

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, DECEMBER 16, 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 Smith, Director Eminger, District Counsel Wayne Lemieux (via Skype), and Board Secretary Vicki Sheppard.

President Fashempour made a presentation honoring John Tuttle and Jim Weber for their safety suggestions presenting them each a certificate and a \$75 check from ACWA-JPIA. She asked them what their suggestions were. Jim Weber explained that he constructed a safety railing at the dam. John Tuttle fabricated 2 safety gates in the RV Park.

REPORTS

General Manager, Scott Heule reported that he would be leaving shortly after the meeting due to illness. He explained that Travis Carroll was also home sick today. He added that Mike Stephenson is on a hunting vacation. Mr. Heule updated the Board on the Remediation Trench project at Big Bear Marina. He reported on the Caltrans meeting earlier in the month explaining that nothing has transpired since the meeting and he is still waiting to hear from them. He reported that the regional engineer for Division of Safety of Dams (DSOD) is following the issues regarding removal of the old bridge and stated that no demolition work can be done without approval from MWD and DSOD. He added that Simon Wong is working very hard on the designs and feels they can have them completed by February 1st. Mr. Heule reported that the District has received the deed for the Trout Farm. He added that he wants to schedule a walk-thru for the Directors to visit the site.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of November 18, 2010
- Minutes of a Special Meeting of December 8, 2010
- Warrant List Dated December 10, 2010 for \$77,737.03

CONSIDER AUTHORIZING MWH TO PERFORM A PROGRAM EIR FOR DREDGING PROJECTS IN BIG BEAR LAKE

Mr. Heule reported that the District has been working with MWH (Arcadia) for several months to develop a scope of work for preparation of the appropriate CEQA document for dredging in Big Bear Marina. He explained that after several meetings the Board decided that a program EIR that evaluates more than just a single dredge project that might occur over the next several years would be a more cost effective and useful tool to satisfy the Districts' environmental reporting obligations. He added that MWH has prepared a scope of work and cost proposal that addresses most potential Lake dredging projects on a program level but deals with the Big Bear Marina

Dredge project specifically as well (Task Order No. 7 of the Master Agreement for Consulting Services dated September 29, 2008). Mr. Heule explained that the earlier version of the scope of work had a price tag of \$140,000 adding that the revised scope of work includes a public scoping meeting that was not a part of the original proposal and it increased the cost for the work by \$6,050. He reported that the value of the scoping meeting is to solicit input from the affected public to be sure that all interests and concerns are addressed in the final environmental document. He added that the scoping meeting will also provide an opportunity for the public to be made aware that District funds for dredging is limited and that private dredge projects could be more cost effective if pursued by multiple parties using the District program EIR document as a portion of the basis for their required CEQA compliance. Mr. Heule reported that he has been in contact with MWH and it seems that the scoping meeting could be scheduled for sometime in March with the final document completed by October or November 2011. Director Suhay asked if the agreement with Fish & Game could work into this. Mr. Heule explained that they are separate issues. Director Murphy commented that he feels the scoping meeting is very important so other proposed dredges could be included.

Director Suhay moved approval of authorizing MWH to perform a Program EIR for dredging projects in Big Bear Lake. Director Eminger seconded the motion and it was unanimously approved.

CONSIDER DISTRICT SPONSORSHIP OBLIGATIONS AND OR COMMITMENTS FOR OCTOBER TROUTFEST IN 2011

Mr. Heule reported that the Board of Directors has reviewed and discussed the expenses associated with sponsorship of the annual October Troutfest during two meetings. He explained that the first was at the regular Board meeting on November 4 and the second was during a special Board Workshop on December 8, 2010. He reported that the 6th Annual Troutfest Event cost the District nearly \$10,000 in materials and manpower expenses over and above revenue received and the conclusion regarding the event from discussion at the November Board meeting was that it was unlikely that the District would be able to sponsor the event in 2011. He added that, although there were parties interested in volunteering time and providing indirect support for the event, no offers for financial support of the event were made. Director Eminger commented that tax revenues are way down adding to the problem. President Fashempour added that Troutfest is not the only area that the District is looking at to try and cut down expenses. Director Suhay stated that this is not an area that we can spend \$10,000. Director Smith stated that he appreciated the ideas brought up at the workshop but the District can't spend the money adding that he feels it is Western Outdoor's place to contribute. Mr. Heule reported what transpired at the Operations Committee meeting held on Tuesday, December 14th, explaining that the Committee reviewed again the information and testimony generated during the workshop December 8th and noted that, although several offers for volunteer help were made, no offers for financing the event were made. He explained that the Committee believes that the real bottom line is twofold; spending District funds for a commercial fishing event does not fit the District mission, and secondly the District is looking for ways to reduce spending on non-essentials. He added that when the event costs the District at least \$10,000 plus, the Committee does not believe it can be justified under the current circumstances. He explained that the Committee also recognizes that another co-sponsor probably cannot provide the same level of service and benefit to the event that is a significant contributor to the fall economy of the valley and therefore, they recommend that the District offer to continue to

co-sponsor the event for \$10,000 and a guarantee of \$15,000 for fish stocking. Mr. Heule reported that the District would also require some additional assistance from the Chamber of Commerce, Resort Association, and possibly others and if \$10,000 of funding is not available the District would provide the minimum services tabulated below at a location other than the District headquarters location.

Minimum District obligations if District does not sponsor Troutfest

Consultation prior to event

Fish stocking if funded by event

Fish tagging

Pre-event vessel inspection and decon.*

Pre-event permit sales*

Early morning Lake Patrol (Sat. and Sun.)

