

***MINUTES OF A REGULAR MEETING OF  
BIG BEAR MUNICIPAL WATER DISTRICT  
HELD ON THURSDAY, AUGUST 20, 2009***

**CALL TO ORDER**

President Murphy called the Open Session to order at 1:00 PM. Those in attendance included Director Eminger, Director Suhay, Director Smith, District Counsel Wayne Lemieux, General Manager Scott Heule, Lake Manager Mike Stephenson, and Board Secretary Vicki Sheppard.

**REPORTS**

Mr. Heule reported that the District is saddened by the recent death of Greg Boll. He commented that Mr. Boll's investment in and operation of Big Bear Marina, along with Alan Sharp, has provided thousands of Big Bear Visitors with a chance to enjoy the lake with family and friends. He added that Big Bear Marina is a generous contributor to many worthwhile causes and events locally including Kool Kids, fishing tournaments, and the Shoreline Cleanup event now celebrating its 10<sup>th</sup> year. He stated that the memorial service will be held at the Discovery Center amphitheater Sunday, August 23, at 5:00 PM. Mr. Heule reported that Kool Kids that was held August 19<sup>th</sup> was a big success. He commented that the District received lots of compliments from teachers and parents. Mr. Heule extended kudos to Mr. Stephenson and his staff for making it all come together. He also thanked the Board for volunteering in booths and adding to the success of the event. Mr. Heule commented on an article on LATimes.com regarding an invasion of Asian Clams in Lake Tahoe. He explained that the lake level is 6' 8" down and staff is receiving calls from dock owners regarding dock placement.

Director Eminger commented that it is predicted that winter 2009-10 will be an El Niño year.

Mr. Stephenson reported that the water quality this season has been very interesting with the dissolved oxygen crash a week ago reporting that DO is now higher than ever before at this time of year. He reported that there is an algae bloom but it is not a big problem. He stated that staff has turned all the aeration equipment on including the aerator and the de-stratification unit and will turn the de-stratification unit off when the water reaches 65 degrees. Mr. Stephenson reported that the Department of Fish and Game came out and observed the water sampling and reported that there is not a sign of the Quagga mussel. He added that the Department of Fish & Game approved allowing the District to take and send samples for testing rather than having Fish & Game do them. Mr. Stephenson reported on Kool Kids stating that he received lots of compliments from parents and teachers adding that it is an exception for Directors to work on the event and he thanked them for their hard work.

District Counsel Wayne Lemieux reported how he believes the state water shortage impacts the District. He explained that the State is involved in several environmental law suits, only one being the delta smelt. He commented that the water project is not a reliable source for water to Southern California and agencies need to work on being water independent.

**APPROVAL OF CONSENT CALENDAR**

President Murphy reported that item 5D will be pulled from the Consent Calendar for further discussion. Upon a motion by Director Eminger, seconded by Director Smith, with President Murphy abstaining on item 5A, the following consent items were unanimously approved:

- Minutes of a regular Meeting of August 6, 2009
- Warrant List Dated 8/11/09 for \$39,114.66

- Approval of Notice of Completion for the Carol Morrison East Public Launch Ramp Office Building

Mr. Heule reported that subsequent to posting of the agenda it was determined that item 5D, "Consider approval of adoption of a Categorical Exemption for a Memorandum of Understanding with California Department of Fish and Game for Lake Management activities" should have an additional District responsibility included. He explained that the added task in the list of responsible items will be to oversee the placement of docks. Mr. Heule added that Tom Dodson and Associates will adjust the Categorical Exemption to reflect this addition and the Memorandum of Understanding with Fish & Game will also reflect the addition. Mr. Heule proposed that with this change, item 5D be adopted.

Director Suhay moved approval of the adoption of a Categorical Exemption for a Memorandum of Understanding with California Department of Fish & Game for lake management activities with the addition of one District responsibility; to oversee dock placement. Director Eminger seconded the motion and it was unanimously approved.

#### **CONSIDER APPROVAL OF THE CPI INCREASE OF PLEASURE POINT MARINA COMPENSATION**

Mr. Heule reported that in accordance with Section 5(c) of the Pleasure Point marina permit, the compensation should be adjusted every five years to reflect the average change in the San Bernardino County CPI (Consumer Price Index) during the previous five year period. He explained that the last adjustment was made in 2004. He added that while the actual CPI change over the period is 15.23%, the adjustment is only 3.04% in accordance with the permit (actual CPI divided by five). Mr. Heule reported that as of August 15, 2009 the marina payment to the District should be increased to the greater of either \$2,576 or a total of the following; \$52 per slip, \$31 per mooring buoy, \$206 per rental dock (i.e. boat rental, fun dock), \$103 per other dock (i.e. courtesy dock, fuel dock, tour boat dock, day use dock). He stated that the Administrative Committee recommends approval of this new schedule of fees for Pleasure Point Marina. Mr. Roy Brownie, representing Pleasure Point Marina, was present during the committee meeting and did not voice any objections to the increase.

