)
Total nonoperating income (expense)	(12,199)	82,392	70,193	1,067,861	(997,668)	-93%

(c) Percent change is not provided if either of the comparison periods 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.

Non-operating Income (Expense) had a negative variance of \$997,668, primarily a result of budgeted grant reimbursements for RBB. Grant reimbursements are budgeted based on expected eligible grant expenditures. During the first half of the year, RBB expenditures were lower than anticipated. Additional factors responsible for the variance are a fair market value accounting adjustment partially offset by lease revenue and lower interest payments on the Short-Term loan for RBB as a result of paying the loan principal earlier than required.

Capital Contributions - Connection Fees

Income before capital contributions was below budget by \$685,674 for the period due to lower operating expenses than budgeted by \$300,118, slightly higher operating revenue of \$11,875, and a negative variance in net nonoperating income (expense) of \$997,668. Capital contributions (or connection fee revenues) were on budget. Actual and budgeted connections were 23 for the first six months.

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Income before capital contributions	(1,833,396)	3,673,263	1,839,867	2,525,541	(685,674)	-27%
Capital contributions – connection fees	58,520	37,620	96,140	96,140	0	0%
Change in Net Position	(1,774,876)	3,710,883	1,936,007	2,621,681	(685,674)	-26%

(c) Percent change is not provided if either of the comparison periods 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 \$1,660,905, below the budget by \$1,760,236. The variance is due to timing associated with multiple projects.

	Q1 7/1 Thru 9/30/25 Actual	Q2 9/1 Thru 12/31/25 Actual	YTD Actual	YTD Budget	YTD Actual vs Budget \$	YTD Actual vs Budget %
Capital Expenditures						
Effluent Disposal	36,548	4,957	41,505	40,008	1,497	4%
Other Equipment	0	39,207	39,207	78,520	(39,313)	-50%
Treatment Plant	33,278	66,227	99,505	189,606	(90,102)	-48%
Interceptor System	706,274	24,712	730,986	973,785	(242,799)	-25%
Replenish Big Bear	<u>433,067</u>	<u>316,636</u>	<u>749,702</u>	<u>2,139,222</u>	<u>(1,389,520)</u>	<u>-65%</u>
Total Capital Expenditures	1,209,166	451,738	1,660,905	3,421,141	(1,760,236)	-51%

Cash and Fund Balances

The Agency had negative cash flow of approximately \$3.1 million at the end of the second quarter. The negative cash flow reflects approximately \$1.9 million in positive cash flow from operating activities offset by \$5.4 million in capital and related financing activities which included capital projects, interest payments, and the loan payment of \$3.4 million to pay off the Short-Term loan for RBB. This was partially offset by investment income of \$296,107, \$104,500 in connection fee revenue (connection fees minus amounts due from other agencies), and \$9,768 in lease revenues.

	Beginning Balance	Activity During Period	Ending Balance
Cash Balance	16,173,777		13,121,471
Designated Fund Balances			
Capital and replacement fund:			
Current year	1,863,935	(1,660,905)	203,030
Future year	<u>8,890,038</u>	<u>0</u>	<u>8,890,038</u>
Total capital and replacement fund	10,753,973	(1,660,905)	9,093,069
Debt service fund	581,367	(3,721,165)	(3,139,798)
Liquidity fund	3,005,542	2,225,264	5,230,805
Contingency fund:			
Emergency	825,000	0	825,000
Operating	<u>1,007,895</u>	<u>0</u>	<u>1,007,895</u>
Total contingency fund	1,832,895	0	1,832,895
Restricted Funds			
Connection fees	0	104,500	104,500
Total Designated and Restricted Funds	16,173,777	(3,052,306)	13,121,471



Agenda Item 9.A.

Meeting Date: February 25, 2026

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

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

Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary

Subject: Public Hearing: Second Read and Adoption of Ordinance No. O. 01-2026, An Ordinance of the Big Bear Area Regional Wastewater Agency Amending Section 2.04.040 of the Big Bear Area Regional Wastewater Agency Code Regarding Time Limits on Public Testimony at Governing Board Meetings

Background:

On January 28, 2026, the Governing Board waived the full reading of the proposed Ordinance O. 01-2026 and directed staff to place it on the agenda for consideration and adoption at a public hearing on February 25, 2026.

