

Big Bear Area Regional Wastewater Agency

Regular Board Meeting Agenda
April 23, 2025 at 5:00 p.m.
121 Palomino Drive, Big Bear City, CA 92314

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**
 - a. Chris Santillan - 10-year Recognition
 - b. Certificate of Achievement for Excellence in Financial Reporting, Government Finance Officers Association
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. Approval of the Meeting Minutes of the March 26, 2025 Regular Meeting

- b. Monthly Disbursements Report for March – Informational
- c. Investment Report Identifying Agency Investments and Reporting Interest Income for March – Informational
- d. Resolution No. R. 06-2025, A Resolution of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.)

8. Items Removed from the Consent Calendar

9. Old Business

None

10. New Business – Discussion/Action Items

- a. Pay Schedule
- b. Transition from a Joint Powers Authority to a Community Services District

11. Comments and Announcements

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

12. Closed Session

- a. Conference with Legal Counsel, Anticipated Litigation, Pursuant to Government Code Section 54956.9(d)(4), 1 Case
- b. Public Employee Performance Evaluation, Pursuant to Government Code Section 54957(b)(1), Title General Manager

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 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: April 23, 2025
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

Payment and Collection Agreement Amendment No. 3

Amendment No. 2 (2021) to the Payment and Collection Agreement expires on June 30, 2026. Staff is working with Member Agencies to negotiate and execute Amendment No. 3, extending the term to June 30, 2031. This agreement defines the payment and collection procedures for the Total Annual Charge and Standby Charges, including the terms for payment schedules and charge calculations. The Big Bear City Community Services District and City of Big Bear Lake have reviewed and responded they do not have any changes.

Lucerne Valley Property Lease

The Gaeta family's lease of the Agency's property (approximately 433 acres) in Lucerne Valley is set to expire in August 2025. Originally established in 2005, the lease has been renewed in 2010, 2015, and 2021. The Agency is now proposing a one-year renewal instead of the previous five-year term.

Operations

Force Main Project

The pipe is expected to arrive in 7 to 10 weeks. Staff is working with S. Porter, Inc. to coordinate the construction schedule.

RAS Header Replacement Project Engineering

Water Systems Consulting Inc. is developing design drawings and specifications.

Cactus Flats Outfall Line Repair Project

There is no update at this time.

Oxidation Ditch 1 Rotor 2 Shaft Replacement Project

The Notice Inviting Bids, dated March 6, 2025, was distributed to the seven contractors who requested to be placed on the Agency's Informal Bidders List. It was also published in five

construction trade journals and the Big Bear Grizzly Newspaper, with all related documents available on the Agency’s website. The Agency received five bids on March 31, 2025. The contract was awarded to RE Chaffee Construction, Inc. References were checked, and DIR (Department of Industrial Relations) registration and the appropriate contractor licensing was verified.

Contractor	Bid Amount
RE Chaffee Construction, Inc.	\$47,550.00
S. Porter, Inc.	47,984.00
Trinity Construction	64,904.49
Bear Valley Paving	80,000.00
DLG Contractors, Inc.	88,570.00

Treatment Plant Data

The influent flow (MG) chart is attached.

Flow Percentages			
<u>Member Agency</u>	<u>January</u>	<u>February</u>	<u>March</u>
City of Big Bear Lake	49.75%	56.90%	62.48%
Big Bear City CSD	47.09%	40.13%	34.50%
County of San Bernardino CSA 53B	3.16%	2.97%	3.02%

Solar Production

The monthly performance report is attached.

Actual Net Generation (kWh)				
<u>Month</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
July		215,598.25	285,573.00	259,658.50
August		229,947.25	261,893.00	281,198.50
September		230,749.75	280,457.00	242,325.00
October		276,600.50	293,122.50	270,744.00
November		241,524.25	247,757.00	224,763.00
December	29,294.26	190,418.50	206,571.00	207,309.00
January	212,982.42	192,716.50	202,574.00	219,332.98
February	260,767.19	224,106.25	204,564.50	229,821.00
March	295,923.69	269,443.75	244,171.50	300,800.00
April	319,902.94	316,650.00	301,025.00	
May	330,560.38	302,288.50	311,556.50	
June	316,253.50	287,765.00	294,047.50	
Total	1,765,684.38	2,977,808.50	3,133,312.50	2,235,951.98

Connections

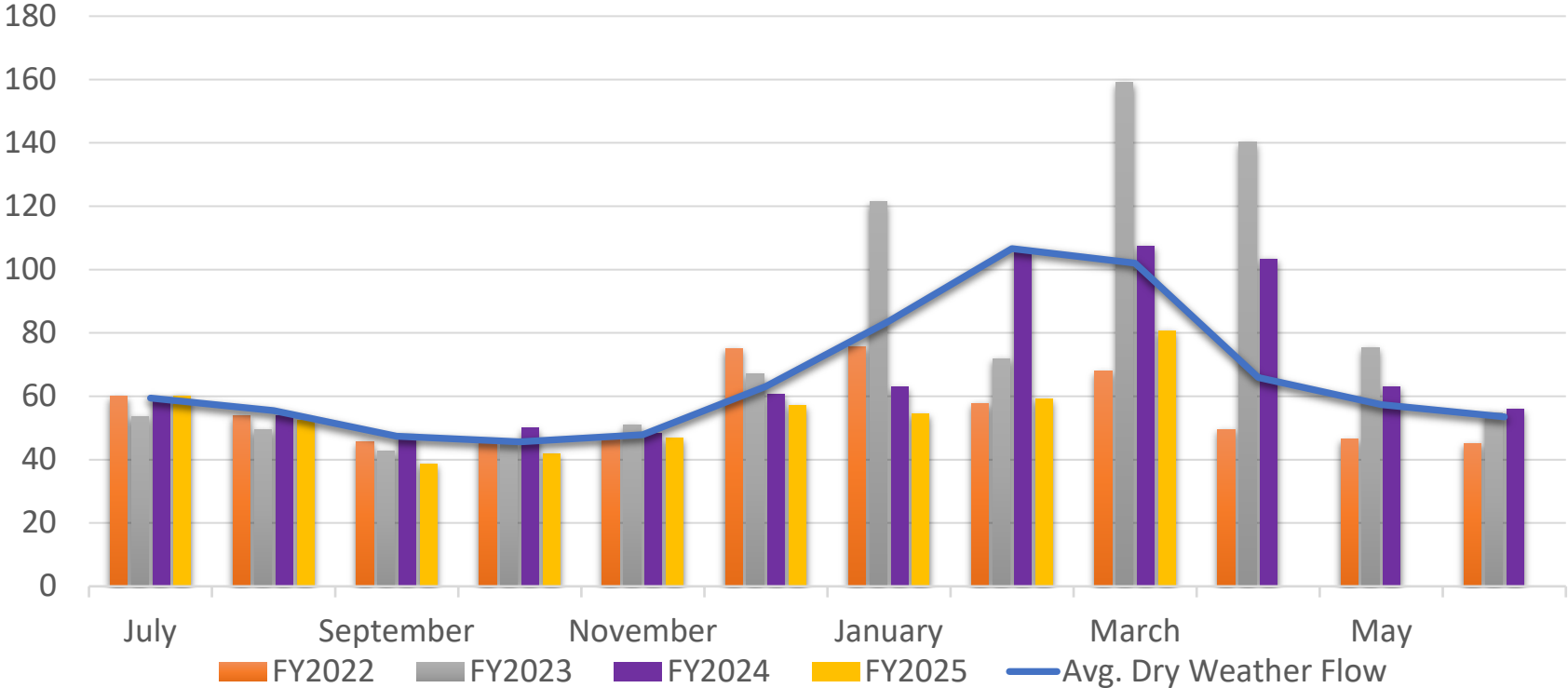
<u>Month</u>	<u>Connections</u>					<u>FYE 6/30</u>		
	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>CBBL</u>	<u>CSD</u>	<u>CSA 53B</u>
July	3	11	2	5	4	0	4	0
August	12	5	13	4	7	4	3	0
September	3	7	8	69 ¹	12	6	6	0
October	10	9	6	6	1	0	1	0
November	2	5	4	2	2	1	1	0
December	2	3	2	2	4	3	1	0
January	2	2	0	2	2	1	1	0
February	0	6	0	1	2	0	2	0
March	3	9	2	2	1	0	1	0
April	12	12	4	5				
May	6	7	8	12				
June	13	11	10	8				
Total	68	87	59	118	35	15	20	0

Attachments:

Influent Flow Graph
 Monthly Solar Report

¹ Hampton Inn in the City of Big Bear Lake was 62 connections.
 Agenda Item 6.A.
 General Manager's Report

Influent Flow (MG)





Plant ID:	P-3998
Capacity (kW-DC):	1660.01
Resource:	Solar
Address:	121 Palomino Drive, Big Bear, CA, 92314
Configuration:	GM CPY

Last Three Months Performance

Month	Produced Energy (kWh)	
	Net Generation (kWh)	
	A	F
Jan 2025	219,332.98	180,022.04
Feb 2025	229,821.00	190,195.66
Mar 2025	300,800.00	295,320.47
Dec 2024	207,309.00	178,754.03

Month	Availability (%) and Performance Ratio (PR)	
	Availability	PR
	A	A
Jan 2025	99.094	0.851
Feb 2025	100.000	0.945
Mar 2025	94.444	0.931
Dec 2024	100.000	0.963
AVERAGES	98.385	0.922

