



**BIG BEAR CITY COMMUNITY SERVICES DISTRICT
NOTICE OF COMMITTEE MEETING**

A special meeting of the Sewer Committee of the Big Bear City Community Services District will be held on Wednesday, February 21, 2024, at 10:00 a.m. This meeting will be held at the Big Bear City Community Services District Office located at 139 E. Big Bear Blvd., Big Bear City, California 92314.

The business to be transacted at this special meeting will be:

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

OPEN SESSION

- A. Various Sewer Department Topics – including the FY 2023/24 Sewer Department Preliminary Budget – Discussion and possible recommendations to the full Board

ADJOURNMENT

DATED: February 15, 2024

John Russo^(ms)

John Russo, President of the Board
Big Bear City Community Services District

SEWER SERVICES

RATE INCREASE 4.8% 4.8% 4.8% 4.8% 4.8%

20 - SEWER

| Acct# | Title | 2021-22 Actual | 2022-23 Actual | 2023-24 Adopted | 2023-24 Adjusted | 2024-25 Projected | Comments |
|---------------------------------|---------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|---|
| REVENUE | | | | | | | |
| Charges for Services | | | | | | | |
| 5000 | Charges for services | 2,578,643 | 2,690,693 | 2,865,433 | 2,865,433 | 3,002,974 | |
| 5070 | Standby charges | 46,980 | 43,167 | 46,000 | 46,000 | 45,000 | Pass-Through to BBARWA |
| 5130 | Connection fees | 130,947 | 101,070 | 50,000 | 50,000 | 60,000 | Prior years market driven lot development |
| 5140 | BBARWA Charges for services | 2,809,345 | 2,977,098 | 3,660,648 | 3,660,648 | 3,770,511 | Pass-Through to BBARWA |
| | Total Charges for Services | 5,565,914 | 5,812,028 | 6,622,081 | 6,622,081 | 6,878,485 | |
| Sale of Surplus Property | | | | | | | |
| 5100 | Sale of surplus property | 8,259 | 0 | 0 | 0 | 0 | Not budgeted for |
| | Total Sale of Surplus Property | 8,259 | 0 | 0 | 0 | 0 | |
| Interest/ Other Income | | | | | | | |
| 5110 | Other income | 15,000 | (32,994) | 0 | 0 | 0 | Not budgeted for |
| 5120 | Misc. revenue | 0 | 0 | 0 | 0 | 0 | Not budgeted for |
| 5302 | Administrative Services Fees | 0 | 0 | 0 | 0 | 8,036 | Fire Admin fee |
| 5400 | Interest income | 18,023 | 97,526 | 0 | 0 | 0 | Not Budgeted for, market driven |
| 5410 | CD interest income | 2,479 | 2,318 | 2,500 | 2,500 | 0 | Final CD matures Apr. 2024 |
| 5420 | Inter-fund loan interest | 14,021 | 9,884 | 5,591 | 5,591 | 1,135 | Side Fund Loan Interest - from BBFA |
| 5450 | LAIF fair market value adj. | (64,914) | (1,873) | 0 | 0 | 0 | GASB entry; not budgeted |
| 5460 | CD investment value adj. | 0 | (877) | 0 | 0 | 0 | Not budgeted for |
| | Total Interest/ Other Income | (15,390) | 73,984 | 8,091 | 8,091 | 9,171 | |
| Subtotal Revenue | | 5,558,783 | 5,886,012 | 6,630,172 | 6,630,172 | 6,887,656 | |
| Interfund Transfers | | | | | | | |
| 5950 | Transfer In | 23,511 | 167,117 | 0 | 0 | 0 | One-time monies for CD Principal and Petty Cash |
| | Total Interfund Transfers | 23,511 | 167,117 | 0 | 0 | 0 | |
| Contributions | | | | | | | |
| 5960 | Contributions from reserves | 118,298 | 0 | 0 | 0 | 0 | Reserve transactions handled via fund balance |
| | Total Contributions | 118,298 | 0 | 0 | 0 | 0 | |
| Subtotal Transfers In | | 141,809 | 167,117 | 0 | 0 | 0 | |
| TOTAL RESOURCES | | 5,700,592 | 6,053,129 | 6,630,172 | 6,630,172 | 6,887,656 | |