*May require fee for after hours work

Mr. Heule explained that WON has been notified of this information.

Alan Sharp, Big Bear Marina, stated that he is stunned by the conclusions of the Committee adding that he had hoped that the District would consider the Community and still participate. Director Suhay stated that it is not the District's job to promote the community. Director Smith stated that the next step is not ours but is WON explaining that they could raise the entry fee \$5 and solicit more advertisers. Mr. Sharp stated that WON benefits from this and they should participate however he doesn't believe they have any intention of coming up with \$10,000. Rick Bates, Big Bear Events Office, asked what benefit WON would get for \$10,000. Director Smith stated that they get the District facility, security, staff, porta-potties, parking arrangements, stage, numerous staff members, and so on adding that WON needs to step up and realize how important the District's contribution is to them adding that in the past they showed up understaffed and expected District staff to do most everything including stuffing goodie bags. Director Suhay stated that volunteers can't do some of the necessary duties. Director Smith stated that he hopes WON wants to commit and if so needs to make an offer stating what they are willing to contribute. He added that he doesn't want to see this event go away but he needs to see how committed WON is to the event. He added that there were a lot of good suggestions at the workshop but no offers of money. Rick Bates asked if WON comes back with a different proposal would the District consider it adding that he believes that the District has not shut its doors to the event. Director Smith stated that if they come back and tell us what they can do, the District could reconsider. He reported that David LeRoy (LeRoys Sporting Goods) came to the Operations Committee meeting explaining that he runs ads in WON and sponsors a tagged fish in the event adding that he gets lots of business because of the event. Director Smith added that if WON gave this information to prospective advertisers it could be a good selling point. Rick Bates asked when he should get in touch with WON to discuss this with them. Mr. Heule stated that WON's calendar is coming out soon so he could call them anytime (the sooner the better). Director Murphy commented that he realizes this is an important event to WON and the Valley but the District can't foot the bill. Director Suhay thanked Mr. Bates for the valuable report he supplied adding that it was very helpful. Director Smith added that he had not previously realized the extent of the impact of this event to the Valley. President Fashempour stated that we do not need to receive a check for \$10,000 but just relief from some of the costs. Director Smith stated that WON sponsors several bass tournaments where the entry fees are considerably

more and the perks far less. President Fashempour asked how important the \$15,000 for the fish plants are. Mr. Heule stated that it pays for much of our fish stocking for the tournament and to raise fish to release in the future adding that we can make the money go much further by raising trophy sized fish rather than purchasing them for the event. He added that WON also gets "feel good points" from helping the Big Bear Lake fishery. President Fashempour asked if we charged WON for holding it at our facility. Mr. Heule stated that rental of the facility has come up before and we can't rent to other than government and non-profit organizations unless we sponsor the event (part of our sponsorship was use of the facility). President Fashempour stated that perhaps our facility rental rules should be looked at in the future. Mr. Heule stated that there is no way the District can continue to sponsor the event without additional money. President Fashempour stated that perhaps we should start out more slowly and see what unfolds. Director Suhay stated that he feels we need to let WON know where we stand adding that the District could continue to co-sponsor for \$10,000 and \$15,000 for fish plants with help from the RA and the Chamber. He added that WON can't just show up without their own staff to help. Director Smith explained that WON knows we have lost money each year of the event. Director Murphy stated that we need to contact WON and let them know that there are groups of people who will volunteer to help.

Director Suhay moved approval for the District to offer to continue to co-sponsor the event for \$10,000 and a guarantee of \$15,000 for fish stocking, noting that a portion of the \$10,000 expense might be relieved if effective volunteer help can be secured. Director Murphy seconded the motion and it was unanimously approved.

PUBLIC FORUM

All comments were made during the Troutfest portion of the meeting.

ANNOUNCEMENTS

Mr. Heule stated that the Directors should wear coat and tie to the next meeting of January 6th. He added that the office will be closed for the holidays from December 24 through January 2nd returning on January 3rd. He asked the Directors to look at their calendars and decide on a date to tour the Trout Farm. It was decided to meet at the Trout Farm for the tour on Monday, December 20th at 1:30 pm. Mr. Heule stated that the next Watermaster Meeting was scheduled for January 10th, 2011 at the Con. District. He added that the staff holiday breakfast and gift exchange is scheduled for next Tuesday meeting at Teddy Bear Restaurant and then going back to the office for games and gift exchange.

Mr. Lemieux reported that on January 4, 2011 a trial would commence in the Los Angeles County Superior Court to determine the safe yield of the Antelope Valley Groundwater Basin. He added that a number of eminent hydrogeologists would be testifying explaining that this is a unique opportunity and as far as he has been able to determine, no court has ever conducted such a trial. He explained that his firm is representing several agencies in the case and they will be attending the entire trial which could last several weeks. He commented that if anyone might be interested they should attend. Mr. Lemieux briefly updated the Directors on the Conroy case explaining that Keith Lemieux will be there and he might be there a portion of the time himself. He assured the Directors that someone from his office would be there to represent the Board at all times.

DIRECTOR COMMENTS

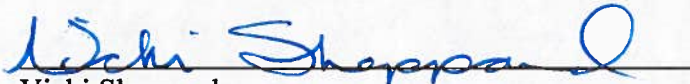
President Fashempour commented that she appreciated attending ACWA JPIA adding that she learned a lot. Director Murphy complimented President Fashempour adding that she has done a very good job as President this past year.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:09 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, January 6, 2011
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

