

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, JUNE 17, 2010***

CALL TO ORDER

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

REPORTS

General Manager Scott Heule reported that he along with Simon Bluestone, Tim Moore, Khalil Abusaba, and Mike Stephenson have been working diligently to prepare the agenda for the TMDL workshop scheduled for next week. He added that he is putting some reading materials together for the Directors to review prior to the workshop adding that the materials will be available by tomorrow afternoon. He advised that the workshop would most likely take at least two hours adding that lunch would be served afterwards. Mr. Heule reported that on June 3rd the District was the program for Rotary. He explained that they showed three of our new video clips that were produced by Big Bear Productions. He reported that staff continues the never ending effort to eliminate derelict docks explaining that the Edgewater Inn has been relocated back to Pleasure Point and Holloways has consolidated their pile adding that it still needs work.

Lake Manager Mike Stephenson reported that the East Ramp project is complete, except for striping, and should be finished by tomorrow. He commented that the decon station is the best he has ever seen adding that he is very pleased with the contractors work. President Fashempour commented on the speed bumps adding that the entire project was very well done. Mr. Stephenson reported that weed removal is going well adding that all areas should be treated by mid-July. He stated that some harvesting will be done explaining that native weeds will be harvested and invasive weeds will be treated. He reported that water quality is very good. Director Murphy asked what will be done with the harvested weeds. Mr. Stephenson explained that the City of Big Bear Lake may take them for their mulching program depending on the amount of weeds that we are able to harvest. Director Suhay asked if Smart Weed was being harvested. Mr. Stephenson responded that they will be harvested starting in the middle of the season. He explained that if they wait until that time to begin the harvesting the weeds most likely won't be able to return this season. He commented that the Regional Board likes it when we leave native weeds. President Fashempour inquired about the success of the Doves fundraiser out on the lake. Mr. Stephenson replied that he understood that it was successful.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of June 3, 2010
- Minutes of a Special Meeting of June 10, 2010
- Consider approval of a Resolution of the Board of Directors of Big Bear Municipal Water District establishing employee compensation and repealing Resolution No. 2009-09
- Consider approval of General Manager's contract

- Consider approval of Ratification of the Amended and Restated ACWA Health Benefits Authority Joint Powers Agreement and Bylaws

PUBLIC HEARING

The public hearing was opened at 1:20 pm. No comments were received and the public hearing was closed at 1:21 pm.

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT TRANSFERRING FUNDS UNAPPROPRIATED AS OF JUNE 30, 2010 TO THE DISTRICT'S CONTINGENCY RESERVE ACCOUNT, AFFIRMING INVESTMENT POLICY, APPROVING THE DISTRICT'S BUDGET AND ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR COMMENCING JULY 1, 2010

Mr. Heule reported that at the June 3rd Board meeting the draft budget was presented to the Board of Directors and a discussion was held to obtain comments regarding the upcoming fiscal year budget. He added that the only change made at the meeting was a correction to Professional Services. He stated that approval of the budget as revised is now recommended. He reported that the appropriations limit has been calculated and posted in accordance with required procedures and once approval is given, the budget will be forwarded to the County of San Bernardino for filing.

Director Murphy moved approval of Resolution number 2010-05 transferring funds unappropriated as of June 30, 2010 to the District's Contingency Reserve Account, affirming Investment Policy, approving the District's Budget and establishing the Appropriations Limit for the Fiscal Year commencing July 1, 2010. Director Suhay seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF SECOND READING BY TITLE ONLY OF AN ORDINANCE OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT RELATING TO DIRECTORS' COMPENSATION

Mr. Heule reported that as discussed in the last Board meeting, the Committee is recommending that each Director be paid not more than \$148.00 for each day's attendance at meetings of the Board and Committees thereof, and for each day's service rendered as Director by request of the Board, not exceeding a total of six days in any calendar month. He explained that each calendar year, the compensation shall be increased annually in January, but not decreased, in the amount of the change in the Consumer Price Index Urban Wage Earners of Los Angeles, Riverside, and Orange County, California. He added that in no event shall the increase exceed five percent. He reported that the Committee is recommending that the Ordinance second reading be adopted.