Last Month Performance

Date	Actual vs. Forecasted Energy Production (kWh)	
	Net Generation (kWh)	
	A	F
2025-03-01	5,840.00	7,570.19
2025-03-02	7,546.00	7,623.76
2025-03-03	19,092.00	15,354.67
2025-03-04	19,856.00	15,461.81
2025-03-05	12,470.00	15,568.94
2025-03-06	6,956.00	15,676.08
2025-03-07	10,348.00	15,783.21
2025-03-08	10,330.00	7,945.17
2025-03-09	10,254.00	7,998.73
2025-03-10	10,041.00	8,052.29
2025-03-11	2,994.00	8,105.85
2025-03-12	7,935.00	8,159.41
2025-03-13	3,540.00	8,212.97
2025-03-14	5,285.00	8,266.52
2025-03-15	10,307.00	8,320.07
2025-03-16	9,539.00	8,361.19
2025-03-17	8,506.00	8,389.88

Date	Actual vs. Weather Adjusted Energy Production (kWh)	
	Net Generation (kWh)	
	A	W
2025-03-01	5,840.00	6,374.22
2025-03-02	7,546.00	8,094.43
2025-03-03	19,092.00	20,394.58
2025-03-04	19,856.00	20,210.16
2025-03-05	12,470.00	13,325.15
2025-03-06	6,956.00	10,068.37
2025-03-07	10,348.00	14,593.46
2025-03-08	10,330.00	10,415.44
2025-03-09	10,254.00	10,372.63
2025-03-10	10,041.00	10,219.78
2025-03-11	2,994.00	3,760.73
2025-03-12	7,935.00	8,180.23
2025-03-13	3,540.00	4,369.97
2025-03-14	5,285.00	6,200.50
2025-03-15	10,307.00	10,579.97
2025-03-16	9,539.00	9,749.60
2025-03-17	8,506.00	8,919.13

Date	Net Generation (kWh)	
2025-03-18	10,532.00	8,418.56
2025-03-19	10,279.00	8,447.24
2025-03-20	10,149.00	8,475.93
2025-03-21	10,159.00	8,504.61
2025-03-22	9,594.00	8,533.29
2025-03-23	10,072.00	8,561.97
2025-03-24	10,274.00	8,590.65
2025-03-25	10,207.00	8,619.33
2025-03-26	9,887.00	8,648.00
2025-03-27	10,066.00	8,676.68
2025-03-28	10,051.00	8,705.35
2025-03-29	10,184.00	8,734.03
2025-03-30	8,980.00	8,762.70
2025-03-31	9,527.00	8,791.38

Date	Net Generation (kWh)	
2025-03-18	10,532.00	0.00
2025-03-19	10,279.00	10,407.35
2025-03-20	10,149.00	10,393.06
2025-03-21	10,159.00	10,362.40
2025-03-22	9,594.00	9,894.47
2025-03-23	10,072.00	10,251.70
2025-03-24	10,274.00	10,461.85
2025-03-25	10,207.00	10,443.43
2025-03-26	9,887.00	10,371.47
2025-03-27	10,066.00	10,425.21
2025-03-28	10,051.00	10,338.75
2025-03-29	10,184.00	0.00
2025-03-30	8,980.00	9,516.27
2025-03-31	9,527.00	0.00

Last 3 Months - Closed Events

Create Date	Resolved Date	Status	Title	Notes	Root Cause
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Last 3 Months - Open Events

Create Date	Status	Title	Notes	Root Cause
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DSD Solar Definitions

kilowatt-hour (kWh): The primary SI unit that quantifies absolute power generation generated during a specific duration (24 hours)

Global Horizontal Irradiance (GHI): The solar radiation that reaches a horizontal surface on Earth per unit area (W/m²)

Weather Adjusted Generation: PV systems depend on both system quality and the weather (i.e. available GHI, temperature).

A weather-adjusted production estimate is intended to give results more aligned with real production, which varies throughout the year given it's high dependence on environmental factors.

Availability (%): Characterizes the percentage of the system that is available for production.

Performance Ratio (PR): The ratio of real, measured production to the expected production for a given reporting period.



Agenda Item 6.B.

Meeting Date: April 23, 2025
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 is on the current status of the Replenish Big Bear Program (Program). It provides a summary of recent progress and upcoming steps, ensuring that all stakeholders are informed and aligned on the ongoing efforts.

The Program encompasses multiple projects aimed at enhancing water sustainability in the region:

Project Name	Responsible Agency
BBARWA's Wastewater Treatment Upgrades Project	Big Bear Area Regional Wastewater Agency (BBARWA)
Sand Canyon Recharge Project	City of Big Bear Lake Department of Water and Power (DWP) and the Big Bear City Community Services District (CSD)
Shay Pond Discharge Project (Future Option)	BBARWA, DWP, and CSD

Environmental Considerations:

California Environmental Quality Act (CEQA) - On February 26, 2025, the BBARWA Governing Board certified the Program Environmental Impact Report (PEIR).

*Coordination with the biologist and resource agencies is underway to confirm the feasibility of avoiding biological impacts along the Baldwin Lake Pipeline Alignment, and that no compensatory mitigation is needed for the evaporation ponds because they are within the original BBARWA plant operational boundary which was already disturbed.

National Environmental Policy Act (NEPA) - The Environmental Protection Agency (EPA) determined that no significant environmental impacts are anticipated from the issuance of Water Infrastructure and Finance Innovation Act (WIFIA) credit assistance to BBARWA, and the proposed action does not constitute a major federal action significantly affecting the quality of the human environment, making the preparation of an Environmental Impact Statement unnecessary. The proposal conforms to the WIFIA Programmatic Environmental Assessment (PEA) associated finding of no significant impact and the documentation fully covers the proposed action and constitutes compliance with the requirements of NEPA.

The NEPA environmental review process for the WIFIA Loan is complete unless the Baldwin Lake pipeline option is chosen. If this pipeline option is chosen, the EPA will reinstate consultation with the U.S. Fish and Wildlife Service.

Each federal grant agency has specific requirements for NEPA compliance. Therefore, NEPA compliance will be tailored to meet the needs of each individual agency. The EPA provided relevant documentation to Title XVI and EPA's State and Tribal Assistance Grant (STAG) staff.

Regulatory Analysis and Coordination

Report of Waste Discharge (ROWD) Colorado - BBARWA met with the Colorado River Regional Board to discuss the permitting pathway on February 7, 2024, for the Lucerne Valley site. The Colorado River Regional Board recommended completing the Lucerne Valley site ROWD application a year before the treatment plant upgrades are completed. The typical timeframe to adopt a new permit is estimated at 6 – 12 months.

Report of Waste Discharge (ROWD) Santa Ana Region - BBARWA received the completed application letter regarding the ROWD from the Santa Ana Regional Water Quality Control Board (Regional Board). An ROWD is used to officially initiate the National Pollutant Discharge Elimination System (NPDES) permit process.

*National Pollutant Discharge Elimination System (NPDES) Permit - BBARWA is reaching out to the Regional Board to provide a status update, review the schedule, and to confirm whether the evaporation ponds will be included in the NPDES permit or within the revised Waste Discharge Requirements (WDR). This permit is required to discharge Program Water to Stanfield Marsh and Big Bear Lake.

Division of Drinking Water (DDW) Permit - The Division area survey was completed for the DDW permit. Tom Harder & Co. updated the Domestic Wells Workplan with the new lake buffer. Water Systems Consulting, Inc, (WSC) is reviewing the workplan and preparing a response plan to move discussions with DDW forward. DWP surveyed the domestic wells on May 10 and June 3, 2024, and provided results to Tom Harder & Co.

*Tom Harder & Co. is finalizing the initial evaluation of domestic wells.

Preliminary Engineering

Pilot Study – The Pilot Report was presented at the July 24, 2024 Governing Board meeting. The quality of the purified water produced by the pilot treatment system met all of the established regulatory objectives (except Total Inorganic Nitrogen or TIN, which will be further reduced by a modified treatment process).

Key findings included: 1) nearly all treatment targets were met by the pilot treatment system, 2) sand filters will not be used in the full-scale system because they did not achieve reliable nitrogen removal in cold weather conditions, 3) a different nitrogen removal treatment process will be added after reverse osmosis instead of the sand filters (such as ion exchange), 4) the brine minimization technology that was tested can meet the target of 98% recovery, and 5) alternative brine minimization technologies are also being evaluated to optimize the approach for full-scale design (+99% total recovery).

Final Design

*Final design is underway with a focus on the design basis development for the brine evaporation ponds, finalizing the brine minimization process design criteria, process modeling, and Preliminary Design Report (PDR) development. The electrical engineer was on site on March 24, 2025.

*The PDR and Pilot Study will be sent to downstream stakeholders with the updated treatment train and water quality projections once the PDR is finalized. Emails were sent to Bear Valley Mutual Water Company, East Valley Water District, and the City of Redlands.

Per the Governing Board's direction, the final design will be reviewed at a Replenish Big Bear Committee meeting and a Governing Board workshop before full Governing Board consideration.

Construction

Not applicable at this time.

*It is important to note that funding must be secured before initiating the bidding process for BBARWA's Wastewater Treatment Upgrades Project.

Agreements and Contracts

WSC - program management; preliminary engineering; regulatory analysis, coordination, and permitting; grant writing and support; pilot planning and study; funding and financing; and stakeholder coordination.

