



## **BEAR VALLEY COMMUNITY SERVICES DISTRICT**

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28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

### **AGENDA REGULAR MEETING OF THE BOARD OF DIRECTORS**

DATE OF MEETING: August 24, 2017  
PLACE OPEN & CLOSED SESSION MEETINGS: 28999 South Lower Valley Road  
TIME OF CLOSED SESSION MEETING: 4:00 PM  
TIME OF OPEN SESSION MEETING: 6:00 PM

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1. **Call to Order**
2. **Attendance**
3. **Closed Session**
  - A. Conference with Real Property Negotiators  
*Government Code Section 54956.9*  
Property: Cummings Valley; APN: 22-240-08-00  
Agency Negotiator: General Manager and General Counsel  
Negotiating Parties: HmU Holdings LLC (HelioPower)  
Under negotiation: Price and Terms of Lease
  - B. Public Employee Discipline/Dismissal/Release  
*Government Code Section 54957*
  - C. Public Employee Performance Evaluation  
Title: General Manager  
*Government Code Section 54957*
4. **Convene Open Session**
5. **Summary of Actions Taken During Closed Session**
6. **Approval of Agenda**
7. **Pledge of Allegiance**
8. **Public Comments on Non-Agenda Items**

Members of the public may address the Board on matters not listed on this Agenda. The Board cannot take action on any item that is not on the Agenda. The Board or staff may briefly respond to statements made or questions posed, or may ask questions for clarification. These items may also be referred to staff or scheduled on a future Agenda. There will be a separate opportunity for public comment for each item on the Agenda.

**9. Disclosures by the Board of Directors**

Board Members are asked to disclose any outside communications with individuals and organizations that have an action item on this agenda that pertains directly to them or their specific personal or private interests and which communication is not included or disclosed in the agenda package, so that all interested persons have an equal opportunity to express and represent their interests.

**10. Public Hearing Items:**

Fiscal Year 2017/18 Final Budgets: (Mr. Edmonds)

- A. ADOPT Resolution 17/18-10 and APPROVE the General Fund (Fund 40) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- B. ADOPT Resolution 17/18-11 and APPROVE the Parks & Recreation (Fund 45) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- C. ADOPT Resolution 17/18-12 and APPROVE the Post Office Enterprise Fund (Fund 41) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- D. ADOPT Resolution 17/18-13 and APPROVE the Roads Special Revenue Fund (Fund 48) and Roads Reserve Fund (Fund 73) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- E. ADOPT Resolution 17/18-14 and APPROVE the Water Enterprise (Fund 42), Water Development (Fund 60), Water Bond Redemption (Fund 64), and Water Reserve (Fund 70) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- F. ADOPT Resolution 17/18-15 and APPROVE the Wastewater Enterprise (Fund 43), Wastewater Development (Fund 61), Wastewater Bond Redemption (Fund 67), and Wastewater Reserve (Fund 69) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- G. ADOPT Resolution 17/18-16 and APPROVE the Solid Waste Enterprise (Fund 49) and Solid Waste Reserve (Fund 71) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.
- H. ADOPT Resolution 17/18-17 and APPROVE the Citizen's Option for Public Safety (COPS) Grant (Fund 68) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.

- I. ADOPT Resolution 17/18-18 and APPROVE the Public Safety Realignment (AB109) Fund (Fund 30) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.

**11. Action Items:**

- A. CANCEL Regular Board Meetings of September 14 and September 28, 2017 (Ms. McEwen)

**12. Information and Discussion Items:**

- A. Update on Status of Approved Solar Project Under SCE's Renewable Energy Self-Generation Bill Credit Transfer Program (RES-BCT) and Consideration of Potential Reconfiguration of Project Facilities to Qualify Under SCE's Net Energy Metering Program (NEMS) (Mr. Davis)
- B. Bear Valley & Cumberland Road Rehabilitation Project (Mr. Edmonds)
- C. District Social Media (Communication Committee)
- D. Board Comments
  - i. Director Baron
  - ii. Director Muell
  - iii. Director Roberts
  - iv. Vice-President Grace
  - v. President Carlyn
- E. Staff Comments
  - i. Public Safety Consultant
  - ii. General Counsel
  - iii. General Manager

**13. Future Agenda Items:**

- A. Kawaiisu Historical Preserve Master Plan & Conservation Easement (TBD)
- B. RATIFY Change Orders: Bear Valley & Cumberland Roads Rehabilitation Project (TBD)

**14. Adjournment:**

The next regularly scheduled meeting of the Board of Directors is to be determined pending Item 11A.