SEWER SERVICES

20 - SEWER

| Acct# | Title | 2021-22 Actual | 2022-23 Actual | 2023-24 Adopted | 2023-24 Adjusted | 2024-25 Projected | Comments |
|---|---------------------------------------|-------------------|-------------------|--------------------|---------------------|----------------------|--|
| OPERATIONS & MAINTENANCE EXPENSE | | | | | | | |
| Direct labor costs | | | | | | | |
| 6000 | Salaries and wages | 637,956 | 700,983 | 728,219 | 728,219 | 786,943 | |
| 6010 | Employee benefits | (279,585) | 486,360 | 585,330 | 585,330 | 627,279 | |
| 6020 | Payroll taxes | 50,755 | 54,713 | 55,709 | 55,709 | 60,201 | |
| | Total Direct labor costs | 409,126 | 1,242,056 | 1,369,258 | 1,369,258 | 1,474,423 | |
| Insurance | | | | | | | |
| 6030 | Workers' comp. insurance | 12,774 | 17,957 | 20,246 | 20,246 | 26,179 | |
| 6125 | Liability insurance | 48,252 | 54,867 | 60,707 | 60,707 | 52,445 | |
| 6130 | Property and other insurance | 27,675 | 17,586 | 19,344 | 19,344 | 24,845 | |
| | Total Insurance | 88,701 | 90,410 | 100,298 | 100,298 | 103,469 | |
| Supplies | | | | | | | |
| 6100 | Other operating expenses | 30,661 | 35,464 | 40,000 | 40,000 | 45,000 | |
| 6190 | Computer upgrades/replacements | 81 | 34 | 1,500 | 1,500 | 13,167 | Includes \$1500 replacement holder |
| 6210 | Fuel expense | 26,689 | 28,973 | 40,000 | 40,000 | 42,000 | Full year of Ramjet |
| 6520 | Lift station equipment | 14,693 | 10,543 | 15,000 | 15,000 | 22,000 | Generator repair increase, aging, and elevator |
| 6350 | Safety equipment | 5,720 | 3,552 | 7,500 | 7,500 | 7,500 | |
| 6360 | Uniforms | 2,835 | 6,885 | 7,500 | 7,500 | 7,500 | |
| 6740 | Non-capital expenditures | 24,384 | 75,504 | 68,000 | 133,983 | 153,000 | See CIP page |
| 6741 | Infrastructure Repairs & Supplies | 17,609 | 8,592 | 25,000 | 25,000 | 100,000 | Manhole raising, just regular annual repair |
| 6742 | Lift Station Paving | 972 | 0 | 5,000 | 5,000 | 5,000 | |
| 6743 | Hoses/Fittings/Nozzles | 5,009 | 7,423 | 7,000 | 7,000 | 7,000 | |
| | Total Supplies | 128,655 | 176,972 | 216,500 | 282,483 | 402,167 | |
| Other Charges and Services | | | | | | | |
| 6110 | Utilities | 57,893 | 72,863 | 68,000 | 68,000 | 69,700 | Modest CPI increase |
| 6120 | Education and training | 14,787 | 20,136 | 14,600 | 14,600 | 10,250 | 3 NASSCO, no CDL licensing |
| 6140 | Maintenance agreements | 56,119 | 52,901 | 67,400 | 67,400 | 73,861 | |
| 6150 | Memberships, subscrip. & dues | 3,444 | 3,263 | 3,500 | 3,500 | 4,000 | Pesticide category reclassification |
| 6155 | IT Subscriptions | 0 | 0 | 11,733 | 11,733 | 32,367 | |
| 6170 | Permits and fees | 10,352 | 11,600 | 12,500 | 12,500 | 13,000 | |
| 6175 | SB County Property Tax Processing Fee | 7,774 | 7,778 | 8,150 | 8,150 | 8,541 | |
| 6200 | Vehicle expense | 15,412 | 19,154 | 20,000 | 20,000 | 27,500 | Based on YTD trend |
| 6220 | Outside labor vehicle costs | 899 | 0 | 0 | 0 | 0 | Budget moved to 6200 |
| 6330 | Administrative services | 612,001 | 567,161 | 740,840 | 734,306 | 0 | Moved to 7060 in FY2024-25 |
| 6490 | Engineering costs | 1,165 | 3,392 | 8,300 | 8,300 | 10,000 | Based on YTD trend |
| 6500 | Asphalt repair | 320 | 2,916 | 10,000 | 10,000 | 10,000 | |

