

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, SEPTEMBER 6, 2012***

CALL TO ORDER

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

REPORTS

Mr. Heule reported that Sunday of Labor Day weekend was the busiest boating day of the year. He added that in the afternoon approximately 600 boats were on the water commenting that although there were plenty of inexperienced and dangerous boaters, there were no accidents. He explained that there were lots of tows over the weekend and the Coast Guard Auxiliary helped out. Mr. Heule reported that on Tuesday he attended a meeting with the Regional Board staff, City, County, Caltrans and USFS regarding the TMDL. He explained that with the possibility of grant funding from the State, there is a new sense of need to collaborate in order to score higher in the competition to get the money. He added that some of the EPA and State Board staff will be visiting Big Bear next Tuesday to tour the watershed to better understand our issues and what has been done to date. He suggested that the District could take them on the Lake and those in the room thought it would be a good idea commenting that the visitors are in charge of the itinerary however so we will have to wait and see what they want to do. He added that, in any event, he is going to ask Mike Stephenson to strategically place the harvester and truck load of weeds on the ramp in hopes of giving them a lecture on our milfoil control program and maybe we can also set up a carp eradication display if we can do it without it smelling too bad.

Lake Manager, Mike Stephenson stated that he just got back from vacation late last night. He reported that weed harvesting will continue until September 15th. He explained that trout pond clean-up has been going on all week. He reported that the MOU with Fish and Game is almost complete. He commented that carp shocking continues explaining that less fish are being taken but they are larger in size. He reported that no algae bloom is present.

President Eminger congratulated Operations Supervisor Adam Williams on the successful busy weekend. Director Smith asked how many boats were decontaminated over the weekend. Adam Williams reported that approximately 10% of the boats were decontaminated.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of an Adjourned Regular Meeting of August 23, 2012
- Minutes of a Special Meeting of August 27, 2012
- Warrant List Dated August 30, 2012 for \$29, 338.85
- Approval of Special Event Permit for North Shore Elementary School Rubber Ducky race

ADMINISTER OATH OF OFFICE TO MARY ANN LEWIS, DIVISION 2

Mr. Heule explained that Mary Ann Lewis was chosen as the replacement Board member to fill the unexpired Division 2 term ending December 31, 2014 and it is recommended that the District

Secretary administer the oath of office. Vicki Sheppard administered the oath of office to Mary Ann Lewis and she took her place at the dais.

CONSIDER APPROVAL OF PAYING OFF THE OUTSTANDING BALANCE OF THE CALPERS RETIREMENT SIDE FUND

Mr. Heule reported that back in the mid 1990's the District switched Calpers retirement formula from 2% at 60 years to 2% at 55. He commented that this change created a deficit in the retirement contributions necessary to fund the more generous retirement formula. He explained that in order to pay for the increased benefit a side fund was created that would be amortized over several years at an interest rate equivalent to the actuarial investment return assumption of 7.75%. He reported that payment on this side fund is about \$17,000 or 2.551% of payroll for fiscal year 2012-13 and the outstanding balance is about \$130,000. He added that if the District paid the outstanding balance of the side fund the Districts' employer contribution to Calpers would be reduced from 12.789% to 10.238%. He stated that the Committee believes that it will be many years before interest rates rise to a level near 7.75% and the fiscally responsible action to take at this time is to pay off the outstanding balance of the side fund now. He reported that money would be taken from the general fund to pay the expense. Director Murphy commented that we are making less than 2.55% and paying it off will benefit the District. Director Smith commented that when this was initiated back in the 1990's the return on the investment was high and now it is next to nothing so paying it off makes sense.

Director Suhay moved approval of paying off the outstanding balance of the Calpers Retirement Side Fund. Director Lewis seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF A SECOND TIER RETIREMENT FORMULA

Mr. Heule explained that since the District came up with this proposal the California State Legislature has enacted a new formula that will take effect January 1, 2013 that would conflict with the Districts proposal. He commented that it is unlikely that we will be making any new hires before January 1st. Director Smith stated that it would be prudent to do nothing until the State gives us some clarification and hold off until a later date. Director Murphy agreed. District Counsel Wayne Lemieux commented that he agrees explaining that Calpers law is hard to understand and since the new law is different than the District's proposal he feels the we should hold off for now.

Director Smith moved approval to table this item until we have clarification from the State. Director Murphy seconded the motion and it was unanimously approved.

PUBLIC FORUM

Mr. Lowell Gytri, US Coast Guard Auxiliary, thanked the District for allowing them to use our board room for their monthly meetings. He detailed the Coast Guard Auxiliary's function and various programs commenting that vessel safety issues are their main goal. He added that their members are all volunteers and have given over 300 hours of their time through July of this year.

ANNOUNCEMENTS

Mr. Heule reminded everyone of the Summer BBQ this coming Sunday September 9th.

DIRECTOR COMMENTS


President Eminger explained the list of new Committee Member assignments effective for the balance of the year. Director Smith welcomed Mary Ann Lewis to the Board. Director Lewis thanked the Directors and the Staff commenting that it is an honor to be part of MWD.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:35 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, September 20, 2012
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA

A handwritten signature in blue ink, reading "Vicki Sheppard", is written over a horizontal line.

Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)