Director Suhay moved approval of the second reading by title only of an Ordinance relating to Directors' compensation. Director Eminger seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF REQUEST TO ASSIST IN FUNDING THE SANTA ANA RIVER SUCKER FISH TASK FORCE

Mr. Heule reported that the Santa Ana Sucker Fish is a small endangered fish with habitat in the river bottom of the Santa Ana and San Gabriel Rivers. He explained that recent proposals from the Federal Fish and Wildlife Service propose to designate large areas of the river bottom for habitat protection and restoration, including introducing new fish populations. He added that large tracts of this proposed designation are coincident with land used by our partner agencies,

San Bernardino Valley Municipal Water District, Bear Valley Mutual Water Company and San Bernardino Valley Water Conservation District among others. Mr. Heule reported that several of these agencies, including ours, have joined a Task Force (SAS Task Force) to identify alternative locations and develop recovery plans that will accomplish the necessary protections without impacting their water operations. He stated that the SAS Task Force effort is limited to what can be accomplished by the end of this year at which time the Fish and Wildlife Service must publish their recovery plan and mapping showing designated fish habitat. He explained that legal aspects of SAS Task Force are being provided by Best, Best and Krieger and Downey Brand law firms adding that Richard Katz is coordinating the efforts of two water agency lobbyists (paid for by their respective agencies) that are working Washington to get a favorable outcome. He added that economic analysis and responses to the Fish and Wildlife Service economic analysis is being performed by John Husing. Mr. Heule explained that all fisheries biology and development of plans for recovery of the SAS populations is being performed by Roy Leidy of PBS&J. He added that Leidy's work includes development and construction of two or more new fish rearing runs at the Riverside-Corona Resource Conservation District facilities in Corona. He explained that the total cost for the efforts of the SAS Task Force is estimated at \$406,000 and if all of the 13 agencies currently participating share these expenses equally, the cost per agency would be \$31,300. He added that the District has already committed to \$5000. Mr. Heule explained that the task force appreciates having the District participation and asked that the District be present to represent the upper portion of the watershed when a formal presentation is made to the Resource Conservation District. Mr. Heule commented that the ramifications of the current approach for the SAS habitat designation plan will be hugely negative for San Bernardino Valley Municipal Water District, Bear Valley Mutual Water Company and the Conservation District, and include potential loss of water spreading facilities and added expenses for mitigation for pipeline projects. He reported that the District is not directly impacted by the proposed action by the Fish and Wildlife Service however the Watershed/Lake Improvement Committee recommends that the District contribute \$20,000, including the \$5,000 already committed, to help address the indirect impacts that would affect us as our partners work through this difficult and potentially disruptive issue. Director Smith asked if there wasn't a more beneficial project that the District could commit to and inquired as to where this project leaves us after the study is done. Mr. Heule responded that our commitment ends at the end of the year. He explained that the Fish & Wildlife Service was sued because this fish is considered endangered. He added that since their habitat includes waters that we have an interest in, it could possibly affect projects that we might want to consider in the future.

Director Suhay moved approval of the request to assist in funding the Santa Ana River Sucker Fish Task Force for a total not to exceed \$20,000. Director Smith seconded the motion and it was unanimously approved.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule reminded the Directors of the ACOE Change of Command ceremony on June 30th and July 1st.

DIRECTOR COMMENTS

No comments were made

ADJOURNMENT TO CLOSED SESSION

The meeting was adjourned to Closed Session at 1:43 P.M to:
Conference with Legal Counsel under:

Government Code Section 54956.9 (b) - Potential Litigation
A. Two Cases

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 2:15 P.M.
No reportable action.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:19 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, July 1, 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)