

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
REGULAR MEETING**

**August 22, 2007**

**at**

**4:30 p.m.**

**at**

**121 Palomino Drive  
Big Bear City, California**

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Presentations and Introductions**
  - A. Introduction – David Lawrence, P.E., Director of Public Works/City Engineer, City of Big Bear Lake
  - B. Introduction – Bob Colven, Chairman, LAFCO
  - C. Audit Report for Fiscal Year Ended June 30, 2007 – Accept
4. **Approval of the Agenda**
5. **Consent Calendar** – All matters listed on the Consent Calendar will be enacted by one motion at the appropriate time. There will be no separate discussion of these items. If detailed discussion is necessary, any Board Member may request that an item be removed from the Consent Calendar and considered separately.
  - A. Minutes of the Regular Meeting of July 25, 2007 – Approve
  - B. Monthly Cash Disbursement for July 2007 - Informational
  - C. Governing Board Member Reimbursement – Approve
  - D. Investment Report and Sewer Connection Report for July 2007 – Informational
6. **Items Removed From the Consent Calendar**
7. **Public Forum Response** – None
8. **Public Forum** – The Public Forum portion of the meeting is an opportunity for members of the public to directly address the Governing Board on matters within the jurisdiction of this Agency. Ordinance No. 57 limits individual public testimony to three minutes or less. The cumulative time that any individual may provide public testimony during a meeting is fifteen minutes and the public testimony shall be limited to thirty minutes for all speakers. Whenever a group of persons wishes to address the Board on the same item, the Chairman or the Board by majority vote may request a spokesperson be chosen for the group or limit the number of such persons addressing the Board. Since discussion of an item, not on the posted agenda is not allowed, these concerns will be addressed in a future meeting as soon as practicable under “Public Forum Response.”

**9. Old Business**

- A. Schedule Workshop to Discuss Agency Policies Regarding Funding for Operations and Capital Asset Replacements and Improvements - Discussion

**10. New Business**

**11. Information/Committee Reports**

- A. Plant Superintendent's Report – Informational
- B. General Manager's Report – Informational
- C. Strategic Planning Committee Comments – Informational
- D. Employee/Employer Committee Comments - Informational
- E. Governing Board Member Comments – Informational

**12. Closed Session**

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957  
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 Steven C. Schindler, the General Manager at (909) 584-4018. Notification at least 48 hours prior to the meeting or time when services are needed will assist the Agency staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the office of the Big Bear Area Regional Wastewater Agency and are available for public inspection. If you have questions regarding any agenda item, contact Steven C. Schindler at (909) 584-4018.

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

**Upcoming Agenda Deadline:** September 17, 2007 for the September 26, 2007 meeting.



**Big Bear Area Regional Wastewater Agency**

*Liz Harris, Ed.D - Chair  
Dr. Don Eads - Vice-Chair  
John Day - Secretary  
Rick Herrick - Director  
Rick Ollila - Director*

**AGENDA ITEM: 3.C**

**Date:** August 14, 2007  
**Subject:** Audit Report for Fiscal Year Ended June 30, 2007  
**Recommendation:** Accept report as presented

**Background:** Annually, the Big Bear Area Regional Wastewater Agency (Agency) performs an annual audit of the financial statements, practices and condition of the Agency in accordance with auditing standards generally accepted in the United States of America. The Agency had engaged the services of Mayer Hoffman and McCann P.C., Conrad Government Services Division to perform this annual audit. Mr. Ken Al-Imam, C.P.A., shareholder of Mayer Hoffman and McCann P.C. will be at the Board Meeting to present and answer any questions regarding the Fiscal Year Ended June 30, 2007 Basic Financial Statements. The Basic Financial Statements are attached for your review and bound copies will be available on Tuesday, August 21, 2007; if you would like a copy please contact Nancy Laughlin or Steve Schindler.

Please forward any specific questions you may have prior the Board meeting to ensure your questions are addressed during the presentation of the reports.

In the opinion of Mayer Hoffman McCann P.C.'s the financial statements for the Fiscal Year Ended June 30, 2007 present fairly, in all material aspects the financial position of the Agency and are free of material misstatement.

After review of current policies and working closely with the staff of Mayer Hoffman McCann P.C. minor recommendations to strengthen the current internal controls have been forwarded for implementation; these are attached for your review. At this time staff is reviewing the recommendations and will forward revised policy(s) if Governing Board formal action is required.

**Financial Impact:** No financial impact on the budget, for information only.

**Reviewed By:** Steven C. Schindler, General Manager

**Responsible Staff:** Nancy A. Laughlin, Finance Manager

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witnessed: \_\_\_\_\_

Secretary of the Governing Board

BIG BEAR AREA REGIONAL  
WASTEWATER AGENCY

Basic Financial Statements

Year ended June 30, 2007  
(With Comparative Data for Prior Year)

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Basic Financial Statements

Year ended June 30, 2007  
(With Comparative Data for Prior Year)

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Board of Directors  
Big Bear Area Regional Wastewater Agency

Independent Auditors' Report

We have audited the accompanying statement of net assets of the Big Bear Area Regional Wastewater Agency (the "Agency") as of June 30, 2007 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the Agency for the year ended June 30, 2006 and, in our report dated August 1, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the *management's discussion and analysis*. However, we did not audit the information and express no opinion on it.

*Mayer Hoffman McCann P.C.*

Irvine, California  
August 15, 2007

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Big Bear Area Regional Wastewater Agency's ("The Agency") annual financial statements presents our discussion of the Agency's financial performance during the fiscal year ended June 30, 2007. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

### INFORMATION REPORTED IN THE ACCOMPANYING FINANCIAL STATEMENTS

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statements of Revenues, Expenses and Changes in Net Assets report information about the Agency in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The financial statements of the Agency report the Agency's net assets and changes in assets. You can think of the Agency's net assets – the difference between assets and liabilities – as one way to measure the Agency's health, or *financial position*. Over time, *increases and decreases* in the Agency's net assets are one indicator of whether its *financial health* is improving or deteriorating.

### AGENCY FINANCIAL STATEMENTS

The following should be noted with respect to the data presented in the Agency's financial statements. The *increases and decreases* being discussed are based on a significant percentage comparison from the current and previous fiscal year. During the year ended June 30, 2007, the financial condition improved as indicated by the *increase* in the Agency's equity in the amount of \$2,390,061. The impact of the *increases and decreases* in the revenues and the expenses resulted in an *increase* of \$4,931,628 in the overall change in net assets from the previous fiscal year. Many factors for these *increases and decreases* from the previous fiscal year impact the improved financial condition from the previous fiscal year. The majority of this *increase* is due to the approval to write-off the expenses pertaining to the Water Reclamation Project; this was a one-time write off and was not required this fiscal year. Another major factor for the *increase* of the improved financial condition from the previous fiscal year was the staff of the Agency performing a physical inventory of the Agency's infrastructure and equipment. This inventory resulted in the disposal of a number of the Agency's previously reported fixed assets. Many of the significant changes in the revenues and expenses that attributed to the improved financial condition are discussed in the subsequent pages.

The Agency's statement of net assets follows:

BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
Changes in Statement of Net Assets  
June 30, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>Variance Positive (Negative)</u>
<b>Current assets:</b>			
Cash and investments	\$ 4,572,020	\$ 4,513,749	\$ 58,271
Accounts receivable	85,622	24,533	61,089
Due from member agencies	151,256	121,105	30,151
Interest receivable	59,432	40,006	19,426
Prepaid expenses	21,492	25,055	(3,563)
<b>Total current assets</b>	<u>4,889,822</u>	<u>4,724,448</u>	<u>165,374</u>
<b>Noncurrent assets:</b>			
Restricted cash and investments	5,487,984	721,644	4,766,340
Capital assets, undepreciated	2,970,464	786,222	2,184,242
Capital assets, net of depreciation	12,015,384	11,597,776	417,608
<b>Total noncurrent assets</b>	<u>20,473,832</u>	<u>13,105,642</u>	<u>7,368,190</u>
<b>Total assets</b>	<u>25,363,654</u>	<u>17,830,090</u>	<u>7,533,564</u>
 <u>Liabilities and Net Assets</u>			
<b>Current liabilities:</b>			
Accounts payable	623,459	100,214	523,245
Accrued salaries and benefits	16,613	90,687	(74,074)
Accrued interest	39,231	45,417	(6,186)
Deposit	100	105	(5)
Retentions Payable	185,431	-	185,431
<b>Total current liabilities</b>	<u>864,834</u>	<u>236,423</u>	<u>628,411</u>
<b>Noncurrent liabilities:</b>			
Due within one year	839,390	738,882	100,508
Due beyond one year	7,542,853	3,128,249	4,414,604
<b>Total noncurrent liabilities</b>	<u>8,382,243</u>	<u>3,867,131</u>	<u>4,515,112</u>
<b>Total liabilities</b>	<u>9,247,077</u>	<u>4,103,554</u>	<u>5,143,523</u>
<b>Net assets:</b>			
Invested in capital assets	11,626,593	9,477,512	2,149,081
Unrestricted net assets	4,490,004	4,249,024	240,980
<b>Total net assets</b>	<u>\$ 16,116,597</u>	<u>\$ 13,726,536</u>	<u>\$ 2,390,061</u>

The Agency's statement of revenues, expenses and changes in net assets follows:

