

MINUTES OF A REGULAR MEETING OF BIG BEAR MUNICIPAL WATER DISTRICT HELD ON THURSDAY, JANUARY 19, 2012

CALL TO ORDER

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

REPORTS

General Manager Scott Heule thanked the Directors for allowing him to take a few days off and travel to North Carolina to be with his mother who developed pneumonia. He reported that she is feeling better but will need to be in a rehabilitation facility for some time to regain her strength. He reported that this past Monday the stairway was installed at the dam. He commented that signage is being looked at to prevent the public from accessing the area. He added that the Department of Safety of Dams seems to be satisfied with the stairs but we are still working with Caltrans to try and get them to complete their obligations. Mr. Heule reported that the Air Quality Management District test results and analysis of air bourn mercury is complete. He explained they will make a presentation reporting their findings at our Board Meeting on February 16th. He added that the other stakeholders will be invited commenting that it should prove to be an interesting meeting. He stated that the seasonal employee recruiting process has begun. Lake Manager, Mike Stephenson reported on the recruiting process adding that we will be filling 7 total positions including 3 ramp attendants, 1 clerical/dispatcher/data entry, 1 lake patrol officer, and 2 maintenance positions. He explained the application process stating that first there will be a preliminary screening, then a written test, then a second screening, then an interview. Mr. Stephenson reported that electrical connections for the dam spillway gates are being cleaned-up and the work should be finished by the end of the week. He reported that the boom line near the dam is broken and staff will begin repair work as soon as possible. He commented that *Mountain Waters Dispatch* is in process and lake permits are on order. He reported on a meeting he had with Marina Point yesterday commenting on the progress towards securing permits from other agencies. Mr. Stephenson reported on a meeting Wednesday with USFS Air Operations Fire Suppression. He explained that he and Jim Weber would be traveling to San Diego Friday to meet with Mike Rogers (MWH) regarding an analysis of lake releases to prevent flooding in the valley. Vice President Smith asked if Marina Point had obtained the necessary permits from the other entities. Mr. Stephenson explained that they did obtain permits for grading and storm water but not from Fish & Game or ACOE.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of January 5, 2012
- Warrant List Dated January 12, 2012 for \$117,179.95
- Approval for the President to cast a vote for the ACWA Health Benefits Authority Board of Directors

CONSIDER APPROVAL OF MODIFICATIONS TO THE YEAR ROUND EMPLOYEE HANDBOOK

Mr. Heule reported that the Administrative Committee reviewed four edits to the year round Employee Handbook; use of compensatory time before vacation time, vacation hour accrual limitation, the method of designation of District paid holidays, and defining the medical insurance plan the District will pay for employees and their families. He stated that instead of paying employees for overtime the District provides compensatory time off. He reported that the proposed modification to the handbook requires an employee to use all accrued compensatory time over 40 hours before using vacation hours. He explained that this helps to limit the Districts financial obligation to pay off unused compensatory time when an employee terminates employment with the District. Mr. Heule reported that currently the District policy is to limit carry-over vacation time to 240 hours annually. He commented that this practice results in a difficult bookkeeping process and payouts of unused vacation hours over the 240 hour limit each year. Mr. Heule explained that the new policy will limit the accrual of vacation time to 320 hours adding that once an employee accrues 320 hours of vacation no further accrual will be posted until the employee uses vacation time. He stated that this change will encourage employees to use the vacation hours they are given and eliminates the added cost to buy out unused vacation hours at the end of each year. He reported that the change to the District holiday policy will make it clear that only holidays specifically designated by the Board of Directors will be compensable to District employees. Mr. Heule explained that the medical insurance benefit will stipulate that the District will pay the premium of the Association of California Water Agencies Health Benefit Agency HMO for the employee and employee family adding that if employees what a more expensive insurance policy they will have to pay the cost difference out of their own pocket. He commented that these modifications will only affect the year-round employee handbook adding that the seasonal handbook will be addressed in the near future. Mr. Heule stated that he would like to change the Thanksgiving holiday notation from "the Thursday in November designated each year as Thanksgiving Day" to "the 4th Thursday in November". District Counsel Lemieux explained that notation is part of the Government Code so we are stuck with it the way it is. Vice President Smith explained that these modifications were more cleaning up issues rather than changes.