**INFORMATION REGARDING AGENDA ITEMS:** Copies of the staff reports and other disclosable public records related to each open session item of business referred to on the agenda are on file in the office of the District Secretary and are available for public information during regular business hours. Any person who has a question concerning any of the agenda items may call the District Secretary at 661.821.4428.

**ADA Compliance Statement:** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Secretary to the Board of Directors, Kristy McEwen, at 661.821.4428. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Signed, August 21, 2017

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Kristy McEwen, Secretary of the Board

August 24, 2017 Regular Board Meeting

## STAFF REPORT

AGENDA ITEM #10A – 10I  
*Final Budget FY 2017/18*



MEETING DATE: August 24, 2017

PREPARED BY: Kristy McEwen,  
Secretary of the Board of Directors

AGENDA TITLE: ADOPT Resolutions 17/18-10 through 17/18-18, APPROVE Final Budgets for Fiscal Year 2017/18: General Fund, Parks & Recreation Fund, Post Office Enterprise Fund, Roads Special Revenue & Reserve Funds, Various Water Funds, Various Wastewater Funds, Various Solid Waste Funds; Citizen's Option for Public Safety Fund, and Public Safety Realignment Fund and AUTHORIZE the General Manager to file with Kern County Auditor-Controller-County Clerk

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### **RECOMMENDATION**

The Board of Directors conduct hearings, consider all public comments, adopt the Resolutions and approve the Final Budgets for Bear Valley Community Services District for Fiscal Year 2017/18.

### **RESULT OF RECOMMENDED ACTION**

The Final Budgets for FY 2017/18 will be adopted and filed in accordance with California Code.

### **BACKGROUND**

California Government Code Section 61110 stipulates the budget timelines and procedures to be followed by Community Services Districts. The pertinent dates are:

**July 1** – 61110(c) “On or before July 1 of each year...the board of directors shall publish a notice stating all of the following:

(1) Either that it has adopted a preliminary budget or that the general manager has prepared a proposed final budget which is available for inspection at a time and place within the district specified in the notice.

(2) The date, time, and place when the board of directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

**September 1** – 61110(f) “On or before September 1 of each year the board of directors shall adopt a final budget that conforms to generally accepted accounting and budgeting procedures for special districts. The general manager shall forward a copy of the final budget to the auditor of each county in which the district is located.”

On June 29, 2017, the Board of Directors adopted the Preliminary Budget, after holding several Special Meeting Study Sessions. Subsequently, a Final Budget Study Session was held at 2:00 pm on Monday, August 21, 2017.

A notice was published in the Tehachapi News stating the date, time and place when the Board of Directors will meet to adopt the final budget and that any person may appear and be heard regarding any item in the budget or regarding the addition of other items.

## STAFF REPORT

AGENDA ITEM #10A – 10I  
*Final Budget FY 2017/18*

The Preliminary Budgets require staff to project final expenses for the year, as the fiscal year does not end until June 30 of each year. After adoption of the Preliminary Budget and as the fiscal year is closed out, the Final Budget is prepared to reflect actual expenditures, rather than projections. This period also provides opportunity for Board Study Sessions and public review. The Budget Study Sessions have been held, wherein the Board of Directors reviewed the Preliminary Budget and gave direction to the General Manager as to additions, deletions and changes to be made before the Public Hearing and Adoption of the Final Budgets on August 24, 2017.

### **ANALYSIS**

Details of these refinements and other changes were presented to the Board of Directors at the Study Session and are available in the PowerPoint presentation which will be posted on the District website when finalized.

