

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY**  
**Regular Meeting**  
**June 27, 2007**

**1. Call to Order**

A regular meeting of the Governing Board of the Big Bear Area Regional Wastewater Agency was held on Wednesday, June 27, 2007 at 4:30 p.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

**Other present:** Michael Karp, City of Big Bear Lake; Bob Colven, Big Bear City Community Services District; Jerry Gruber and Fred Miller, City of Big Bear Lake, Department of Water and Power; John Morley and David Yegge, City of Big Bear Lake Fire Department; Ron Worthington and Brian Thomas, Engineering Resources of Southern California; Nick Kfoury, Seatra Systems; Anne Lynch, CH2MHILL; Beth Nabor and Kurt Winchester, United States Forest Service; Brian Charles, The Grizzly; Danielle Seckler, BearValleyNews.com; Bob Ybarra, Sugarloaf Property Owners Association, and Paul Mitton, Video & Media Productions.

**Staff present:** Jeremy Sweeney, Operator-in-Training; 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 4:33 p.m. with Board Member Ollila leading the Pledge of Allegiance.

**3. Presentations and Introductions**

Mr. Schindler introduced Mr. Hanford to present Mr. Sweeney with his State Water Resources Control Board, Grade 1, Wastewater Treatment Plant Operator Certificate. Mr. Hanford and the Governing Board congratulated Mr. Sweeney for passing the test and receiving his Grade 1 certificate.

Mr. Schindler introduced Mr. Kfoury of Seatra Systems and thanked him for his many outstanding contributions to the Big Bear Area Regional Wastewater Agency. Mr. Kfoury indicated that he had first met Mr. Schindler during 2001 and was called by Mr. Schindler to inquire if he would be interested in entering into a three month purchase order which lasted until June 30, 2007. Mr. Kfoury indicated that his work in the past had been complex with an engineering path. Mr. Kfoury never imaged the complexity of the issues the community of Big Bear faced. He realized what a wizard Mr. Schindler and the Governing Board is to tackle the issues. Mr. Kfoury thought that the Big Bear Area Regional Wastewater Agency is the nicest and greatest run Agency. Mr. Kfoury thanked the Governing Board and staff for being given the opportunity to work with the Big Bear Area Regional Wastewater Agency. Chair Harris thanked Mr. Kfoury for all the work he had done on behalf of the Big Bear Area Regional Wastewater Agency and now Mr. Hanford and Mr. Schindler will now become their own wizards.

Mr. Schindler gave a brief introduction to the proposed Bio-Solids System. Mr. Schindler indicated he was approached by the United States Forest Service and City of Big Bear Lake Fire Department to see if the Big Bear Area Regional Wastewater Agency would be interested in investing time and resources to investigate the Bio-Solids System. Mr. Schindler indicated that the United States Forest Service had purchased a total of five Bio-Solids Systems, with two for California for the purpose to convert wood waste into an energy source and perform research for this energy source. Beth Nabor of the United States Forest Service was introduced to discuss further. Ms. Nabor indicated that the United States Forest Service currently is investigating the use of a possible energy source alternative to produce more local sustainable energy sources and is in the process of contacting possible participants in the research of the Bio-Mass technology; with the Big Bear area to possibly research this technology. Many questions were posed by the Governing Board regarding the costs; technology; use of sludge as a component of the fuel source; air quality issues; disposal of ash; labor needed to maintain the system; secure source of fuel; advantage(s) for running of the Big Bear Area Regional Wastewater Agency's equipment; any actual savings; is the Big Bear Area Regional Wastewater Agency the appropriate Agency to take the lead in this project; other stakeholders participation in project, and the Mission Statement of the Big Bear Area Regional Wastewater Agency. Ms. Nabor of the United States Forest Service; Mr. Yegge and Mr. Morley of the Big Bear Lake Fire Department were available to answer questions posed by the Governing Board. After lengthy discussion the Governing Board agreed to investigate further; with approval to forward sludge samples to Community Power Corporation, located in Colorado, for analysis for use as a fuel source and address the air quality emissions criteria for approval. Upon motion by Director Herrick for approval of \$500 for shipment of the appropriate amount of sludge for initial testing as a component as a fuel source. With no second the motion was not approved. Upon motion by Director Herrick; \$500 for assurance of burning of the sludge in the Bio-Solids System and determine if the emission levels are acceptable for the South Coast Air Quality Management District, seconded by Secretary Day, and carried, the Governing Board voted as follows:

**AYES: 5**  
**NAYS: 0**  
**ABSENT: 0**

**4. Approval of the Agenda**

Upon motion by Director Herrick, seconded by Vice-Chair Eads, and carried, the June 27, 2007 agenda was approved.