Director Suhay moved approval of the modifications to the year round employee handbook. Director Murphy seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF WITHDRAWING FROM CALIFORNIA STATE DISABILITY INSURANCE PLAN AND CONTRACTING WITH A PRIVATE COMPANY FOR BOTH SHORT-TERM AND LONG-TERM DISABILITY INSURANCE

Mr. Heule reported that staff received a presentation by Keenan Associates, an Insurance and Employee Assistance Insurance Broker, concerning alternatives to the Districts' State Disability insurance program. He introduced Laurie Lofranco, Account Executive with Keenan Associates explaining that she made a presentation to staff yesterday. Ms. Lofranco gave a brief overview of her background and explained that government agencies are not required to participate in State Disability programs. She reported that MWD does participate however explaining that for a slightly lower annual premium the District can replace short-term State Disability Insurance with a private plan that also includes long-term disability. She commented that the Directors would be included in this plan. She reported that the long-term disability insurance would extend coverage

until age 65 compared to only 12 months for the State Disability program. She added that the premium rates are guaranteed for two years. Director Murphy asked how staff felt about the proposal. Mr. Stephenson explained that some were upset that they hadn't heard about it before it appeared on the agenda adding that after Ms. Lofranco came to the staff meeting and explained it to them they were all on-board with it. Ms. Lofranco explained that the savings would be to the employees since it is paid out of their paychecks. Director Suhay asked if the rates were guaranteed for 2 years. Ms. Lofranco stated that they were and after 2 years she doesn't see a rate increase unless there were lots of claims submitted. She commented that she is available for all questions and problems and she appreciates the opportunity to serve the District. Mr. Heule commented that it will save some money and provide long term coverage that we don't have now. He stated that the Committee is recommending the Board make this change, however they note that if after two years the costs for the private plan escalate substantially, the District might need to go back to the State Disability program and the long-term disability coverage would be eliminated as an employee benefit. He explained that this caveat would need to be memorialized in the employee handbook so there are not expectations that the long-term disability is a guarantee should circumstances change in the future. He reported that making this change will reduce District expenses by about \$850 per year.

Director Suhay moved approval of withdrawing from California State Disability Insurance Plan for all employees and contracting with Keenan & Associates for both short-term and long-term disability insurance. Director Murphy seconded the motion and it was unanimously approved.

Mr. Stephenson reported on the eye-care vision insurance plan that Ms. Lofranco presented to staff. He explained that it would be a voluntary employee paid program. He added that it would be beneficial for most but for some it would not prove to be a cost savings.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule reported that on February 2nd (the regularly scheduled date of the next Board Meeting) he and several Directors are going to attend JPIA Ethics and Brown Act training in Rancho Cucamonga. He explained that meeting will need to be adjourned due to lack of a quorum. He added that he would like to have the President schedule a special meeting February 1st (the day before).

Mr. Stephenson reported that he has been doing some interesting calculations: Using a 42 square mile watershed (26,880 acres) and the lake being at 70.08 lake level, you would need 6,536 acre feet of runoff to fill. If 50% of the rain water makes it to the lake, it would have to rain 13,000 acre feet in the entire watershed or 5.14 inches of rainfall in the entire valley.

DIRECTOR COMMENTS

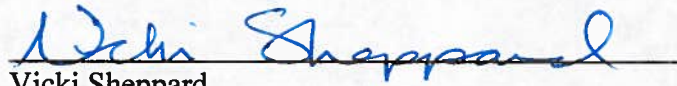
No comments were made

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:51 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, February 2, 2012
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