Discussion:

Senate Bill 707, effective January 1, 2026, establishes requirements for public participation during teleconferenced meetings held under the Brown Act, including specific rules governing timed general public comment periods. The code section referenced is Gov. Code 54953.8(b)(6)(C) which states that, “a legislative body that provides a timed general public comment period that *does not correspond to a specific agenda item* shall not close the public comment period or the opportunity to register until the timed general public comment period has elapsed.” As the Agency’s ordinance currently stands, there is a general public comment period, not corresponding to a specific agenda item, of 30 minutes, which means each teleconferenced meeting (held in accordance with Section 54953.8(b)) of the Agency’s legislative body would need to keep that general comment period open for an entire 30 minutes, whether or not someone speaks.

To remedy this, staff recommends (1) keeping the timed general public comment period for in-person meetings only, and (2) replacing the timed general public comment period in the Ordinance with a requirement to allow for a “reasonable amount of time” for public comment on each agenda item addressed during teleconferenced meetings. These changes will allow the Agency to avoid operational inefficiencies and unintended delays while still providing members of the public an opportunity to address the Governing Board.

Financial Impact:

There is no financial impact.

Recommendation:

1. Waive the full reading of the proposed Ordinance No. O. 01-2026; and
2. Adopt Ordinance No. O. 01-2026.

Attachment:

Ordinance No. O. 01-2026

ORDINANCE NO. O. 01-2026

**AN ORDINANCE OF THE BIG BEAR AREA REGIONAL
WASTEWATER AGENCY AMENDING SECTION 2.04.040
OF THE BIG BEAR AREA REGIONAL WASTEWATER
AGENCY CODE REGARDING TIME LIMITS ON PUBLIC
TESTIMONY AT GOVERNING BOARD MEETINGS**

WHEREAS, Section 54954.3 of the California Government Code authorizes the Governing Board to adopt reasonable regulations regarding public testimony at its public meeting; and **WHEREAS**, the Governing Board recognizes the need to ensure that: 1) all members of the public have an opportunity to speak; and 2) the Governing Board is able to complete its scheduled business in a reasonably efficient manner;

WHEREAS, this Ordinance amends, replaces and supersedes Ordinance No. O. 01-2025 adopted on March 26, 2025.

NOW THEREFORE, BE IT ORDAINED by the Governing Board of the Big Bear Area Regional Wastewater Agency as follows:

1. Amend Section 2.04.040. In order to effectuate the intentions of this Governing Board, Section 2.04.040 of the Big Bear Area Regional Wastewater Agency Code is hereby amended to read as follows:

“2.04.040 Time Limit on Public Testimony at Governing Board Meetings. At meetings of the Governing Board, each individual speaker will be limited to three minutes or less of public testimony on each item on the agenda and three minutes or less on each item not on the agenda. In addition, public testimony on non-agenda items for in-person meetings shall be limited to thirty minutes for all speakers. For teleconferenced meetings conducted pursuant to Government Code Section 54953.8, the Governing Board shall provide a reasonable amount of time for public comment on each agenda item. The Chair of the Governing Board, by majority vote of members present, may waive these time limitations. Whenever a group of persons wishes to address the Governing Board on the same item, the Chair of the Governing Board, by majority vote of members present, may request a spokesperson be chosen for the group or limit the number of such persons addressing the Governing Board. The Chair of the Governing Board, by majority vote of

members present, may rule out of order testimony that is unduly repetitious or irrelevant.”

2. Effective Date. This Ordinance shall become effective immediately upon its execution and passage by this Governing Board.

3. Validity. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of this Ordinance and to this end the provisions of this ordinance are declared to be severable.

ADOPTED this 25th day of February, 2026.

Kendi Segovia, Chair of the Governing Board
of the Big Bear Area Regional Wastewater Agency

ATTEST:

I, Bridgette Burton, Secretary to the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY, that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency, being Ordinance No. O. 01-2026, Amending Section 2.04.040 of the Big Bear Area Regional Wastewater Agency Code Regarding Time Limits on Public Testimony at Governing Board Meetings, was duly adopted at a regular meeting of the Governing Board held on the 25th day of February, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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



Agenda Item 10.A.

Meeting Date: February 25, 2026

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

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

Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary

Subject: Introduction and First Read of Ordinance No. O. 02-2026, An Ordinance of the Big Bear Area Regional Wastewater Agency Amending Ordinance No. O. 02-2018 Regarding the Timing of Payment for Connection Fees

Background & Discussion:

Ordinance No. O. 02-2018 was adopted on April 25, 2018, establishing the connection fee of \$4,180 per equivalent dwelling unit (EDU) for new developments within the Agency's service area. Since that time, Senate Bill (SB) 937 has been enacted, which addresses changes to the timing of payment for sewer connection fees. Specifically, SB 937 clarifies when payments are required for residential vs. nonresidential developments.

