

***MINUTES OF A REGULAR MEETING OF  
BIG BEAR MUNICIPAL WATER DISTRICT  
HELD ON THURSDAY, MARCH 7, 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, General Manager Scott Heule, Lake Manager Mike Stephenson, and Board Secretary Vicki Sheppard.

**DISCUSSION AND ACTION ON CLOSED SESSION ITEMS**

Mr. Lemieux reported that there was no closed session meeting held on February 21, 2013

**REPORTS**

General Manager, Scott Heule reported that the Watermaster accounting has been completed and the final report will be completed before the end of the month. He explained that Calendar year 2012 was a below average precipitation year with only 23.70 inches measured at the dam compared to a 103 year average of 35.55 inches. He added that the actual lake level ended the year 4.39 feet below full but would have been down 8.48 feet without the in-lieu agreement. He reported that Valley District delivered 4696 AF of water to Bear Valley Mutual Water District and Mutual was able to use 641 AF of fish release water. Mr. Heule explained that he sent a letter to the State regarding the Districts Proposition 13 Grant audit results asking that they reconsider disallowing \$47,000 of our grant reimbursement. He provided summary documentation for \$79,300 of John Tuttle's time for specific task items hoping that it would at least prompt a second look by the auditors. He also got a phone call from the Water Resources Control Board who wanted to know if the District would be sending them a check or sending it to the Department of Finance at the State. He commented that hopefully the District will not have to send a check to anyone. Mr. Heule reported that he, along with Mike Stephenson and other office staff, spent some time on Tuesday on a conference call viewing an online demonstration of software designed for marinas to manage slip rentals, touch screen point of sale transactions and contracts. He explained that the program is designed to integrate with Quickbooks Enterprise and would provide the District with the record keeping and financial accounting needed for our dock program, RV park reservations, winter boat storage, and Lake permit sales. He added that it can generate reports, track payments and billing, identify when insurance documents are needed, and potentially could eliminate the need for file cabinets filled with dock files. Mr. Heule stated that when we have more information and Staff believes it still appears to fit our needs well, he will bring a recommendation to the Operations Committee for further discussion.

Lake Manager, Mike Stephenson reported that we are two thirds of the way through the hiring process. He added that interviews are scheduled for next week explaining that we are going to be using outside interviewers from the San Bernardino County Sheriff's Department and the Airport District. He reported on the Dam project adding that it should be complete by Monday. He stated that Mountain Waters Dispatch is out adding that if anyone has input to feel free to

comment. He explained that we used a stock photo service (Shutterstock) for several of the photos. President Smith commented that it "looks dynamite". Mr. Stephenson reported that we used a local printer adding that it was printed on a very good high gloss paper at a good price.

#### **APPROVAL OF CONSENT CALENDAR**

President Smith reported that he has one correction to the Consent Calendar, Item A Minutes, page 4, where it says "President Smith reported that he is putting together an Ad Hoc Committee to review the General Manager's contract asking Directors Murphy and Lewis to be on the committee". He explained that it should read Directors Murphy and Suhay.

Upon a motion by Director Murphy, seconded by Director Eminger, with the correction to item A Minutes noted above, the following consent items were unanimously approved:

- Minutes of a Regular Meeting of February 21, 2013
- Warrant List Dated March 1, 2013 for \$32,460.83
- Approval of a Special Event Permit for the Jim Hall Memorial May Trout Classic to be held May 18 & 19, 2013
- Approval of a Special Event Permit for Big Bear Lake Jazz Trax Summer Music Festival to be held on June 21<sup>st</sup>, 22<sup>nd</sup>, & 23<sup>rd</sup>
- Approval of a Special Event Permit for the Antique and Classic Boat Show to be held August 22<sup>nd</sup> through August 25<sup>th</sup>
- Approval of a Special Event Permit for the Rotary July 4<sup>th</sup> Barbeque
- Approval of a Special Event Permit for the 2013 Big Bear Lake Troutfest to be held on October 5<sup>th</sup> & 6<sup>th</sup>
- Approval of a Special Event Permit for the 2013 Hobie Cat Regatta scheduled for September 28<sup>th</sup> & 29<sup>th</sup>

