

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, AUGUST 5, 2010***

CALL TO ORDER

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

REPORTS

Mr. Heule reported on the movement at Cluster Pines explaining that he and Mr. Stephenson met with Irv Okavida and JP Montero yesterday. He stated that they have been moving forward with plans into the County and ACOE and could potentially be ready to start dredging this fall. He added that Mr. Montero anticipates about 40 working days to complete the dredge work associated with deepening the marina and opening jetty, extending the western channel and a small dredge at the eastern side. He stated that the Lake Improvement Committee will need to meet soon to review the dredge plan with staff and identify shorezone alternation permit conditions and then Operations will have to sign off on an amended marina permit or at least discuss logistics of how the existing permit will need to be changed to reflect their proposed use. Director Smith commented that he spoke to Chuck Rounds a week ago and Mr. Rounds explained that JP Montero doesn't have the proper equipment needed to do the job so Montero was asking if they could use Rounds equipment and Rounds told Montero that since the project owed him a great deal of money that he would only let the equipment be used if he was paid what they owed him. Mr. Heule explained that there are still lots of questions to be answered and he feels that a Lake Improvement Committee meeting should be scheduled to discuss the project. Mr. Heule reported that he spoke with Rob Richardson at Flatiron Construction yesterday explaining that they fully intend to have the old bridge removed from the dam shortly after the new highway bridge is opened up before the end of this year. He added that they intend to remove the decking in large sections using a rail and steel carriage system. He explained that this schedule does not give the District much time for Simon Wong to get the plans and specifications finalized so we can bid the work. Director Smith commented that this seems to change removal and replacement at the same time and asked at what point Caltrans was on the project. Director Suhay asked if Caltrans could pay for the Simon Wong work. Mr. Heule stated that has not been discussed. Director Suhay asked if we still want to keep Simon Wong involved explaining that the more responsibility we could put on Caltrans the better. Mr. Heule stated that we have to work with Caltrans and the commitment on how Caltrans plans to pay for the work has still not been decided. Director Smith stated that we had submitted Wong's designs to Caltrans and they made several changes and then they seemed to say the project was ours. Mr. Heule stated that the District looked at a couple of basic ways to build the bridge and chose the least expensive and then we needed to get a railing design explaining that the railing design is the only piece that Caltrans said had to be done a certain way. Director Smith stated that the District really hadn't expected to monitor the bridge project so we could either hire someone to monitor it or Caltrans could monitor it and keep Flatiron to build the bridge. Mr. Heule stated that the District doesn't really have the expertise to handle the project. Director Suhay stated that is just the point and that is why Caltrans should have Flatiron complete the job. Mr. Heule remarked that Caltrans

doesn't seem to want to do a change order and the District probably could not just hire Flatiron without going out to bid. Mr. Heule stated that a Facilities Committee meeting will need to be scheduled adding that he will continue to discuss with Bryce Johnston the importance of getting a firm commitment from Caltrans regarding how they plan to pay for the work; change order or payment agreement with the District. Mr. Heule reported that as of August 1 the resorts have taken 629 AF (well below their 1300 AF max) of water for snowmaking and other uses explaining that their 10 year total so far is 3135 AF so they have a ways to go before they bump into their 11,000 AF limit, which has another 6 years to run. Mr. Heule reported that once the July CPI numbers are in the District will need to evaluate marina compensation changes for Pine Knot, Holloways, and Dana Point (Captain Johns) adding that when the numbers are in the Operations Committee will meet to discuss. He reported that revenue for FY 2009-10 is up after last minute posting of deposits distributing a new Revenue Summary (copy attached). He briefly went over the changes. Director Smith asked that if boat permit sales were up why the Quagga surcharge was still under. Mr. Heule explained that it depends on what combination of permits were sold.

Mr. Stephenson reported that Kool Kids is scheduled for August 18th and 25th commenting that plans are shaping up nicely for the event. He reported that the carp boat is running four days a week and getting good numbers with the additional staff. He commented that the carp machine is now running fine. He added that weed treatment is complete. Mr. Stephenson reported that there are two cable courses in operation; Holloways and Pleasure Point. He stated that fishing is very good reporting that Fish & Game supplied him with a photo of 68 fish caught over the limit. Director Murphy asked if fish finders work. Mr. Stephenson explained that they do identify things in the water but not what those things are. He added that if people are not catching fish at this time, they may need to change their fishing methods and/or fishing spots. He stated that he would provide the Directors with a copy of the photo. Mr. Stephenson reported that blue gill have spawned twice this year. Director Murphy asked if trout spawned in the creeks. Mr. Stephenson explained that some of the creeks showed marginal spawning success. He reported on the limnological report for the week.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of July 15, 2010
- Minutes of a Special Meeting of July 27, 2010
- Warrant List Dated July 30, 2010 for \$250,645.33

CONSIDER APPROVAL OF TERMINATION OF DOCK AGREEMENT AND RECONVEYANCE FOR EDGEWATER DOCK

Mr. Heule reported that Michael Masotto, owner of the Edgewater Inn and the new owner of the adjacent residential property, David Suder, have agreed to terminate the dock agreement that obligated a shared dock system. He stated that they are both willing to accept a single slip dock each. He added that District Counsel, Wayne Lemieux, has drafted a termination agreement that both parties can sign that essentially reverts dock privileges to their previous conditions. He reported that the Committee indicated that new special conditions will apply for the new dock systems at both properties explaining that the Edgewater will be limited to a single slip dock, opening towards the center of the lake, attached to the gangway system that was in place at the

beginning of the summer. He added that the dock would also have to be fully within the extended lines of Paine Court and could not extend beyond the end of the Big Bear Marina rock jetty. Mr. Heule explained that special conditions for the residential property would include a single slip dock measuring not more than 16 feet wide from outside of one finger to the outside of the other finger and the slip would have to open towards the center of the lake. He added that it would have to abide by all other dock placement and distance from shore limitations.