### **Additions, Deletions and Omissions:**

#### All budgets

- Corrected for actuals; prior year expenses and revenue, affecting carryover
- Revenue and expense estimates updated

#### Mailbox AD17-1

- Budget and Fund deleted; with failure of proposed assessment, there was a Preliminary Budget but there will not be a Final Budget

#### General Fund

##### Overall

- Transfers Out: Increased for purchase of Roller Compactor

##### General Services

- Mailbox expenses moved from deleted Mailbox AD17-1 Fund to General Fund/General Services
- Bus shelters removed until FY 2018/19 due to failure of proposed mailbox assessment

#### Roads

- Transfers Out: Reduced, Mailbox Project deleted
- Services & Supplies: Increased to add Oakflat Drive
- Debt Servicing: Reduced, Street Sweeper Lease Purchase payment due FY 2018/19
- Transfers In: Increased, Roller Compactor added

#### Water

- Capital Outlay: Decreased, Port Royal break removed
- Capital Outlay: Increased, addition of 4 wells

#### Wastewater

- Addition of AD95-1 budget

#### COPS Grant

- Expenditures shifted from Capital Outlay to Transfers Out: Purchase of police vehicles

## STAFF REPORT

AGENDA ITEM #10A – 10I  
*Final Budget FY 2017/18*

### Public Safety Realignment (AB 109)

- Expenditures shifted from Capital Outlay to Transfers Out: Purchase of security system

### **Other:**

Adoption of the Budget Resolution fixes the appropriations within the following major categories:

- Salaries & Benefits
- Services & Supplies
- Debt Servicing
- Capital Outlay
- Expenditure Transfers
- Transfers to Other Funds
- Contingencies
- Fund Balance Available

Adoption of the Resolutions will also cause the adoption of the following documents:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

Each budget also includes program goals, providing direction to staff for the fiscal year.

The public has been provided opportunity to inspect the Preliminary Budget since its adoption on June 29, 2017. The public hearing provides the opportunity for the public to address the Board regarding budgetary concerns.

### **FISCAL IMPACT**

With the Adoption of the Final Budgets, expenditure plans will be set for FY 2017/18.

### **RECOMMENDED MOTIONS**

“I move the Board of Directors ADOPT Resolution 17/18-10 and APPROVE the General Fund (Fund 40) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-11 and APPROVE the Parks & Recreation Fund (Fund 45) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-12 and APPROVE the Post Office Enterprise Fund (Fund 41) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-13 and APPROVE the Roads Special Revenue Fund (Fund 48) and Roads Reserve Fund (Fund 73) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-14 and APPROVE the Water Enterprise (Fund 42), Water Development (Fund 60), Water Bond Redemption (Fund 64), and Water Reserve (Fund 70) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk”.

STAFF REPORT

AGENDA ITEM #10A – 10I  
*Final Budget FY 2017/18*

“I move the Board of Directors ADOPT Resolution 17/18-15 and APPROVE the Wastewater Enterprise (Fund 43), Wastewater Development (Fund 61), Wastewater Bond Redemption (Fund 67), and Wastewater Reserve (Fund 69) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-16 and APPROVE the Solid Waste Enterprise (Fund 49) and Solid Waste Reserve (Fund 71) Final Budgets for Fiscal Year 2017/18 and AUTHORIZE the General Manager to File with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-17 and APPROVE the Citizen’s Option for Public Safety (COPS Grant) Fund (Fund 68) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”

“I move the Board of Directors ADOPT Resolution 17/18-18 and APPROVE the Public Safety Realignment Fund (AB109) (Fund 30) Final Budget for Fiscal Year 2017/18 and AUTHORIZE the General Manager to file with the Kern County Auditor-Controller-County Clerk.”



## **BEAR VALLEY COMMUNITY SERVICES DISTRICT**

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

### **RESOLUTION 17/18-10**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING THE GENERAL FUND (Fund 40) FINAL BUDGET FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017 made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the General Fund Final Budget for Fiscal Year 2017/18 is hereby adopted in accordance with the following:

#### General Fund (Fund 40)

1. Salaries & Benefits	\$ 1,351,427
2. Services & Supplies	\$ 562,155
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 1,080,955
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 789,378
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 1,570,806

**TOTAL BUDGET REQUIREMENTS**                          **\$ 5,354,721**

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:



ATTACHMENTS:

FY 2017/18 Revenue & Expenditure Detail and Schedules  
FY 2017/18 Personnel Allocation  
FY 2017/18 Full-Time Salary Scale  
FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-10 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



## **BEAR VALLEY COMMUNITY SERVICES DISTRICT**

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### **RESOLUTION 17/18-11**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING THE PARKS & RECREATION (Fund 45) FINAL BUDGET FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Parks & Recreation Final Budget for Fiscal Year 2017/18 is hereby adopted in accordance with the following:

#### Parks & Recreation Fund (Fund 45)

1. Salaries & Benefits	\$ 19,789
2. Services & Supplies	\$ 160,926
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 0
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 75,000
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

**TOTAL BUDGET REQUIREMENTS**                      \$ 255,715

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-11 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



# BEAR VALLEY COMMUNITY SERVICES DISTRICT

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## RESOLUTION 17/18-12

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING THE POST OFFICE ENTERPRISE FUND (Fund 41) FINAL BUDGET FOR FISCAL YEAR 2017/18

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Post Office Enterprise Fund Final Budget for Fiscal Year 2017/18 is hereby adopted in accordance with the following:

#### Post Office Enterprise Fund (Fund 41)

1. Salaries & Benefits	\$	343
2. Services & Supplies	\$	296
3. Debt Servicing	\$	0
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	0
7. Contingencies	\$	0
8. Fund Balance Available	\$	0

TOTAL BUDGET REQUIREMENTS \$ 639

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-14 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



## BEAR VALLEY COMMUNITY SERVICES DISTRICT

28999 South Lower Valley Road • Tehachapi, CA 93561-7460

PHONE 661-821-4428 • FAX 661-821-0180

### RESOLUTION 17/18-13

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BEAR VALLEY COMMUNITY SERVICES DISTRICT  
ADOPTING THE ROADS SPECIAL REVENUE FUND (Fund 48) AND  
ROADS RESERVE FUND (Fund 73) FINAL BUDGETS  
FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Various Roads Fund Final Budgets for Fiscal Year 2017/18 are hereby adopted in accordance with the following:

#### Roads Fund (Fund 42)

1. Salaries & Benefits	\$ 591,132
2. Services & Supplies	\$ 512,604
3. Debt Servicing	\$ 426,783
4. Capital Outlay	\$ 1,736,784
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 65,759
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

TOTAL BUDGET REQUIREMENTS \$ 3,333,062

#### Roads Reserve Fund (Fund 73)

1. Salaries & Benefits	\$ 0
2. Services & Supplies	\$ 0
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 0
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 196,905
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 793,622

TOTAL BUDGET REQUIREMENTS \$ 990,527

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

FY 2017/18 Revenue & Expenditure Detail and Schedules  
FY 2017/18 Personnel Allocation  
FY 2017/18 Full-Time Salary Scale  
FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-15 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

---

Kristy McEwen,  
Secretary of the Board of Directors



**BEAR VALLEY COMMUNITY SERVICES DISTRICT**

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
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**RESOLUTION 17/18-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BEAR VALLEY COMMUNITY SERVICES DISTRICT  
ADOPTING THE WATER ENTERPRISE (Fund 42),  
WATER DEVELOPMENT (Fund 60),  
WATER BOND REDEMPTION (Fund 64),  
AND WATER RESERVE (Fund 70)  
FINAL BUDGETS FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Various Water Fund Final Budgets for Fiscal Year 2017/18 are hereby adopted in accordance with the following:

Water Enterprise Fund (Fund 42)

1. Salaries & Benefits	\$ 1,262,909
2. Services & Supplies	\$ 1,734,870
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 672,676
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 137,031
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

TOTAL BUDGET REQUIREMENTS \$ 3,807,486



Water Development Fund (Fund 60)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	162,788
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	0
7. Contingencies	\$	0
8. Fund Balance Available	\$	0

TOTAL BUDGET REQUIREMENTS \$ 162,788

Water Bond Redemption Fund (Fund 64)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	84,188
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	0
7. Contingencies	\$	0
8. Fund Balance Available	\$	168,000

TOTAL BUDGET REQUIREMENTS \$ 252,188

Water Reserve Fund (Fund 70)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	0
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	901,363
7. Contingencies	\$	0
8. Fund Balance Available	\$	173,103

TOTAL BUDGET REQUIREMENTS \$ 1,074,466

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

FY 2017/18 Revenue & Expenditure Detail and Schedules  
FY 2017/18 Personnel Allocation  
FY 2017/18 Full-Time Salary Scale  
FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-16 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