BIG BEAR AREA REGIONAL WASTEWATER AGENCY  
Changes in Statements of Revenues, Expenses and Changes in Net Assets  
Years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>	Variance Positive (Negative)
Operating revenues:			
Member agency fees	\$ 4,183,098	\$ 4,133,924	\$ 49,174
Standby charges	110,440	116,190	(5,750)
Rent/disposal charges	60,718	59,830	888
Other revenues	41,153	51,011	(9,858)
Total operating revenues	<u>4,395,409</u>	<u>4,360,955</u>	<u>34,454</u>
Operating expenses:			
Salaries and benefits	1,433,054	1,281,134	(151,920)
Utilities	458,090	523,406	65,316
Laboratory costs	43,221	45,024	1,803
Maintenance and repairs	165,368	153,195	(12,173)
Operating expenses and supplies	198,402	157,659	(40,743)
Solids handling	422,037	380,026	(42,011)
Insurance	42,714	44,283	1,569
Permits and fees	67,289	77,018	9,729
Engineering	14,214	16,445	2,231
Fiscal agent fees	13,046	10,370	(2,676)
Legal services	27,781	51,977	24,196
Auditing	12,175	14,378	2,203
Training, memberships and dues	37,491	41,472	3,981
Director's fees and education	20,419	22,133	1,714
Property taxes	2,872	2,816	(56)
Depreciation	710,517	957,580	247,063
Reclamation expenditures	-	65,931	65,931
Total operating expenses	<u>3,668,690</u>	<u>3,844,847</u>	<u>176,157</u>
Operating income	<u>726,719</u>	<u>516,108</u>	<u>210,611</u>
Nonoperating revenues (expenses)			
Investment income	383,940	152,953	230,987
Interest expense	(179,515)	(196,167)	16,652
Amortization of bond cost	(19,547)	(18,447)	(1,100)
Write off of Water Reclamation Project	-	(4,847,025)	4,847,025
Other miscellaneous revenue	88,407	-	88,407
Disposal of assets	(51,418)	-	(51,418)
Gain/(loss) on sale of assets	-	241,436	(241,436)
Total nonoperating revenues (expenses)	<u>221,867</u>	<u>(4,667,250)</u>	<u>4,889,117</u>
Income before contributions	948,586	(4,151,142)	5,099,728
Capital Contributions - connection charges	563,686	731,786	(168,100)
Change in net assets	1,512,272	(3,419,356)	4,931,628
Net assets at beginning of year, as restated	<u>14,604,325</u>	<u>17,145,892</u>	<u>(2,541,567)</u>
Net assets at end of year	<u>\$ 16,116,597</u>	<u>\$ 13,726,536</u>	<u>\$ 2,390,061</u>

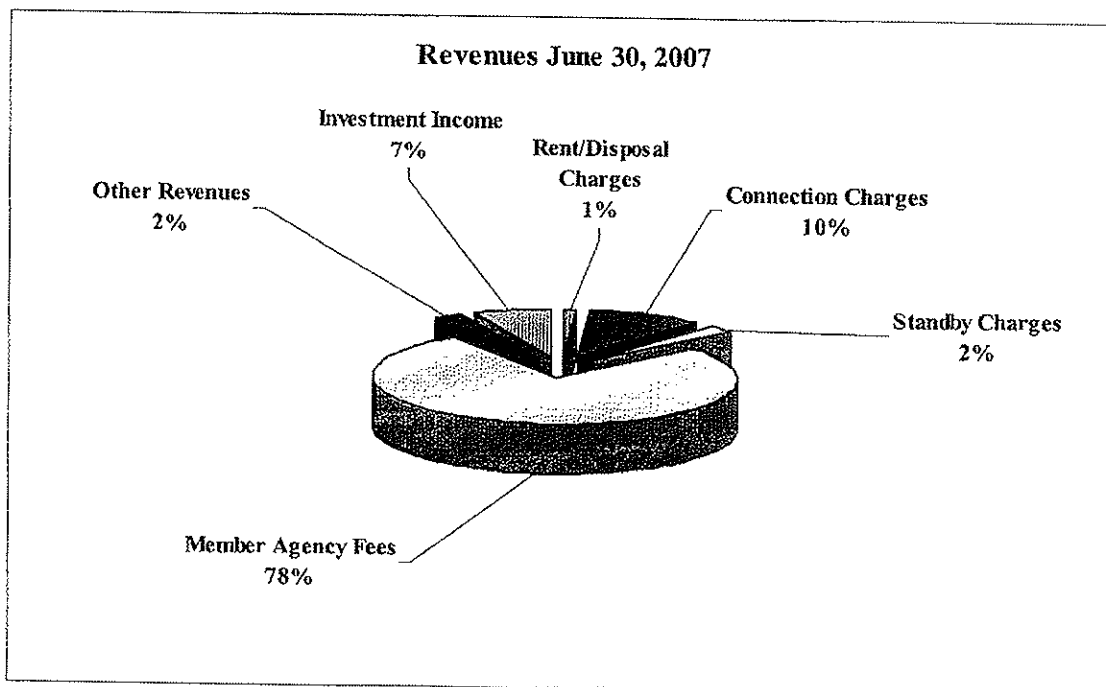
The significant changes in the revenues and expenses of the Agency are as follows:

- The connection charges collected by the Agency decreased from the previous year due to the water purveyors limiting the number of connections to their system due to the drought experienced during the current fiscal year. The decrease in connection charges is also attributed to a slow-down of construction that the Big Bear Valley has experienced. This resulted in a *decrease* of \$168,100 in connection charges collected from the previous year.
- During the month of November 2006 the Agency's agreement with the Agency's employees expired, which resulted in negotiations with the Employer/Employee Relations Committee. These negotiations resulted in increased salary ranges for non-management employees. The employees were obligated that these increases be absorbed by the current operating expenses portion of the budget; the Agency employees were able to maintain the total operating expenses in a positive variance for the current fiscal year. The increased salary ranges resulted in an *increase* of \$151,920 from the previous year.
- The Agency has taken a proactive approach pertaining to the possibility of a Pandemic Flu outbreak. The Agency began purchasing supplies in event of a possible outbreak; as in the past the employees of the Agency has always taken high priority. These purchases along with higher equipment rental while the generator was in service increased the costs of the operating and expense line from the previous year. The demand for construction and irrigation water decreased from the previous year and staff of the Agency was able to find new cost effective methods to disinfect the construction and irrigation water. The construction and irrigation water decrease in costs was able to absorb a portion of the additional expenses for the current year. This resulted in an *increase* of the operating expense and supplies line item in the amount of \$40,743 from the previous year.
- The Agency did not require the same level of services provided by the Agency's legal counsel as needed in the previous year. During the previous year the Agency required legal counsel's advice for the options available to enter into a settlement agreement for the defects of the Administration Building roof that was finalized during the current year. The Agency also required the assistance of the Agency's legal counsel for advice pertaining to the reclaimed water in the previous year. Many issues were finalized during the previous year resulting in a *decrease* in costs in the amount of \$24,196 from the previous year.
- During the month of May 2007 staff of Agency undertook a physical inventory of the Agency's infrastructure and equipment. This was required to reconstruct the fixed asset records to ensure the accuracy of the fixed assets and to provide a more understandable inventory of the Agency's fixed assets for the Governing Board, staff and the public. This inventory resulted in the disposal of fixed assets from previous years and minor reclassifications into more meaningful descriptions of the Agency's fixed assets. A major factor in the disposal of the fixed assets was the disposal of the Air Injection Stations that had not been in service since June 1990 and will not be replaced in the future. As a result of the disposals and reclassifications the net *decrease* of \$877,789 was reported as a prior period adjustment of the net assets. The *decrease* for the current year disposals resulted in an *increase* in the amount of \$51,418 from the previous year.

- During fiscal year 2006 the Agency's Governing Board approved the termination of the Water Reclamation Investigation & Planning Project due to the significant financial resources that would be required to facilitate further investigations and implementation of the project. This amount written off reflects a one-time disposal of assets and was not required for the current year. This resulted in a *decrease* from the previous year in the amount of \$4,847,025.
- As a result of the disposal of many of the Agency's fixed assets the actual depreciation for the current year was reduced from the previous year, resulting in a *decrease* in the amount of \$247,063 from the previous year.
- During fiscal year ended June 30, 2006 the Agency sold the conduit that runs parallel to the Agency's outfall line to Verizon for the implementation of fiber optics, which resulted in a gain of the sale of the assets in the amount of \$241,436. The Agency for the current year sold the Agency's diesel tank that resulted in a loss in the amount of \$4,094.
- During the year ended June 30, 2007, the Agency's investment in Local Agency Investment Fund (LAIF) experienced an increase of interest earnings received. The Agency's investment account increased approximately \$965,000 from the previous year and the increase of the average interest percentage earned of approximately 2.35% from the previous year resulted in an *increase* of \$230,987 from the previous year.

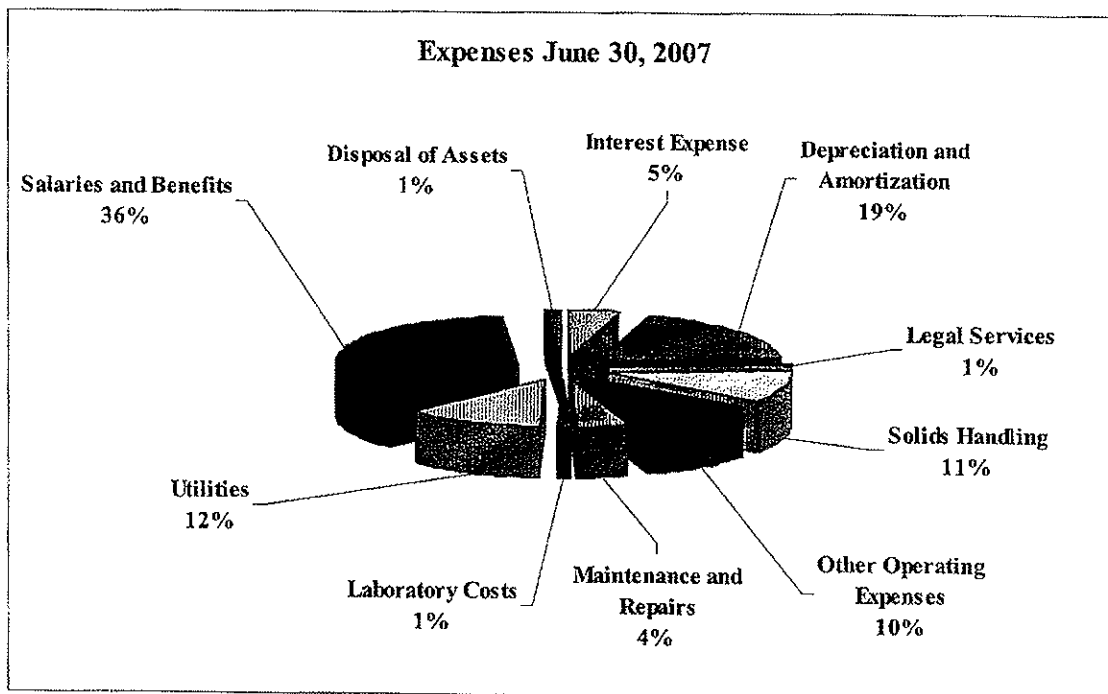
The following chart summarizes the sources of revenues for the Agency for the year ended June 30, 2007:

### Sources of Revenues for the Year Ended June 30, 2007



The following chart summarizes the various expenses for the Agency for the year ended June 30, 2007:

### Total Expenses for the Year Ended June 30, 2007



### CAPITAL ASSETS

Capital asset activity of the Agency for the year ended June 30, 2007 was limited to acquisition of the Agency's infrastructure in the amount of \$894,102 from the Agency's Capital and Replacement Fund and \$1,611,461 from the Agency's Project Fund. The majority of the *increase* is for the construction and installation of the Cannibal Solids Reduction System, which required the funding from the Agency's Project Fund. For additional information see note 4 in the accompanying financial statements. Additional amounts to be spent after June 30, 2007 for projects entered into as of fiscal year end amount to \$3,385,992.

