

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, NOVEMBER 18, 2010***

CALL TO ORDER

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

REPORTS

General Manager, Scott Heule reported on the new "Stay Off the Ice" signs pointing out the differences in the old signs and the new (signs were on display). He stated that Big Bear Productions is working with Mike Stephenson and Travis Carroll on a new public service announcement. He reported on a meeting a week ago with ACOE (Army Corps of Engineers). He explained that in order to complete the feasibility study there is a need for an additional \$935,000 congressional appropriation. He added that Walter Yep thinks that it is unlikely that any earmarks will be forthcoming in this economic and political environment. He reported that based on conversations during the meeting it appears the District would need to come up with additional \$500,000 cash or similar in-kind expenses to move this to completion. He indicated that the District wanted all the work completed to date, all the studies and analysis and science compiled for reference purposes and to end the work. He explained that ACOE suggested that if we finished work through F4 then the District would get the compilation it wanted and they would suspend the study. He added that if the District wanted, the study could then be opened again at a later date and in the mean time he and Mr. Stephenson will need to prepare summaries of work that would document the balance of in-kind dollars that are needed to justify our share of the work. Director Suhay commented that he has heard "stay off the ice" PSA's on KBHR.

Mr. Stephenson reported on the progress of the Big Bear Marina Remediation Project commenting that it is moving along well. He added that numerous field changes have been made explaining that the end result will be better than if they followed the original plans. He reported on the sale of the old tractor at auction for \$15,000 adding that the bucket is still available for sale. He stated that the last of the seasonal staffing will be finishing up work next week. He reported on a Milfoil photo shoot that he did with Big Bear Productions on Tuesday. President Fashempour inquired about the recent activity of coots (mud hens) on the lake. Mr. Stephenson explained that they are eating Elodea.

APPROVAL OF CONSENT CALENDAR

Upon a motion by Director Eminger, seconded by Director Murphy, the following consent items were unanimously approved:

- Minutes of a Regular Meeting of November 4, 2010
- Warrant List Dated November 12, 2010 for \$40,897.52
- Approval of ACWA By-Laws amendment and assignment of proxy for the District.

PUBLIC FORUM

Mr. Larry Cooke, resident of Big Bear Lake, commented on the closed session item "purchase of Alpine Trout Pond property". He reported that he owns property on Rathbun Creek and has concerns regarding flood control issues in that area. He explained that the County of San Bernardino turned over all flood control issues to the City of Big Bear Lake. He stated that the City requires many expensive studies before any work can be done to develop the property adding that the City would probably love it if the District purchased the property. He explained that the City has no studies on Rathbun Creek. He reported that he spent many hours gathering information from County Flood Control finding four studies on Rathbun Creek. He added that the District also has numerous studies on the Rathbun Creek area. Mr. Cooke reported that the property is in a flood-way and the studies show that in the event of a 100 year storm the area would flood excessively adding that the creeks could in no way handle the flows. He commented that the District should look closely at these studies and should not purchase the property. District Counsel Wayne Lemieux stated that the rest of this conversation should take place when it is agendized. President Fashempour asked Mr. Heule if he has these reports and studies. Mr. Heule reported that he does have them available.

ANNOUNCEMENTS

Mr. Heule reported that the ACWA Conference is coming up in Indian Wells November 30th through December 3rd explaining that he, President Fashempour, and Director Suhay will be attending. He explained that because of this, the next scheduled Board meeting will need to be adjourned due to lack of a quorum.

DIRECTOR COMMENTS

President Fashempour commented that she is looking forward to the JPIA portion of the ACWA Conference.

CONSIDER CHANGE FROM ACWA TO CALPERS HEALTH INSURANCE COVERAGE

Mr. Heule reported that while attending recent CalPers annual conference Director Murphy investigated health insurance coverage and costs through CalPers. He explained that based on his conversations it appeared that the District could save a considerable amount of money beginning in 2011 if the ACWA plan was dropped and we moved to CalPers. Mr. Heule made a PowerPoint presentation explaining the various options and changes (see attached). He reported that the six month health insurance costs with ACWA are scheduled to increase by about \$20,000 on January 1, 2011. He commented that if the District switched to a CalPers plan the health insurance costs would essentially remain the same. Mr. Heule reported that staff studied the two plans and has determined that, with some minor differences, the coverage is similar explaining that the HMO (Blue Shield Access +) office visit co-pay for a CalPers plan is \$15.00, \$5.00 higher and the annual co-pay maximum for an individual and family is \$1,500 and \$3,000 respectively compared to \$500 and \$1,500 with ACWA's HMO; Generic, brand and non-formulary prescriptions would remain unchanged at \$5.00, \$15.00 and \$45.00 respectively. He reported that some advantages with CalPers include participation by employees is voluntary, access to the insurance plan for retirees for a low cost to the District, probable future savings compared to other plans because of the buying power of CalPers. He explained that a