---

Kristy McEwen,  
Secretary of the Board of Directors



## BEAR VALLEY COMMUNITY SERVICES DISTRICT

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

### RESOLUTION 17/18-15

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BEAR VALLEY COMMUNITY SERVICES DISTRICT  
ADOPTING THE WASTEWATER ENTERPRISE (Fund 43),  
WASTEWATER DEVELOPMENT (Fund 61),  
WASTEWATER BOND REDEMPTION (Fund 67), AND  
WASTEWATER RESERVE (Fund 69)  
FINAL BUDGETS FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Various Wastewater Funds Final Budgets for Fiscal Year 2017/18 are hereby adopted in accordance with the following:

Wastewater Enterprise Fund (Fund 43)

1. Salaries & Benefits	\$ 436,089
2. Services & Supplies	\$ 311,262
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 235,000
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 61,043
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

TOTAL BUDGET REQUIREMENTS \$ 1,043,394

Wastewater Development Fund (Fund 61)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	34,028
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	0
7. Contingencies	\$	0
8. Fund Balance Available	\$	0
<b>TOTAL BUDGET REQUIREMENTS</b>	<b>\$</b>	<b>34,028</b>

Wastewater Bond Redemption Fund (Fund 67)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	0
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	5,348
7. Contingencies	\$	0
8. Fund Balance Available	\$	0
<b>TOTAL BUDGET REQUIREMENTS</b>	<b>\$</b>	<b>5,348</b>

Wastewater Reserve Fund (Fund 69)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	0
3. Debt Servicing	\$	0
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	204,667
7. Contingencies	\$	0
8. Fund Balance Available	\$	271,369
<b>TOTAL BUDGET REQUIREMENTS</b>	<b>\$</b>	<b>476,036</b>

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-17 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



## **BEAR VALLEY COMMUNITY SERVICES DISTRICT**

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

### **RESOLUTION 17/18-16**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING SOLID WASTE ENTERPRISE (Fund 49), AND SOLID WASTE RESERVE (Fund 71) FINAL BUDGETS FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Various Solid Waste Fund Final Budgets for Fiscal Year 2017/18 are hereby adopted in accordance with the following:

#### Solid Waste Enterprise Fund (Fund 49)

1. Salaries & Benefits	\$ 236,101
2. Services & Supplies	\$ 558,158
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 325,000
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 33,382
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

TOTAL BUDGET REQUIREMENTS \$ 1,152,641

#### Solid Waste Reserve Fund (Fund 71)

1. Salaries & Benefits	\$ 0
2. Services & Supplies	\$ 0
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 0
5. Expenditure Transfers	\$ 0
6. Transfers to other Funds	\$ 405,884
7. Contingencies	\$ 0

8. Fund Balance Available	\$ 322,386
<b>TOTAL BUDGET REQUIREMENTS</b>	<b>\$ 728,270</b>

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

**ATTACHMENTS:**

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

---

Jay Carlyn, President  
Bear Valley Community Services District

**ATTEST:**

I hereby certify that the above Resolution No. 17/18-18 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



# **BEAR VALLEY COMMUNITY SERVICES DISTRICT**

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

## **RESOLUTION 17/18-17**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING THE CITIZEN’S OPTION FOR PUBLIC SAFETY (COPS) GRANT (Fund 68) FINAL BUDGET FOR FISCAL YEAR 2017/18**

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Supplemental Law Enforcement Services, Citizen’s Option for Public Safety (COPS) Grant (Fund 68) Final Budget for Fiscal Year 2017/18 is hereby adopted in accordance with the following:

Supplemental Law Enforcement Services Fund, Citizen’s Option for Public Safety (COPS) Grant (Fund 68)

1. Salaries & Benefits	\$ 115,000
2. Services & Supplies	\$ 32,138
3. Debt Servicing	\$ 0
4. Capital Outlay	\$ 0
5. Expenditure Transfers	\$ 0
6. Transfers to Other Funds	\$ 244,611
7. Contingencies	\$ 0
8. Fund Balance Available	\$ 0

**TOTAL BUDGET REQUIREMENTS** \$ 391,749

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:



ATTACHMENTS:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-12 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors



# BEAR VALLEY COMMUNITY SERVICES DISTRICT

28999 South Lower Valley Road • Tehachapi, CA 93561-7460  
PHONE 661-821-4428 • FAX 661-821-0180

## RESOLUTION 17/18-18

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY SERVICES DISTRICT ADOPTING THE PUBLIC SAFETY REALIGNMENT (AB 109) (Fund 30) FINAL BUDGET FOR FISCAL YEAR 2017/18