WSC - final design (construction drawings) and bid packages.

Tom Dodson and Associates - environmental studies and Program Environmental Impact Report.

NHA Advisors - WIFIA loan application and financial plan development.

BBARWA, Big Bear Mountain Resorts (BBMR), and DWP - executed the Replenish Big Bear Letter of Intent (LOI) which states, "BBMR will allow DWP to use the BBMR pipeline to transport water in order to percolate Program Water in Sand Canyon for DWP's and CSD's benefit." DWP is negotiating the final agreement with BBMR.

*Big Bear Municipal Water District (MWD) – has provided basic terms for a storage agreement for Program Water.

Project Cost

Estimated Cost for BBARWA’s Wastewater Treatment Upgrades Project:

Description	Estimated Cost
Estimated Budget	\$64,373,254
Contingency	<u>22,281,263</u>
Total Estimated Budget	\$86,654,517
Grants Awarded or Recommended for Funding	-26,942,993
Costs Paid by Project Partners	<u>-957,538</u>
Total	\$58,753,986

Note: the cost estimate will be updated after the final design is complete.

Total Expenditures for BBARWA’s Wastewater Treatment Upgrades Project:

BBARWA’s Wastewater Treatment Upgrades Project Expenditure by Category	Estimated Budget	Prior FYs Expenditures	*FY 2025 Expenditures as of 02/28/2025	*Remaining
Construction	\$51,711,746			\$51,711,746
Final Design	3,958,000	181,055	71,431	3,705,514
Planning	6,810,000	4,811,246	268,853	1,729,901
Financing Costs	726,850	76,850		650,000
Debt Service Reserve Fund	692,216			692,216
Accrued Interest on Short-Term Financing	<u>474,442</u>	<u>185,442</u>	<u>54,188</u>	<u>234,812</u>
Subtotal	\$64,373,254	\$5,254,593	\$394,472	\$58,724,189
Contingency	<u>22,281,263</u>			<u>22,281,263</u>
Total	\$86,654,517	\$5,254,593	\$394,472	\$81,005,452

*Total Expenditures as of 2/28/2025 = \$5,649,065.

Funding and Financing

BBARWA’s Wastewater Treatment Upgrades Project will be funded through a combination of rates, loans, grants, and sewer revenue bonds. An updated cost estimate and financing plan will be developed after the final design is complete.

Additional funding is being pursued. Any additional grants or contributions from Program Partners or beneficiaries could reduce BBARWA’s sewer user charge.

*Five-Year Sewer User Charge/Fee Schedule - On March 26, 2025, the BBARWA Governing Board amended and adopted a five-year sewer user charge/fee schedule. There is no rate

increase for BBARWA’s Wastewater Treatment Upgrades Project in the adopted rate schedule for Fiscal Year 2026.

The adopted five-year sewer user charge/fee schedule is below. A portion of these fees are to fund Replenish Big Bear (BBARWA’s Wastewater Treatment Upgrades Project or “Project”) debt service and required reserves. Debt service includes interest only on the current bridge loan and future project funding, such as the WIFIA Loan.

Collection Agency	FY 2026 Effective July 1, 2025	FY 2027 Effective July 1, 2026	FY 2028 Effective July 1, 2027	FY 2029 Effective July 1, 2028	FY 2030 Effective July 1, 2029
Base Rate	\$378.20	\$446.27	\$526.60	\$621.39	\$658.67
City of Big Bear Lake	\$391.81	\$463.08	\$545.02	\$643.32	\$680.21
Big Bear City CSD	\$367.25	\$432.79	\$511.91	\$603.58	\$641.70
CSA 53B (Fawnskin)	\$360.06	\$423.72	\$501.18	\$594.53	\$627.26

Short-Term Financing - On January 25, 2023, the BBARWA Governing Board authorized the execution of short-term financing (bridge loan) for \$3,400,000 with a term of 3 years, an interest rate of 4.25%, and debt service requirements of interest only (no principal payments) with a lump-sum payment in the final year. It was anticipated that this loan would be paid in full by the WIFIA loan; however, the WIFIA loan process has been paused to allow the Agency time to finalize the PDR, update cost estimates, and update the financing plan, giving the Governing Board current information to allow them to make informed decisions. As such, repayment of the short-term loan will come from reserves collected for BBARWA’s Wastewater Treatment Upgrades Project or execution of the WIFIA loan.

Water Infrastructure and Finance Innovation Act (WIFIA) Loan - BBARWA and its consultants have been working with the EPA to secure federal financing through a WIFIA Loan, backed by the revenues of BBARWA, for BBARWA’s Wastewater Treatment Upgrades Project. In order to meet the EPA's underwriting requirements, BBARWA had initially anticipated needing amendments to its Joint Exercise of Powers Agreement (JPA) and Operating Agreement No. 1 to clarify the terms and address the risks associated with the loan. However, in the summer of 2024, the EPA advised that these amendments would no longer be required.

*BBARWA met with the EPA WIFIA loan staff on March 25, 2025. The EPA confirmed that the current loan terms will remain in effect. There may be additional requirements that will be determined during the final approval process. To advance the transaction through the approval process, BBARWA must provide updated information to WIFIA. The loan terms and conditions will be presented to the BBARWA Governing Board for consideration by the end of the calendar year. According to EPA staff, the loan could close as quickly as two to three months after BBARWA Governing Board approval.

Additionally, the WIFIA Build America Buy America (BABA) waiver has been granted, and coordination with the United States Bureau of Reclamation (USBR) is ongoing. The BABA Waiver applies if using domestic products would increase the overall project cost by more than 25 percent.

If directed by the BBARWA Governing Board, the WIFIA Loan, which has currently been paused, will be used to secure funding for construction.

Grants

Integrated Regional Water Management (IRWM) Proposition 1 Round 1 (Prop 1 Round 1) Grant - BBARWA is waiting for reimbursements on Invoices 10, 11, 12, and 13 totaling \$1,246,230.36.

*The Santa Ana Watershed Project Authority (SAWPA) does not have an update on the timeline for the grant reimbursements.

* Amendment No. 1 was executed which extended the term of the agreement to all work being “completed by July 31, 2027 in accordance with the Schedule as set forth in Exhibit C and no funds may be requested after October 31, 2027”.

*2021 & 2022 Title XVI Grant – The BABA waiver covers both the original agreement (2021) and Amendment No. 1 (2022).

*2023 Title XVI Grant - WSC prepared an updated scope, schedule, and budget for the 2023 Title XVI Grant in support of Amendment No. 2, which will incorporate an additional \$9,052,543 into the agreement. As this grant award is not currently covered by the BABA waiver, BBARWA may pursue an alternative waiver and/or develop a strategic plan to maximize the use of grant funds while ensuring compliance with BABA requirements.

*2022, 2023, and 2024 EPA STAG – The application is being prepared to include only project management, design, and environmental/permitting tasks. This approach is intended to allow BBARWA to access funding for both prior work dating back to October 1, 2021, and upcoming work. BBARWA plans to use funding from the IRWM Prop 1 Round 1 grant to meet the matching requirement for the same time period (10/1/2021 – 2026/2027). WSC will finalize the application once EPA confirms this approach. Additional items to be addressed include ensuring (NEPA requirements are met and determining whether a single application can cover all three funding requests.

*BBARWA completed the “EPA Grants Management Training for Applicants and Recipients” and “How to Develop a Budget” training courses, as required by the EPA.

These funds will be used for final design.

<u>Grant</u>	<u>Status</u>	<u>Executed Agreement Y/N</u>	<u>Amount</u>	<u>Remaining</u>
State Grants				
DCI Technical Assistance	Fully Funded	Y	\$500,000	\$0
IRWM Prop 1 Round 1	In Process	Y Amendment No. 1 Executed	\$4,563,338	\$2,748,537
Subtotal State Grants			\$5,063,338	\$2,748,537
Federal Grants				
2021 & 2022 Title XVI	In Process	Y Amendment No. 1 Executed	\$9,867,112	\$9,867,112
2023 Title XVI	Amendment No. 2 in Process		\$9,052,543	\$9,052,543
2022, 2023 & 2024 EPA STAG	Formal Application in Process		\$2,960,000	\$2,960,000
Subtotal Federal Grants			\$21,879,655	\$21,879,655
Grand Total			\$26,942,993	\$24,628,192

Outreach/Media

BBARWA is relaunching its public outreach efforts to address misinformation and keep the community well-informed as the Program progresses. Key efforts include revamping the website to ensure Americans with Disabilities Act (ADA) accessibility and developing topic-specific PDF fact sheets. As significant updates have been made through the PEIR and Pilot Study processes, the website needs to reflect this new information to keep the community accurately informed, and these fact sheets will serve as an effective tool to explain key Program topics.

*BBARWA will meet with Program Partners to coordinate on fact sheet content.

*BBARWA participated in the Earth Day event organized by Bear Valley Electric Service, Inc. on April 18, 2025.

The Replenish Big Bear Newsletter will be published quarterly. Subscribe to the newsletter at <https://www.replenishbigbear.com/>.

***Meetings**

On March 24, 2025, Program Partners met to review the Program progress.

On March 24, 2025, WSC met with SAWPA to discuss the status of the IRWM Prop 1 Round 1 grant reimbursements.

On March 24, 2025, the electrical engineer was on-site to review electrical design requirements.

