

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, JANUARY 17, 2013***

CALL TO ORDER

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

REPORTS

Mr. Heule thanked the Board for their time and effort yesterday at the workshop. He added "Staff appreciates your comments and the ideas that resulted from the investment you made yesterday". He reported that after much back and forth between the City and grant proposal reviewers at the State Water Resources Control Board and EPA, it appears that including the purchase of herbicide in the 319(h) grant application will be less competitive than upgrades to the District aeration system at the dam and new sediment basins at the City/Forest boundary. He explained that the grant application will be submitted within the next couple weeks and we should hear more about an award this summer. Mr. Heule stated that our recent conversations with Doug Headrick at Valley District appear to be moving in a favorable direction after Don Evenson described the District's interest in eliminating an increase in the in-lieu payment scheduled for 2017. He commented that Mr. Evenson estimated that the increase could be more than \$86,000. He explained that the next steps will be to better define limits on Valley's in-lake storage and what will constitute an emergency release of their stored water. He added that if we can make this happen he believes it will be a win-win situation. Mr. Heule announced that the sale of Big Bear Marina closed escrow yesterday.

President Smith complimented Mr. Heule on an excellent PowerPoint presentation yesterday at the Workshop.

Lake Manager, Mike Stephenson reported that the East Ramp office remodel is progressing well. He added that John Tuttle and Eric Turney are working hard and he is pleased with the results. He reported that he measured the ice in the lake in several areas and it is an average of 9" thick. He added that it is a lot of ice for Big Bear and could cause damage to docks and boats. Mr. Stephenson reported that job applications are now available for Maintenance and Ramp Attendant positions and advertisements will be coming out in the Grizzly next week. He commented that the Fire Department is conducting ice training at the Stanfield area of the Lake. Director Eminger reported that the City has a "Stay Off The Ice" message on their electronic sign.

APPROVAL OF CONSENT CALENDAR

Upon a motion by Director Suhay, seconded by Director Eminger, with Director Murphy abstaining from item 5A, the following consent items were unanimously approved:

- Minutes of a Regular Meeting of January 3, 2013

- Warrant List Dated January 10, 2013 for \$31,665.12
- Approval of a Special Event Permit for Big Bear Lake Big Bass Tournament

CONSIDER APPROVAL OF A NEW BOAT LAUNCH FEE AND OR INCREASE IN LAKE USE FEES

President Smith called on Alan Sharp, Big Bear Marina, who requested to address the Board. Mr. Sharp stated that he feels Option B is the only one that doesn't fall short. He explained that Big Bear Lake fees are well below other lakes and Option B is the only one that seems fair.

Larry Cooke, Big Bear Lake resident, also requested to address the Board. He stated that he is confused regarding the various plans. He stated that he feels Option A would create many complications. He asked where the pass was going to be placed. He added that the paperwork would be confusing and would cost the District more money administratively. He said "why not make it a flat fee". He complimented the District on the running of the ramps for the past few years adding that "they have been run very well with a good staff". He stated that the ramp fee should be part of the permit itself with only one sticker on a boat. He commented that he doesn't understand a launch fee adding that it doesn't make any sense. He explained that he could understand a parking fee but not a launch fee applicable to only some permit owners. President Smith commented on the launch ramp fee explaining that they were trying to focus on the people who actually use the launch ramps and go "in and out" a lot. Director Murphy stated that he likes the parking fee idea. President Smith explained that there are not a lot of parking spaces and if someone was charged for parking and then couldn't find a space, that wouldn't be good.

Mr. Heule reported that Agenda Items 6A and 6B look similar explaining that 6A is a Boat Launch fee and 6B is a total Fee Schedule Resolution that covers many fees including Permit Fees, RV Park Fees, Dock Fees, Boat Storage, Special Events, etc. He explained that one of the Options covered in 6A will be added, in the end result, to the Fee Schedule. Mr. Heule reported that the Budget and Finance Committee has estimated that recreational operations revenue falls short by about \$150,000 annually compared to its expense. He explained that the Board has indicated their intent not to use property tax revenue to subsidize recreational operations expenses of the District. He reported that the Budget and Finance Committee would ideally like to see an equitable distribution of revenue based on user's actual impact on District expenses. He added that, in an effort to recoup operational expenses from users of the Lake and launch ramps, a proposal has been developed for an annual boat launch access pass (BLAP). He reported that the pass could be purchased for \$25 and would allow unlimited launching at either the West or East Boat Launch ramps. He added that regular users of the District launch ramps would therefore pay their share of the expenses associated with staffing, maintenance and operation of the ramps. He commented that boat owners that have private docks do not impact the ramps as much because they would be launching and retrieving their boats just at the beginning and end of the season. He explained that for these boat owners a proposal for a single use boat launch pass is proposed and also boaters renting slip space at a private marina would not need to purchase a BLAP because they would be launching from a private marina. He added that, assuming similar lake permit sales as occurred during 2012, the sale of BLAPs, increases in the Quagga surcharge and daily permit fees, the District accounting department has estimated that 2013 revenue would increase by about \$126,000. Mr. Heule reported that Staff has pointed out that implementation of a program that requires more pieces for seasonal ramp attendants to sell and account for, the explanations and confrontation that will be required and educating dock owners and marina slip holders will be very difficult. He added that Staff suggests that fees for Quagga and the Lake permit price be increased sufficiently to fund the shortfall in operations

expenses. He explained that this approach would not allocate expenses evenly for boater's impacts at the ramps but it maintains the current approach to permit sales and would avoid the need for lengthy conversations, reduce angry customer exchanges when boaters attempt to launch without a BLAP or single use launch pass, and ease the educational burden necessary to implement a new approach to Lake use. He reported that in response to a request from the Operations Committee, Staff has prepared three alternative fee schedules to recover or help to recover the shortfall in recreational operations expenses. He explained that the first alternative (Option A) includes an unlimited use boat launch access pass and single use boat launch pass that is projected to generate about \$126,000 in new revenue and the second (Option B) and third (Option C) alternatives only propose increases in permit and Quagga fees without a change to the method of collection and they are projected to generate \$154,000 and \$127,000 respectively. He reported that there is no recommendation from the Committee or Staff.

