

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, FEBRUARY 17, 2011***

CALL TO ORDER

President Suhay called the Open Session to order at 1:00 PM. Those in attendance included Director Fashempour, Director Eminger, Director Smith, 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 Flatiron Construction is working on the two bids for the replacement bridge on the dam (the 6' and the 9'). He added that Mr. Stephenson spoke with Rob Richardson who indicated the bids would probably be completed in the next few days or a week. He reported that he gave a presentation to the Kiwanis Club a week ago Tuesday explaining that they were very interested in how our releases have gone. He added that many did not understand the in-lieu operation until after he explained it in more detail to them. He reported that he received one question about why the fishing was so bad last year (the man had been fishing the lake for 35 years) and Mr. Heule commented that "the District had actually heard just the opposite but maybe that is why it is called fishing, not catching". Mr. Heule reported that he attended the Chamber Government Affairs meeting this morning commenting that part of the discussion centered around managing traffic this snowy weekend. He explained that one of the things the City does during this type situation is that they do not allow on-street parking in order to accommodate snow removal equipment. He added that they open their public lots for overnight overflow parking. Mr. Heule reported that he offered their use of our parking lot providing they take care of the plowing requirements and all other management issues. He added that they will be working out details with Mr. Stephenson. Mr. Heule reported that we are still having some trouble with the monitoring equipment at the Station B weir. He added that Jim Weber has been able to resolve other issues explaining that we might need to replace and modify the Station B equipment in order to maintain accurate fish release data collection. He reported that Jim Weber has also been trying to hold Flatiron Construction accountable for the debris backing up behind the weir, generated during their deconstruction process on the false work. He reported that one of the last times Mr. Weber was down at the weir he found a pile of 4X4 posts partially blocking the flow. He added that the contractor should be done with the removal within about three weeks. Mr. Heule reported that while on vacation last weekend he visited Folsom Lake. He added that the lake is operated by the Bureau of Reclamation and is a popular fishing and water sports destination. He explained that the visitor center did a good job of detailing some of the history of the dam and reservoir and its relationship to Sacramento and the Sacramento River, however only an 11X17 inch poster mentioned anything about the Quagga mussel. He reported that later he drove into the state park portion, went past an unmanned entrance kiosk and down to a large launch ramp explaining that it was wide enough for at least five boats at a time. He added that off to the side of the ramp area was a single sign probably measuring about 2 ½ by four feet advising about the mussel. He commented that we are far ahead of other areas in our Quagga program.

Lake Manager, Mike Stephenson reported that the Remediation Project is up and running and looks good. He added that the Notice of Completion was signed on Wednesday. He stated that

Lake Patrol testing will be held tomorrow, Friday, at 10:00 AM. He reported that Ramp Attendant applications have been coming in and they will be conducting testing soon adding that there are three positions open. Mr. Stephenson reported that Michelle Caldwell, Sheriff's Department, recorded an interview on water safety with KBHR Wednesday evening. He stated that the utility relocation for the bridge is going well. He reported that Quagga certification training will be held twice this year, the first time being in late March and the second one in late April or early May. He explained that training will be in two parts; those who never have been involved before and those who are being re-certified. He added that there will be some information given that is specific to Big Bear Lake.

APPROVAL OF CONSENT CALENDAR

Upon a motion by Director Fashempour, seconded by Director Smith, the following consent item was unanimously approved:

- Minutes of a Regular Meeting of February 3, 2011

CONSIDER APPROVAL OF TERMINATION OF RATHBUN CREEK SPREADING FACILITY ACQUISITION AGREEMENT

Mr. Heule reported that this agreement was written many years when the District purchased the property above the Trout Pond. He explained that after the purchase, investigation proved that the spreading facility was not workable so the project was never pursued. He stated that Scott Nave at Lemieux and O'Neill prepared the "Termination of Rathbun Creek Spreading Facility Acquisition Agreement" and the Administrative Committee recommended that the District approve and record the document subject to the following issues being resolved:

- Will it have any negative impacts on the District as it relates to the current Graybill litigation?
- What parcels does the document need to be recorded on?

Mr. Heule explained that after the Committee meeting, he spoke with Robert Gokoo who said the termination document is immaterial to the Graybill case and he also spoke with Scott Nave who said we need to include both Trout Pond parcels on the document which have been added.