On March 25, 2025, BBARWA met with EPA staff to discuss the status of BBARWA's Wastewater Treatment Upgrades Project, federal impacts, deadlines, additional documentation needed if the loan is delayed further, and timeline for finalizing the loan.

On April 2, 2025, BBARWA and MWD's General Managers met to discuss terms of a storage agreement.

On April 7, 2025, BBARWA, DWP, CSD, and WSC met in preparation for DWP & CSD's Program Water equity discussion scheduled for April 14, 2025.

On April 8, 2025, BBARWA met with MWD and DWP to discuss terms of a storage agreement.

On April 10, 2025, BBARWA met with WSC to review its project status, next steps, and prepare for upcoming meetings.

On April 10, 2025, BBARWA, WSC, and USBR met to discuss incorporating the 2023 Title XVI grant award into the existing agreement through Amendment No. 2.

On April 14, 2025, DWP, CSD, and WSC met to discuss Program Water equity.

Public Records Requests

All public records requests have been completed.

Acronyms

ADA	Americans with Disabilities Act
BABA	Build America Buy America - a law that requires federal agencies to use materials made in the United States for infrastructure projects
BBARWA	Big Bear Area Regional Wastewater Agency – Lead Agency
BBMR	Big Bear Mountain Resorts
CEQA	California Environmental Quality Act
CSD	Big Bear City Community Services District
DDW	Department of Drinking Water
DWP	City of Big Bear Lake, Department of Water and Power
EPA	Environmental Protection Agency
FY	Fiscal Year (July 1 st to June 30 th)
IRWM	Integrated Regional Water Management - Grant Agency
JPA	Joint Exercise of Powers Agreement
LOI	Letter of Intent, the first step to a formal funding agreement
MWD	Big Bear Municipal Water District
NEPA	National Environmental Policy Act
NPDES	National Pollutant Discharge Elimination System – permit required to put Program Water in Stanfield Marsh and Big Bear Lake
PDR	Preliminary Design Report
PEA	Programmatic Environmental Assessment – required by the EPA for the WIFIA Loan
PEIR	Program Environmental Impact Report
ROWD	Report of Waste Discharge – first step to the NPDES permit
SAWPA	Santa Ana Watershed Project Authority
STAG	State and Tribal Assistance Grant
TIN	Total Inorganic Nitrogen
USBR	United States Bureau of Reclamation
WDR	Waste Discharge Requirements
WIFIA	EPA’s Water Infrastructure and Finance Innovation Act – low-interest federal loan
WSC	Water Systems Consulting, Inc. - Primary Consultant

Big Bear Area Regional Wastewater Agency

Regular Board Meeting Minutes

March 26, 2025 at 5:00 p.m.

121 Palomino Drive, Big Bear City, CA 92314 and
44506 Hoomau Street, Honokaa, HI 96727

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 March 26, 2025 at 121 Palomino Drive, Big Bear City, California and 44506 Hoomau Street, Honokaa, HI 96727.

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

Board Members Absent: None

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

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

Members of the public who signed in: Daniel Gulbranson, Big Bear Lake

2. Pledge of Allegiance – Director Russo

3. Approval of Agenda

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

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

4. Public Forum

Tom Sitton expressed skepticism about the project's financial transparency and questioned the actual costs.

Daniel Gulbranson praised the City of Big Bear Lake's Cinnamon Rolls with the City Manager event and criticized Bear Valley Community Hospital, citing recent lawsuits.

5. Presentation and Introduction

a. Tyler Westplat – 5-Year Recognition

The General Manager stated Tyler Westplat was not able to come to the meeting and thanked him for his service.

6. Information/Committee Reports

a. General Manager’s Report

The General Manager provided status updates to the Lucerne Valley Solar, Force Main, and Oxidation Ditch 1 Rotor 2 Shaft Replacement Projects.

b. Replenish Big Bear Report

The General Manager advised that Program Partner meetings have resumed, and final design is underway.

The Governing Board asked if the Program Partner meetings are held in person or via Zoom.

7. Consent Calendar Approved Items

a. Meeting Minutes from the February 26, 2025 Regular Meeting and March 4, 2025 Special Meeting Budget Workshop

b. Monthly Disbursements Report for February

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

d. Revisions to Board Policy: Public Records Requests

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

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

8. Items Removed from the Consent Calendar

None

9. Old Business

a. Public Hearing: Second Read and Adoption of Ordinance O. 01-2025, 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 Administrative Services Manager/Board Secretary presented the item.

Upon motion by Director Russo, seconded by Director Miller and carried, the Governing Board waived the reading of the entire ordinance and read the ordinance by title only.

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

The public hearing opened at 5:14 p.m.

Daniel Gulbranson criticized restrictive speaking times, the lack of public participation, poor agenda planning, and expressed frustration over contract law violations.

Tom Sitton criticized the scheduling of City Council meetings during work hours and expressed strong opposition to corporate administrative law.

The public hearing closed at 5:23 p.m.

The Governing Board noted that public comment time was provided before and after the Budget Workshop discussion and advised members of the public to prepare effectively by reviewing the agenda packet, prioritizing important topics, and writing a script to stay within the three-minute time limit.

Upon motion by Director Miller, seconded by Director Herrick and carried, the Governing Board adopted Ordinance No. O. 01-2025.

Ayes: Herrick, Miller, Russo, Segovia

Noes: Walsh

Absent: None

Abstain: None

- b.** Find the Cactus Flats Outfall Line Repair Project Statutorily Exempt from Environmental Review Under the California Environmental Quality Act Pursuant to State CEQA Guidelines Sections 15269(b) Emergency Projects and 15301 (Existing Facilities)

The General Manager explained that during the January meeting, the Governing Board appropriated funds for environmental work, which included preparing a Notice of Exemption.

The Governing Board remarked that the project has been ongoing for eight years and stressed the importance of recognizing the challenges associated with navigating federal government requirements.

Daniel Gulbranson expressed frustration with the slow pace of progress, noting that it often takes years to get even simple issues, like filling a pothole, addressed. He stated that people are too resistant to change or too focused on union concerns and emphasized the need for more proactive efforts to fix problems.

Tom Sitton acknowledged the city's efforts in beautifying Big Bear, but expressed frustration that, despite spending millions, there is still no recreational center or pool for families and children. He also criticized the city's advertising efforts and event promotions that negatively impact local businesses.

Upon motion by Director Miller, seconded by Director Russo and carried, the Governing Board found the Cactus Flats Outfall Line Repair Project statutorily exempt from environmental review under the California Environmental Quality Act pursuant to State CEQA Guidelines Sections 15269(b) Emergency Projects and 15301 (Existing Facilities).

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

10. New Business – Discussion/Action Items

a. Award of Professional Auditing Services Contract

The Finance Manager reported that the professional services contract for auditing services expired after the fiscal year 2024 audit, and after an RFP process with six proposals, staff recommends awarding the contract to RAMS for the fiscal year ending June 30, 2025.

The Governing Board asked which local agencies utilize the firms on the list.

Daniel Gulbranson expressed approval of getting good auditing services and questioned whether auditing services were being changed.

Upon motion by Director Russo, seconded by Vice-Chair Walsh and carried, the Governing Board authorized the General Manager to enter into a Professional Services Contract with Rogers, Anderson, Malody & Scott LLP for professional auditing services for the audit of the Agency's financial statements for the fiscal year ending June 30, 2025, not to exceed \$35,600, with the option, upon mutual agreement, of auditing the financial statements for each of the four subsequent fiscal years.

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

b. Board Policy: Public Comment and Meeting Conduct

The Administrative Services Manager/Board Secretary presented the policy developed in response to the Governing Board's request, which outlines time limits for public and Governing Board comments, and the order in which a meeting is conducted.

The Governing Board asked how this policy differs from the ordinance recently passed.

Daniel Gulbranson expressed support for the three minute time limit, especially for committee members who often go off-topic, and stated he would be timing the Board to ensure they stay focused.

The Governing Board inquired whether the policy would be included in the Governing Board Handbook.

Upon motion by Director Herrick, seconded by Director Miller and carried, the Governing Board approved the Board Policy: Public Comment and Meeting Conduct.

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

- c. Resolution No. R. 02-2025, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Clarifying the Fiscal Year 2026 Sewer Standby or Immediate Availability Charges

The Finance Manager clarified that standby fees for fiscal year 2026 will remain unchanged from the previous year.

The Governing Board inquired whether the process to change this fee was difficult and if the fee applies to the Baldwin Lake area.

Upon motion by Vice-Chair Walsh, seconded by Director Miller and carried, the Governing Board adopted Resolution No. R. 02-2025.

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

- d. Public Hearing: Resolution No. R. 03-2025, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Amending the Sewer User Charge Subject to Annual Review and Taking Certain Other Actions Related Thereto

The Finance Manager presented the proposed rate structure, explaining that the fiscal year 2026 rate increase is necessary to meet operational and capital needs, with no increase for the Replenish Big Bear budget.

The public hearing opened at 5:43 p.m.

Daniel Gulbranson appreciated that the vote requires a 4/5ths majority instead of a 3/5ths majority.

The public hearing closed at 5:44 p.m.

Upon motion by Vice-Chair Walsh, seconded by Director Russo and carried, the Governing Board adopted Resolution No. R. 03-2025.

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

- e. Public Hearing: Resolution No. R. 04-2025, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency to Increase the Fee Schedule for the Disposal of Waste Delivered to the Regional Treatment Plant Subject to Annual Review

The Finance Manager stated that waste disposal fees, which generate about \$26,000 annually, are being increased due to higher operational maintenance costs.