disadvantage to a change is that the District will have to offer retirees participation in the health plan at a cost to the District, if they decide to participate, adding that if a retiree chooses to participate the cost to the District increases in 5% increments over a 20 year time period to the minimum level contribution the District contracts for. He reported that the minimum level today is \$108/month - for example if an employee retires in 2011, by the year 2021 the monthly cost to the District would be \$108/month (\$1,296/year) assuming no adjustments to the minimum contract amount are made for cost of living etc. He explained that after the 20 year period a new retiree choosing a CalPers health plan would cost the District \$108/month. Mr. Heule reported that the retiree is responsible for paying the difference between the minimum contract amount and the actual cost of the health insurance plan and the District's \$108/month would be considered a post retirement benefit for reporting purposes and the District would have to disclose how it is funding the expense on an annual basis. He stated that if the Board approves a change in the District health insurance provider, ACWA must be notified 60 days before the change takes place and CalPers must receive a resolution adopting a contract by the 10th of the month prior to the insurance change taking place. He reported that the Administrative Committee recommends the District switch to the CalPers health insurance plan and take the necessary actions to initiate the changes via resolution or other methods at the next Board meeting. Director Suhay commented that prior to his becoming a Director he believed Directors were not allowed to participate in CalPers. Mr. Heule explained that retirement and healthcare are different and Directors are allowed to participate in healthcare benefits. Director Murphy inquired about the District's post retirement obligations. Mr. Heule explained that the District's expense per participant retiree would be \$1 a month for the first year and progressively increasing to \$108 in the 20th year and beyond. Director Suhay asked District Counsel Lemieux if Directors were not allowed to participate in retirement but were allowed to participate in health benefits. Mr. Lemieux responded "that's correct". Director Murphy asked how many employees had spouses who were covered for health benefits by their own employers. Mr. Heule reported approximately three. Director Eminger inquired about Directors on Medicare. Mr. Heule reported that there would be no additional expense to the individual. Director Eminger stated that many government agencies were considering changing plans adding that the City of Redlands is one example.

Director Suhay moved approval of a change from ACWA to CalPers health insurance coverage and having staff work out all the logistics involved in the change. Director Eminger seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF A LEAVE DONATION POLICY

Mr. Heule stated that under extreme situations lengthy absences from work due to serious illness or injury can create a financial hardship for employees who have exhausted all of their leave time. He reported that the Committee discussed establishing a Policy that provides for the donation of leave time to a recipient suffering in this situation. He explained that the policy would be conducted voluntarily and anonymously and no direct or indirect benefit could be realized by the donor adding that all donations and receipts would be in whole hours only and calculated on a pro-rated basis considering the individuals' effective hourly rate of pay. Mr. Heule commented that this type policy is present at agencies and institutions throughout the US including the City of Big Bear Lake. He explained that District employees who have exhausted their sick, vacation, comp time, and holiday leave and suffer a serious illness or injury or other

qualifying event as defined by the Family Medical Leave Act could choose to request a donation of leave time for a defined number of hours from other District employees providing the request is accompanied by a physicians statement of estimated duration of medical leave necessary. He added that donors and recipients must have been with the District on a year round basis for 12 months prior to a request or donation. He explained that if a donor who makes \$20 an hour gives 1 hour to a recipient who makes \$10 an hour, it would compute to 2 hours. He explained other proposed conditions referring to the spread sheet available in the Board packet. Director Murphy commented that this would make the donor feel good by helping a co-worker.

Director Murphy moved approval of a leave donation policy. Director Suhay seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF CONSULTANT AGREEMENT FOR SIMON WONG ENGINEERS TO PREPARE PLANS, SPECIFICATIONS, AND COST ESTIMATE FOR THE REPLACEMENT DAM SERVICE BRIDGE CONSTRUCTION PROJECT