**AYES: 5**  
**NAYS: 0**  
**ABSENT: 0**

**5. Consent Calendar**

The Governing Board reviewed items on the Consent Calendar. Director Ollila requested that item 5.E, BBARWA History of Debt Issuance and Current Facilities Replacement Values, be moved to item 6.A, Items Removed from the Consent Calendar. Director Herrick requested that item 5.I, Governing Board Member Attendance of American Water Works Association Educational Programs, November 14 – 16, 2007, New Orleans, LA be moved to item 6.B, Items Removed

from the Consent Calendar. Upon motion by Vice-Chair Eads, seconded by Director Ollila, and carried, the Governing Board approved the Consent Calendar as follows:

- A. Minutes of the Regular Meeting of May 23, 2007 – Approved
- B. Monthly Cash Disbursement for May 2007 - Informational
- C. Governing Board Member Reimbursement – Approved
- D. Investment Report and Sewer Connection Report for May 2007 – Informational
- F. Cost of Living Adjustment – Informational
- G. Resolution No. R.03-2007, a Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (Pub. Resources Code §§ 21000 Et Seq.) – Adopted
- H. Resolution No. \$.04-2007, a Resolution of the Governing Board of the Big Bear Area Regional Wastewater Agency Approving the Form of the Authorizing the Execution and Delivery of a Sixth Amended Joint Power Agreement – Approved
- J. Rainy Day Transfer – Sponsorship of the Sierra Club, 5<sup>th</sup> Annual Xeriscape Garden Tour – Approved.

**AYES: 5**  
**NAYS: 0**  
**ABSENT: 0**

**6. Items Removed From the Consent Calendar**

- A. Item 5.E, BBARWA History of Debt Issuance and Current Facilities Replacement Values

Director Ollila discussed his concerns of the current policy and that the fixed asset listing appears to include more items than just assets. Director Ollila larger concern is the full depreciation accrual; it appears that one item was over funded. Ms. Laughlin responded that staff had found minor discrepancies and that staff is currently reviewing the inventory, assigned life and calculations with a fine-tooth comb. Ms. Laughlin recommended that the revised calculations and current policy be forwarded for discussion during the scheduled Workshop that normally is scheduled for December or January. Director Ollila requested that the policy be review prior to December, it was recommended that review of current policy and revised calculations take place during the month of September 2007. Secretary Day questioned a specific asset and indicated that this asset was also over funded. Ms. Laughlin indicated that the specific asset in question was funded based on current policy on the replacement value and that the specific asset was not over funded. Chair Harris questioned if adequate funds would be available in the event of a disaster and FEMA funds would take time to be reimbursed. Ms. Laughlin indicated that the City of Big Bear Lake and the County of San Bernardino used depreciation for calculation of their Capital Replacement fund based on historical costs with no consideration of replacement values. Upon motion by Director Ollila, seconded by Director Herrick, and carried, to revisit the current policy and revised calculations for the Capital and Replacement Fund.

**AYES: 5**  
**NAYS: 0**  
**ABSENT: 0**

B. Item 5.I, Governing Board Member Attendance of American Water Works Association Educational Programs, November 15 – 16, 2007, New Orleans, LA

Director Herrick requested that no action be taken on this item, as the appropriations for Governing Board attendance of training was much less than realized. Therefore, Director Herrick will investigate more affordable training.

7. **Public Forum Response** – None

8. **Public Forum** – None

9. **Old Business**

A. Draft Vision Statement, Mission Statement and Core Values for the Big Bear Area Regional Wastewater Agency

Mr. Schindler indicated that the Strategic Planning Committee had worked diligently to forward to the Governing Board the draft Vision Statement, Mission Statement and Core Values. Chair Harris indicated that the Strategic Planning Committee has accomplished a lot during the past months. Chair Harris indicated that the Mission Statement is geared for today, while the Vision Statement is geared for the future. The Mission Statement, Vision Statement and Core Values would be discussed and approved separately.