Director Murphy reported that he feels that the people who use the launch ramps more should pay for it explaining that all users are not the same. He explained that he feels Option A is the most fair, but he would be fine with either B or C.

Director Suhay reported that he thinks Option B is better explaining that life is not always fair and this is as fair as we can get it. He explained that the lowest paid Staff will get most of the "flack" from the public.

Director Lewis reported that at first she agreed with Option A but when Staff explained the extra work caused by this option, she now thinks Option B is a better choice.

Director Eminger stated that he feels Option A is fair because the people who use it more pay, but he is fine with Option B also.

President Smith reported that he feels as Director Murphy does, but with the input from the public at the workshop, marina owners, and Director Suhay, he got a different take on it explaining that people who use the supermarket on a daily basis versus people who only use it on a weekly basis, get charged the same even though the market has to hire additional cashiers to accommodate everyone. He reported that Option B is the way he is leaning. He explained that we will go right into Business Item 6B and no Motion is being proposed on Item 6A.

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT RE-ESTABLISHING FEES EFFECTIVE JANUARY 17, 2013 AND REPEALING RESOLUTION NO. 2012-01

Mr. Heule reported that the District annually reviews and updates fees charged for services based on a review of expenses and revenue and summarizes them in the Fee Schedule. He explained that additionally the fee schedule is revised based on new initiatives or activities that the Board authorizes during the previous twelve months that have not yet been incorporated into the schedule. He added that for 2013 three changes and or updates that are proposed for consideration by the Board include a per angler charge for fishing tournament special events, an increase in the daily utility charge for the District RV park, and new and increased charges for boaters using the Lake and public launch ramps. Mr. Heule reported that the proposed per angler fee for fishing special events is intended to fund the District's program of fish plants and rainbow trout rearing cages. He explained that every year the District purchases various species of game fish to help improve the Lake fisheries adding that these fish plants typically include pan fish and largemouth bass. He reported that this program has proven successful over the past few years with a noticeable improvement in populations of these species adding that the District also operates a very successful rainbow trout cage rearing program. Mr. Heule explained that the District purchases small trout in the fall, feeds them and uses them for special events the

following spring and fall after they have grown to trophy sized individuals. He stated that the proposed fee, which has been implemented successfully for the past year, is \$15 per angler or \$500 per event whichever is greater and is included in all three of the alternative fee schedules. Mr. Heule reported that a daily charge to recoup District expenses for RV Park utilities is calculated annually based on the previous season's actual utility expense divided by the number of days and campsites occupied. He added that during 2012 the fee charged was \$4.35 and for 2013 the daily utility charge is proposed to increase to \$4.90. Mr. Heule reported that the Budget and Finance Committee worked to thoroughly identify actual District expenses associated with recreation on Big Bear Lake compared to revenue from these same operations explaining that they found that there was a shortfall of \$154,000. He added that the District intends for all Lake recreation associated expenses to be funded with Lake recreation related revenue (fees and charges) and not to be subsidized by Big Bear Valley property owner's taxes. He added that in order to balance this conflict the Budget and Finance Committee proposed a modest increase in the Quagga inspection charge and a separate fee, a boat launch access pass for launching at the two public launch ramps. He explained that when they considered an approach to implementing the boat launch access pass program, one member of the Operations Committee could not agree that the pass was the best solution so the Committee suggested two fee increase alternatives be developed in addition to the boat launch access pass. He reported that therefore, three alternatives for increases to the Lake permit fees have been presented for Board consideration. He explained the three Options:

- Option A includes an increase in the Quagga fee and a \$25 charge for a boat launch access pass. This alternative is projected to raise about \$127,000 in new revenue.
- Option B increases the registered seasonal Lake permit fee from \$95 to \$100 and the Quagga fee from \$5.00 to \$10.00. Increases in Lake permit fees and Quagga fees for non-registered and daily permits are also included and Alternative B is projected to raise about \$154,500
- Option C marginally increases Lake permit and Quagga fees and is projected to generate about \$127,000 annually.

Director Murphy commented that if Option A is not chosen, it makes more sense to recoup the entire shortfall by choosing Option B rather than Option C.

Director Suhay moved approval of a Resolution of the Board of Directors of Big Bear Municipal Water District re-establishing fees, including Option B for Lake Use Fees, effective January 17, 2013 and repealing Resolution No. 2012-01. Director Lewis seconded the motion and it was unanimously approved.

PUBLIC FORUM

No additional comments were made

ANNOUNCEMENTS

Mr. Heule announced that the District will be closed next Monday for Martin Luther King holiday and the next Board meeting will be February 7, 2013

DIRECTOR COMMENTS

Director Eminger stated that many hours were spent on the Fee Schedule by the Board and Staff. He added that they don't like raising fees, but did what they had to do. Director Murphy stated that the Workshop went very well explaining that Staff now has good direction on the Reserves.

He added that the Board was adamant that all Lake recreation associated expenses be funded by lake users and not to be subsidized by Big Bear Valley property owner's taxes. Director Lewis agreed and thanked everyone for their opinions. Director Suhay reported that the Workshop saved many hours that might have been spent at this meeting. President Smith thanked everyone for their participation explaining that the Board doesn't like the idea of raising fees, but it is a matter of economics.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:45 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, February 7, 2013
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)