The Ordinance has been amended to include the following language:

3. Timing of Payment. Except as otherwise required by Government Code section 66007, payment of the Total Connection Fee shall be required as follows: (1) for residential developments, if Government Code section 66007 requires collection at final inspection or issuance of a certificate of occupancy, payment shall be due at that time unless the applicant elects to pay earlier; and (2) for nonresidential development, payment shall be due at the time of application.

Financial Impact:

There is no financial impact. The connection fee remains at \$4,180 per EDU.

Recommendation:

1. Vote to waive the full reading of the proposed Ordinance No. O. 02-2026; and
2. Direct staff to place it on the agenda for consideration and adoption at a public hearing on March 25, 2026.

Attachment:

Ordinance No. O. 02-2026

ORDINANCE NO. O. 02-2026

**AN ORDINANCE OF THE BIG BEAR AREA REGIONAL
WASTEWATER AGENCY AMENDING ORDINANCE NO.
O. 02-2018 REGARDING THE TIMING OF PAYMENT FOR
CONNECTION FEES**

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

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

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

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

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

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

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

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

1. Findings. On the basis of the Report dated February 2018, and other related information presented to the Governing Board, the Governing Board hereby adopts the Report, and finds, with respect to the connection fee discussed therein as follows:
 - (a) The purpose of such connection fees will be to finance existing wastewater treatment facilities and planned capital improvements to BBARWA's treatment facilities, as identified in the Report (the "Facilities"), as well as to finance that portion of the cost of other facilities and improvements which is attributable to the demand created by new development.
 - (b) There is a reasonable relationship between the amount of the connection fee and the costs of the Facilities attributable to new development upon which such fees will be imposed, as identified in the Report.
 - (c) There is a reasonable relationship between (i) the need for the Facilities and the type of development upon which the connection fee will be imposed, and (ii) the use of the connection fee and the type of development on which the connection fee will be imposed. Both relationships are described in the Report.
 - (d) The connection fee herein adopted represents the reasonable cost borne by BBARWA in providing the Facilities and related services to new users. Further, the connection fee will ensure that new connections will bear an appropriate share of the cost of the existing regional facilities and future capital improvements to be made to the wastewater treatment system made necessary by the increasing demands on BBARWA's facilities.
2. Increase in Fee. BBARWA's connection fee shall be and is hereby increased from \$3,670 per equivalent dwelling unit ("EDU") to \$4,180 per EDU, as such term is defined in the Report.

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

3. Timing of Payment. Except as otherwise required by Government Code section 66007, payment of the Total Connection Fee shall be required as follows: (1) for residential developments, if Government Code section 66007 requires collection at final inspection or issuance of a certificate of occupancy, payment shall be due at that time unless the applicant elects to pay earlier; and (2) for nonresidential development, payment shall be due at the time of application.

4. Effective Date. The fees adopted by this ordinance shall become effective on July 1, 2018.
5. Amendment of Ordinance No. 2. In order to effectuate the increase in the connection established by this Ordinance, Subsection 2.06 of Ordinance No. 2 is hereby amended to read as follows:

"2.06 After June 30, 1983. For applications filed between July 1, 1983 and June 30, 1984, the connection fee shall be \$450 per EDU. For application filed after July 1, 1989, the connection fee shall be \$1400 per EDU. For applications filed after July 27, 1993, the connection fee shall be \$2,000 per EDU. For applications filed after July 26, 1994 but prior to July 1, 2004, the connection fee shall be \$2,298 per EDU. For applications filed after July 1, 2004, the connection fee shall be \$2,410 per EDU. For applications filed after July 1, 2005, the connection fee shall be \$2,576.71 per EDU. For applications filed after July 1, 2006, the connection fee shall be \$2,704.99 per EDU. For applications filed after July 1, 2007, the connection fee shall be \$2,793.45. For applications filed after July 1, 2008, the connection fee shall be \$2,867.76. For applications filed after July 1, 2009, the connection fee shall be \$3,031.22. For applications filed after July 1, 2011, the connection fee shall be \$3,670.00. For applications filed after July 1, 2018, the connection fee shall be \$4,180.00."
6. Prior Actions Superseded. All ordinances, resolutions or administrative actions by the Governing Board, or parts thereof that are inconsistent with any provision of this Ordinance, are hereby superseded only to the extent of such inconsistency.
7. Accounting of Funds. BBARWA shall at all times comply with the provisions of Government Code section 66013 with respect to the connection fees. All revenues collected from the connection fees established herein shall be deposited with other such revenues in a separate capital facilities fund so as to avoid commingling of the charges with other revenues and funds of BBARWA. Any interest income earned by the monies in the fund shall be credited to the fund and may be expended only for the purposes for which the connection fees are imposed. All revenue collected from the connection fees established herein shall be reviewed annually during the course of the annual audit, to identify any connection fees that have not been expended within five years of being collected. BBARWA shall make findings with respect to any portion of the connection fees remaining unexpended or uncommitted in the amount five or more years after deposit of such fees. These findings shall identify the purpose to which the connection fees are to be put and will demonstrate a reasonable relationship between the fees and purpose for which the fees are imposed.
8. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the fee adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the fee not held invalid, and to this end the provisions of this Ordinance are declared to be severable.
9. Publication-Notice. This Ordinance shall become effective thirty days after adoption. The Secretary of this Governing Board shall cause a summary of this Ordinance to be published once in the Big Bear Grizzly at least five days prior to passage of this