Mr. Heule explained the continuing saga with Caltrans and passed out a spread sheet with an updated project budget that he received from Simon Wong Engineering late in the day (copy attached). He explained that the District has been in negotiations with Caltrans for several years to secure an agreement that describes their commitment to funding the cost of a replacement service bridge on the dam after the old highway bridge is removed. He stated that in anticipation of an agreement the District has already completed preliminary engineering design work to identify the basic construction type and has evaluated possible railing designs. Mr. Heule explained that on November 12th he received a letter from Caltrans offering three alternatives for the Districts consideration to restore access to the dam after the existing bridge is removed. He read the letter explaining the alternatives (copy attached). He reported that Caltrans requires that signed plans be provided by February 1, 2011 adding that the Caltrans deadline obligates the District to make a decision today. Director Suhay asked why Caltrans couldn't do the design plans. Mr. Heule explained that this would not expedite the process adding that Caltrans doesn't want to do the plans. He reported that he and Mike Rogers had a conversation with DSOD and they don't have a big concern about a pedestrian bridge and Mr. Rogers feels he could move it through Caltrans fairly quickly. Mr. Heule explained that he would like the Board to authorize Simon Wong to start and see if they can complete it by February 1st. Director Murphy asked if Caltrans' date of February 1st might be arbitrary. Mr. Heule stated that he doesn't know adding that he delivered a letter to Ray Wolfe of Caltrans yesterday relaying some concerns and explaining that the Board of Directors would be reviewing and discussing his letter at the Board meeting anticipating that they will come to some decision regarding the alternatives he described. He added that he would like to go to Mr. Wolfe and ask for an additional two weeks to submit the plans but can't count on it. Director Smith commented that he distrusts Caltrans and if the District decided on option #1 which talks about "negotiations being successful with the State's contractor" can we trust Caltrans to negotiate with the contractor. He stated that he has lots of questions adding that the contractor has an obligation to remove the bridge but he may want more money to complete the job. Mr. Heule stated that the District does not have money for a vehicular access bridge and he feels we should go with a pedestrian bridge of some sort, whether it is a change order or not, and proceed with Simon Wong. Director Suhay commented that he feels we need to proceed with the pedestrian bridge and look at staff access to the dam in the future. Director Smith expressed his disappointment with Caltrans adding that the bridge will not

even accommodate two bikes passing each other adding that we aren't getting what was originally proposed. He added that under the circumstances he feels we should go with option #1. Director Murphy asked what "trail connections" referred to on the Simon Wong handout. Mr. Heule explained that it is a transition between the existing ground and the bridge structure. He stated that he proposes that he write a letter to Caltrans accepting option #1. Director Suhay commented that we may not have to put in the radial arm gates on the dam if the road doesn't remain and we can save some money that way.

Director Smith moved approval of a consultant agreement for Simon Wong Engineers to prepare plans and specifications for option #1 for pedestrian access bridge to the dam. Director Murphy seconded the motion and it was unanimously approved.

President Fashempour commented that due to the ACWA Conference we may not see each other until the holiday party on December 4th.

ADJOURNMENT TO CLOSED SESSION

The meeting was adjourned to Closed Session at 2:26 P.M. to:

Confer with real property negotiator re: APN NO.2328-202-15, 2328-202-08

District Negotiator - Scott Heule

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 2:48 P.M.

CONSIDER PURCHASE OF ALPINE TROUT POND PROPERTY

Mr. Heule reported that for the past three months the District has been negotiating with the current owners of the Alpine Trout Pond property at 430 and 440 Catalina Road east of Big Bear Boulevard. He explained that the District has for some time speculated what opportunities would be available if the property could be consolidated with current ownership of Rathbun Creek land upstream from the trout pond almost to Elm Street. He stated that Rathbun Creek carries heavy loads of nutrient laden silt into the Lake and additional sediment catchment basins along the creek has been recommended by the studies conducted by the US Army Corps of Engineers. He explained that additional sediment catchment will help improve overall Lake water quality adding that the trout pond location and construction is ideal for this use. Mr. Heule reported that, while the pond has nearly silted up over the years, after cleaning it out it will effectively capture sediment the Districts' downstream basins cannot and the pond can also be used to expand the Districts' fisheries enhancement program, working as a trout rearing habitat where fingerlings can be raised at a modest expense to catchable and trophy sized fish. He explained that future collaboration with other public agencies in the Valley could also make this a valuable public education and recreation amenity and local school field trip destination. Mr. Heule commented that the District does not contemplate any full time year round or seasonal staffing of this property and no additional staffing will be required. He reported that the purchase price of the property will be \$700,000 total explaining that the property includes two parcels. He explained that one parcel is mostly steam bank and stream bottom with no improvements and the other parcel is three acres and includes the pond, a small office building and a three bedroom house. Director Suhay asked if the Trout Pond sign would be changed or removed. Carol Neu of Exit Reality stated that she believed it would be. Mr. Heule commented that clean up after the

purchase will include removal of derelict vehicles and a boat and other "junk", some which will be salvageable and he then went over the terms of the contract.

