

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, FEBRUARY 3, 2011***

CALL TO ORDER

President Suhay called the Open Session to order at 1:00 PM. Those in attendance included Director Murphy, 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.

PRESENTATION BY EXIT REALTY IN HONOR OF THE DISTRICT'S TROUT POND PURCHASE

Dan and Susan Bathhurst, Exit Realty, made a presentation to the Board thanking them for allowing them to represent them in the purchase of the Trout Pond. They presented the Directors with a plaque commemorating the December 6, 2010 purchase.

REPORTS

Mr. Heule reported that he, along with Mike Rogers and Simon Wong, met with DSOD January 24th in Sacramento. He explained that they reviewed District plans for a 9 foot wide replacement bridge on the dam as well as the Caltrans plans for the highway bridge removal. He reported that they also discussed the seepage and need for grouting at the dam left abutment. He stated that DSOD advised that each of these items needed to be included in an application as they all fall within their review requirements as related to alterations to Bear Valley Dam. Mr. Heule reported that the application(s) must come through the District and must be accompanied by a check and confirmation that the proper environmental document includes the work. He explained that after receiving a summery letter about the meeting from Mike Rogers at MWH, he sent it to Caltrans project manager and Mr. Wolfe along with a cover letter explaining what Caltrans needed to do to secure DSOD approvals through the District for the bridge removal and grouting. Director Murphy asked if Caltrans was in sync with the grouting project. Mr. Heule commented that when local Caltrans was given the report they did seem surprised explaining however that they have been put on notice for some time. President Suhay asked how the seepage was going asking if it will still be visible when the grouting project begins. Mr. Heule explained that seepage is no worse than it was but is still existent and will probably be visible when the project begins. He reported that the winds yesterday created large choppy waves at the dam, which overtopped the dam crest and spilled into the creek below. He explained that the cake ice coated portions of the top of the dam and chain link fencing on the bridge adding that the waves also lifted quite a bit of trash over the dam to the creek below (lots of Styrofoam cups and wood debris along with bobbers etc). He stated that while we are talking about the dam, our Station B SCADA system is causing us some problems. He reported that they believe it is related to the high flows in December and early January. He stated that the readings get bad apparently when the sun shines directly on the equipment. He explained that Jim Weber is following up and visiting the site right now.

Lake Manager, Mike Stephenson stated that Lake Patrol Officer applications are still coming in. He reported that Tyler Cockrell is back to work from his break and he and Travis Carroll will be starting to work on ramp schedules. He added that advertising for ramp attendants will begin

shortly. Mr. Stephenson reported that the water temperature is 39 degrees and oxygen is 8 parts per million, both top and bottom. He reported that the Big Bear Marina Remediation Project still needs some electrical work but will be complete this week. He stated that the dam electrical re-routing is moving along adding that he has been in contact with John Ashton of Caltrans regarding the project. He reported that the topographic map of the Trout Pond property being prepared by Mapco should be complete the first of next week.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Special Meeting Workshop of January 18, 2011
- Minutes of a Regular Meeting of January 20, 2011
- Warrant List Dated January 27, 2011 for \$56,260.79

REVIEW AND DISCUSS DISTRICT RATES AND FEES - DISCUSSION ONLY NO ACTION

Mr. Heule reported that the Budget & Finance Committee recommended that the Board review and discuss the fee schedule and provide direction to Staff regarding any needed changes. Mr. Heule made a Power Point presentation outlining the Fee Schedule (see attached). He explained that at a Budget & Finance Committee meeting the Committee instructed Staff to evaluate the implementation of a slip-based fee structure for annual dock licensing. He reported 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. He explained that since 1995 regular gasoline prices have gone from \$1.26 per gallon to \$3.35 per gallon and 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. Mr. Heule commented that the District has been fortunate to have benefited from rising real estate values resulting in increases in property tax revenue. He explained 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. He added that 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. He gave examples of what an annual dock license fee would have been if it had been adjusted by the annual consumer price index (see below) and explained that in spite of the greater impact 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 added that the Committee also recommends increases in other dock fees as described below:

- | | |
|---|---------------------|
| (a) Each slip 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 |