### LONG-TERM DEBT

The Agency has two bond obligations, which were entered into during January 1998 and December 1998. During the month of December 2006 the Agency entered into a Loan Agreement. Each debt issuance is described in detail below.

The Agency's Revenue Bonds were issued January 1, 1998 in the amount of \$4,640,000. The refunded certificates were originally executed and delivered on March 20, 1987. The original certificates were refinanced to take advantage of the favorable interest rates and for the expansion of the operations and control building. At the end of the fiscal year June 30, 2007 the outstanding principal balance is \$1,325,000, with the final payment due April 2010.

The Agency's Revenue Bonds Series 1998B were issued December 1, 1998 in the amount of \$2,740,000. The proceeds were used for the upgrades to the treatment plant with a portion of the proceeds funding the administration building. At the end of the fiscal year June 30, 2007 the outstanding principle balance is \$1,900,000, with the final payment due October 2018.

The Agency's Loan Agreement was issued December 15, 2006 in the amount of \$5,139,500. The proceeds are being used for the installation of the Cannibal Solids Reduction System and the installation of two-250 kW Natural Gas Generators. At the end of the fiscal year June 30, 2007 the outstanding principle balance is \$5,058,483, with final payment due December 2026.

Debt activity during the year was limited to principal repayment of \$601,017.

For additional information see note 5 in the accompanying financial statements.

#### **CONTACTING THE AGENCY**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the Agency office, at 121 Palomino Dr., Big Bear City, California 92314.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Statement of Net Assets

June 30, 2007

(With Comparative Data for Prior Year)

<u>Assets</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and investments (note 3)	\$ 4,572,020	4,513,749
Accounts receivable	85,622	24,533
Due from member agencies	151,256	121,105
Interest receivable	59,432	40,006
Prepaid expenses	21,492	25,055
Total current assets	4,889,822	4,724,448
Noncurrent assets:		
Restricted cash and investments (note 3)	5,487,984	721,644
Capital assets, undepreciated (note 4)	2,970,464	786,222
Capital assets, net of depreciation (note 4)	12,015,384	11,597,776
Total noncurrent assets	20,473,832	13,105,642
Total assets	25,363,654	17,830,090
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	623,439	100,214
Accrued salaries and benefits	16,613	90,687
Accrued interest	39,231	45,417
Deposit	100	105
Retentions payable	185,431	-
Total current liabilities	864,814	236,423
Noncurrent liabilities (notes 5, 6 and 7):		
Due within one year	839,390	738,882
Due beyond one year	7,542,853	3,128,249
Total noncurrent liabilities	8,382,243	3,867,131
Total liabilities	9,247,057	4,103,554
Net assets:		
Invested in capital assets, net of related capital assets	11,626,593	9,477,512
Unrestricted net assets	4,490,004	4,249,024
Total net assets	\$ 16,116,597	13,726,536

See accompanying notes to the basic financial statements.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Statement of Revenues, Expenses and Changes in Net Assets

Year ended June 30, 2007

(With Comparative Data for Prior Year)

	2007 <u>Actual</u>	2007 <u>Budget</u>	Variance- Positive (Negative)	2006 <u>Actual</u>
<b>Operating revenues:</b>				
Member agency fees	\$ 4,183,098	4,183,098	-	\$ 4,133,924
Standby charges	110,440	110,440	-	116,190
Rent/disposal charges	60,718	77,170	(16,452)	59,830
Other revenues	41,153	14,650	26,503	51,011
<b>Total operating revenues</b>	<b>4,395,409</b>	<b>4,385,358</b>	<b>10,051</b>	<b>4,360,955</b>
<b>Operating expenses:</b>				
Salaries and benefits	1,433,054	1,340,535	(92,519)	1,281,134
Utilities	458,090	608,290	150,200	523,406
Laboratory costs	43,221	63,624	20,403	45,024
Maintenance and repairs	165,368	199,404	34,036	153,195
Operating expenses and supplies	198,402	211,850	13,448	157,659
Solids handling	422,037	391,800	(30,237)	380,026
Insurance	42,714	44,250	1,536	44,283
Permits and fees	67,289	78,700	11,411	77,018
Engineering	14,214	32,600	18,386	16,445
Fiscal agent fees	13,046	12,560	(486)	10,370
Legal services	27,781	39,126	11,345	51,977
Auditing	12,175	14,850	2,675	14,378
Training, memberships and dues	37,491	38,555	1,064	41,472
Director's fees and education	20,419	40,000	19,581	22,133
Property taxes	2,872	2,875	3	2,816
Depreciation	710,517	471,550	(238,967)	957,580
Reclamation expenditures	-	-	-	65,931
<b>Total operating expenses</b>	<b>3,668,690</b>	<b>3,590,569</b>	<b>(78,121)</b>	<b>3,844,847</b>
<b>Operating income</b>	<b>726,719</b>	<b>794,789</b>	<b>(68,070)</b>	<b>516,108</b>
<b>Nonoperating revenues (expenses):</b>				
Investment income	383,940	-	383,940	152,953
Interest expense	(179,515)	(179,515)	-	(196,167)
Amortization of bond cost	(19,547)	(19,547)	-	(18,447)
Write off of Water Reclamation Project	-	-	-	(4,847,025)
Other miscellaneous revenue	88,407	-	88,407	-
Disposal of assets	(51,418)	-	(51,418)	-
Gain/(loss) on sale of assets	-	-	-	241,436
<b>Total nonoperating revenues (expenses)</b>	<b>221,867</b>	<b>(199,062)</b>	<b>420,929</b>	<b>(4,667,250)</b>
<b>Income before contributions</b>	<b>948,586</b>	<b>595,727</b>	<b>352,859</b>	<b>(4,151,142)</b>
<b>Capital contributions - connection charges</b>	<b>563,686</b>	<b>727,642</b>	<b>(163,956)</b>	<b>731,786</b>
<b>Change in net assets</b>	<b>1,512,272</b>	<b>1,323,369</b>	<b>188,903</b>	<b>(3,419,356)</b>
<b>Net assets at beginning of year, as restated (note 13)</b>	<b>14,604,325</b>	<b>14,604,325</b>	<b>-</b>	<b>17,145,892</b>
<b>Net assets at end of year</b>	<b>\$ 16,116,597</b>	<b>15,927,694</b>	<b>188,903</b>	<b>13,726,536</b>

See accompanying notes to the basic financial statements.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Statement of Cash Flows

Year ended June 30, 2007

(With Comparative Amounts for Prior Year)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 4,483,816	4,360,673
Cash payments to suppliers for goods and services	(999,561)	(1,648,397)
Cash payments to employees	<u>(1,487,231)</u>	<u>(1,273,078)</u>
Net cash provided by (used for) operating activities	<u>1,997,024</u>	<u>1,439,198</u>
Cash flows from capital and related financing activities:		
Capital contributions	563,686	731,786
Proceeds of long-term debt	5,139,500	-
Purchases of property, plant and equipment	(2,505,563)	(1,621,909)
Disposal/sale of property, plant and equipment	52,168	461,083
Principal payments on long-term debt	(601,017)	(495,000)
Interest paid on long-term debt	<u>(185,701)</u>	<u>(201,739)</u>
Net cash provided by (used for) capital and related financing activities	<u>2,463,073</u>	<u>(1,125,779)</u>
Cash flows from investing activities:		
Investment income received	<u>364,514</u>	<u>136,183</u>
Net cash provided by (used for) investing activities	<u>364,514</u>	<u>136,183</u>
Net change in cash	4,824,611	449,602
Cash and cash equivalents at beginning of year	<u>4,771,393</u>	<u>4,321,791</u>
Cash and cash equivalents at end of year	<u>\$ 9,596,004</u>	<u>4,771,393</u>
Reconciliation of cash and cash equivalents:		
Cash and investments	\$ 4,572,020	4,513,749
Restricted cash and investments	5,487,984	721,644
Less investment agreement (Morgan Guaranty Trust)	<u>(464,000)</u>	<u>(464,000)</u>
Total cash and cash equivalents	<u>\$ 9,596,004</u>	<u>4,771,393</u>

See accompanying notes to the basic financial statements.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Statement of Cash Flows

(Continued)

	<u>2007</u>	<u>2006</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 726,719	516,108
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	710,517	957,580
Gain on sale of assets	-	241,436
Disposal of assets	(51,418)	-
Other miscellaneous revenue	88,407	-
Decrease (increase) in accounts receivable	(61,089)	14,415
Decrease (increase) in due from member agencies	(30,151)	(12,638)
Increase (decrease) in prepaid expenses	3,563	(2,900)
Increase (decrease) in accounts payable	523,227	(296,650)
Increase (decrease) in accrued expenses	(98,177)	23,907
Increase (decrease) in retentions payable	185,431	-
Increase (decrease) in deposits	(5)	(2,060)
	(5)	(2,060)
Net cash provided by (used for) operating activities	\$ 1,997,024	1,439,198

Noncash investing, capital or financing activity transactions

There were no significant noncash investing, capital or financing activity transactions.

See accompanying notes to the basic financial statements.