WHEREAS, the Bear Valley Community Services District was formed and operates pursuant to Government Code Section 61000, et seq.;

WHEREAS, in accordance with Government Code 61110, the Board of Directors of Bear Valley Community Services District adopted a Preliminary Budget for Fiscal Year 2017/18 on June 29, 2017, made said document available for public inspection, and advertised the date, time, and place of a public hearing to consider final additions, deletions, and changes to said budget, prior to adoption in final form;

WHEREAS, the Board of Directors has reviewed the anticipated revenues and the proposed expenditures for Fiscal Year 2017/18;

WHEREAS, hearings have been conducted and closed during which time all additions and deletions to the Final Budget for Fiscal Year 2017/18 have been made and incorporated therein;

NOW THEREFORE BE IT RESOLVED in accordance with Government Code 61110, the Public Safety Realignment (AB 109) Fund Final Budget for Fiscal Year 2017/18 is hereby adopted in accordance with the following:

#### Public Safety Realignment (AB 109) Fund (Fund 30)

1. Salaries & Benefits	\$	0
2. Services & Supplies	\$	8,887
3. Debt Servicing	\$	0
4. Capital Outlay	\$	0
5. Expenditure Transfers	\$	0
6. Transfers to Other Funds	\$	20,000
7. Contingencies	\$	0
8. Fund Balance Available	\$	0

TOTAL BUDGET REQUIREMENTS \$ 28,887

BE IT FURTHER RESOLVED, that the means of financing the expenditure programs will be monies derived from Revenue to Accrue, Fund Balance Available, Property Taxes, Special Taxes and Assessments, and various Grants and Fees.

BE IT FURTHER RESOLVED, that the Final Budget is hereby adopted in accordance with the attached listed documents which show in detail the approved appropriations, revenues, and method of financing attached hereto and by reference made a part hereof:

ATTACHMENTS:

- FY 2017/18 Revenue & Expenditure Detail and Schedules
- FY 2017/18 Personnel Allocation
- FY 2017/18 Full-Time Salary Scale
- FY 2017/18 Part-Time Salary Scale

PASSED AND ADOPTED, this 24<sup>th</sup> day of August, 2017 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Jay Carlyn, President  
Bear Valley Community Services District

ATTEST:

I hereby certify that the above Resolution No. 17/18-13 was duly introduced, read, and adopted by the District at a regularly noticed meeting held on August 24, 2017.

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Kristy McEwen,  
Secretary of the Board of Directors

STAFF REPORT

AGENDA ITEM #11A  
*Cancel September Meetings*

MEETING DATE: August 24, 2017  
PREPARED BY: Kristy McEwen  
Secretary of the Board of Directors  
AGENDA TITLE: CANCEL Regular Board Meetings of Sept 14 and Sept 28, 2017



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**RECOMMENDATION**

The Board of Directors cancel the September 14 & September 28, 2017 Regular Board Meetings.

**BACKGROUND**

District Code Title 1, Chapter 5, Section 9.A.2 states, “The Board of Directors shall hold two (2) regular meetings each month. The times and dates of the regular meetings shall be established by resolution of the board of directors.”

On September 8, 2011 the Board of Directors passed Resolution 11-1424 stipulating that regular Board meetings will be held on the second and fourth Thursday of each month at 4 p.m. with the open session portion of the meeting to start no earlier than 6 p.m.

**ANALYSIS**

Various members of the Board of Directors and staff will be unavailable in September due to scheduling conflicts and it is doubtful that there will be a quorum for either Regular Board Meeting, therefore staff recommends cancelling the September meetings to provide public notice.

**FISCAL IMPACT**

District Code stipulates: “Each member of the board of directors shall receive as compensation one hundred dollars for each day of service rendered as a director. A director shall not receive compensation for more than six days of service per month.” There will be a savings of \$1,000 (\$100 per Board Member per Day of Service) by cancelling both September meetings.

**RECOMMENDED MOTION**

“I move the Board of Directors CANCEL the September 14 & September 28, 2017 Regular Board Meetings.”