Mr. Heule reported 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. He added that changes to the dock licensing fee and seasonal Lake Permit fee is estimated to net the District an additional \$75,000 annually. Mr. Heule 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 explained that during 2010 utility expenses were \$9,438.67 for 2,767 camper days. He compared the District's RV fees with Holloways (daily \$50 - \$60, monthly \$600 - \$700 + electric) and Pine Tree (daily \$49, monthly \$555 winter and \$605-\$705 summer + electric). He added that the Committee recommends increasing the RV park utility fee from \$2.92 per day to \$3.42 per day. He reported that other fee changes are suggested as follows:

- A \$10 penalty for purchase of a boat permit from Lake Patrol
- Inside boat storage from \$550 to \$650
- Harvester, backhoe, patrol boat from \$110 per hour to \$115 per hour
- Processing CEQA Negative Declaration from \$500 to \$750
- Processing CEQA EIR (Environmental Impact Report) from \$1,000 to \$1,800

Director Fashempour asked who usually would ask to rent or hire the harvester. Mr. Heule explained that it would mostly be homeowners or resort areas that request extra weed removal in

front of their lakefront property. Mr. Stephenson reported that in years past people paid for extra harvesting. Mr. Heule reported that it was suggested by staff that the District's non-hook up sites might be priced on the low side. It is suggested the non hook-up sites be raised from \$350 to \$450. Director Murphy asked if the non hook-up sites are the same size as the hook-up sites. Mr. Stephenson stated that one is larger and the others are smaller but they are all parallel to the water and make a solid line of RV's blocking the lake view of other campers. Mr. Stephenson explained that the non hook-up sites are allowed to fill water and use the dump station for free. Director Eminger asked if we are in sync with other lakes around Southern California for all of our fees. Travis Carroll, Lake Operations Supervisor, reported that since we are a public lake it is difficult to compare prices and services explaining that compared to Lake Arrowhead and Canyon Lake (private lakes) we are considerably lower. President Suhay commented that he doesn't like the wording of the Quagga fee because it seems that we are charging the day users more money than we are charging the yearly users explaining that the boats going in and out are paying more. Director Fashempour added that it is everyone's obligation to support the Quagga program. Director Smith commented that the Committee understands that the District will be questioned and it would have been better if we would have considered fees on an annual basis but until now we thought we could absorb the rising costs adding that what a person gets is still a bargain. Director Murphy stated that he feels raising non hook-up site fees makes sense. Mr. Heule stated that he might like to see what it could cost to make them hook-up sites. Mr. Stephenson reported that those sites were initially set up to be transient sites and after a while they became long term sites. Director Fashempour asked if other campers have complained about the non hook-up sites blocking the lake view. Mr. Stephenson stated that most of the campers are friends and he hasn't heard any complaints. Mr. Heule added that in the future the District may want to discuss the reservation system as a whole (day to day, in and out, instead of long term) but not at this time. It was the consensus that we would raise the cost of non hook-up sites from \$350 to \$450 and in the future look into the cost of converting those sites to hook-ups. Mr. Heule reported that the change will be made and then at the next meeting, on February 17th, the new fee schedule will be considered for adoption.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule reported that he will be meeting with Simon Wong Engineers and Caltrans tomorrow. He explained that they will be trying, one last time, to convince Caltrans about the 9 foot bridge. He added that if not, we will need to schedule a special board meeting to consider authorizing Simon Wong Engineers to complete a 6 foot wide design that Caltrans will build without contribution from us. He asked if a Special Board Meeting should be scheduled now for next week just in case. Mr. Lemieux stated that is a common practice. It was decided that a Special Board Meeting would be scheduled for Tuesday, February 8th, at 2:00 PM. Mr. Heule commented that he would try and send an e-mail updating the Board after his meeting.