The public hearing opened at 5:46 p.m. There was no public comment. The public hearing closed at 5:46 p.m.

The Governing Board clarified that this fee is for cost recovery, not for profit.

Upon motion by Vice-Chair Walsh, seconded by Director Russo and carried, the Governing Board adopted Resolution No. R. 04-2025.

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

- f. Public Hearing: Resolution No. R. 05-2025, A Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Adopting the Operating and Capital Budget of the Big Bear Area Regional Wastewater Agency for Fiscal Year 2026, Approving Budgeted Projects and Finding Approval of the Budget and Budgeted Projects Exempt from Review Under the California Environmental Quality Act

The Finance Manager presented the fiscal year 2026 budget, noting that the final budget includes a higher insurance estimate received after the Budget Workshop.

The public hearing opened at 5:48 p.m.

Daniel Gulbranson commented on the low public attendance at meetings, questioning why more people aren't participating, and suggested finding ways to engage the community.

Tom Sitton expressed frustration over the low public attendance at meetings, questioning why only two people were present to voice concerns about decisions that affect the entire community, including rate increases and significant financial commitments.

The public hearing closed at 5:52 p.m.

Upon motion by Director Miller, seconded by Chair Segovia and carried, the Governing Board adopted Resolution No. R. 05-2025.

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

g. Governing Board Committee Appointments

The Administrative Services Manager/Board Secretary presented the current committee assignments, noting that there are three permanent committees (Administrative, Finance, and Operations), with two directors assigned to each.

The Governing Board discussed keeping the committee assignments the same.

Upon a motion by Director Miller, seconded by Director Russo, and carried, the Governing Board approved maintaining the existing appointments, with Chair Segovia and Vice-Chair Walsh remaining on the Administrative Committee, Director Miller and Director Herrick on the Finance Committee, and Director Miller and Director Russo on the Operations Committee.

Ayes: Herrick, Miller, Russo, Walsh, Segovia

Noes: None

Absent: None

Abstain: None

h. Replenish Big Bear Committee Appointments

The Administrative Services Manager/Board Secretary explained that the Replenish Big Bear Advisory Committee members are appointed by the Chair.

The Chair maintained the current appointments, with Chair Segovia and Vice-Chair Walsh continuing to serve on the Replenish Big Bear Committee.

11. Comments and Announcements

a. General Manager Comments

None

b. Governing Board Comments

The Governing Board commented on the importance of using respectful language in meetings and referenced the ongoing efforts of the Los Angeles City Council to reduce animosity in their discussions.

12. Adjournment

With no further business to come before the Governing Board, Chair Segovia adjourned the meeting at 5:58 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
Jim Miller – Director
John Russo - Director

Agenda Item 7.B.

Meeting Date: April 23, 2025

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 March 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 Mar 1, 2025 to Mar 31, 2025

Check #	Date	Payee	Cash Account	Amount
24735	3/7/25	AMAZON CAPITAL SERVICES	1000-20	392.87
24736	3/7/25	BIG BEAR CITY COMMUNITY SERVICES DIST.	1000-20	1,153.78
24737	3/7/25	BDP INDUSTRIES, INC.	1000-20	3,915.57
24738	3/7/25	BUTCHER'S BLOCK & BUILDING	1000-20	231.04
24739	3/7/25	BEAR VALLEY ELECTRIC	1000-20	15,087.58
24740	3/7/25	CLINICAL LAB OF SAN BERNARDINO	1000-20	880.50
24741	3/7/25	COMMERCIAL ELECTRIC SYSTEMS, INC.	1000-20	583.45
24742	3/7/25	DIY HOME CENTER-BIG BEAR	1000-20	217.08
24743	3/7/25	DEPARTMENT OF WATER & POWER	1000-20	52.73
24744	3/7/25	ENVIRONMENTAL EXPRESS, INC	1000-20	466.44
24745	3/7/25	FLYERS ENERGY	1000-20	992.91
24746	3/7/25	FRONTIER COMMUNICATIONS	1000-20	1,409.54
24747	3/7/25	GEIGER SUPPLY, INC	1000-20	143.78
24748	3/7/25	BIG BEAR GRIZZLY	1000-20	57.50
24749	3/7/25	BEAR VALLEY BASIN GSA	1000-20	1,071.05
24750	3/7/25	HACH COMPANY	1000-20	128.04
24751	3/7/25	HUGHESNET	1000-20	101.52
24752	3/7/25	ISN GLOBAL ENTERPRISES, INC.	1000-20	3,150.93
24753	3/7/25	NAPA OF BIG BEAR	1000-20	241.96
24754	3/7/25	PHIL'S AUTOMOTIVE	1000-20	1,407.32
24755	3/7/25	PITNEY BOWES GLOBAL FINANCIAL SERVICES	1000-20	127.67
24756	3/7/25	POLYDYNE INC	1000-20	4,232.36
24757	3/7/25	READY REFRESH	1000-20	309.28
24758	3/7/25	RINGCENTRAL INC.	1000-20	406.24
24759	3/7/25	SPECTRUM BUSINESS	1000-20	1,023.93
24760	3/7/25	SOUTHWEST GAS	1000-20	1,303.95
24761	3/7/25	USA BLUEBOOK	1000-20	293.47
24762	3/7/25	UNDERGROUND SERVICE ALERT	1000-20	138.80
24763	3/7/25	VC3, INC.	1000-20	2,993.04
24764	3/7/25	VESTIS	1000-20	2,540.58
24765	3/7/25	VIKING MAINTENANCE SERVICES, LLC	1000-20	1,484.02
24766	3/7/25	WINZER CORP	1000-20	1,085.45
24778	3/21/25	AMAZON CAPITAL SERVICES	1000-20	192.43
24779	3/21/25	BEST BEST & KRIEGER LLP	1000-20	16,268.44
24780	3/21/25	BUSINESS CARD	1000-20	3,266.92
24781	3/21/25	COUNTY OF SAN BERNARDINO SOLID WASTE MN	1000-20	633.96
24782	3/21/25	TOM DODSON & ASSOCIATES	1000-20	9,285.98
24783	3/21/25	DISTRIBUTED SOLAR DEVELOPMENT, LLC	1000-20	18,063.93
24784	3/21/25	GRAINGER	1000-20	179.02
24785	3/21/25	KING'S FIRE PROTECTION, INC.	1000-20	425.08
24786	3/21/25	MALLORY SAFETY & SUPPLY LLC	1000-20	407.30
24787	3/21/25	MOTION INDUSTRIES	1000-20	33,913.24
24788	3/21/25	RANDY J. SPITZ	1000-20	180.14
24789	3/21/25	NORTHERN TOOL & EQUIPMENT	1000-20	480.16
24790	3/21/25	QUILL	1000-20	21.98
24791	3/21/25	SOUTH COAST AQMD	1000-20	2,662.04
24792	3/21/25	SOUTHERN CALIFORNIA EDISON	1000-20	47.13
24793	3/21/25	SOUTHWEST GAS	1000-20	2,805.40
24794	3/21/25	SYNAGRO-WWT, INC.	1000-20	30,156.00

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Mar 1, 2025 to Mar 31, 2025

Check #	Date	Payee	Cash Account	Amount
24796	3/21/25	VERIZON WIRELESS	1000-20	239.36
24797	3/21/25	WATER SYSTEMS CONSULTING, INC.	1000-20	49,152.05
			Total	<u>216,004.94</u>

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

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Mar 1, 2025 to Mar 31, 2025

Account #	Check #	Date	Payee	Description	Amount
Power					
6100-05	24783	3/21/25	DISTRIBUTED SOLAR DEVELOPMENT, LLC	Solar Purchases	18,063.93
6100-10	24760	3/7/25	SOUTHWEST GAS	Fuel for Power Production	1,303.95
6100-10	24793	3/21/25	SOUTHWEST GAS	Fuel for Power Production	56.33
6100-11	24793	3/21/25	SOUTHWEST GAS	Gas - Administration Building	879.27
6100-12	24793	3/21/25	SOUTHWEST GAS	Gas - Treatment Plant	1,869.80
6100-20	24739	3/7/25	BEAR VALLEY ELECTRIC	Electricity - Treatment Plant	10,372.43
6100-21	24739	3/7/25	BEAR VALLEY ELECTRIC	Electricity - Pump Stations	4,701.65
6100-22	24739	3/7/25	BEAR VALLEY ELECTRIC	Electricity - Administration Building	13.50
6100-23	24792	3/21/25	SOUTHERN CALIFORNIA EDISON	Electricity - Lucerne Valley	47.13
Total Power					37,307.99
Sludge Removal					
6200-00	24794	3/21/25	SYNAGRO-WWT, INC.	Sludge Removal	30,156.00
Total Sludge Removal					30,156.00
Chemicals					
6300-20	24756	3/7/25	POLYDYNE INC	Polymer	4,232.36
6300-30	24750	3/7/25	HACH COMPANY	Laboratory Reagents	128.04
6300-30	24761	3/7/25	USA BLUEBOOK	Laboratory Reagents	114.69
Total Chemicals					4,475.09
Materials and Supplies					
6400-10	24735	3/7/25	AMAZON CAPITAL SERVICES	Janitorial Supplies, Office Supplies	378.33
6400-10	24752	3/7/25	ISN GLOBAL ENTERPRISES, INC.	Wireless Microphone Kits	3,150.93
6400-10	24755	3/7/25	PITNEY BOWES GLOBAL FINANCIAL SERVICES	Postage Machine Lease	127.67
6400-10	24757	3/7/25	READY REFRESH	Bottled Water	309.28
6400-10	24778	3/21/25	AMAZON CAPITAL SERVICES	Office Supplies	128.22
6400-10	24780	3/21/25	BUSINESS CARD	Meeting Provisions, Breakroom, Janitorial, Office	862.22
6400-10	24788	3/21/25	RANDY J. SPITZ	Office Supplies	180.14
6400-10	24790	3/21/25	QUILL	Office Supplies	21.98
6400-20	24786	3/21/25	MALLORY SAFETY & SUPPLY LLC	Sensor	407.30
6400-25	24744	3/7/25	ENVIRONMENTAL EXPRESS, INC	Laboratory Supplies	466.44
6400-25	24761	3/7/25	USA BLUEBOOK	Laboratory Supplies	178.78
6400-25	24778	3/21/25	AMAZON CAPITAL SERVICES	Laboratory Supplies	8.61
6400-26	24745	3/7/25	FLYERS ENERGY	Fuel	992.91
6400-27	24753	3/7/25	NAPA OF BIG BEAR	Oil	7.09
6400-27	24778	3/21/25	AMAZON CAPITAL SERVICES	Oil Containers	55.60