The Mission Statement was discussed with the following amendment:

The mission of the Big Bear Area Regional Wastewater Agency is to collect and treat wastewater and dispose of or utilize the by-products in a safe, progressive and fiscally responsible manner for the health and welfare of the community. Upon motion by Director Herrick, seconded by Vice-Chair Eads, and carried, to approve the Mission Statement as amended.

**AYES: 4**

**NAYS: 1**

**ABSENT: 0**

The Vision Statement was discussed, with no amendments, upon motion by Vice-Chair Eads, seconded by Director Herrick, and carried, to approve the Vision Statement as presented.

**AYES: 4**

**NAYS: 1**

**ABSENT: 0**

The Core Values were discussed, with no amendments, upon motion by Vice-Chair Eads, seconded by Director Herrick, and carried, to approve the Core Values as presented.

**AYES: 5**

**NAYS: 0**

**ABSENT: 0**

## **10. New Business**

### A. Discretionary Funds

Mr. Schindler recommended that the Governing Board consider the approval of Discretionary Funds for items that had not been previously budgeted. Mr. Schindler indicated that normally sponsorship requests are forwarded to the Governing Board for formal approval. Staff is recommending that between \$1,000 and \$3,000 for fiscal year 2007/2008 be approved for items that had not previously been budgeted. Chair Harris indicated that the intent of the Discretionary Funds is for local sponsorships. Secretary Day recommended that any single event over \$500 be forwarded to the Governing Board for formal approval. Director Herrick stressed the need for this fund is to alleviate the need for formal Governing Board approval. Director Ollila indicated that small amounts can add to large amounts quickly. Upon motion by Director Ollila, seconded by Director Herrick, and carried, to approve the appropriation each fiscal year not to exceed the amount of \$1,000 for use of special local sponsorships.

**AYES: 5**  
**NAYS: 0**  
**ABSENT: 0**

## **11. Information/Committee Reports**

### A. Plant Superintendent's Report

Mr. Hanford highlighted the month of May 2007 operation details; 53.8 MG influent flow; supplied 821,400 gallons of construction water and 6,835 gallons of irrigation water and the sludge building operated 325 hours producing 416.2 tons of sludge. The micro-filter failed on June 25th and will remain out of service for approximately six weeks; construction water will not be affected, while the irrigation water will not be available.

The progress of the Cannibal Project and the Natural Gas Generator projects continue to progress smoothly.

Mr. Hanford thanked Mr. Kfoury for his guidance and professional approach used in conjunction with the Agency.

### B. General Manager's Report

Mr. Schindler provided a brief summary of his activities for the month of May 2007. Mr. Schindler reported that staff provided the labor for the installation of the roof for the Natural Gas Generator that resulted in cost savings to the Agency. Mr. Schindler indicated that on May 16<sup>th</sup> the proposed \$15 million appropriation from the Water Resources Development Act had been removed for consideration due to the suspension of the Recharge Project. Mr. Schindler praised the Agency staff for the reduction of the workers compensation rate, previous rate was 119% with the reduction now at 98%.

C. Strategic Planning Committee Report

Director Ollila commented that it was a wise idea to appoint two opposing views and that compromise does work.

D. Employee/Employer Committee Report

Vice-Chair Eads indicated that the committee met on May 30 to evaluate the performance levels for the General Manager for April 2007 – April 2008. The committee is scheduled to meet again on July 9<sup>th</sup> to continue the evaluation of the General Manager's performance. Vice-Chair agrees with the Core Values and indicated that the General Manager works with integrity and honesty.

E. Governing Board Member Comments

Director Herrick suggest that a policy be prepared regarding that no engines be sitting idle, other agencies have taken on this policy.

Secretary Day – no comments

Vice-Chair Eads indicated that he will miss Mr. Kfoury

Director Ollila indicated that strategic planning will continue and the system does work, thanked Channel 6 and the media for their attendance.

Chair Harris thanked the committee members for their hard work

**12. Closed Session – None**

**13. Adjournment**

With no further business to come before the Governing Board, Chair Harris adjourned the meeting at 7:02 p.m.

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