SEWER SERVICES

20 - SEWER

| Acct# | Title | 2021-22 Actual | 2022-23 Actual | 2023-24 Adopted | 2023-24 Adjusted | 2024-25 Projected | Comments |
|---|---|-------------------|-------------------|--------------------|---------------------|----------------------|---|
| 6510 | BBARWA user & standby fees | 2,808,587 | 2,999,175 | 3,706,648 | 3,706,648 | 3,815,511 | Pass-Through to BBARWA |
| 6530 | Hydro/camera repairs | 2,211 | 3,707 | 10,000 | 10,000 | 10,000 | As needed |
| 6730 | Facility improvement/maint. | 2,979 | 16,203 | 3,500 | 3,500 | 3,500 | |
| 7060 | Administrative Dept. Expense | 0 | 0 | 0 | 0 | 743,719 | Recorded in 6330 prior to FY2024-25 |
| | Total Other Charges and Services | 3,593,942 | 3,780,249 | 4,685,171 | 4,678,637 | 4,831,949 | |
| TOTAL OPER. & MAINT. EXP BEFORE RESERVE CONTR. | | 4,220,424 | 5,289,686 | 6,371,227 | 6,430,676 | 6,812,008 | |
| Interfund Transfers | | | | | | | |
| 6900 | Transfer Out | 0 | 158,581 | 0 | 0 | 0 | One-time payment for Admin assets |
| | Total Interfund Transfers | 0 | 158,581 | 0 | 0 | 0 | |
| Contributions to Reserves | | | | | | | |
| 6810 | Reserve contribution-Vehicle | 118,298 | 0 | 0 | 0 | 0 | Reserve transactions handled via fund balance |
| 6830 | Reserve Contrib. - ADA | 21,000 | 0 | 0 | 0 | 0 | Reserve transactions handled via fund balance |
| | Total Contributions to Reserves | 139,298 | 0 | 0 | 0 | 0 | |
| TOTAL OPERATIONS & MAINTENANCE EXPENSE | | 4,359,722 | 5,448,267 | 6,371,227 | 6,430,676 | 6,812,008 | |
| CAPITAL APPROPRIATIONS | | | | | | | |
| Other Appropriations | | | | | | | |
| 2000 | Land | 0 | 2,514 | 231,000 | 231,000 | 0 | |
| 2040 | Lines | (35,718) | (467,550) | 0 | 142,500 | 0 | Write off of obsolete/ non-capital in prior years |
| 2050 | Land improvements | 27,450 | 12,124 | 0 | 0 | 0 | |
| 2060 | Buildings | (83,191) | 28,229 | 171,638 | 171,638 | 192,638 | Write off of obsolete/ non-capital in prior years |
| 2070 | Equipment | (526,180) | (13,891) | 202,500 | 792,336 | 292,500 | Write off of obsolete/ non-capital in prior years |
| 2090 | Software | 0 | 5,695 | 0 | 0 | 0 | |
| 2250 | Construction in progress | 102,249 | 12,207 | 0 | 11,807 | 0 | |
| | Total Other Appropriations | (515,390) | (420,672) | 605,138 | 1,349,280 | 485,138 | |
| TOTAL APPROPRIATIONS/ EXPENDITURES | | 3,844,332 | 5,027,595 | 6,976,365 | 7,779,956 | 7,297,146 | |
| NET SURPLUS (DEFICIT) BEFORE DEPRECIATION | | 1,856,259 | 1,025,533 | (346,193) | (1,149,784) | (409,490) | |
| Ending Fund Balance (Net Position) | | 6,645,368 | 6,853,577 | 6,507,384 | 5,703,793 | 5,294,303 | |
| <i>Reserve Policy Designation</i> | | 2,987,379 | 2,987,379 | 3,097,301 | 3,097,301 | 3,708,637 | |
| <i>Are we meeting our Reserve Policy?</i> | | Yes | Yes | Yes | Yes | Yes | |