# BIG BEAR AREA REGIONAL WASTEWATER AGENCY

## Notes to the Basic Financial Statements

Year ended June 30, 2007

### (1) Reporting Entity and Significant Accounting Policies

#### (a) Description of the Reporting Entity

The Big Bear Area Regional Wastewater Agency (the "Agency") is a joint powers agency comprised of three members: the Big Bear City Community Services District, the City of Big Bear Lake, and the County of San Bernardino on behalf of the County Service Area 53, Zone B. The Agency was formed in 1974 to construct and operate regional sewage treatment and disposal facilities for the entire Big Bear Valley. The service area for the Agency includes most of the Big Bear Valley in the San Bernardino Mountains in Western San Bernardino County.

The Agency was formed under a joint exercise of powers agreement among the member entities for the purposes of planning and constructing sewer improvements to serve the member entities' service areas, obtaining State and Federal Clean Water grants, financing the local share of project costs, and operating the regional facilities. A regional treatment plant and disposal area were constructed and began operation in 1978.

#### (b) Basis of Accounting

The Agency operates and reports as an enterprise utilizing the accrual method of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities.

#### (c) Applicable Accounting Standards

The Agency applies all applicable Government Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Significant Accounting Policies, (Continued)

(d) Investments

Investments are reported in the accompanying balance sheets at fair value, except for certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

In accordance with the Agency's investment policy, the Agency may invest in the following:

Certificates of Deposit  
U.S. Treasury Bills, Notes and Bonds  
Local Agency Investment Fund  
Money Market Mutual Funds

(e) Statements of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents are defined to be cash on hand, demand deposits and highly liquid investments with a maturity of three months or less from the date of purchase. For financial statement presentation purposes, cash and cash equivalents are shown as cash and investments and restricted cash and investments.

(f) Restricted Cash and Investments

Restricted cash and investments represent amounts held by bond trustee for debt service reserve required by debt agreements.

(g) Capital Assets

Assets purchased are recorded and capitalized at cost. Contributed fixed assets are recorded at fair market value at the time received. The Agency's capitalization threshold for capital assets is \$5,000.

Depreciation is provided using the straight-line method over the estimated service lives (ranging from 3-50 years) of the related assets.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Significant Accounting Policies, (Continued)

(h) Employee Leave Benefits

Regular full time employees of the Agency earn from 15 to 26 vacation days per year, depending on their length of employment, and 12 sick days a year. Temporary and seasonal employees of the Agency are not eligible for vacation leave benefits.

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balance since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16, a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the Agency. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the Agency and the employee.

Upon termination or retirement, employees are entitled to receive compensation at their current base salary for all unused vacation and annual leave. Upon retirement or other honorable termination, an employee with a minimum of 5 continuous years of service is entitled to receive 50% of the value of his or her unused sick leave based on the number of hours accumulated.

The Agency has recorded a liability for the full 50% that is payable under the assumption that most employees will remain long enough to become eligible for the benefit.

(i) Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(1) Reporting Entity and Significant Accounting Policies, (Continued)

(j) Prior Year Amounts

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's prior year financial statements, from which this selected financial data was derived.

(2) Budgetary Data

During March, the General Manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing July 1. The budget includes proposed expenses and estimated revenues. Prior to May 1, the budget is enacted legally through passage of an appropriation resolution. The Board of Directors must approve revisions that alter total appropriations. All appropriations lapse at fiscal year-end unless the Board of Directors takes formal action to continue the appropriation into the following fiscal year.

(3) Cash and Investments

Cash and investments as of June 30, 2007 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	\$ 4,572,020
Restricted cash and investments (held by bond trustee)	<u>5,487,984</u>
Total cash and investments	<u>\$10,060,004</u>

Cash and investments as of June 30, 2007 consist of the following:

Cash on hand	\$ 600
Deposits with financial institutions	209,241
Investments	<u>9,850,163</u>
Total cash and investments	<u>\$10,060,004</u>

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Cash and Investments, (Continued)

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized for the Agency by the California Government Code and the Agency's investment policy. The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	No	5 years	None	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	No	2 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Cash and Investments, (Continued)

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
State investment pool	\$4,362,179	4,362,179	-	-	-
Held by bond trustee:					
Money market funds	5,023,984	5,023,984	-	-	-
Investment contracts	<u>464,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,000</u>
<b>Total</b>	<b><u>\$9,850,163</u></b>	<b><u>9,386,163</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>464,000</u></b>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
State investment pool	\$4,362,179	N/A	-	-	-	4,362,179
Held by bond trustee:						
Money market funds	5,023,984	A	-	5,023,984	-	-
Investment contracts	<u>464,000</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,000</u>
<b>Total</b>	<b><u>\$9,850,163</u></b>		<b><u>-</u></b>	<b><u>5,023,984</u></b>	<b><u>-</u></b>	<b><u>4,826,179</u></b>

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments are as follows:

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(3) Cash and Investments, (Continued)

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Fidelity Institutional	Money market funds (held by bond trustee)	\$4,764,089
Morgan Guaranty Trust	Investment contract (held by bond trustee)	464,000

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(4) Capital Assets

A summary of changes in capital assets of the Agency for the year ending June 30, 2007 is as follows:

	Restated *			Balance at
	Balance at			June 30, 2007
	<u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	
Capital assets, not being depreciated:				
Land	\$ 816,823	-	-	816,823
Construction in progress	<u>27,945</u>	<u>2,125,696</u>	<u>-</u>	<u>2,153,641</u>
Total capital assets, not being depreciated	<u>844,768</u>	<u>2,125,696</u>	<u>-</u>	<u>2,970,464</u>
Capital assets, being depreciated:				
Administration building	2,070,316	-	-	2,070,316
Equipment/laboratory/vehicles	635,750	-	(37,895)	597,855
Outfall Line & Lucerne Valley Stations & pumping	4,553,433	-	-	4,553,433
Treatment plant	3,041,074	176,974	(50,615)	3,167,433
Total capital assets, being depreciated	<u>12,166,747</u>	<u>202,893</u>	<u>(319,196)</u>	<u>12,050,444</u>
Total accumulated depreciation for:				
Administrative building	(124,398)	(60,991)	-	(185,389)
Equipment/laboratory/vehicles	(268,719)	(39,848)	33,051	(275,516)
Outfall Line & Lucerne Valley Stations & pumping	(2,841,680)	(115,171)	-	(2,956,851)
Treatment plant	(1,946,953)	(89,444)	33,497	(2,002,900)
Total accumulated depreciation	<u>(4,887,368)</u>	<u>(405,063)</u>	<u>288,990</u>	<u>(5,003,441)</u>
Total capital assets being depreciated, net	<u>(10,069,118)</u>	<u>(710,517)</u>	<u>355,538</u>	<u>(10,424,097)</u>
Total capital assets, net	<u>12,398,202</u>	<u>(330,650)</u>	<u>(52,168)</u>	<u>12,015,384</u>
Total capital assets, net	<u>\$13,242,970</u>	<u>1,795,046</u>	<u>(52,168)</u>	<u>14,985,848</u>

\* During the fiscal year ending June 30, 2007, the Agency undertook a physical inventory of capital assets and a reconstruction of the Agency's capital asset records. The net affect of these activities resulted in a restatement of \$858,974 in the beginning balance of capital assets.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(5) Changes in Long-Term Liabilities

A summary of long-term liabilities of the Agency at June 30, 2007 is as follows:

	Restated Beginning Balance *	Additions	Deletions	Ending Balance	Due Within One Year	Due Beyond One Year
Revenue Bonds:						
1998 Refunding						
Revenue Bonds	\$1,725,000	-	(400,000)	1,325,000	420,000	905,000
Less: Unamortized discount and issuance cost	<u>(52,995)</u>	<u>-</u>	<u>11,776</u>	<u>(41,219)</u>	<u>(11,776)</u>	<u>(29,443)</u>
Subtotal	<u>1,672,005</u>	<u>-</u>	<u>(388,224)</u>	<u>1,283,781</u>	<u>408,224</u>	<u>875,557</u>
1998 ABAG Water and Wastewater Revenue Bonds	2,020,000	-	(120,000)	1,900,000	120,000	1,780,000
Less: Unamortized discount and issuance cost	<u>(82,691)</u>	<u>-</u>	<u>6,671</u>	<u>(76,020)</u>	<u>(6,671)</u>	<u>(69,349)</u>
Subtotal	<u>1,937,309</u>	<u>-</u>	<u>(113,329)</u>	<u>1,823,980</u>	<u>113,329</u>	<u>1,710,651</u>
Municipal Finance						
Loan Agreement	-	5,139,500	(81,017)	5,058,483	167,481	4,891,002
Less: Unamortized discount and issuance costs	<u>-</u>	<u>(44,000)</u>	<u>1,100</u>	<u>(42,900)</u>	<u>(1,100)</u>	<u>(41,800)</u>
Subtotal	<u>-</u>	<u>5,095,500</u>	<u>(79,917)</u>	<u>5,015,583</u>	<u>166,381</u>	<u>4,849,202</u>
Compensated absences	<u>239,002</u>	<u>159,607</u>	<u>(139,710)</u>	<u>258,899</u>	<u>151,456</u>	<u>107,443</u>
Total	<u>\$3,848,316</u>	<u>5,255,107</u>	<u>(721,180)</u>	<u>8,382,243</u>	<u>839,390</u>	<u>7,542,853</u>

\* The Agency recorded minor adjustments to the beginning balance of unamortized discount and issuance costs.

(6) 1998 Refunding Revenue Bonds

On January 1, 1998, the Agency issued \$4,640,000 in Refunding Revenue Bonds with an average interest rate of 4.37 percent to advance refund \$4,285,000 of outstanding 1987 Certificates of Participation and \$270,000 of outstanding 1977 Sewer Revenue Bonds. These monies were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1987 Certificates of Participation and 1977 Sewer Revenue Bonds. As a result, both the 1987 Certificates of Participation and 1977 Sewer Revenue Bonds are considered defeased and the liability for these certificates of participation and bonds have been removed from the balance sheet.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$133,606. The Agency completed the advance refunding to reduce its total debt service payments over the next 13 years by \$46,374.