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

ADOPTED this 25th day of March, 2026.

Chair of the Governing Board
of the Big Bear Area Regional Wastewater Agency

ATTEST:

I, Bridgette Burton, Secretary to the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY, that the foregoing Ordinance of the Governing Board of the Big Bear Area Regional Wastewater Agency, being Ordinance No. O. 02-2026, Amending Ordinance No. O. 02-2018 Regarding the Timing of Payment for Connection Fees, was duly adopted at a regular meeting of the Governing Board held on the 25th day of March, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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



Agenda Item 10.B.

Meeting Date: February 25, 2026

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

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

Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary

Subject: Resolution No. R. 02-2026, A Resolution of the Big Bear Area Regional Wastewater Agency Naming a “Designated Person” to Determine Timeliness and Sufficiency of Claims Filed Against the Agency

Background & Discussion:

Resolution No. R. 03-2005 was adopted by the Governing Board on January 26, 2005, and designated the Finance Manager as the Agency’s “designated person” to determine the timeliness and sufficiency of claims filed against the Agency in accordance with applicable provisions of the California Government Code.

Since the adoption of that resolution, responsibility for risk management and claims administration has been assigned to the Assistant General Manager. In order to align the formal designation with current administrative responsibilities, the proposed resolution updates the designated position to the Assistant General Manager, with the Finance Manager serving in that capacity in the absence of the Assistant General Manager.

Financial Impact:

There is no financial impact.

Recommendation:

Adopt Resolution No. R. 02-2026.

Attachment:

Resolution No. R. 02-2026

RESOLUTION NO. R. 02-2026

**A RESOLUTION OF THE GOVERNING BOARD OF THE BIG BEAR
AREA REGIONAL WASTEWATER AGENCY NAMING A
“DESIGNATED PERSON” TO DETERMINE TIMELINESS AND
SUFFICIENCY OF CLAIMS FILED AGAINST THE AGENCY**

WHEREAS, from time to time, claims may be filed against the Big Bear Area Regional Wastewater Agency (Agency) by claimants alleging losses; and

WHEREAS, sections of the California Government Code require that certain actions, including determinations as to the timeliness of filing of claims and the sufficiency of information contained therein, be taken in a timely fashion; and

WHEREAS, it may not be practical for the Governing Board of the Agency to meet to take such actions.

NOW, THEREFORE, BE IT RESOLVED, the Governing Board of the Big Bear Area Regional Wastewater Agency names the following: the Assistant General Manager, or Finance Manager in the absence of the Assistant General Manager, to determine the timeliness of filing of claims against the Agency, and to determine the sufficiency of claims filed against the Agency.

The authorizations contained in this Resolution shall not be changed except through further resolution of the Governing Board of the Agency. This Resolution hereby replaces and supersedes Resolution No. R. 03-2005.

PASSED, ADOPTED AND APPROVED this 25th day of February, 2026.