DIRECTOR COMMENTS

Director Fashempour commented that she appreciated all the efforts in considering the fee schedule changes.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:02 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, February 17, 2011
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

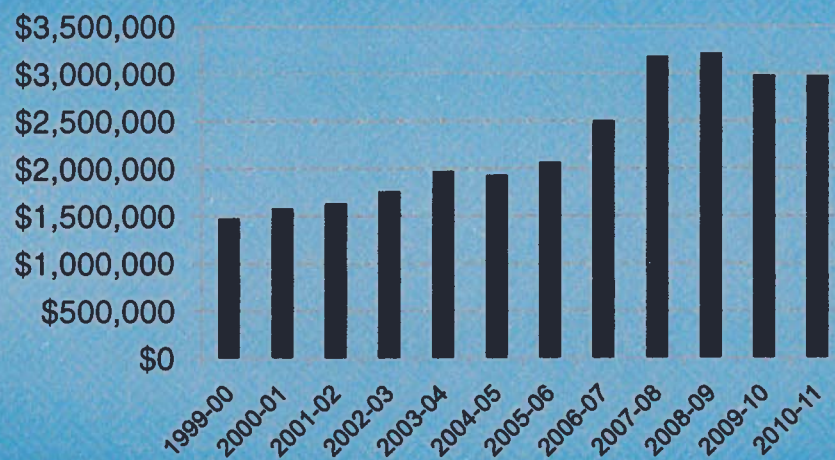
(SEAL)

2011 Fee Schedule

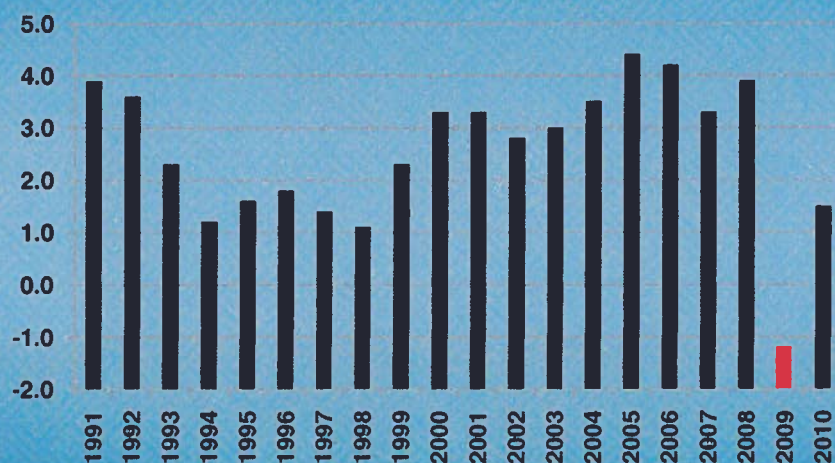
Big Bear Municipal Water District
February 3, 2011

- Contribution to reserve and capital funds declining year to year
- 1999-08 rising housing prices = higher revenue
- 2008-10 Declining housing prices = lower revenue
- FY 2010-11 tax revenue off budget by \$130,000

Fiscal Year Property Tax Revenue



Annual CPI (%)



Dock License Fee Adjusted for CPI



Proposed Dock License Fee

- Platform "T" and Single Slip = \$175
- Two Slip = \$225
- Three Slip = \$275
- Each slip over 3 (motel etc.) = \$ 75
- Shared dock each license = \$150
- Docks in common each license = \$150
- Docks across right of way = \$150
- Estimated to generate \$14,000+ new revenue

Seasonal Registered Boat Permit Fee

- 2008 actual = \$75
- 2009 actual = \$85 plus \$5 Quagga
- 2011 proposed = \$95 plus \$5 Quagga
- Estimated to generate \$50,000 new revenue

Other Fee Changes

- Penalty for purchase of boat permit from Lake Patrol = \$10
- Inside boat storage from \$550 to \$650
- Harvester, backhoe, patrol boat from \$110 per hour to \$115 per hour
- Processing CEQA Neg. Dec. from \$500 to \$750
- Processing CEQA EIR from \$1000 to \$1800

RV Park

- Propose new daily utility charge, full hookup \$2.92 to ~~\$3.92~~ 3.42
- No changes proposed to daily or monthly charges
- Holloways
 - \$50-\$60 plus electricity daily
 - \$600-\$700 plus electricity monthly
- Pine Tree
 - \$49 plus electricity daily
 - \$555 plus electricity winter month
 - \$605 plus electricity summer month