STAFF REPORT

AGENDA ITEM #12A  
*Solar Project Update*



MEETING DATE: August 24, 2017

PREPARED BY: Donald M. Davis  
General Counsel

AGENDA TITLE: (1) Update on Status of Approved Solar Project Under SCE’s Renewable Energy Self-Generation Bill Credit Transfer Program (RES-BCT); and (2) Consideration of Potential Reconfiguration of Project Facilities to Qualify Under SCE’s Net Energy Metering Program (NEM).

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**RECOMMENDATION**

Staff recommends that the Board consider a one year extension of the approved Power Purchase Agreement and Ground Lease with HmU Holdings, LLC (HelioPower) to see if interconnection capacity to SCE’s grid becomes available. While a reconfigured project under Southern California Edison’s (SCE) Net Energy Metering Program appears to be feasible, the relatively minimal savings resulting from such a project do not appear to warrant pursuing such an option at this time.

**BACKGROUND**

A. Pursuit of Solar Project Under RES-BCT Program

The District began considering the development of a solar photovoltaic electric energy facility (“Solar Project” or “Project”) in 2013, and the Board subsequently considered various proposals and vendors before selecting HelioPower to assist with the proposed 1.29 megawatt facility on approximately 12 acres of District property located in Cummings Valley north of Cummings Valley Road and east of Bailey Road. The SCE tariff program selected was the Renewable Energy Self-Generation Bill Credit Transfer Program (RES-BCT), which would enable the District to obtain a credit for the energy generated by the Project against about half (50) of the electricity meters that power various District facilities.

While the District has always been interested in the environmental benefits of solar energy, the driving force behind the Project has primarily been the potential cost savings under what is known as a Power Purchase Agreement (“PPA”) whereby the District would agree to purchase the energy generated from the Project at fixed rates with known increases. This structure would also avoid the negative impacts of utility rate fluctuations, and allow for better budgeting.

Since 2009, SCE has sought and the California Public Utilities Commission (“CPUC”) has approved cumulative annual rate increases totaling nearly 40 percent for SCE customers. In 2016, SCE submitted an application to the PUC for additional increases of over 12 percent in the next three years, which, if approved, would result electric rates increasing by over 53 percent in a little more than a decade.

In February 2016, the Board approved the execution of a Power Purchase Agreement with HelioPower. Under the PPA, rates would start at approximately 10 cents per kWh and would gradually increase to 19 cents per kWh after 25 years. At the time, the estimated cost savings from

the PPA over 25 years was on order of approximately \$5.2 million (\$4 million in rate savings and \$1,250,000 in annual lease payments of \$50,000/year). The \$4 million in rate savings was based on the generally conservative assumption that SCE's rates would increase 4.4% annually over the 25-year term of the PPA.

Due to the size of the proposed solar array at the Cummings Valley location (@ 10 acres) an environmental review was undertaken. The District retained the services of Rincon Consulting to prepare an Initial Study and Mitigated Negative Declaration ("IS-MND") for the Solar Project in compliance with the California Environmental Quality Act.

In late June 2016, the Board found that there was no substantial evidence that the Solar Project will have a significant effect on the environment, and as such, the Board approved the IS-MND for the Solar Project and concurrently entered into a ground lease ("Lease") with HeliPower for the Cummings Valley site for a term conterminous with the PPA (i.e., 25 years from the commencement of operation of the facility).

The final step in the Solar Project process is obtaining SCE's approval to interconnect to its grid. HeliPower and SCE went back and forth on a number of informational items as part of the application process, particularly between October 2016 and March 2017. At no time did SCE indicate directly or through its website that there was any lack of capacity on its grid in our area to accommodate the proposed Solar Project. The first such notice came on April 13, 2017, when as part of its review of the application an SCE representative advised that the local substation, known as "Windhub," has "existing capacity issues" due to existing and queued generation projects, and that an upgrade to SCE's transformer bank at the Windhub substation would be required in order for the District's Project or other queued projects to move forward. In a follow-up discussion with SCE, its staff estimated that the needed transformer upgrades could easily cost in excess of \$10 million, which amount would have to be paid by the entity seeking to interconnect to the SCE grid. After receiving this information, HeliPower and Sol Systems, the proposed financier of the Project, made numerous inquiries to SCE to see if there is any option to move the Project forward under the RES-BCT Program (such as a large wind or solar project agreeing to pay the costs of the transformer upgrades), but to date, there have been no changes regarding the apparent lack of capacity for SCE to accept exported electricity in our area under the RES-BCT Program.