Kendi Segovia, Chair of the Governing Board
Big Bear Area Regional Wastewater Agency

ATTEST:

I, Bridgette Burton, Secretary to the Governing Board of the Big Bear Area Regional Wastewater Agency, DO HEREBY CERTIFY that the foregoing Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency, Naming a “Designated Person” to Determine Timeliness and Sufficiency of Claims Filed Against the Agency, being Resolution No. R. 02-2026, was adopted at a regular meeting on February 25, 2026, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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



Agenda Item 10.C.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary
Reviewed By: Christine Bennett, Finance Manager
Subject: Update to Board Policy: Designated Funds

Background & Discussion:

Designated Funds are financial resources set aside by the Governing Board for specific purposes related to the management and operation of the Agency. These funds are established by Board action to support financial stability, long-term planning, and operational continuity. In 2010, the Governing Board formally established the Emergency Fund at \$500,000 per year, and in 2012 reaffirmed that funding level.

Through adoption of the fiscal year (FY) 2025 and FY 2026 budgets, the Governing Board approved increases to the Emergency Fund in the amount of \$650,000 in FY 2025, \$825,000 in FY 2026, and \$1,000,000 in subsequent years.

The proposed update to Board Policy: Designated Funds is intended to formally align the Emergency Fund levels with the Governing Board's previously adopted budgets and support long-term financial planning, ensuring consistency between policy and current fiscal practices.

Financial Impact:

The Emergency Fund levels reflected in this policy are consistent with amounts previously incorporated into the adopted FY 2025 and FY 2026 budgets. The proposed increase in the Emergency Fund has no net financial impact on the Agency's budget. Funding is accommodated through reallocation of funds already set aside for future years of the Capital and Replacement Fund and is not significant enough to affect the overall budgetary capacity.

Recommendation:

Approve the updated Board Policy: Designated Funds.

Attachment:

5.07 Board Policy: Designated Funds



5.07 Board Policy: Designated Funds

Purpose

To provide for designated funds which are to be set aside for specific purposes related to the management and operation of the Big Bear Area Regional Wastewater Agency (Agency). Designated funds are financial resources available to finance expenditures and are not limited by legal or contractual requirements and may be appropriated elsewhere at the discretion of the Governing Board. Operating and financial flexibility are the ability to operate through periods of volatility or unexpected events with minimal impact to financial or operational strength. Contingency planning, adequate reserve funds, and modest leverage are key components in maintaining a financially strong and stable organization.

Policy

The following designated funds have been established by the Governing Board. Each designated fund shall be used for the purpose outlined below and shall have the respective minimum balance requirements.

Fund	Purpose	Fund Balance	Minimum Balance Requirements
Liquidity	This fund shall be used to fund Agency operations and provide cash flow during periods where expenditures exceed revenues.	\$2,400,000	The Liquidity Fund shall operate as a revolving fund and will be drawn down as needed and repaid with cash flow. The minimum balance of \$2,400,000 is required as of July 1 of each year. The minimum balance may increase or decrease based on the current fiscal year's operating and maintenance budget.
Debt Service	This fund shall be used to pay principal and interest due on outstanding debt.	Based on annual debt service.	The minimum balance shall be established and funded on July 1 of each year in the amount of the current year's debt service. The minimum balance shall be reduced during the year as principal and interest are paid.
Capital and Replacement Fund Current Year	This fund shall be used to fund current year capital expenditures.	Based on annual capital expenditures.	The minimum balance shall be established and funded on July 1 of each year in the amount of the current year's budgeted capital expenditures. The minimum balance shall be 1) increased by additional appropriations for capital expenditures and 2) reduced during the year as capital expenditures are made.
Capital and Replacement Fund Future Years	This fund may be used to fund future capital expenditures.	Varies	No minimum balance requirement. The fund is a balancing fund and reflects the difference between the cash balance and the combined total of the Agency's other funds and represents the amount of cash available for future capital expenditures.



Contingency Fund	This fund shall be used to fund emergencies or unexpected outflows and shall be allocated as follows:		
	Emergency	\$1,000,000	The Agency shall maintain a minimum balance of \$1,000,000 throughout the fiscal year unless drawn on for the purposes outlined.
	Operating	Two months of operating expense.	The Agency shall establish the operating portion of the contingency fund on July 1 of each year based on the operating expense of the current year and which may be drawn on after Governing Board appropriation for unexpected operating expenses.

Procedure

1. Reporting Designated Fund Balances

- a. The Finance Manager will report 1) the designated fund balances as part of the quarterly financial report to the Governing Board and 2) the designated fund balances for the budget period and for each of the remaining periods in the 5-year plan and note whether or not the target balances established for each fund are met during each period.
- b. **Periodic review of minimum balance requirements.** Minimum balances for each designated fund are set based on a review of the risks and drivers underlying the need for the designated fund (see Internal Controls - Risk Management and Contingency Planning). Periodically, the basis for the minimum balance amount should be reviewed and adjusted if needed.