The 1998 Refunding Revenue Bonds require that a debt service reserve be maintained in an amount equal to \$464,000. At June 30, 2007 and 2006, the reserve balance was \$464,000 and \$464,000, respectively.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(6) 1998 Refunding Revenue Bonds, (Continued)

The 1998 Refunding Revenue Bonds require that the Agency set its charges for services at rates sufficient to produce gross revenues each year sufficient to pay its operating and maintenance expenses and 120% of its required debt service payments in the current year.

For the years ended June 30, 2007 and 2006, the Agency met this requirement, as follows:

	<u>2007</u>	<u>2006</u>
Gross revenues	\$5,431,442	5,487,130
Less operating expenses, excluding depreciation, amortization, interest, and write-offs	<u>(2,958,173)</u>	<u>(2,887,267)</u>
Net revenues	<u>2,473,269</u>	<u>2,599,863</u>
Annual debt service (all debt)	894,666	696,739
	<u>x 1.20</u>	<u>x 1.20</u>
Less 120% of annual debt service	<u>(1,073,599)</u>	<u>(836,087)</u>
Excess of net revenues	<u>\$ 1,399,670</u>	<u>1,763,776</u>

The Agency has excluded from the above computation the affects of the disposition of assets no longer used in operations that are not considered by the Agency to be costs necessary for the maintenance and operation of the wastewater treatment system.

The refunding revenue bonds are presented in the accompanying financial statements as follows:

	<u>2007</u>	<u>2006</u>
Outstanding bonds payable	\$1,325,000	1,725,000
Less: Unamortized bond discount	(12,493)	(10,709)
Unamortized bond issuance costs	<u>(28,726)</u>	<u>(24,623)</u>
Subtotal bonds payable (net)	<u>1,283,781</u>	<u>1,689,668</u>
Less: Current principal outstanding	(420,000)	(400,000)
Current unamortized bond discount & issuance costs	<u>11,776</u>	<u>11,776</u>
Long-term principal outstanding	<u>\$ 875,557</u>	<u>1,301,444</u>

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(7) 1998 ABAG Water and Wastewater Revenue Bonds

On December 8, 1998, the Agency issued \$2,745,000 of 1998 ABAG Water and Wastewater Revenue Bonds to help fund needed sewer plant upgrades and a portion of the proceeds funded the administration building. This financing was facilitated by the Association of Bay Area Governments (ABAG), which provides a pooled financing program for other governmental agencies. The Agency's debt is a portion of 1998 Water and Wastewater Revenue Bonds issued by ABAG in December 1998. Under the terms of an installment purchase agreement with ABAG, the Agency is responsible for a portion of the debt service on the Bonds, as follows. Interest is at rates ranging from 3% to 5%. Annual installments of principal are due through October 1, 2018 in amounts ranging from \$95,000 to \$205,000. A reserve in the amount of \$215,690 is required to be maintained. The balance held by fiscal agent in the reserve account as of June 30, 2007 and 2006 was \$259,895 and \$257,644, respectively. The Agency's debt under the terms of its installment purchase agreement is secured by the sewer system revenues of the Agency. The Agency has also covenanted to set revenue charges at rates necessary to provide net revenues equal to at least 120% of the debt service for that year. For the years ended June 30, 2007 and 2006 the Agency's compliance with this requirement is set forth below:

	<u>2007</u>	<u>2006</u>
Gross revenues	\$5,431,442	5,847,130
Less operating expenses, excluding depreciation, amortization, interest, and write-offs	<u>(2,958,173)</u>	<u>(2,887,267)</u>
Net revenues	<u>2,473,269</u>	<u>2,599,863</u>
Annual debt service (all debt)	894,666	696,739
	<u>x 1.20</u>	<u>x 1.20</u>
Less 120% of annual debt service	<u>(1,073,599)</u>	<u>(836,087)</u>
Excess of net revenues	<u>\$1,399,670</u>	<u>1,763,776</u>

The Agency has excluded from the above computation the affects of the disposition of assets no longer used in operations that are not considered by the Agency to be costs necessary for the maintenance and operation of the wastewater treatment system.

The Agency's obligation under the 1998 ABAG Water and Wastewater Revenue Bonds are presented in the accompanying financial statements, as follows:

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(7) 1998 ABAG Water and Wastewater Revenue Bonds, (Continued)

	<u>2007</u>	<u>2006</u>
Outstanding bonds payable	\$1,900,000	2,020,000
Less: Unamortized bond discount	(15,638)	(16,780)
Unamortized bond issuance costs	<u>(60,382)</u>	<u>(64,759)</u>
Subtotal bonds payable (net)	<u>1,823,980</u>	<u>1,938,461</u>
Less: Current principal outstanding	(120,000)	(120,000)
Current unamortized bond discount & issuance costs	<u>6,671</u>	<u>6,671</u>
Long-term principal outstanding	<u>\$ 1,710,651</u>	<u>1,825,132</u>

(8) Municipal Finance Loan Agreement

On December 15, 2006, the Agency entered into a Loan Agreement with Municipal Finance Corporation in the amount of \$5,139,500 with a fixed interest rate of 4.45%. The loan will be repaid in 40 semi-annual installments of \$195,371 each. The purpose of this loan is to provide financing for the Cannibal Solids Reduction System and two natural gas generators. A reserve in the amount of \$390,741 is required to be maintained. The balance held by fiscal agent in the reserve account as of June 30, 2007 was \$401,593. This loan is secured by a pledge of net wastewater revenues on parity with the Master Indenture and the 1998 Installment Purchase Agreement. The Agency has also covenanted to set revenue charges at rates necessary to provide net revenues equal to at least 110% of the annual debt service for that year. For the year ended June 30, 2007 the Agency's compliance with this requirement is set forth below:

Gross revenues	\$5,431,442
Less operating expenses, excluding depreciation, amortization, interest, and write-offs	<u>(2,958,173)</u>
Net revenues	<u>2,473,269</u>
Annual debt service (all debt)	894,666
	<u>x 1.10</u>
Less 110% of annual debt service	<u>(984,133)</u>
Excess of net revenues	<u>\$1,489,139</u>

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(8) Municipal Finance Loan Agreement, (Continued)

The Agency has excluded from the above computation the affects of the disposition of assets no longer used in operations that are not considered by the Agency to be costs necessary for the maintenance and operation of the wastewater treatment system.

The Agency's obligation under the Mutual Finance Loan Agreement is presented in the accompanying financial statements, as follows:

	<u>2007</u>
Outstanding loan payable	\$5,058,483
Less: Unamortized debt issuance costs	<u>(42,900)</u>
Subtotal loan payable (net)	5,015,583
Less: Current principal outstanding	(167,481)
Current unamortized bond discount & issuance costs	<u>1,100</u>
Long-term principal outstanding	<u>\$4,849,202</u>

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(9) Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>1998 Refunding Revenue Bonds</u>		<u>1998 ABAG Water and Wastewater Revenue Bonds</u>		<u>Municipal Finance Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007-2008	\$ 420,000	66,250	120,000	88,245	167,481	223,260
2008-2009	440,000	45,250	125,000	83,253	175,017	215,724
2009-2010	465,000	23,250	135,000	77,855	182,892	207,849
2010-2011	-	-	140,000	72,010	191,121	199,620
2011-2012	-	-	145,000	65,375	199,721	191,020
2012-2013	-	-	150,000	58,000	208,707	182,034
2013-2014	-	-	160,000	50,250	218,099	172,643
2014-2015	-	-	165,000	42,125	227,911	162,830
2015-2016	-	-	175,000	33,625	238,166	152,575
2016-2017	-	-	185,000	24,625	248,882	141,858
2017-2018	-	-	195,000	15,125	260,081	130,660
2018-2019	-	-	205,000	5,125	271,784	118,958
2019-2020	-	-	-	-	284,013	106,729
2020-2021	-	-	-	-	296,791	93,950
2021-2022	-	-	-	-	310,146	80,596
2022-2023	-	-	-	-	324,101	66,641
2023-2024	-	-	-	-	338,683	52,058
2024-2025	-	-	-	-	353,922	36,817
2025-2026	-	-	-	-	369,847	20,893
2026-2027	-	-	-	-	191,118	4,252
<b>Total</b>	<u>\$ 1,325,000</u>	<u>134,750</u>	<u>1,900,000</u>	<u>615,613</u>	<u>5,058,483</u>	<u>2,560,967</u>

## BIG BEAR AREA REGIONAL WASTEWATER AGENCY

### Notes to the Basic Financial Statements

(Continued)

#### (10) Related-Party Transactions

The Board of Directors of the Agency is composed of board members of the three government agencies that are the primary customers of the Agency. Two of the directors of the Big Bear Area Regional Wastewater Agency are directors of the Big Bear City Community Services District. Two directors are from the City of Big Bear Lake and one director is from the County of San Bernardino. The District, City and County serve as collecting agents for certain revenues of the Agency including connection charges, member agency fees, and standby charges.

#### (11) Defined Benefit Pension Plan

##### *Plan Description*

The Big Bear Area Regional Wastewater Agency contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and Agency regulation. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

##### *Funding Policy*

The participant's portion to contribute is 8% of their annual covered salary. However, the Agency makes the contributions required of Agency employees on their behalf and for their account. The Agency also contributes the actuarially determined rate. The current rate is 21.609% of annual covered payroll. The contribution requirements of plan members and the Agency are established and may be amended by PERS.

For 2007 and 2006, the Agency's annual pension cost of \$243,781 and \$247,417 respectively, for PERS was equal to the Agency's required and actual contributions.

##### *Annual Pension Cost*

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2006 to June 30, 2007 has been determined by an actuarial valuation of the plan as of June 30, 2004. The contribution rate for the indicated period is 21.609% of payroll for the Retirement Program. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2007, this contribution rate, as modified by any amendments for the year, would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2006 to June 30, 2007.

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Notes to the Basic Financial Statements

(Continued)

(11) Defined Benefit Pension Plan, (Continued)

Effective with the 6/30/2003 valuation, risk pools were established for plans containing less than 100 active members as of the valuation date. In general, plans satisfying this criteria were lumped into pools based on their benefit formula and membership category (safety/miscellaneous). In total, ten risk pools, including the Agency's, were established for the 6/30/2003 valuation.