Director Eminger moved approval of the CPI increase of Pleasure Point Marina Compensation. Director Smith seconded the motion and it was unanimously approved

#### **CONSIDER APPROVAL OF FIRST READING BY TITLE ONLY OF ORDINANCE NO. 43, AN ORDINANCE OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO 38 AS IT PERTAINS TO PERMITS FOR NON-PROFIT ORGANIZATIONS AND ADOPTION AND FILING OF A CATEGORICAL EXEMPTION**

Mr. Heule reported that during the Board of Directors Meeting on June 4, 2009 the Board adopted a resolution authorizing issuance of permits to non-profit organizations for certain activities on the lake. He stated that the resolution described several restrictions that apply to these permits including closure of a commercial marina while the non-profit permit is active. He reported that subsequent to that meeting District Counsel advised that the subject should be part of the Administrative Code in Ordinance 38 rather than a resolution and additionally, Staff recommended adding some minor language that further defines the restrictions associated with these permits. He explained that these language changes require that vessels can only be launched by hand, will not involve the construction, installation, or use of launch facilities, docks or mooring buoys. He reported that Tom Dodson and Associates has reviewed the proposed amendment to Ordinance 38 as it relates to permits for non-profits. Mr. Heule added that they

describe the procedural process for adopting a categorical exemption and the specific issues that relate to a Class 5 Exemption as follows: Class 5 exemptions consist of “minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density, including but not limited to issuance of minor encroachment permits. The individual properties are not identified as an area of statewide, regional or area-wide concern.” He reported that the specific exemption issues that were considered to make a determination that the proposed action satisfies a Class 5 exemption include the following:

- a. Location - No adverse locational effects, such as biology or cultural resource impacts, can result from this modification in Lake permitting as proposed.
- b. Cumulative Impact - The proposed project is not forecast to contribute to any cumulatively considerable adverse environmental effects if implemented.
- c. Significant Effect - The proposed permitting of nonprofit organizations to access the Lake with non-motorized boats has no known potential to have a significant adverse environmental effect on any resource issues.
- d. Scenic Highway - No potential to adversely affect Highway 18 can occur from implementing the proposed project.
- e. Hazardous Waste Sites - The permitted boating activities themselves have no potential to cause any contamination from the use of hazardous materials or disposal of hazardous wastes.
- f. Historical Resources - No historical resources with any integrity can remain on any of the launch locations.

Director Smith asked for clarification of the reasoning for adopting an Ordinance rather than a Resolution. Mr. Lemieux stated that it was purely a judgment call because the Administrative Code has all the administrative regulations and it is just easier to have everything together in one document.

Mr. Loren Hafen, Holloways Marina, expressed his concerns with passing the first reading of this ordinance. He feels that the marinas need time to get together and discuss the issue. He is asking for a delay in passing the first reading at this time. He stated that his concerns are with non-profit programs on the lake taking business from the commercial marinas. He stated that he also feels that there is a problem with changing the permit process by moving marina permits. Director Smith stated that he doesn't see any problem with allowing a non-profit organization with operating rather than a marina that would be a lot more competition to the other marinas. Mr. Hafen said he didn't have a problem with non-profits, but with changing the permit process by moving the permit.

Mr. John Saunders, Captain John's Marina, stated that he has the same concerns as Mr. Hafen. He said that this is going to cut into his ability to make a living and referenced a law suit from the 1980's. He also stated that there are many businesses renting canoes and kayaks off the back of trucks in Fawnskin.

Mr. Heule stated that the Operations Committee and Administrative Committee have had long discussions about kayak and canoe rentals and the District is going to have a workshop regarding that issue. Director Smith stated that the District can't control down the hill rentals and during the workshop the issues can be discussed.

Mr. Roy Brownie, Pleasure Point Marina, asked for equal treatment for non-profits stating that non-profits don't have the same expenses as marinas.

Mr. Denis Thomas, Big Bear Discovery Center, stated that they provide environmental education to the public. He explained that they have to pay their staff. He commented that they have no problem working with John Saunders on canoe rentals explaining that last year his demands were way above the amount they could afford to operate or continue to provide the tours. He said that

they promoted all marinas to the public listing Captain John's first since Captain John's is so close to the Discovery Center.

Mr. John Saunders commented that Mr. Thomas is completely wrong and stated that the Discovery Center tried to rent their own canoes and not Captain John's and used Captain John's for their tour guides, not for rental to the public this way they could charge for the tour, not the boat.

Wayne Lemieux stated that it is a benefit to the marinas if a non-profit agency uses the marina rather than having a full marina operate in competition with the existing marinas. He explained how Ordinances work stating that there is the first reading, then the second reading, then it is published, and then it is effective 30 days later. Mr. Lemieux explained that the permit for the Discovery Center to operate kayaks is already passed. The reason for the Ordinance is just trying to get the paperwork straight (a bookkeeping process).

President Murphy suggested that we pass the first reading and then have the second reading after the workshop. He stated that the second reading might be the second meeting in October (October 15<sup>th</sup>).