**B. HelioPower Proposal for a Reconfigured Project under the NEM Program**

In response to the difficulties the Solar Project is encountering gaining SCE interconnection approval, HeliPower proposed the use of an alternative SCE Program known as Net Energy Metering (NEM), which allows installation of solar panels sized to meet the onsite needs of a specific facility, and as such, is not considered an energy exporter to the SCE grid. While the NEM Program apparently has a quicker and less discretionary approval process than the RES-BCT Program, the limitation to onsite electricity needs results in fewer potential locations for such facilities and in turn, a much smaller amount of savings. The District's facilities with the highest onsite demand for electricity are (1) the Cummings Valley water pump booster station, (2) the Waste Water Treatment Plant, (3) the Police Department building, and (4) the District Administrative Office. Collectively, these facilities could be fitted with ground or roof-mounted solar panels that would generate about 621 kilowatts of power – roughly half of what the Cummings Valley property arrays would produce. Due to the higher cost of installing the roof-

mounted arrays (or constructing “carports” at the Police station) and the fact that these arrays would be less efficient because they would not have tracking capabilities, HelioPower’s current estimate of the savings generated by such a project over a similar 25-year period is approximately \$450,000. HelioPower is reviewing this estimate and is awaiting certain data from SCE to complete its tariff analysis. Its President, Mo Rousso, acknowledged this week that this current level of savings may be unattractive to the Board to justify pursuing a project under the NEM Program at this time. If further review of the estimated savings, once we receive the requested SCE data and look at alternate tariffs, indicates a more viable savings amount, then HelioPower has also indicated that Sol Systems would likely cover any additional costs to the District with respect to the proposed NEM project, which would largely consist of the SCE application fee and the legal costs of amending the PPA and Lease to reflect the revised project.

### C. Options

Under Section 2.2 of the PPA, HelioPower has 18 months from March 1, 2016 (i.e., until September 1, 2017), to eliminate all of the conditions precedent to the initiation of construction. Among those conditions precedent is obtaining approval of an interconnection agreement with SCE. If the conditions precedent are not satisfied by September 1, 2017, then the District is entitled to terminate the PPA (and related Lease). With the interconnection agreement not likely to occur in the near future, the Board has the following options:

1. Pursue the NEM project (with a later option to pursue a smaller scale RES-BCT project on the remainder of the Cummings Valley property if interconnection is subsequently deemed viable).
2. Do not pursue the NEM project and only extend the PPA for a specified limited period to see if interconnection becomes viable.
3. Do not pursue the NEM project and terminate the PPA/Lease at the appropriate time.

### **FISCAL IMPACT**

The first option could result in energy savings to the District of approximately \$450,000 over 25 years. While not insignificant, the annual savings are minimal, with most of the savings coming towards the end of the term. As to the third option, not pursuing a solar project with HelioPower would result in no future energy savings to the District. With respect to the second option, keeping the RES-BCT on hold for another year or longer would keep open the possibility of the higher savings anticipated under that program (@ \$5.2 million) and there would be no additional costs to the District to simply take a wait-and-see approach regarding interconnection at the Windhub substation.

### **RECOMMENDATION/MOTION**

If the Board concurs with the Staff recommendation of a one year extension of the approved Power Purchase Agreement and Ground Lease with HmU Holdings, LLC (HelioPower) to see if interconnection capacity to SCE’s grid becomes available, then the motion would be as follows:

STAFF REPORT

AGENDA ITEM #12A  
*Solar Project Update*

“I move that staff prepare an amendment to the PPA that would provide a one year extension of Section 2.2 of the PPA for Board approval.”

Attachments:

HelioPower PowerPoint Presentation



STAFF REPORT

AGENDA ITEM #12B  
*BV & Cumberland Road Rehabilitation*

MEETING DATE: August 24, 2017

PREPARED BY: Kristy McEwen  
Secretary of the Board of Directors

AGENDA TITLE: Bear Valley & Cumberland Road Rehabilitation



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No staff report; a verbal update will be provided.

STAFF REPORT

AGENDA ITEM #12C  
*District Social Media*

MEETING DATE: August 24, 2017

PREPARED BY: Kristy McEwen  
Secretary of the Board of Directors

AGENDA TITLE: District Social Media



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No staff report; verbal discussion item.