<u>Fiscal Year</u>	<u>Annual Pension Cost (Employer Contribution)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/05	\$236,352	100%	\$ -0-
6/30/06	247,417	100%	\$ -0-
6/30/07	243,781	100%	\$ -0-

(12) Deferred Compensation

The Agency has made available to its employees two deferred compensation plans, created in accordance with Internal Revenue Code Section 457, whereby employees authorize the Agency to defer a portion of their salary to be deposited in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The Agency makes no contribution under the plan. As of June 30, 2007 and 2006, the deferred compensation assets were held in a trust account for the sole benefit of the employees and their beneficiaries, and accordingly have been excluded from the Agency's reported assets.

(13) Restatement of Beginning Net Assets

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning net assets of the Agency's fund. The following schedule summarizes the effects of the prior period adjustments to the beginning net assets as of July 1, 2006:

Net assets at beginning of year, as previously reported	\$13,726,536
The Agency underwent a physical inventory and reconstruction of capital assets which resulted in an adjustment in the capital assets balance of \$858,974.	858,974
The Agency recorded minor adjustments to the beginning balance of unamortized discount and issuance costs	<u>18,815</u>
Net assets at beginning of year, as restated	<u>\$14,604,325</u>



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Board of Directors  
Big Bear Area Regional Wastewater Agency  
PO Box 517  
Big Bear City, CA 92314

In planning and performing our audit of the financial statements of Big Bear Area Regional Wastewater Authority (BBARWA) as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered BBARWA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We observed the following other matters, which were not deemed to be significant deficiencies or material weaknesses and offer these comments and suggestions.

(1) Enhancing Internal Controls over Cash Disbursements

The Senior Accountant enters all payables information into the accounting system and prints the checks to be signed by authorized individuals. The checks are returned to the Senior Accountant, who then stamps the invoices "paid" before filing the invoices. The Senior Accountant could resubmit a vendor's invoice for duplicate processing and the unauthorized transaction go undetected.

Recommendation:

Although there are current controls in place which may prevent the processing of duplicate invoices, such as the General Manager's review of the invoices before signing the checks, we recommend that all invoices be stamped "entered" after entering the invoice into the accounting system but before the checks are printed to better strengthen the control over duplicate processing of vendor invoices.

(2) Review of Wire transfers

We noted that the bank reconciliation and related bank statements are not reviewed by an individual independent of the person who prepares the bank reconciliation. Although the Finance Manager, who is responsible for preparing the bank reconciliation, does not have access to cash she could execute an unauthorized wire transfer into a personal account without detection. Furthermore, the token I.D.'s that are required to execute the wire transfers are not kept under lock and key by the respective individual holding the token.

Recommendation:

We recommend that the General Manager review the monthly bank statements to ensure that all wire transfers executed have been authorized. We further recommend that token I.D.'s be locked up by the persons responsible for the authorization and execution of wire transfers.

(3) Enhancing Internal Controls over Cash Receipts

The Senior Accountant is responsible for collecting the mail from the Post Office, and for maintaining a cash receipt log which includes copies of all cash receipts received. The Senior Accountant is also responsible for preparing the bank deposit and updating the accounts receivable module in the Navision accounting system for all cash receipts. Sound internal controls dictate that the duty of recordkeeping be segregated from having physical access to cash receipts.

Recommendation:

We recommend that the Finance Manager input cash receipts into the Navision accounting system using the log prepared by the Senior Accountant. BBARWA should consider that the Senior Accountant be denied access to the cash receipt system ledger.

(4) Formation of an Agency Ethics Policy

Our audit procedures revealed the Agency does not have a formalized ethics policy. A well structured ethics policy established organizational standards for ethics, morals, and an overall "regard for the rules" philosophical approach within an entity. Specifically, matters such as honesty, integrity, compliance with laws and regulations, adherence to corporate policy, and upholding the Agency's high values and reputation are addressed. We also noted that the Agency's practices do not include any type of mechanism for employees to report suspected fraud or abuse. A strong ethics policy is the foundation upon which an Organization builds its culture, which should then permeate all levels of personnel and guide all business dealings and transactions. This can be most effective in establishing a highly ethical and antifraud culture within any business organization.

Recommendation:

We recommend that the Agency establish and implement a well-designed ethics policy. We also suggest that the Agency implement an effective reporting mechanism for fraud, abuse, and misconduct. Internal reporting channels, such as managers' open-door policy, hotlines for anonymous tips, and surveys, have been found to be effective. We strongly suggest that the establishment of a reporting mechanism for fraud, abuse, and misconduct would be of great benefit to the Agency.

We appreciate the opportunity to present these comments and suggestions and can discuss these matters further at your convenience, along with any implementation assistance for changes and improvements you may require.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Mayor Hoffman Melana P.C.*

August 15, 2007  
Irvine, California

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**  
**Regular Meeting**  
**July 25, 2007**

**1. Call to Order**

A regular meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, July 25, 2007 at 4:30 p.m. at 121 Palomino Drive, Big Bear City, California.

**Governing Board Members present:** John Day, Liz Harris, and Rick Ollila

**Governing Board Members absent:** Dr. Don Eads and Rick Herrick

**Other present:** Jerry Gruber, City of Big Bear Lake, Department of Water and Power, and Paul Mitton, Video & Media Productions.

**Staff present:** Nancy Laughlin, Finance Manager; Joe Hanford, Plant Superintendent, and Steven C. Schindler, General Manager.

**2. Pledge of Allegiance**

Chair Harris called the meeting to order at 4:30 p.m. with Secretary Day leading the Pledge of Allegiance.

**3. Presentations and Introductions**

Chair Harris welcomed Steven Schindler, General Manager, back from his trip to see his step-son graduate from the Navy Boot Camp, gave best wishes.

**4. Approval of the Agenda**

Upon motion by Secretary Day, seconded by Director Ollila, and carried, the July 25, 2007 agenda was approved.

**AYES: 3**

**NAYS: 0**

**ABSENT: 2**

**5. Consent Calendar**

The Governing Board reviewed items on the Consent Calendar. Upon motion by Secretary Day, seconded by Director Ollila, and carried, the Governing Board approved the consent calendar as follows:

- A. Minutes of the Regular Meeting of June 27, 2007 – Approved
- B. Monthly Cash Disbursement for June 2007 - Informational
- C. Governing Board Member Reimbursement – Approved
- D. Investment Report and Sewer Connection Report for June 2007 – Informational
- E. Fiscal Year Ending June 30, 2007 Capital Expenditures Update – Informational
- F. Carry Over of Select Projects and Appropriations to June 30, 2008 – Approved

AYES: 3  
NAYS: 0  
ABSENT: 2

6. Items Removed From the Consent Calendar – None

7. Public Forum Response – None

8. Public Forum – None

9. Old Business – None

10. New Business – None

11. Information/Committee Reports

A. Plant Superintendent's Report

Mr. Hanford highlighted the month of June 2007 operation details; 53.03 MG influent flow; supplied 1,293,600 gallons of construction water and 9,400 gallons of irrigation water and the sludge building operated 238 hours producing 496.7 tons of sludge.

Staff is working with Engineering Resources pertaining to the SSMP components and it is anticipated that the development plan and schedule will be forwarded to the Governing Board during the September meeting for approval.

Staff had begun the hydro cleaning and video inspection of the Main Trunk Line and the task is scheduled to be completed on August 3, 2007.

Director Ollila questioned if the hydro cleaning and video inspection had been outsourced. Mr. Hanford indicated that this task had been outsourced and staff of the Agency had given supervision during the cleaning and inspection.

Secretary Day questioned the liability risk for the Agency as he had observed irregular angles needed for the cleaning and inspection. Mr. Hanford indicated that Houston Harris is liable and the Agency does have certificates of insurance on file and that the Agency has engaged the services of Houston Harris for the last 12 – 15 years.

B. General Manager's Report

Mr. Schindler provided a brief summary of his activities for the month of June 2007. Mr. Schindler reported that on July 10, 2007, Past Board Member Mr. Richard (Dick) Morgan had passed away and his memorial service will be held on July 29, 2007 at 2:00 pm at the Mountain Meadow Senior Apartments. Continuing to work with the Strategic Planning Committee, and continues to met with the BBCCSD, DWP, Forest Service, Fish and Wildlife Service, Fish and Game, and Regional Board pertaining to the Stickleback issues, once the local agencies are able to resolve the BBARWA's Special User Permit pertaining to the outfall

line the issue will be reopened for discussion. Met with Bear Valley Electric to provide information regarding prior efforts to generate power from the outfall line.

C. Strategic Planning Committee Report

Director Ollila indicated that the committee is currently looking at capital projects beyond the current fiscal year and the committee is looking at the possibility to fund for shielding the holding ponds from open air and lining the current ponds in response to possible regulatory requirements in the future.

Chair Harris indicated that the committee is continuing to concentrate on the core values and will forward the entire package to the Governing Board for review once completed.

D. Employee/Employer Committee Report

Secretary Day indicated that the committee is currently revising the upcoming tasks for the General Manager.

Mr. Schindler indicated that he and the committee are currently working on a memo of the upcoming goals for the General Manager and will be forwarded prior to the next scheduled regular meeting.

E. Governing Board Member Comments

Secretary Day noted the unique opportunity the Big Bear City Community Services District (BCCSD) carries at this meeting, as the Board Members of BCCSD have the quorum of this meeting.

Director Ollila no comments

Chair Harris adjourned the meeting in memory of Dick Morgan.

12. **Closed Session** – None

13. **Adjournment**

With no further business to come before the Governing Board, Chair Harris adjourned the meeting at 4.50 p.m.