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Mar 1, 2025 to Mar 31, 2025

Account #	Check #	Date	Payee	Description	Amount
6400-27	24784	3/21/25	GRAINGER	Oil Pump	179.02
6400-40	24742	3/7/25	DIY HOME CENTER-BIG BEAR	Miscellaneous Hardware	69.74
6400-40	24766	3/7/25	WINZER CORP	Hardware	1,085.45
6400-50	24735	3/7/25	AMAZON CAPITAL SERVICES	Ground Maintenance	14.54
6400-50	24738	3/7/25	BUTCHER'S BLOCK & BUILDING	Ground Maintenance	15.74
6400-50	24742	3/7/25	DIY HOME CENTER-BIG BEAR	Ground Maintenance	147.34
6400-75	24738	3/7/25	BUTCHER'S BLOCK & BUILDING	Ladder, Scoop Shovel	215.30
6400-75	24789	3/21/25	NORTHERN TOOL & EQUIPMENT	Edwards Punch & Die Set	480.16
6400-80	24747	3/7/25	GEIGER SUPPLY, INC	Plumbing Supplies	143.78
Total Materials and Supplies					9,626.57
Repairs and Replacements					
6500-30	24737	3/7/25	BDP INDUSTRIES, INC.	Belt Press Replacement Parts	3,915.57
6500-35	24753	3/7/25	NAPA OF BIG BEAR	Vehicle Repair Parts	234.87
6500-35	24754	3/7/25	PHIL'S AUTOMOTIVE	Vehicle Repair	1,407.32
6500-40	24741	3/7/25	COMMERCIAL ELECTRIC SYSTEMS, INC.	Gate Operator Repair	583.45
6500-40	24785	3/21/25	KING'S FIRE PROTECTION, INC.	Backflow Testing and Repairs	425.08
Total Repairs and Replacements					6,566.29
Utilities					
6530-10	24736	3/7/25	BIG BEAR CITY COMMUNITY SERVICES DIST.	Utilities - Water	672.66
6530-10	24743	3/7/25	DEPARTMENT OF WATER & POWER	Utilities - Water	52.73
6530-20	24736	3/7/25	BIG BEAR CITY COMMUNITY SERVICES DIST.	Trash Service	481.12
6530-30	24781	3/21/25	COUNTY OF SAN BERNARDINO SOLID WASTE MN	Solid Waste Disposal	633.96
Total Utilities					1,840.47
Communication Expense					
6550-10	24746	3/7/25	FRONTIER COMMUNICATIONS	SCADA	907.27
6550-10	24751	3/7/25	HUGHESNET	SCADA	101.52
6550-10	24759	3/7/25	SPECTRUM BUSINESS	SCADA	314.94
6550-40	24746	3/7/25	FRONTIER COMMUNICATIONS	Telephone Service	522.13
6550-40	24758	3/7/25	RINGCENTRAL INC.	Telephone Service and Maintenance	406.24
6550-40	24796	3/21/25	VERIZON WIRELESS	Telephone Service	205.19
6550-50	24759	3/7/25	SPECTRUM BUSINESS	Internet, Wireless Service	708.99
6550-50	24796	3/21/25	VERIZON WIRELESS	Internet, Wireless Service	34.17
Total Communication Expense					3,200.45
Contractual Services Other					
6600-10	24740	3/7/25	CLINICAL LAB OF SAN BERNARDINO	Testing	880.50

Big Bear Area Regional Wastewater Agency
Check Register
For the Period From Mar 1, 2025 to Mar 31, 2025

Account #	Check #	Date	Payee	Description	Amount
6600-20	24764	3/7/25	VESTIS	Uniform Laundry Service	2,540.58
6600-50	24780	3/21/25	BUSINESS CARD	WIX Subscription	288.00
6600-80	24765	3/7/25	VIKING MAINTENANCE SERVICES, LLC	Janitorial Services	1,484.02
Total Contractual Services Other					5,193.10
Contractual Services Professional					
6700-20	24779	3/21/25	BEST BEST & KRIEGER LLP	Legal Services	12,848.84
6700-30	24763	3/7/25	VC3, INC.	Information Technology Services	2,993.04
Total Contractual Services Professional					15,841.88
Permits and Fees					
6810-00	24762	3/7/25	UNDERGROUND SERVICE ALERT	Dig Alert Ticket Charges	138.80
6810-00	24791	3/21/25	SOUTH COAST AQMD	Annual Permit Fees	2,662.04
Total Permits and Fees					2,800.84
Other Expense					
6950-30	24748	3/7/25	BIG BEAR GRIZZLY	Public Notices	57.50
6950-40	24780	3/21/25	BUSINESS CARD	CWEA Conference, CSDA GM Summit, Training Books	2,116.70
Total Other Expense					2,174.20
Other Nonoperating Expense					
8000-11	24749	3/7/25	BEAR VALLEY BASIN GSA	GSA Admin Costs	1,071.05
Total Other Nonoperating Expense					1,071.05
Financing Costs					
8000-25	24746	3/7/25	FRONTIER COMMUNICATIONS	Fee Reversal	-19.86
Financing Costs					-19.86
Capital Expenditures					
9500-00	24782	3/21/25	TOM DODSON & ASSOCIATES	Cactus Flats Outfall Line Repair Environmental	4,662.48
9500-00	24787	3/21/25	MOTION INDUSTRIES	Oxidation Ditch 1 Rotor 2 Shaft Replacement	33,913.24
9500-00	24797	3/21/25	WATER SYSTEMS CONSULTING, INC.	Force Main Project Engineering Services	4,279.30
Total Capital Expenditures					42,855.02
Replenish Big Bear Capital Expenditures					
9500-10	24797	3/21/25	WATER SYSTEMS CONSULTING, INC.	RBB Engineering	16,743.75
9500-10	24797	3/21/25	WATER SYSTEMS CONSULTING, INC.	RBB Final Design	28,129.00
9500-11	24782	3/21/25	TOM DODSON & ASSOCIATES	RBB Environmental	4,623.50
9500-12	24779	3/21/25	BEST BEST & KRIEGER LLP	RBB Legal Services	3,419.60
Total Replenish Big Bear Capital Expenditures					52,915.85
Grand Total					216,004.94

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
Jim Miller – Director
John Russo - Director

Agenda Item 7.C.

Meeting Date: April 23, 2025
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 March Monthly Investment Report pursuant to the Agency's Investment Policy.

Financial Impact:

There is no financial impact.

Recommendation:

Informational

Attachments:

March Monthly Investment Report
March LAIF Statement

BBARWA
 Monthly Investment Report
 March 2025

<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	\$ 11,328,116	\$ 11,323,834	\$ 376,005	4.313%	DAILY
TOTAL	\$ 11,328,116	\$ 11,323,834	\$ 376,005		

The Investment Portfolio of the Big Bear Area Regional Wastewater Agency is in compliance with the investment policy approved in September 2024. 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 2025 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

April 01, 2025

[LAIIF 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:

March 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
3/25/2025	3/24/2025	RW	1769793	1730360	CHRISTINE BENNETT	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	11,828,116.10
Total Withdrawal:	-500,000.00	Ending Balance:	11,328,116.10



Agenda Item 7.D.

Meeting Date: April 23, 2025

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

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

Prepared By: Bridgette Burton, Administrative Services Manager/Board Secretary

Subject: Resolution No. R. 06-2025, A Resolution of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.)

Background:

The California Environmental Quality Act (CEQA), codified at Public Resources Code section 21000, et seq., is California's most comprehensive environmental law. It generally requires public agencies to evaluate the environmental effects of their actions before they are taken. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires public agencies to adopt specific objectives, criteria and procedures for evaluating public and private projects that are undertaken or approved by such agencies.

Discussion:

The Agency has prepared a proposed updated set of Local CEQA Guidelines for 2025 in compliance with CEQA's requirements. These Guidelines reflect recent changes to CEQA. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA.

Environmental Consideration:

No environmental impact is anticipated from amending the Local CEQA Guidelines. The Agency adoption of the attached Resolution is not a project under State CEQA Guidelines section 15378(b)(5) because it involves an administrative activity and would not result in any environmental impacts.