Director Suhay moved approval of the first reading by title only of Ordinance No. 43, an Ordinance of the Board of Directors of Big Bear Municipal Water District amending Ordinance No. 38 as it pertains to permits for non-profit organizations and adoption and filing of a Categorical Exemption. Director Smith seconded the motion and it was unanimously approved.

#### **DISCUSSION ON BUDGET IMPACTS AND RECOMMENDATION IN RESPONSE TO THE SUSPENSION OF PROPOSITION 1A – INFORMATION ONLY, NO ACTION**

Mr. Heule reported that the estimate is that the State will take about \$250,000 of the Districts property tax revenue during FY 2009-10. He commented that one way of addressing the loss in revenue is to eliminate paving the East Ramp parking lot. However the Budget and Finance Committee believes the loss should be funded with a portion of the reserves. He explained that the District can then still complete the paving right now as it is needed and hopefully capitalize on favorable bid prices.

Mr. Heule made a PowerPoint presentation (see attached) highlighting the following:

Suspension of Proposition 1A

Adjustments for loss of revenue

Prop. 1A securitization program

#### **PUBLIC FORUM**

Mr. Roy Brownie, Pleasure Point Marina, asked what the marina zone of influence is and what does it mean in the 3D map model. Mr. Heule responded stating that the zone of influence shown in the 3D map is the realistic boundaries describing the areas of use of each marina. He explained that several of the marinas do have a legal zone of influence however several marinas do not.

#### **ANNOUNCEMENTS**

Mr. Heule reported that the second Kool Kids will be next Wednesday, August 26<sup>th</sup>. He asked the Directors to please arrive at 9:00 am.

#### **DIRECTOR COMMENTS**

No comments were made

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 2:16 P.M.

**NEXT MEETING**

Open Session at 1:00 P.M.  
Thursday, September 3, 2009  
Big Bear Municipal Water District  
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard  
Secretary to the Board  
Big Bear Municipal Water District

(SEAL)

# **Big Bear Municipal Water District**

Board of Directors Meeting  
August 20, 2009  
Proposed Budget Response to  
Suspension of Prop. 1A

## **Suspension of Proposition 1A**

- Allows the State to borrow up to 8% of the property tax collected in each county
- Must repay with interest within 3 years
- State budget includes Proposition 1A borrowing
- 8% of District tax revenue will amount to an estimated \$250,000
- Borrowing begins Dec. '09 based on FY 08-09 tax revenue

## Adjustments for Loss of Revenue

- Eliminate capital projects (East Ramp parking lot repair)
- Reduce allocations for capital savings
- Eliminate allocations to dam repair and lake improvement funds
- Use unbudgeted, unallocated revenue if available
- California Communities Proposition 1A securitization program

## Prop. 1A Securitization Program

- Administered by Calif. Communities Joint Powers Authority
- Provides special districts an opportunity to exchange anticipated state receivables for cash
- Intent is for agencies to receive 100% of their Prop. 1A receivable
- Timing of the securitization funding is targeted for Nov. 2009

| <b>FISCAL YEAR TOTALS</b>            | <b>2008-2009<br/>APPROVED<br/>BUDGET</b> | <b>2008-2009<br/>YEAR-END<br/>PROJECTIONS</b> | <b>2009-2010<br/>APPROVED<br/>BUDGET</b> |
|--------------------------------------|--|---|--|
| <b>OPERATING REVENUE</b>             |  |   |  |
| <b>TOTAL</b>                         | <b>\$4,112,802</b>                       | <b>\$4,545,414</b>                            | <b>\$4,420,462</b>                       |
| <b>OPERATING EXPENDITURES</b>        |  |   |  |
| <b>TOTAL</b>                         | <b>\$3,795,767</b>                       | <b>\$4,222,003</b>                            | <b>\$3,953,714</b>                       |
| <b>OPERATING REVENUE</b>             | <b>\$4,112,802</b>                       | <b>\$4,545,414</b>                            | <b>\$4,420,462</b>                       |
| <b>OPERATING EXPENDITURES</b>        | <b>\$3,795,768</b>                       | <b>\$4,222,003</b>                            | <b>\$3,953,714</b>                       |
| <b>OPERATING FUND ALLOCATIONS</b>    | <b>\$317,034</b>                         | <b>\$323,411</b>                              | <b>\$466,748</b>                         |
| <i>Dam Repair</i>                    | <i>\$16,232</i>                          | <i>\$16,232</i>                               | <i>\$43,751</i>                          |
| <i>In-lieu water fund</i>            | <i>\$127,287</i>                         | <i>\$127,287</i>                              | <i>\$154,365</i>                         |
| <i>Lake Improvement</i>              | <i>\$0</i>                               | <i>\$0</i>                                    | <i>\$43,751</i>                          |
| <i>Aquatic Plant Fund</i>            | <i>\$0</i>                               | <i>\$0</i>                                    | <i>\$0</i>                               |
| <i>Capital Improve Fund Transfer</i> | <i>\$173,515</i>                         | <i>\$173,515</i>                              | <i>\$224,881</i>                         |
| <b>SURPLUS/DEFICIT</b>               | <b>\$0</b>                               | <b>\$6,377</b>                                | <b>\$0</b>                               |