SEWER SERVICES

**5 YEAR CAPITAL IMPROVEMENT PLAN
FISCAL YEAR ENDING 6/30/2025
SEWER**

| Account | Large Purchases (Not Capital-R&M or O&M) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
|---------|---|----------------|----------------|----------------|----------------|----------------|------------------|
| 6740 | Major Repairs | 25,000 | 25,000 | 27,500 | 27,500 | 30,000 | 135,000 |
| 6740 | Sewer Rate Study | 50,000 | | | | | 50,000 |
| 6740 | Arc Flash/CAD Drawings | 4,000 | 4,000 | 4,000 | 7,000 | 4,000 | 23,000 |
| 6740 | Arc Flash (carryover) | | | | | | - |
| 6190 | Server Replacements | 7,667 | - | 9,333 | 4,667 | 6,167 | 27,833 |
| 6190 | SCADA PLC Purchase | 4,000 | | | | | 4,000 |
| 6740 | PLC Programming | 11,000 | | | | | 11,000 |
| 6740 | Vanguard (2 units) | 30,000 | | | | | 30,000 |
| 6740 | Generator Quick Connects | 18,000 | 18,000 | 18,000 | - | - | 54,000 |
| 6740 | Facilities Electrical Maintenance | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 75,000 |
| | Total | 164,667 | 62,000 | 73,833 | 54,167 | 55,167 | 409,833 |
| Account | Capital Improvement Plan | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| 2040 | Gildart Relief Line/Rainbow Upgrades | | 315,600 | 300,000 | | | 615,600 |
| 2070 | Mobile Genset | | | 100,000 | | | 100,000 |
| 2070 | SCADA - Hardware server | | 20,000 | | | | 20,000 |
| 2070 | SCADA - Hardware (PLCs) | | | 351,000 | | | 351,000 |
| 2070 | Replace Lift Station Pumps and Valves | 142,500 | 142,500 | 142,500 | 142,500 | 142,500 | 712,500 |
| | Total | 142,500 | 478,100 | 893,500 | 142,500 | 142,500 | 1,799,100 |
| Account | Capital Improvement Plan portion for Admin. Services | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| 2060 | ADA design plans/construction | 21,000 | 21,000 | 21,000 | 21,000 | 21,000 | 105,000 |
| 2060 | ADA design plans/construction - Carryover | 171,638 | - | - | - | - | 171,638 |
| | Total | 192,638 | 21,000 | 21,000 | 21,000 | 21,000 | 276,638 |
| Account | Capital Improvement Plan - Vehicle (paid for by Reserves) | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Total |
| 2070 | Unit #214 - 1/2 Ton Pickup | 80,000 | | | | | 80,000 |
| 2070 | Unit #215- 3/4 Ton Utility | 70,000 | | | | | 70,000 |
| 2070 | Unit #212 - 3/4 Ton Pickup | | | 70,000 | | | 70,000 |
| 2070 | Unit #206 - Backhoe | | | | 128,750 | | 128,750 |
| | Total | 150,000 | - | 70,000 | 128,750 | - | 220,000 |

SEWER SERVICES

Sewer Department - Reserve Policy Requirements

| Capital Reserve Funds | | | | | | | | RESERVE TARGET FOR FISCAL YEAR ENDING 6/30/2025 |
|------------------------------|------------------------------------|--|---------------------------------|-----------------------------|-------------------------------|-------------------------|-----------------------------|---|
| Operational Reserve Fund (1) | Capital Projects Reserve Fund (2a) | Designated Emergency Operational Reserve Fund (2b) | Self Insurance Reserve Fund (3) | Rate Stabilization Fund (4) | Debt Service Reserve Fund (5) | Vehicle Replacement (6) | Administrative Services (7) | |
| 749,124 | 415,148 | 650,000 | 236,699 | 561,244 | - | 1,002,726 | 93,696 | 3,708,637 |

(1) 3 months operational expenses

(2a) Yearly average of the 2024-2028 Capital Improvement Plan. Includes Administrative capital reserve obligation.