Director Murphy moved approval of termination of dock agreement and reconveyance for Edgewater dock. Director Smith seconded the motion and it was unanimously approved.

ANNOUNCEMENTS

Mr. Heule reported that he would be taking family vacation next Wednesday, Thursday, and Friday. He reported that he will be speaking at the Lions Club meeting tonight. Director Smith suggested he take the photo of the 68 trout caught over the limit to show the good fishing in Big Bear. Mr. Heule stated that he would do that. He reminded the Directors that Kool Kids is scheduled for Wednesday's August 18 and 25.

Director Smith commented on a report from a man thanking Mike Stephenson for his good and professional service when he was a Lake Patrol Officer over 10 years ago. Mr. Stephenson explained that a man came in to the office yesterday to thank him for his handling of an incident over 10 years earlier involving the operation of a PWC by his minor son explaining that although the father had issue with the citation issued at the time, he now felt it necessary to come in person to thank him for the way he handled the incident. The father stated that he now realizes that Mike was only doing his job and that he and his son learned a lot. The man stated that he and his family will be coming to Big Bear Lake for years to come. Director Smith stated "good job Mike".

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:53 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, August 19, 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)

REVENUE SUMMARY 4th QTR 2010 8/5/10

DESCRIPTION	2008-2009 ACTUAL	2009 - 2010 BUDGET	FY 08-09 1QTR	FY 08-09 2QTR	FY 08-09 3QTR	FY 08-09 4QTR	FY 08-09 Year Total	2008-2009 Year Total	VARIANCE (+/-)
ADMIN REVENUE									
WATER SALES	\$346,453	\$353,382	\$0	\$0	\$346,453	\$353,702	\$346,453	\$353,702	\$320
INTEREST	\$102,221	\$110,000	\$2,072	\$27,064	\$25,442	\$6,740	\$102,221	\$102,221	(\$84,663)
BB MARINA LEASE	\$45,000	\$45,000	\$11,250	\$11,250	\$11,250	\$11,250	\$45,000	\$45,000	\$0
MOBIL/JUIT LEASES	\$3,480	\$3,480	\$0	\$0	\$0	\$0	\$3,480	\$3,480	\$2,000
OTHER	\$2,167	\$1,600	\$1,116	\$0	\$448	\$200	\$2,167	\$2,809	\$1,209
SURPLUS SALE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,949	\$62,949
TOTAL	\$499,321	\$513,462	\$14,438	\$38,314	\$461,917	\$371,893	\$409,429	\$499,321	(\$18,185)
TAX REVENUE									
CURRENT SEC.	\$2,882,449	\$2,700,000	\$0	\$285,013	\$1,196,736	\$1,067,170	\$1,400,700	\$2,882,449	(\$163,394)
CURRENT UNSEC.	\$164,016	\$170,000	\$0	\$116,384	\$23,117	\$1,100	\$24,515	\$164,016	(\$14,666)
PRIOR YEAR SEC.	\$72,312	\$78,000	\$0	\$39,992	\$14,855	\$4,172	\$17,466	\$72,312	(\$41,907)
PRIOR YEAR UNSEC.	\$4,781	\$59,000	\$0	\$2,719	\$1,082	\$525	\$980	\$4,781	(\$55,014)
OTHER TAX REV.	\$49,260	\$42,000	\$0	\$8,547	\$10,536	\$10,104	\$30,177	\$49,260	(\$13,698)
HOMEOWNERS' TAX REL.	\$36,530	\$40,000	\$0	\$0	\$17,469	\$13,431	\$19,061	\$36,530	(\$1,665)
TOTAL	\$3,209,348	\$3,089,000	\$0	\$452,655	\$1,263,795	\$1,096,501	\$1,492,898	\$3,209,348	(\$290,343)
OPERATING REVENUE									
DOCK LICENSE FEES	\$80,748	\$79,000	\$6,333	\$800	\$39,990	\$40,725	\$33,626	\$80,748	(\$8,698)
QUAGGA SURCHARGE	\$26,534	\$58,000	\$0	\$0	\$1,327	\$2,675	\$25,207	\$26,534	(\$5,276)
BOAT PERMITS	\$541,977	\$525,000	\$167,371	\$12,523	\$20,930	\$45,475	\$341,154	\$541,977	\$33,887
MARINA COMPENSATION	\$79,284	\$78,000	\$0	\$70,608	\$0	\$1,179	\$8,677	\$79,284	(\$3,066)
BOAT STORAGE	\$15,060	\$14,000	\$6,770	\$8,230	\$0	\$0	\$60	\$15,060	\$2,450
RV PARK	\$50,682	\$48,000	\$26,505	\$520	\$280	\$0	\$23,377	\$50,682	\$9,975
UTILITY FEE RV PARK	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,016
DISPATCH ADS	\$9,300	\$11,500	\$0	\$0	\$800	\$8,250	\$8,500	\$9,300	(\$2,600)
OTHER	\$7,304	\$4,500	\$3,876	\$187	\$1,360	\$218	\$1,882	\$7,304	\$1,201
TOTAL	\$810,889	\$818,000	\$210,854	\$92,868	\$360,654	\$98,522	\$442,481	\$810,889	\$30,891
REVENUE GRAND TOTAL	\$4,518,000	\$4,420,462	\$225,292	\$846,273	\$2,408,693	\$1,596,916	\$2,344,809	\$4,518,000	(\$277,637)
Weed Fees	\$80,775	\$80,000	\$2,875	\$640	\$42,295	\$42,910	\$34,965	\$80,775	(\$7,615)