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Elizabeth Harris, Chair of the Governing Board  
of the Big Bear Area Regional Wastewater Agency



**Big Bear Area Regional Wastewater Agency**

*Liz Harris, Ed.D - Chair  
Dr. Don Eads - Vice-Chair  
John Day - Secretary  
Rick Herrick - Director  
Rick Ollila - Director*

**AGENDA ITEM: 5.B**

**Date:** August 13, 2007

**Subject:** Monthly Cash Disbursements for July 2007

**Recommendation:** Informational

**Background:** For your review and information, attached is the monthly disbursements for the agency for July 2007.

**Financial Impact:** No financial impact on the budget, for information only.

**Reviewed By:** Steven C. Schindler, General Manager

**Responsible Staff:** Nancy A. Laughlin, Finance Manager

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witnessed: \_\_\_\_\_

Secretary of the Governing Board

**Big Bear Area Regional Wastewater Agency**  
**Period: 07/01/07..07/31/07**  
**Cash Disbursements Report**

Check No.	Check Date	Vendor	Account Desc.	Amount
6260	07/10/07	AFLAC	Employee Benefits	762.50
6261	07/10/07	SOUTH COAST AQMD	Permits & Fees	546.40
6262	07/10/07	ARAMARK UNIFORM SERVICES IN	Operating Expense	289.00
6263	07/10/07	ARROWHEAD	Operating Expense	166.20
6264	07/10/07	BIG BEAR CITY COMMUNITY	Utilities	248.00
6265	07/10/07	BIG BEAR DOOR COMPANY	Natural Gas Generator	1,300.00
6266	07/10/07	BBF VENTURES CORPORATION	Operating Expense	544.95
6267	07/10/07	BIG BEAR TWO WAY	Utilities	62.50
6268	07/10/07	BRENT BERG	Education & Training	151.44
6269	07/10/07	BRENNTAG PACIFIC INC.	Accounts Receivable	4,592.85
6270	07/10/07	BUTCHER'S BLOCK & BUILDING	Repairs & Maintenance	28.81
6271	07/10/07	BEAR VALLEY ELECTRIC	Utilities	2,827.82
6272	07/10/07	CANNON SERVICES	Repairs & Maintenance	535.00
6273	07/10/07	CONOCOPHILIPS	Operating Expense	69.13
6274	07/10/07	DIRECT TV	Utilities	36.98
6275	07/10/07	DEPARTMENT OF WATER & POWE	Utilities	29.49
6276	07/10/07	E.S. BABCOCK & SONS, INC.	Laboratory Costs	313.00
6277	07/10/07	ENNIX INCORPORATED	Operating Expense	750.00
6278	07/10/07	IKON FINANCIAL SERVICES	Operating Expense	587.40
6279	07/10/07	HAJOCA CORPORATION	Cannibal Process Unit	11.79
6280	07/10/07	KEITH BOGER	Education & Training	900.00
6281	07/10/07	NAPA AUTO PARTS	Repairs & Maintenance	25.05
6282	07/10/07	NEWARK IN ONE	Forcemain Repair	980.30
6283	07/10/07	NIKKI ORABUENA	Education & Training	201.73
6284	07/10/07	OWL TELEPHONE EXCHANGE	Utilities	50.00
6285	07/10/07	PRIMM VALLEY RESORTS	Education & Training	202.74
6286	07/10/07	RAMADA INN	Education & Training	486.20
6287	07/10/07	ROYAL WHOLESALE ELECTRIC	Natural Gas Generator	255.77
6288	07/10/07	SAN BERNARDINO CO FIRE DEPT.	Permits & Fees	537.00
6289	07/10/07	SDRMA	Insurance	52,332.10
6290	07/10/07	BOB SELLARDS	Education & Training	201.73
6291	07/10/07	SOUTH COAST A.Q.M.D.	Permits & Fees	4,734.91
6292	07/10/07	SOUTH COAST A.Q.M.D.	Permits & Fees	99.09
6293	07/10/07	SOUTHWEST GAS CORPORATION	Utilities	146.10
6294	07/10/07	JEREMY SWEENEY	Education & Training	168.39
6295	07/10/07	SWRCB	Education & Training	100.00
6296	07/10/07	TRI-STATE SEMINAR ON THE RIVE	Education & Training	130.00
6297	07/10/07	ULTRA-SAFE SECURITY SPECIALI	Operating Expense	475.00
6298	07/10/07	UNDERGROUND SERVICE ALERT	Permits & Fees	108.80
6299	07/10/07	VERIZON CALIFORNIA	Utilities	868.11
6300	07/10/07	KEN WILLIS CONSTRUCTION	Solids Handling	12,232.62
6301	07/25/07	ACWA	Employee Benefits	1,712.46
6302	07/25/07	ARAMARK UNIFORM SERVICES IN	Operating Expense	545.13
6303	07/25/07	BIG BEAR BACKFLOW	Repairs & Maintenance	834.76
6304	07/25/07	BIG BEAR CITY COMMUNITY	Utilities	534.72
6305	07/25/07	BIG BEAR PAINT CENTER	A-10 NG Generator	308.48
6306	07/25/07	BEST, BEST & KRIEGER	Legal Services	3,153.44
6307	07/25/07	BIA BALDY VIEW CHAPTER	Education & Training	125.00

**Big Bear Area Regional Wastewater Agency**  
**Period: 07/01/07..07/31/07**  
**Cash Disbursements Report**

Check No.	Check Date	Vendor	Account Desc.	Amount
6308	07/25/07	BILLS AUTO PARTS	Repairs & Maintenance	100.90
6309	07/25/07	BEAR VALLEY ELECTRIC	Utilities	14,001.74
6310	07/25/07	BEAR VALLEY HOSPITAL	Operating Expense	116.50
6311	07/25/07	CAL PERS 457 PROGRAM	Payroll Clearing	2,750.84
6312	07/25/07	CDW GOVERNMENT INC	A-9 CANNIBAL	1,093.67
6313	07/25/07	CINGULAR WIRELESS	Utilities	19.49
6314	07/25/07	CLINICAL LAB OF SAN BERNARINO	Laboratory Costs	420.00
6315	07/25/07	CWEA	Memberships,Dues & Subscrip.	330.00
6316	07/25/07	DETECTION INSTRUMENTS CORP	Repairs & Maintenance	2,865.00
6317	07/25/07	DIONEX CORPORATION	Laboratory Costs	1,172.84
6318	07/25/07	TOM DODSON & ASSOCIATES	Permits & Fees	880.00
6319	07/25/07	E.U.F. CORPORATION	A-9 CANNIBAL	393.83
6320	07/25/07	FISHER SCIENTIFIC	Laboratory Costs	1,878.20
6321	07/25/07	GE ANALYTICAL INSTRUMENTS IN	Laboratory Costs	5,033.00
6322	07/25/07	GEOTIVITY, INC.	Repairs & Maintenance	600.00
6323	07/25/07	HACH COMPANY	Laboratory Costs	187.43
6324	07/25/07	HARDY DIAGNOSTICS	Laboratory Costs	250.97
6325	07/25/07	INLAND BOBCAT, INC.	Repairs & Maintenance	412.61
6326	07/25/07	STEVEN M. KNAPIK, D.O.	Operating Expense	260.00
6327	07/25/07	LAKESIDE EQUIPMENT CORP.	Repairs & Maintenance	7,758.00
6328	07/25/07	THE LINCOLN NAT'L LIFE INS. CO	Payroll Clearing	2,834.66
6329	07/25/07	LOR GEOTECHNICAL GROUP INC.	Natural Gas Generator	5,129.00
6330	07/25/07	MINE SAFETY APPLIANCES COMP	Operating Expense	280.16
6331	07/25/07	MOUNTAIN BEVERAGE SERVICE	Operating Expense	106.52
6332	07/25/07	NATIVESCAPES INC	Repairs & Maintenance	105.00
6333	07/25/07	ONE STOP LANDSCAPE SUPPLY	Solids Handling	1,005.00
6334	07/25/07	P.E.R.S.	Employee Benefits	18,753.07
6335	07/25/07	BUSINESS CARD	Operating Expense	458.21
6336	07/25/07	QUILL CORPORATION	Operating Expense	745.31
6337	07/25/07	DREW RYAN	Operating Expense	142.85
6338	07/25/07	SAN BERNARDINO CO FIRE DEPT.	Permits & Fees	1,164.00
6339	07/25/07	SOUTHERN CALIFORNIA EDISON	Utilities	34.93
6340	07/25/07	STEVE SCHINDLER	Education & Training	108.30
6341	07/25/07	SOCIETY FOR HUMAN RESOURCE	Memberships,Dues & Subscrip.	145.00
6342	07/25/07	SIEMENS WATER TECHNOLOGIES	Repairs & Maintenance	239.21
6343	07/25/07	SWRCB/AFRS	Permits & Fees	730.00
6344	07/25/07	SYNAGRO COMPOSTING CO	Solids Handling	17,272.35
6345	07/25/07	THE TERMINIX INTL CO., LP	Operating Expense	22.00
6346	07/25/07	TWIN BEAR EQUIPMENT RENTALS	Natural Gas Generator	297.89
6347	07/25/07	ULTRAMAR DIAMOND SHAMROCK	Operating Expense	135.00
6348	07/25/07	USA BLUE BOOK	Operating Expense	166.30
6349	07/25/07	VALERO MARKETING AND SUPPLY	Operating Expense	428.81
6350	07/25/07	VERIZON WIRELESS	Utilities	152.01
6351	07/25/07	VERIZON CALIFORNIA	Utilities	417.54
6352	07/25/07	KEN WILLIS CONSTRUCTION	Solids Handling	10,070.20
6353	07/25/07	W.M. LYLES CO.	Cannibal Process Unit	544,500.00

**Total: \$ 742,271.23**



*Big Bear Area Regional Wastewater Agency*

*Liz Harris, Ed.D - Chair*

*Dr. Don Eads - Vice-Chair*

*John Day - Secretary*

*Rick Herrick - Director*

*Rick Ollila - Director*

**AGENDA ITEM: 5.C**

**Date:** August 13, 2007

**Subject:** Governing Board Member Reimbursement

**Recommendation:** Approve as presented.

**Background:** Pursuant to the Remuneration and Reimbursement Section of the Governing Board Member Handbook, Governing Board Members shall receive lawful compensation based upon Governing Board approved meetings, or days of service. Attached are expenses that were incurred for the month of July 2007 for your review and approval.

**Financial Impact:** No financial impact on the budget, since a line item had been appropriated and approved by the Governing Board.