Financial Impact:

There is no financial impact.

Recommendation:

Adopt Resolution No. R. 06-2025 regarding the adoption of the 2025 Local Guidelines for Implementing the California Environmental Quality Act for the Big Bear Area Regional Wastewater Agency.

Attachments:

- Resolution No. R. 06-2025
- 2025 Summary of Changes to Local CEQA Guidelines

RESOLUTION NO. R. 06-2025

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

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

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

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

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

SECTION 1. The Agency hereby adopts the “2025 Local Guidelines for Implementing the California Environmental Quality Act,” a copy of which is on file at the offices of the Agency and is available for inspection by the public.

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

ADOPTED this 23rd day of April, 2025.

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 Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency, being Resolution No. R. 06-2025, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Public Resources Code §§ 21000 et seq.), was duly adopted at a regular meeting of the Governing Board held on the 23rd day of April 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Memorandum

TO: Project 5 Agency Client
FROM: Best Best & Krieger LLP
DATE: April 1, 2025
RE: Summary of Changes to Local CEQA Guidelines

In 2024, the California Legislature revised the California Environmental Quality Act (“CEQA”) through passage of certain Assembly Bills and Senate Bills. As a result, we have revised the Agency’s Local Guidelines for Implementing CEQA (“Local Guidelines”) to account for these CEQA developments. This memorandum summarizes the substantive amendments to the Agency’s 2025 Local CEQA Guidelines (“Local Guidelines”).

The Local Guidelines and this memorandum are designed to help the Agency comply with CEQA when considering a project subject to CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial, or unusual projects or activities.

The Local Guidelines, the related CEQA forms, and other important legal alerts may be accessed via the Best Best & Krieger LLP CEQA client portal. For technical support, please contact Tammy Ingram at tammy.ingram@bbklaw.com.

REVISIONS TO LOCAL GUIDELINES

3.17 Exemption for Residential or Mixed-Use Housing Project.

This is a new section that was added to your Guidelines as a result of the passing of Assembly Bill 2199. CEQA does not apply to residential or mixed-used housing projects, as defined, located in unincorporated areas of a county, that meet the requirements set forth in Section 3.17.

3.21 Transit Prioritization Projects.

Pursuant to Assembly Bill 2503, a new subsection (6) was added to Section 3.21 regarding a public project for the institution or increase of passenger rail service, including the construction or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission trains.

3.24 Routine Maintenance of Stormwater Facilities.

Pursuant to Assembly Bill 3227, a new Section 3.24 was added to the Guidelines pursuant to a change to Public Resources Code section 21080.61. This new section provides that CEQA does not apply to routine maintenance of public stormwater facilities that are fully concrete or have a conveyance capacity of less than a 100-year storm event if certain specified conditions are met.

3.29 Reproductive Services Community Clinic.

Pursuant to Assembly Bill 2085, Section 3.29 was added to the Guidelines to provide that CEQA does not apply to the approval of an application of a community clinic providing reproductive health services if the application meets objective planning standards and is subject to the ministerial review process set forth in Government Code section 65914.900.

9.10 A Responsible Agency's Provision of Financial Assistance or Insurance for the Development and Construction of Affordable Housing.

New language was added to Section 9.10 pursuant to Senate Bill 1361, which clarifies that CEQA does not apply to a local agency's approval of contracts that provide residential, counseling, and security services for people experiencing homelessness, as set forth in greater detail in Section 9.10.

Other Changes

Office of Land Use and Climate Innovation

Effective July 1, 2024, the Office of Planning and Research changed its name to the Office of Land Use and Climate Innovation (LCI). This change is reflected throughout your Local CEQA Guidelines. Additionally, effective April 8, 2025, LCI has a new CEQAnet URL and CEQASubmit URL. In order to access LCI's websites, please use these new URLs:

- <https://ceqasubmit.lci.ca.gov/>
- <https://ceqanet.lci.ca.gov/>

Additionally, LCI has established a new deadline for processing environmental notices. Notices must be submitted to CEQASubmit no later than 2:30 p.m. PST in order to have a same day filing date.

CEQA Document Filing Fees

Effective January 1, 2025, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is \$2,968.75; for an EIR, the new filing fee is \$4,123.50; and for an environmental document prepared pursuant to a Certified Regulatory Program, the new filing fee is \$1,401.75.

Conclusion

As always, CEQA remains complicated and, at times, challenging to apply. The only constant in this area of law is how quickly the rules change. Should you have questions about any of the provisions discussed above, please contact a BB&K attorney for assistance.

BEST BEST & KRIEGER LLP



Agenda Item 10.A.

Meeting Date: April 23, 2025
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: Christine Bennett, Finance Manager
Subject: Pay Schedule

Background & Discussion:

The Agency incorporated a 2.6% Cost of Living Adjustment (COLA) in the FY 2026 Budget based on the 2024 annual average change in CPI (Riverside, San Bernardino, Ontario, Consumer Price Index, All Urban Consumers).

The attached Pay Schedule reflects the adjustment in pay ranges resulting from the COLA. Upon Governing Board approval, the COLA and new publicly available Pay Schedule will be effective July 12, 2025 which is the first day of the first full pay period in July.

Financial Impact:

Funds for the 2.6% COLA have been appropriated in the FY 2026 budget.

Recommendation:

Approve the publicly available Pay Schedule effective July 12, 2025.

Attachment:

Pay Schedule

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

PAY SCHEDULE
Effective July 12, 2025

Schedule shall remain in effect until superseded by governing board action.

Classification	Start	Top
	Hourly Pay Rate	Hourly Pay Rate
Active		
Non-Regular	\$19.49	\$26.32
Plant Operator-In-Training	\$24.37	\$32.87
Plant Operator II	\$34.32	\$46.33
Laboratory Technician	\$32.48	\$43.83
Senior Laboratory Analyst	\$44.82	\$60.50
Plant Supervisor	\$47.10	\$63.59
Human Resources Coordinator / Accounting Technician	\$42.68	\$57.63
Administrative Services Manager / Board Secretary	\$69.80	\$94.23
Plant Manager	\$69.80	\$94.23
Finance Manager	\$71.48	\$96.50
General Manager	\$98.99	\$133.64

Governing Board Approval Date: April 23, 2025



Agenda Item 10.B.

Meeting Date: April 23, 2025

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

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

Subject: Transition from a Joint Powers Authority to a Community Services District

Background & Discussion:

At its February 26, 2025 meeting, the Governing Board directed staff to explore the possibility of the Agency forming its own Community Services District and to present the findings at either the March or April Governing Board meeting. The attached memorandum, prepared by the Agency's legal counsel Best Best & Krieger (BB&K), provides preliminary information for the Board's discussion and consideration.

Financial Impact:

There is no financial impact at this time.

Recommendation:

Staff recommends discussion and direction.

Attachment:

Transition from a Joint Powers Authority to a Community Services District Memo



David E. Lloyd
(619) 525-1315
david.lloyd@bbklaw.com

Memorandum

To: Big Bear Area Regional Wastewater Agency
From: David E. Lloyd
Date: April 16, 2025
Re: Transition from JPA to a Community Services District

We have prepared this memorandum to provide a general overview of the process to form a community services district (“CSD”) pursuant to the Cortese-Knox Hertzberg Act (Gov. Code, § 56000 et seq.) (“Act”) and the Community Services District Law (Gov. Code, § 61000 et seq.) (“CSD Law”), including the potential costs associated with the formation and a comparison of the means of funding a CSD versus BBARWA.

BACKGROUND

The Big Bear Area Regional Wastewater Agency (“BBARWA”) is a joint powers authority formed in 1974 by agreement between Big Bear City Community Services District (“BBCCSD”), the City of Big Bear Lake (the successor to the Big Bear Lake Sanitation District) (“City”), and the County of San Bernardino on behalf of County Service Area 53 Zone B (“County”), to acquire, construct, install, maintain, and operate a regional system for the treatment and disposal of sewage and wastewater for the entire Big Bear Valley area.

BBARWA’s service area includes the entire Big Bear Valley, as represented by the exterior limits of CSA 53, and BBARWA currently provides wastewater collection, treatment and disposal services for its member agencies, and accepts septic waste from residents and businesses not served by a collection system. Each member agency maintains and operates its own wastewater collection system and delivers wastewater to the BBARWA interceptor system for transport to the regional plant for treatment and disposal.

I. FORMATION

1. Legislative Intent For Community Services District Formation

In the CSD Law, the Legislature stated its intent for “residents, property owners, and public officials use the powers and procedures provided by the Community Services District Law to meet

the diversity of the local conditions, circumstances and resources,” (Gov. Code, § 61001(c)(3)) and provided that a CSD may be any of the following:

- (1) A permanent form of governance that can provide locally adequate levels of public facilities and services.
- (2) An effective form of governance for combining two or more special districts with overlapping or adjacent territory into a multifunction district.
- (3) A form of governance that can serve as an alternative to the incorporation of a new city.
- (4) A transitional form of governance as the community approaches cityhood.

(Gov. Code, § 61001(b).)

At this time, the intent behind creating a CSD to replace BBARWA would align most closely with the first category listed above: creating a new, permanent local agency to continue providing the services currently provided by BBARWA to the residents of the Big Bear Valley.

2. Powers of a CSD

CSDs may provide a wide variety of services, as set out in Government Code section 61110 including “collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Section 6400) of the Health and Safety Code.” (Gov. Code, § 61110 (b).) A full list of all 32 services a CSD may provide is set out in Government Code section 61110 (a)-(af).