Director Suhay moved approval of the purchase of the Alpine Trout Pond property for a price of \$700,000 and for President Fashempour and Mr. Heule to sign all related paperwork on behalf of the District. Director Smith seconded the motion and it was unanimously approved.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:57 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, December 2, 2010
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

DISTRICT HEALTH INSURANCE

ACWA HEALTH INSURANCE INCREASE FISCAL YEAR 2010-11

- ✗ Bgtd. ACWA Health Ins. Expense = \$219,188
- ✗ ACWA Ins. Expense after increase = \$239,282
- ✗ Unanticipated increase in health insurance cost
= \$20,094 for current Fiscal Year

CURRENT ACWA VS. 2011 CALPERS

Current ACWA HMO	2011 CalPERS HMO
Single = \$495.88	Single = \$496.93
2- Party = \$984.17	2 Party = \$993.86
Family = \$1,360.15	Family = \$1,292.02

HMO RATE COMPARISON

ACWA - 2011 Calif. Care HMO	CalPERS - 2011 Blue Shield HMO
Single = \$588.46	Single = \$496.93
2-Party = \$1,169.33	2-Party = \$993.86
Family = \$1,616.59	Family \$1,292.02
Office visit = \$10	Office visit = \$15
30 day generic drug = \$5	30 day generic drug = \$5
30 day brand drug = \$15	30 day brand drug = \$15
30 day non-formulary drug = \$45	30 day non-formulary drug = \$45
90 day generic drug = \$10	90 day generic drug = \$10
90 day brand drug = \$30	90 day brand drug = \$25
90 day non-formulary drug = \$90	90 day non-formulary drug = \$75
Ambulance = \$50	Ambulance = \$0
Co-pay max indiv./fam. = \$500/\$1500	Co-pay max indiv./fam. = \$1500/\$3000

CALPERS HEALTH INSURANCE

- ✗ Requires Board to adopt resolution
- ✗ Contract obligating min. District funding per enrollee
- ✗ 100% participation NOT required
- ✗ Benefit for Directors requires their participation in District 457 program
- ✗ Retiree health benefits = post retirement benefit obligation = \$1296/yr/retiree after 20 years (2010 rate)

POST RETIREMENT OBLIGATION

(ASSUMES NO CHANGE IN MIN. CONTRACT AMOUNT)

District Expense per Participant Retiree	Year into Contract
\$1.00/mo	1 st
\$6.40/mo	2 nd
\$11.80/mo	3 rd
\$17.20/mo	4 th
\$22.60/mo	5 TH
\$28.00/mo	6 TH
\$108.00/mo	20 th and beyond
\$1296.00 per year	

UPDATED PROJECT BUDGET

ENGINEER: C. Cushing COMPANY: SIMON WONG ENGINEERING
 REVIEWED BY: DATE: 11/16/10
 STRUCTURE: Bear Valley Dam Ped. Bridge - PRECAST VOIDED SLAB

LENGTH:	352'-0"	WIDTH:	8'-0"	DECK AREA (SF) :	2816	
ITEM NO.	CONTRACT ITEMS	UNIT	QUANTITY	PRICE	AMOUNT	
1	STRUCTURE EXCAVATION (BRIDGE)	CY	24	\$200.00	\$4,800	
2	STRUCTURE BACKFILL (BRIDGE)	CY	17	\$350.00	\$5,950	
3	STRUCTURAL CONCRETE, BRIDGE	CY	40	\$750.00	\$30,000	
5	BAR REINFORCING STEEL (BRIDGE)	LB	4,220	\$2.25	\$9,495	
6	PRECAST PRESTRESSED CONCRETE SLAB FURNISH	LS	1	\$64,000.00	\$64,000	
7	PRECAST PRESTRESSED CONCRETE SLAB ERECT	LS	1	\$66,700.00	\$66,700	
8	PEDESTRIAN RAILING	LF	700	\$200.00	\$140,000	
9						
10						
COMMENTS: Unit Prices same as 2009 estimate. Assumes spread footings at abutments. Only bridge construction items of work included above - see below for other items.					SUBTOTAL	\$320,945
					MOBILIZATION (10%)	\$32,095
					SUBTOTAL	\$353,040
					CONTINGENCIES (25%)	\$88,260
					TOTAL	\$441,299
					SQ FT COST	\$ 156.71
					(After Contingencies)	
					CONSTRUCTION COST (FROM ABOVE)	\$441,299
					TRAIL CONNECTIONS	\$150,000
					SIMON WONG ENGINEERING - WORK TO DATE	\$23,800
					SIMON WONG ENGINEERING - DESIGN FEE	\$116,800
					CONSTRUCTION PHASE DESIGN SERVICES	\$40,000
					CONSTRUCTION MANAGEMENT AND INSPECTION	\$100,000
					CEQA DOCUMENTATION AND PERMITTING	
					DIVISION OF SAFETY OF DAMS FEES	\$8,826
					TOTAL	\$880,725
					BUDGET ESTIMATE	\$881,000