Director Fashempour moved approval of Termination of Rathbun Creek Spreading Facility Acquisition Agreement. Director Eminger seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT RE-ESTABLISHING FEES EFFECTIVE FEBRUARY 18, 2011 AND REPEALING RESOLUTION NO. 2010-01

Mr. Heule reported that at the last Board of Directors Meeting held on February 3, a Draft Resolution was presented and discussed. He added that prior to that meeting, the Budget & Finance Committee instructed Staff to evaluate the implementation of a slip based fee structure for annual dock licensing. He explained that the license fee of \$150 per year has not been revised since it was established in 1991 in spite of the typical increases in cost for the District to conduct its business, for instance, since 1995 regular gasoline prices have gone from \$1.26 per gallon to \$3.35 per gallon. He commented that wages paid to District employees along with health care costs have risen along with the miscellaneous expenses associated with materials and services purchased by the District. He explained that the District has been fortunate to have benefited from rising real estate values resulting in increases in property tax revenue. He added that expenses associated with recreation on the Lake (Lake Patrol, dock inspection and enforcement, stranded boat towing, launch ramp services, Quagga Mussel inspection, floating

restroom services etc.) have been subsidized by these higher rates of property tax revenue, however now that real estate values have declined resulting in a \$130,000 reduction in tax revenue, fees collected for use of the Lake, by both boaters and Lake front private dock owners should be increased in order to cover recreation related expenses. Mr. Heule explained the table below that shows what an annual dock license fee would have been if it had been adjusted by the annual consumer price index. He commented that in spite of the greater impact on the Lake of a triple slip dock compared to a single slip dock both have always been charged at the same rate.

Year	CPI	CPI Corrected License Fee
1991	3.9	\$140 (Actual)
1992	3.6	\$150 (Actual)
1993	2.3	\$153 (Rate if adjusted for CPI)
1994	1.2	\$155 "
1995	1.6	\$158 "
1996	1.8	\$161 "
1997	1.4	\$163 "
1998	1.1	\$165 "
1999	2.3	\$168 "
2000	3.3	\$174 "
2001	3.3	\$180 "
2002	2.8	\$185 "
2003	3.0	\$190 "
2004	3.5	\$197 "
2005	4.4	\$206 "
2006	4.2	\$214 "
2007	3.3	\$221 "
2008	3.9	\$230 "
2009	-1.2	\$227 "
2010	1.5	\$231 "

Mr. Heule reported that based on the fair market value of a private dock on the Lake and the burden to the District of administering private docks the Committee recommends that a three tiered dock license fee be established as shown below.

Number of slips in the dock	Annual license fee
1	\$175
2	\$225
3	\$275

He explained that the Committee also recommends increases in other dock fees as described.

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|---|---------------------|
| (a) Each slips over 3 slips (hotel, motel etc.) | from \$50 to \$75 |
| (b) Shared dock (dock owner' choice) – each license | from \$150 to \$175 |
| (c) Docks-in-common (easement) – each license | from \$100 to \$150 |
| (d) Docks across a right-of-way, USFS (single slip restriction) | from \$100 to \$150 |

He added that in addition to increases to dock license fees the Committee recommends increasing seasonal Lake Permit fees for registered vessels from \$85 plus a \$5 Quagga surcharge to \$95 plus a \$5 surcharge.

Mr. Heule explained that changes to the dock licensing fee and seasonal Lake Permit fee is estimated to net the District an additional \$75,000 annually.

He reported that a year ago the District instituted a policy to charge for the direct cost of utilities in the District owned and operated RV Park next to the District office. He added that during 2010 utility expenses were \$9,438.67 for 2767 camper days. He explained that the Committee recommends increasing the RV park utility fee from \$2.92 per day to \$3.42 per day. He reported that one additional change is also recommended; the RV Park non-hook-up sites monthly rate will change from \$350 to \$450.

Mr. Heule stated that just this morning staff realized that an error was made on page 2 of the Resolution under Special Event Group Rate No. 1. He explained that the rate should be \$15 rather than \$10 for motorized boats and sailboats more than 8 feet in length. Director Fashempour asked for a clarification of the wording of motorized boats and sail boats more than 8' in length. It was decided to re-word that section to read: "motorized boats \$15 per day and sailboats more than 8' in length \$15 per day plus a \$5.00 Quagga Protection Surcharge for the duration of the approved special event (must comply with special event group rate policy)."

Director Eminger moved approval with changes of a Resolution of the Board of Directors of Big Bear Municipal Water District Re-Establishing Fees Effective February 18, 2011 and repealing Resolution No. 2010-01. Director Smith seconded the motion and it was unanimously approved.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule announced that there was going to be a Watershed Committee meeting next week visiting the Big Bear Airport and discussing Mercury TMDL. He added that next Monday is Presidents Day Holiday. Mr. Stephenson reported that the Lake came up 1 1/2" yesterday.

DIRECTOR COMMENTS

Director Smith commented on the fee schedule explaining that the changes were necessary. He added that if we had looked at increasing fees annually it would not have had such an impact all at once. He commented that Big Bear Lake is still a good deal compared to other lakes.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:37 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, March 3, 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)