**Reviewed By:** Steven C. Schindler, General Manager

**Responsible Staff:** Nancy A. Laughlin, Finance Manager

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witnessed: \_\_\_\_\_  
Secretary of the Governing Board

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: John Day

Date Submitted: \_\_\_\_\_

Month Covered: \_\_\_\_\_

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: 7/25/2007 Compensation \$ 100  
PURPOSE \_\_\_\_\_

BBARWA Special Meeting Attended: \_\_\_\_\_ Date: 7/25/2007 \$ 200

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

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

PURPOSE

BBARWA Committee Meeting Attended: Personnel Date: 7/9/2007 \$ 100

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

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

PURPOSE

Other Governing Board Approved Meetings: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Total Entitled Monthly Stipend (\$600 Maximum) \$ \_\_\_\_\_

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

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

Total Authorized Reimbursement: \$ 200

Uncompensated Meetings Attended: \_\_\_\_\_  
PURPOSE \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Board Member Signature: [Signature] Total Amount Paid \$ 200

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Don Eads  
Date Submitted: 7/25/07  
Month Covered: July 2007

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ Compensation \$ 0

PURPOSE

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

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

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

PURPOSE

BBARWA Committee Meeting Attended: Personnel Date: 7/9/07 \$ 100.00

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

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

PURPOSE

Other Governing Board Approved Meetings:

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Total Entitled Monthly Stipend (\$600 Maximum) \$ \_\_\_\_\_

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

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

Total Authorized Reimbursement: \$ \_\_\_\_\_

Uncompensated Meetings Attended:

PURPOSE

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Board Member Signature: \_\_\_\_\_ Total Amount Paid \$ 100.00

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

REPORT OF MEETINGS ATTENDED

Governing Board Member: Ug Harris

Date Submitted: 7-25-07

Month Covered: July 2007

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: 7-25-07 Compensation \$ 100.00

PURPOSE

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

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

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

PURPOSE

BBARWA Committee Meeting Attended: Strategic Date: 7-11-07 \$ 100

BBARWA Committee Meeting Attended: Plan Date: \_\_\_\_\_ \$ \_\_\_\_\_

BBARWA Committee Meeting Attended: Strategic Date: 7/31/07 \$ 100.00

PURPOSE

Other Governing Board Approved Meetings:

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Total Entitled Monthly Stipend (\$600 Maximum) \$ \_\_\_\_\_

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

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

Total Authorized Reimbursement: \$ \_\_\_\_\_

Uncompensated Meetings Attended:

PURPOSE

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Board Member Signature: [Signature] Total Amount Paid \$ 300.00

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REPORT OF MEETINGS ATTENDED**

Governing Board Member: Rick Herrick  
Date Submitted: 7/25/07  
Month Covered: July 2007

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: \_\_\_\_\_ Compensation \$ 0

**PURPOSE**

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

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

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

**PURPOSE**

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

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

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

**PURPOSE**

**Other Governing Board Approved Meetings:**

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

**Total Entitled Monthly Stipend (\$600 Maximum)** \$ \_\_\_\_\_

**Other Governing Board Approved Expenses (Governing Board Approved)**

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

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

**Total Authorized Reimbursement:** \$ \_\_\_\_\_

**Uncompensated Meetings Attended:**

**PURPOSE**

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

**Board Member Signature:** \_\_\_\_\_ **Total Amount Paid** \$ 0

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**REPORT OF MEETINGS ATTENDED**

Governing Board Member: Rick Olliva

Date Submitted: \_\_\_\_\_

Month Covered: July, 2007

BBARWA Regular Meeting Attended: \_\_\_\_\_ Date: 7/25/07 Compensation \$ 100.00

**PURPOSE**

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

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

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

**PURPOSE**

BBARWA Committee Meeting Attended: Strategic Planning Date: 7/10/07 \$ 100.00

BBARWA Committee Meeting Attended: Strategic Plan Date: 7/31/07 \$ 100.00

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

**PURPOSE**

Other Governing Board Approved Meetings:

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Total Entitled Monthly Stipend (\$600 Maximum) \$ \_\_\_\_\_

Other Governing Board Approved Expenses (Governing Board Approved)

Mileage: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Lodging: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Registration: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Tuition: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ Date: \_\_\_\_\_ \$ \_\_\_\_\_

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

Total Authorized Reimbursement: \$ \_\_\_\_\_

Uncompensated Meetings Attended:

**PURPOSE**

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

Board Member Signature:  Total Amount Paid \$ 300.00



*Big Bear Area Regional Wastewater Agency*

*Liz Harris, Ed.D - Chair*

*Dr. Don Eads - Vice-Chair*

*John Day - Secretary*

*Rick Herrick - Director*

*Rick Ollila - Director*

**AGENDA ITEM: 5.D**

**Date:** August 15, 2007

**Subject:** Investment Report and Sewer Connection Report for July 2007

**Recommendation:** Informational

**Background:** Pursuant to the Investment Policy of the Agency, the Agency provides the Governing Board the Monthly Investment Report. Attached for your review is the report for the month of July 2007.

Also, attached for your review is the Sewer Connection Report for the one-month ended July 2007. For the one-month period ended July 2007, 25 sewer connections had been allocated with the Agency actually receiving 15 sewer connections.

**Financial Impact:** Informational only, no financial impact.

**Reviewed By:** Steven C. Schindler, General Manager

**Responsible Staff:** Nancy A. Laughlin, Finance Manager

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witnessed: \_\_\_\_\_

Secretary of the Governing Board

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**

**INVESTMENT REPORT**

July 31, 2007

<u>INVESTMENT TYPE</u>	<u>INSTITUTION</u>	<u>COST</u>	<u>FAIR MARKET VALUE (1)</u>	<u>MONTH/ QUARTER ENDED</u>	<u>YEAR TO DATE INTEREST EARNED*</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
<b><u>FUNDS INVESTED BY AGENCY:</u></b>							
LOCAL AGENCY INVESTMENT FUND	STATE OF CALIFORNIA	<u>\$3,596,611</u>	<u>\$3,594,975</u>	Jun-07	\$ -	5.26%	DAILY
TOTAL		<u>\$3,596,611</u>	<u>\$3,594,975</u>				
<b><u>FUNDS HELD BY FISCAL AGENT:</u></b>							
MONEY MARKET FUNDS	FIRST AMERICAN TREASURY (1998 Revenue Bonds)	\$ 9,611	\$ 9,611	Jul-07	\$ 35	4.57%	2010
INVESTMENT FUNDS	MORGAN GUARANTY TRUST (Reserve Fund - 1998 Revenue Bonds)	\$ 464,000	\$ 464,000	Apr-07	\$ -	5.75%	2010
MONEY MARKET FUNDS	PROVIDENT INSTITUTIONAL FUNDS (1998B Revenue Bonds)	\$ 251,287	\$ 251,287	Jul-07	\$ 1,019	5.01%	2018
MONEY MARKET FUNDS	FIDELITY INSTITUTIONAL MONEY MARKET (Loan Agreement)	<u>\$4,784,325</u>	<u>\$4,784,325</u>	Jul-07	\$ 20,235	5.00%	2026
TOTAL		<u>\$5,509,223</u>	<u>\$5,509,223</u>				

THE INVESTMENT PORTFOLIO OF THE BIG BEAR AREA REGIONAL WASTEWATER AGENCY IS IN COMPLIANCE WITH THE INVESTMENT POLICY ADOPTED ON MARCH 28, 2007. 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.

\* INTEREST EARNED BASED ON FISCAL YEAR STARTING JULY 1, 2007

**OFFICE OF THE TREASURER**  
SACRAMENTO

Local Agency Investment Fund  
 PO Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001  
 www.treasurer.ca.gov/pmia-laif



July, 2007 Statement

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

Attn: FINANCE MANAGER

P.O. BOX 517

BIG BEAR CITY CA 92314

Account Number : [REDACTED]

AUG 13 2007

**Transactions**

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
07-11-2007	07-11-2007	RW	1128610	NANCY A. LAUGHLIN	- 125,000.00
07-13-2007	07-12-2007	QRD	1130283	SYSTEM - Interest Earnings	59,432.31
07-30-2007	07-27-2007	RW	1133168	NANCY A. LAUGHLIN	- 700,000.00

**Account Summary**

Total Deposit :	59,432.31	Beginning Balance :	4,362,178.79
Total Withdrawal :	- 825,000.00	Ending Balance :	<b>3,596,611.10</b>

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

SEWER CONNECTIONS REPORT

FOR THE PERIOD JULY 01, 2007 - JUNE 30, 2008

<u>MONTH</u>	<u>CITY-BBL</u>	<u>CSD</u>	<u>CSA-53B</u>	<u>TOTAL</u>	<u>TOTAL PRIOR YEAR</u>
Jul-07	<u>10</u>	<u>5</u>	<u>0</u>	<u>15</u>	<u>19</u>
<b>TOTAL</b>	<b>10</b>	<b>5</b>	<b>0</b>	<b>15</b>	<b>19</b>



**Big Bear Area Regional Wastewater Agency**

*Liz Harris, Ed.D - Chair*

*Dr. Don Eads - Vice-Chair*

*John Day - Secretary*

*Rick Herrick - Director*

*Rick Ollila - Director*

**AGENDA ITEM: 9.A**

**Date:** August 13, 2007

**Subject:** Schedule Workshop to Discuss Agency Policies Regarding Funding for Operations and Capital Asset Replacements and Improvements - Discussion

**Recommendation:** Schedule a date and time to discuss the Agency Funding Policies. Staff is recommending that a Workshop be scheduled during the later part of September 2007 to discuss and possibly revise the current funding policies for operations and capital asset replacements and improvements.

**Background:** During previous discussions of the current funding policies for operations and for the capital asset replacements and improvements, the Governing Board had suggested that the policies be reviewed to ensure they meet the current Boards needs. Due to the possibility of a lengthy discussion, staff is recommending that a Special Meeting/Workshop be scheduled. As a result of the finalization of the annual audit, staff is suggesting that a meeting be scheduled for the later part of September 2007.

**Financial Impact:** No financial impact on the budget.

**Reviewed By:** Steven C. Schindler, General Manager

**Responsible Staff:** Nancy A. Laughlin, Finance Manager

Moved: \_\_\_\_\_ Second: \_\_\_\_\_ In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained \_\_\_\_\_

Approved Date: \_\_\_\_\_ Witnessed: \_\_\_\_\_

Secretary of the Governing Board