← Doesn't include environmental (or hoist)

DEPARTMENT OF TRANSPORTATION
OFFICE OF THE DISTRICT DIRECTOR
464 WEST FOURTH STREET, MS 1201
SAN BERNARDINO, CA 92401-1400
PHONE (909) 383-4055
FAX (909) 383-6239
TTY 711



*Flex your power!
Be energy efficient!*

November 12, 2010

Scott Heule
General Manager
Big Bear Municipal Water District
P.O. Box 2863
40524 Lakeview Drive
Big Bear Lake, CA 92315

08-SBD SR 18-PM 44.2/44.7
Big Bear Bridge Replacement
EA 08-22700

Dear Mr. Huele:

This is a follow-up to our meeting of November 2, 2010 regarding providing a replacement pedestrian bridge across Big Bear Dam after the existing bridge is removed as part of the ongoing construction project.

The California Department of Transportation (Department) has thoroughly reviewed the new information provided by you at the meeting and contacted its maintenance staff at Fawn Skin and Dry Creek Maintenance Stations. Some of the Department's employees at these Stations have worked there for over 15 years and cover the time period when you have indicated that Big Bear Municipal Water District (BBMWD) performed maintenance/debris removal activities at the dam. The Department also interviewed the specific employees mentioned in your e-mails dated November 3, 2010 and November 5, 2010.

Based on this investigation, the Department has concluded that there appears to be no evidence that BBMWD used any of the Department's road closures to perform maintenance /debris removal activity at the Dam. As explained in our previous letter and at the meeting, the Department is only obligated to provide access to BBMWD that currently exists or existed before the bridge was constructed in 1924.

After an in-depth review of its encroachment permit files and investigation of the new information provided by BBMWD, the Department has concluded that it is only responsible to provide pedestrian access to the dam. The Department is committed to pay for the construction capital cost for a pedestrian bridge across the dam.

To restore access to the dam after the existing bridge is removed, the Department would like to offer the following three alternatives for BBMWD's consideration:

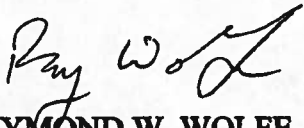
1. The Department pays for the construction capital cost and BBMWD pays for the engineering design and construction inspection cost for the pedestrian bridge. This work could potentially be included as part of the ongoing construction contract as a Contract Change Order as long as the signed plans for the pedestrian bridge are provided by BBMWD by February 1, 2011 and the negotiations are successful with the State's contractor. The Department and BBMWD would have to enter into a Memorandum of Understanding (MOU) that would describe the roles and financial responsibility of each agency.
2. The Department pays for the construction capital cost up to a percentage equal to five feet of deck width over the proposed structure width times the cost to accommodate vehicular traffic, and BBMWD pays the balance. In addition, BBMWD would have to pay for the engineering design and construction inspection cost for this bridge. This work could be potentially included as part of the ongoing construction contract as a Contract Change Order as long as the signed plans for the bridge are provided by BBMWD by February 1, 2011 and the negotiations are successful with the contractor. The Department and BBMWD would have to enter into an MOU that would describe the roles and financial responsibility of each agency.
3. The Department makes a financial contribution up to a percentage equal to five feet of deck width over the proposed structure width times the cost to accommodate vehicular traffic. The Department and BBMWD would have to execute a Cooperative Agreement that would describe the roles and financial responsibility of each agency. This would be a follow-up project and not part of the ongoing construction contract. It would be stipulated in the Agreement that the financial contribution could only be used by BBMWD for the construction of a pedestrian or a vehicular bridge. BBMWD would have to serve as the lead agency for the project. This contribution would be subject to approval of funding by the California Transportation Commission.

Scott Heule
November 12, 2010
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Please let us know BBMWD's preferred alternative within 30 calendar days of the date of this letter. If no response is received by this deadline, the first two alternatives would no longer be available as the Department has a deadline to complete the ongoing construction contract.

If you have any questions or need additional information, please call me at (909) 383-4055 or Syed Raza, Acting Deputy District Director, Program Project Management and Right of Way at (909) 388-7047.

Sincerely,



RAYMOND W. WOLFE, PhD
District Director

c: Mr. Larry Broedow, Field Representative, Office of Senator Dutton
Mr. George Watson, Chief of Staff, Office of Supervisor Neil Derry
Syed Raza, Acting Deputy District Director, Program Project Management