

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**  
**Special Meeting**  
**October 24, 2007**

**1. Call to Order**

A special meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, October 24, 2007 at 10:00 a.m. at 121 Palomino Drive, Big Bear City, California.

**Governing Board Members present:** John Day, Dr. Don Eads, Liz Harris, Rick Herrick, and Rick Ollila

**Governing Board Members absent:** None

**Others present:** Dr. Stephen Foulkes, 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 10:00 a.m. with Vice-Chair Eads leading the Pledge of Allegiance.

**3. Discussion of Capital and Replacement Fund Policy**

Mr. Schindler reviewed the recommended changes and direction given from the Governing Board during the special meeting of September 27, 2007 for the Capital and Replacement Fund Policy. Recommended changes were discussed and additional changes were discussed for clarification of the draft Capital and Replacement Fund. The recommendations will be forwarded during the Regular Meeting of October 24, 2007 at 4:30 p.m. for further discussion and possible approval. The following new verbiage to the draft Capital and Replacement Fund is as follows:

- Section I, Purpose, Item A: To establish the policy to ensure that appropriate funds are available for the Agency's five-year needs and expenditures for upgrades, additions, expansions, betterments and improvements to the facilities, both anticipated and unanticipated. In keeping with the premise that proper fiscal planning and management is not only prudent, but in fact a requirement, the Capital and Replacement Fund is an essential part of proper financial management and planning. Implementation of this policy will aid in complying with the Agency's Mission Statement, Vision Statement and Core Values.
- Section II, General, Item I: The threshold for the Capital and Replacement Fund is based on 100% of the projected year end Capital and Replacement Fund to be higher than the next years Capital Project expenditures. The Agency will also consider the five years rolling average for the estimated Five-Year Capital Plan when updating the annual plan.

- Addition of Section II, General, Item J: In the event the Capital and Replacement Fund is unable to absorb costs associated with unanticipated repairs or replacements the Rainy Day Fund will be allocated to fund the related costs. This will require the Governing Board formal approval during a scheduled Board meeting, subsequent to the incident.

#### **4. Discussion of Strategic Planning Committee Recommendations and Proposed Five-Year Capital Projects**

Mr. Schindler provided the background of the work performed by the committee members Chair Harris, Director Ollila and himself and the development of the draft Strategic Planning document.

Chair Harris thanked Director Ollila and what a pleasure it had been to be involved in the development of the Strategic planning document and was very pleased with the draft document. Mr. Schindler concurred with Chair Harris's comments and felt this document included important data that was provided by staff of the Agency and the document would be revised annually to include any changes to the current guidelines set forth. Any editorial changes that had been changed subsequently from the originally forwarded document have been provided and changes are indicated in red.

After the introduction, Chair Harris recommended that each page of the document be reviewed individually for possible discussion.

Director Ollila clarified new page 16, Planning Level Estimates, indicating that items 13 and 13A are the same capital project and items 32 and 32A are also the same proposed capital project. These projected costs include two planning estimate levels depending if replacement or if rehabilitation is approved for the actual capital project.

Director Ollila questioned the Organization portion of the draft document and questioned if some of the items should be included in the document. Director Ollila indicated that many of the items had already been included in the annual budget and felt that costs should not be included in this document. After discussion the Governing Board concluded that only three items included in the Organization portion with estimated costs, which included current item #42, #52 and #70.

The Governing Board discussed the graphs in great depth to ensure information provided is accurate, as many agencies within the valley may use this document to aid in their analysis for their specific needs. The Governing Board concluded to include the graphs as presented and update at a later date. This will allow staff time to address the various concerns posed by the Governing Board.

Secretary Day requested that an exhibit be included that represents the Horseshoe Pond and the Emergency Pond.

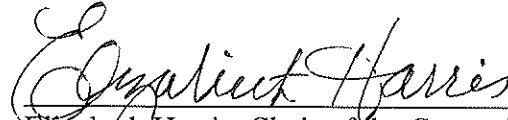
Mr. Schindler indicated that the revisions pertaining to the Table of Contents, Organization portion and the inclusion of the exhibit would be available for discussion and possible approval during the 4:30 p.m. meeting.

Chair Harris received a consensus from the Governing Board as to revisions on the draft Strategic Plan.

5. **Public Forum** - None

6. **Adjournment**

With no further business to come before the Governing Board, Chair Harris adjourned the meeting at 11:48 a.m.

A handwritten signature in cursive script that reads "Elizabeth Harris". The signature is written in black ink and is positioned above a horizontal line.

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