(2b) Estimated cost of 1/3 of one lift station

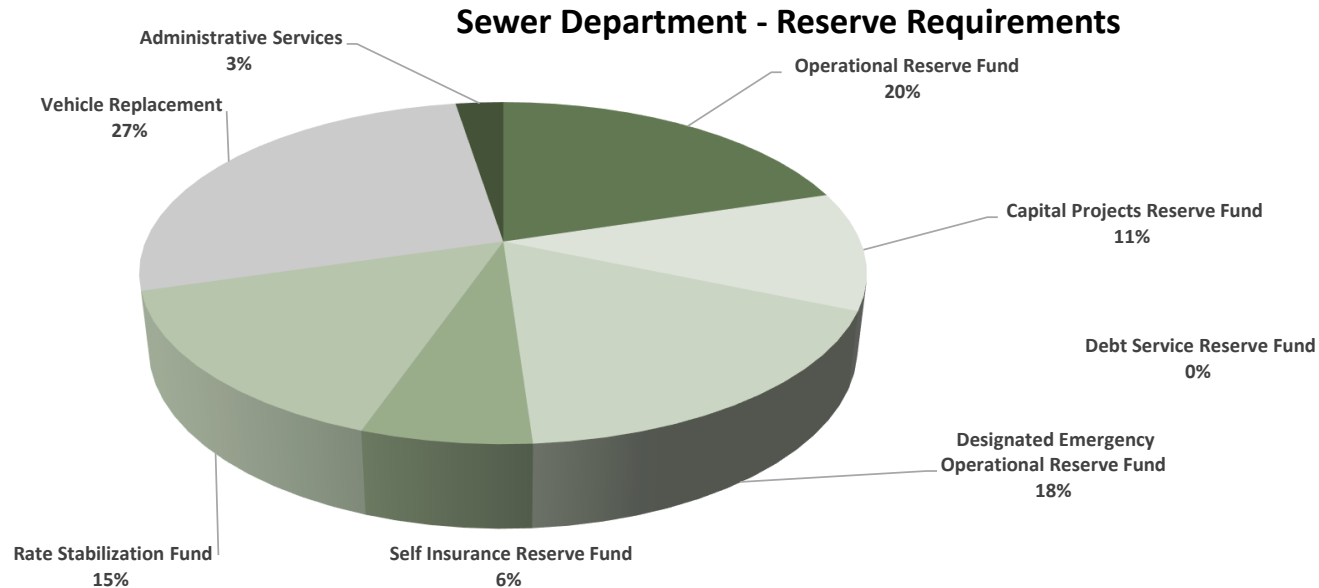
(3) Current and retiree projected health insurance expense for FY 2024

(4) 3 months of audited O&M averaged over the previous 5 years

(5) 1.2 times the annual debt service payment. The Sewer Department currently has no debt to service

(6) Based on the 5 year Vehicle Replacement Schedule which is updated annually during the budget process