2. Replenishment of Designated Funds

- a. Designated reserves should be replenished in a timely manner once they have been used. If feasible, designated reserves should be replenished immediately and, if not, ideally replenished in the following budget cycle.

Reference:	Board Adoption Date: 2/25/2026 Is Board Approval/Adoption Required? Yes
Policy Revision: 8/22/2012	Reason for Revision: Update to fund balances.
Policy Revision: 2/25/2026	Reason for Revision: Update Emergency Fund to \$1,000,000.



Agenda Item 10.D.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Subject: Reimbursement of Replenish Big Bear Expenditures with Title XVI Grant Funds

Background & Discussion:

The previously agreed-upon approach with the United States Bureau of Reclamation (USBR) for the Title XVI grant funds was to apply these funds towards construction of the Replenish Big Bear Project (BBARWA's Wastewater Treatment Upgrades Project) to support cash flow and minimize repayment risk.

In February 2026, USBR grant staff contacted the Agency to advise that grant funds of \$1.6 million that were awarded under the fiscal year (FY) 2022 Title XVI grant may be at risk of being reallocated to other agencies if not used by the Agency in the near term.

At this time, staff recommend seeking reimbursement for identified prior eligible expenditures through December 31, 2025, which are estimated at approximately \$525,000, and for additional eligible expenses going forward that are not reimbursed by the Integrated Regional Water Management (IRWM) Proposition 1 Round 1 grant or the State and Tribal Assistance grant (STAG). The Title XVI grant requires 75% matching funds from state or local funds and the prior total project expenditures through the end of 2025 are sufficient to provide the required match for the \$525,000 reimbursement, which can be requested immediately. However, future reimbursements will require the Agency to provide additional matching funds, meaning future Title XVI reimbursements can only reimburse 25% of total eligible expenses, after accounting for IRWM and STAG grant reimbursements.

Although reimbursement requests are not typically considered by the Governing Board, staff want to ensure the Governing Board is fully informed of the opportunity and associated repayment risk. Title XVI grant funds remain subject to repayment in accordance with the grant agreement; however, based on recent discussions with grant agency staff, the risk of repayment is anticipated to be lower than previously understood, whereas the possibility of the FY 2022 funds being reallocated to another agency if not used is now understood to be a new and higher risk.

Financial Impact:

Reimbursement of approximately \$525,000 in eligible prior expenditures would offset costs paid by the Agency and reduce the net financial impact of the Project. The required 75% non-federal match under the Title XVI grant is already satisfied for this reimbursement request.

Future reimbursements will require additional Agency matching funds and will reimburse approximately 25% of eligible expenses. The Agency maintains sufficient Project reserves to satisfy the required matching funds and to cover any repayment obligation, if required.

Recommendation:

Authorize the General Manager to submit a reimbursement request to USBR for approximately \$525,000 in eligible prior expenditures under the FY 2022 Title XVI grant, and to pursue reimbursement of eligible future expenditures in accordance with the grant agreement.



Agenda Item 10.E.

Meeting Date: February 25, 2026
To: Governing Board of the Big Bear Area Regional Wastewater Agency
From: David Lawrence, P.E., General Manager
Prepared By: Bridgette Burton, Assistant General Manager/Board Secretary
Subject: Governing Board Reorganization

Background & Discussion:

Pursuant to applicable law governing the formation and operation of the Agency, the Governing Board shall hold an annual election of officers at a meeting in February or as soon thereafter as practicable. The election of officers will normally follow a rotation between the various Member Agencies. A Governing Board member must serve on the Governing Board for a period of one year (12-months) before qualifying for the position of Chair. Prior appointments/assignments to the Governing Board will satisfy the one-year service requirement for the office of Chair.

For reference, appointments for the previous three years are below:

2023	2024	2025
Chair Walsh, BBCCSD	Chair Miller, CSA 53B	Chair Segovia, CBBL
Vice-Chair Miller, CSA 53B	Vice-Chair Herrick, CBBL	Vice-Chair Walsh, BBCCSD

Committee assignments will be placed on the March agenda for Governing Board consideration.

Financial Impact:

There is no financial impact.

Recommendation:

Appointment of Chair and Vice-Chair at the discretion of the Governing Board.

Chair Segovia will begin by opening nominations for the position of Chair, a second is offered, followed by a vote of the Governing Board. The same procedure will be utilized for the position of Vice-Chair. The designated officers will assume their new positions at the next scheduled meeting.