3. Initiating CSD Formation

A CSD formation may be initiated by either petition of registered voters within the area of the proposed district, or by resolution of an affected agency.

a. OPTION 1: by Resolution

The legislative body of any county, city, or special district that contains any of the territory proposed to be included in the CSD may initiate formation of a CSD by adopting a resolution of application to LAFCO. (Gov. Code, § 61013 (a).) The resolution of application must contain all of the following:

- i. A statement of the services the proposed CSD will be authorized to provide upon formation
- ii. A description of the proposed methods, including, but not limited to, special taxes, benefit assessments, and fees, by which the proposed CSD will finance those services.
- iii. The proposed name for the CSD.
- iv. The method of selecting the initial board of directors¹, as set out in Section 61021, as follows:
 1. At large
 2. By divisions
 3. From divisions
- v. Additional LAFCO-related items, including the terms, conditions, and reasons for the proposal, and the boundaries for the proposed CSD. (Gov. Code, § 56700)
- vi. A provision acknowledging San Bernardino LAFCO's indemnification requirements.

(Gov. Code, § 61011; SB LAFCO Policy and Procedure Manual Section II, Chapter 2(3).)

Before adopting the resolution, the legislative body must hold a public hearing on the resolution. (Gov. Code, § 61013(b).) The agency must publish notice of the public hearing once in a newspaper of general circulation within its boundaries. (Id.; Gov. Code, § 6061.) The agency must also give mailed notice of the hearing to LAFCO's executive officer 20 days before the hearing describing the proposed formation of the CSD and the territory proposed to be included in the CSD. (Gov. Code, § 61013(b).)

Once the hearing is held and the resolution is adopted, the clerk of the legislative body must file a certified copy of the resolution with the LAFCO executive officer. (Gov. Code, § 61013(c).)

b. OPTION 2: By Petition.

Formation of a CSD may also be initiated by petition signed by at least 25% of the registered voters within the proposed CSD's boundaries. (Gov. Code, § 61011(c).) The petition must include all of the information listed above for a resolution, as well as:

- i. A statement that the petition is signed by registered voters;
- ii. Designation of up to three persons as chief petitioners;

Prior to circulating the petition, the proponents must publish a notice of intention once in a newspaper of general circulation within the territory of the proposed CSD, containing the information required by Government Code section 61012. Within 5 days of publication, the proponents must file a copy of the notice with LAFCO's executive officer along with an affidavit made by a representative of the newspaper(s) in which notice was published certifying the same. (Gov. Code, § 61012(c).) All required signatures must be collected within 6 months of the date of the first signature, and the petition must be submitted to LAFCO's executive officer within 60 days after the last signature is affixed. (Gov. Code, § 56705.)

4. LAFCO Application and Approval

a. Application

In addition to the resolution of application, the District will be required to submit an application provided by LAFCO providing additional information required by LAFCO², including a plan for providing services. The plan for providing services must include:

- i. A description of the services to be provided to the affected territory;
- ii. The level and range of those services;
- iii. An indication of when those services can feasibly be provided (new services only);
- iv. An indication of any improvements or upgrading of sewer or water facilities or other conditions the district would impose or require within the affected territory if the CSD is formed; and
- v. Information on how the services and any required improvements will be financed, including discussion of the sufficiency of revenues to fund anticipated service.
- vi. A Feasibility Study for the formation

(Gov. Code, § 56653; LAFCO application requirements.)

San Bernardino County LAFCO requires the Feasibility Study to outline the anticipated structure of the CSD's governing body and provide, at a minimum, a projected five-year budget

² LAFCO's application can be found [here](#), and must be submitted with the Formation supplement [here](#).

for revenues and expenditures. The budget must indicate the source and amount of revenues and expenditures based upon services to be provided. The CSD may receive a share of property tax revenue within its boundaries depending on the type of services to be offered, the previous sources of those services, and the historic cost to provide those services³. No new taxes can be imposed by the creation of the CSD without the approval of two-thirds of the voters.

b. Hearing and Approval of Proposal

LAFCO will process the application and notice a hearing on whether to approve the proposal no more than 90 days after the application is deemed complete. (Gov. Code, § 56658.) At the hearing, LAFCO will hear and receive any oral or written protests, objections or evidence that may be made, presented or filed. (Gov. Code, § 56666(b).) No more than 35 days after the public hearing, LAFCO shall adopt a resolution making determinations approving the application, with or without conditions, and setting a protest hearing. (Gov. Code, § 56880, 56881.) LAFCO must determine either that the CSD has sufficient revenues to carry out its purposes, or condition the CSD's approval on the concurrent approval of special taxes or benefit assessments to generate those revenues. (Gov. Code, § 61014(c).)⁴

c. Post-Approval/ Protest Hearing

At the protest hearing, LAFCO will hear and receive any oral or written protests, objections, or evidence that is made, presented, or filed regarding the formation and LAFCO's resolution approving the proposal. (Gov. Code, § 57050.) Any owner of land or registered voter within the territory of the proposed CSD may file a written protest against the formation. (Gov. Code, § 57051.)

At the conclusion of the hearing, if a majority protest exists, LAFCO will terminate proceedings. (Gov. Code, § 61014(e)(1).) If no majority protest exists, LAFCO shall

- i. Order the formation subject to voter approval; or
- ii. Order the formation subject to voter approval of a special tax or property owner approval of a special benefit, if LAFCO has required as these as a condition of approval.

(Gov. Code, § 61014(e).)

The election shall be conducted by the Board of Supervisors on behalf of the proposed CSD. (Gov. Code, § 61014(f).)

5. Estimated Time to Form a CSD

Based on our experience with a wide array of LAFCO proposals, including CSD formations, we estimate it will take approximately 12-24 months to form a CSD. This estimate

³ Property taxes will be allocated as part of the LAFCO approval process pursuant to Government Code section 56810 and Revenue and Taxation Code section 99.

⁴ LAFCO's approval will provide that, if voters do not approve the special taxes or benefit assessments, the proposed district will not be formed. (Gov. Code, § 61014(c).)

anticipates the time associated with environmental review of a formation proposal. The timing of the required election may impact this timing as well.

6. Estimated Cost of Formation

The latest LAFCO [fee schedule](#) reflects the following fees for a formation application:

- a. Submission and processing of the formation proposal:
 - i. Fee: \$18,343
 - ii. Deposit: \$4,000
- b. State Board of Equalization fees upon completion of LAFCO process:
 - i. Varies by acreage, up to \$3,500 for areas of 2,001 acres or more
 - ii. These fees only apply to certain applications not listed in LAFCO's fee schedule, and should be confirmed with LAFCO staff prior to submitting an application.

Applicants must also reimburse LAFCO for all charges and costs in excess of certain additional deposits, including:

- a. Special Counsel for LAFCO (due to conflict of representation): \$2,000 (\$250 nonrefundable)
- b. Individual notice or publication of notice: \$1,000
- c. LAFCO Environmental review: \$1,000 plus:
 - a. Preparation of Negative Declaration/Mitigated Negative Declaration: \$15,000
 - b. Preparation of EIR: \$25,000
- d. Protest proceedings (if applicable): \$1,500

The applicant must also agree to defend, indemnify, and hold harmless LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them. Moreover, the applicant will incur costs in preparing the application, plan for services, and feasibility study in the form of staff time, legal fees, and possibly fees for consultants or contractors retained to assist with completing the feasibility study. All "proper expenses" incurred in conducting the election for the formation must be paid, unless otherwise agreed by LAFCO and the proponents, as follows: (1) by the newly formed CSD, if the election is successful; or (2) by the county in which the proposed CSD is located, if the proceedings are terminated. (Gov. Code, § 57150.) Such election expenses may be substantial but should be clarified with LAFCO and the County of San Bernardino, and should be budgeted for if CSD formation is considered.

II. DIFFERENCES IN BBARWA AND CSD FUNDING

It is important to note that BBARWA is a joint powers authority created by contract, while a CSD is a special district established by voters pursuant to statute, and as a result there are differences in how each entity is funded.

1. Current BBARWA Funding

Currently, BBARWA is funded pursuant to its joint powers agreement through a mix of annual charges and standby fees from contracts with its member agencies for the treatment and disposal of sewage and wastewater by and through its system, other waste disposal fees, and non-operating revenues including interest income, lease revenues, and grant proceeds. Annual charges, which make up the overwhelming majority of BBARWA's revenues, are charged to member agencies and are based on the sewer use fee established by BBARWA's Board of Directors, the number of equivalent dwelling units, and the volume of wastewater collected, treated, and disposed of.

2. CSD Funding, Generally

A CSD generally produces revenue through rates or other charges for the services and facilities that it provides, which are paid by customers directly (Gov. Code, § 61115), but may also raise revenues in the following alternative manners:

- a. Levy special taxes (Gov. Code, § 61121)
- b. Levy benefit assessments (Gov. Code, § 61122)
- c. Charge a fee to cover the cost of any service the district provides or the cost of enforcing the regulation for which the fee is charged (Gov. Code, § 61123)
- d. Charge standby charges for water, sewer, or water and sewer services (Gov. Code, § 61124.)
- e. Borrow and incur debt (Gov. Code, § 61116(b), 61125.)

Additionally, as part of the formation process, the CSD would receive an allocation of ad valorem property taxes.