(7) Based on 1/3 of Administrative Services reserve policy



SEWER SERVICES

SEWER SERVICES

VEHICLE REPLACEMENT SCHEDULE

| Vehicle/Equipment | Original | Purchase Date | Useful Life (Years) | Replacement Cost* | Replacement Year Scheduled | 7/1/2024 | Reserve | 6/30/2025 |
|--|---------------|---------------|------------------------|----------------------|----------------------------------|-------------------|-------------------------|-------------------|
| | Purchase Cost | | | | | Reserve Amount | Contribution Vehicle | Reserve Amount |
| Unit #214 - 1/2 Ton Pickup | 32,178 | 2011 | 13 | 80,000 | 2024/25 | 60,000 | 20,000 | 80,000 |
| Unit #215- 3/4 Ton Utility | 33,820 | 2013 | 11 | 70,000 | 2024/25 | 49,696 | 20,304 | 70,000 |
| Unit #212 - 3/4 Ton Pickup | 33,967 | 2012 | 14 | 70,000 | 2026/27 | 65,000 | 1,667 | 66,667 |
| Unit #206 - Backhoe | 99,637 | 2012 | 15 | 128,750 | 2027/28 | 97,928 | 7,706 | 105,634 |
| Unit #211 - 1/4 Ton Pickup | 34,948 | 2017 | 12 | 50,000 | 2029/30 | 20,454 | 4,924 | 25,378 |
| Unit #905 - F-600 Dump Truck 2006 ** | 27,727 | 2006 | 25 | 55,000 | 2031/32 | 30,532 | 3,059 | 33,590 |
| Unit #213 - 3/4 Ton Pickup | 50,000 | 2020 | 12 | 70,000 | 2031/32 | 19,938 | 6,258 | 26,196 |
| Unit #201 - Large Combo Truck - Vactor | 525,000 | 2017 | 15 | 800,000 | 2032/33 | 226,775 | 63,692 | 290,467 |
| Unit #203 - CCTV Truck | 300,606 | 2018 | 15 | 310,030 | 2033/34 | 123,535 | 18,649 | 142,185 |
| Unit #204 - 2 Ton Service Truck | 158,362 | 2021 | 15 | 159,000 | 2035/36 | 39,750 | 9,938 | 49,688 |
| Unit #210 - Jetter Truck | 499,836 | 2023 | 15 | 800,000 | 2038/39 | - | 53,333 | 53,333 |
| Unit #207 - Skid Steer Loader | 75,000 | 2016 | 25 | 82,400 | 2041/42 | 22,936 | 3,498 | 26,434 |
| Unit #208 - Mini Excavator | 95,000 | 2016 | 25 | 103,000 | 2041/42 | 28,791 | 4,365 | 33,156 |
| Unit #216 - 1 Ton Dump Truck*** | 39,164 | 2007 | 13 | - | | - | - | - |
| Unit #202 - Small Combo Truck - Vactor *** | 232,597 | 2007 | 15 | - | | - | - | - |
| Totals | | | | 2,778,180 | | 785,334 | 217,392 | 1,002,726 |

* Prices are based on current replacement costs.

** Replacement cost represents 50% of total required (shared with Water Dept.)

*** Units not scheduled to be replaced.

SEWER SERVICES

Inter-Fund Loan - Payment Schedule

In Fiscal Year 2014/15 the Big Bear City Community Services District's (CSD) Sewer Department loaned \$1,020,445 to the CSD Fire Department. The CSD Fire Department paid off their Safety Group CalPERS side fund* with the loaned funds. The legally binding Inter-Fund agreement requires that the Fire Department repay the loan within 10 years including 3.75% interest. Previously, the Fire Department had paid CalPERS 7.5% for the same loan and the Sewer Department had been earning approximately 0.3% with the California Local Agency Investment Fund (LAIF). The side fund loan is secured with CSD collected property tax.

| Payment No. | Date | Start Balance | Payment Amount | Capital Paid | Interest Paid | Remaining Balance |
|-------------|-----------|---------------|----------------|--------------|---------------|-------------------|
| 20 | 31-Dec-24 | 60,522 | 61,657 | 60,522 | 1,135 | - |

*The side fund was created when the Safety group was pooled with similarly sized special districts.

NOTE: Interest earnings are recognized in revenue while principal payments are deposited directly into reserves.

SEWER SERVICES

RATES OVERVIEW
FISCAL YEAR ENDING 6/30/2025
SEWER SERVICES

| | Year Referenced in Rate Study | | |
|------------------------------------|--------------------------------------|------------------------|--|
| | <u>FY 23-24</u> | <u>FY 24-25</u> | <u>Increase/ (Decrease)</u> |
| | <u>Existing</u> | <u>Proposed</u> | |
| <i>Annual</i> Sewer Charge per EDU | \$229.02 | \$240.02 | \$11.00 |
| <i>Monthly</i> change to billing | | | \$0.92 |