#### **CONSIDER APPROVAL OF PROPOSED RESERVE ACCOUNTS INVESTMENTS**

Mr. Heule reported that over the past two months the Budget & Finance Committee has reviewed District reserves needs and large projects timing. He explained that the outcome of this effort has identified how District reserves spending could occur over the next two years. He added that while some reserves must be available over the short term of three to six months, other reserves only need to be available on an annual basis such as the in-lieu payment to San Bernardino Valley Municipal Water District, therefore the Committee has explored a ladder type strategy for investing District reserves in federally insured certificate of deposits. He reported that they have met twice with Dick Shaw, vice President at Crowell Weedon & Company, to discuss CD investments and establish an account. Mr. Heule explained that CD's can be purchased in dollar amounts of up to \$250,000 and maturity periods of 3, 6, 9, 12, 18 and more months. He added that based on the Committees review of District finances they see the opportunity to invest up to \$3 million and still be able to provide sufficient operating funds to meet day to day expenses. He commented that the Committee also understands and is committed to maintaining the in-lieu money available annually if the need for using the reserves arises. He added that after the initial purchase of the CD investments the Committee would reinvest the money in order to maintain laddered maturities. He reported that as CDs mature the Budget and Finance committee would direct the General Manager how the next set of maturing CDs would be reinvested. Mr. Heule explained that a formal report of investment results will be provided the Board on a quarterly basis and the Committee will receive a monthly update of investment returns. He handed out a

Monthly Summary (copy attached). He reported that initially the Committee would like to invest \$3 million using the following formula.

- a. \$500,000 in six month CDs
- b. \$500,000 in nine month CDs
- c. \$1,000,000 in 12 month CDs and
- d. \$1,000,000 in 18 month CDs.

President Smith added that they were not really rate shopping explaining that the real reason for the proposed investment change is protection for the District that is not available from LAIF. Director Suhay reported that this was discussed at the last ACWA Conference. Director Lewis asked what name the CD's would be listed in. Mr. Heule explained that he will be the signor on the District account. Director Eminger complimented and thanked the Budget & Finance Committee for all their hard work.

Director Lewis moved approval of the proposed Reserve Accounts Investments. Director Suhay seconded the motion and it was unanimously approved.

### **PUBLIC FORUM**

No comments were made

### **ANNOUNCEMENTS**

Mr. Heule reported that the next Board meeting will be March 21, 2013. He announced that he has a meeting tomorrow with a realtor who wants to discuss the Districts intentions regarding the Trout Pond. He added that he will be meeting next week with Siri Eggebraten and Jim Miller from the Planning Department at the City of Big Bear Lake to discuss trails master plan issues related to the Trout Pond and Stanfield Marsh. He also has a meeting next week with the County of San Bernardino Public Works to discuss their design plans for rebuilding Stanfield Cutoff. Mr. Heule added that he has already forwarded to them the conceptual plans the District prepared for the SCRIP Project.

Mr. Stephenson commented on the upcoming Polar Plunge event explaining that he and other MWD employees raised over \$1,000 for the event. He added that 7 to 8 employees are participating in the plunge.

ET Russell, Big Bear Lake News, reported that many members of law enforcement are coming to the event as are some of the Globetrotters.

### **DIRECTOR COMMENTS**

President Smith reported that Stanfield Marsh Gazebo displays are faded and out dated and need to be replaced. He added that Staff needs to get prices for this work. Mr. Heule explained that it will be discussed at the next Facilities Committee meeting.

### **DISTRICT COUNSEL COMMENTS**

District Counsel Wayne Lemieux reported on the upcoming meeting of the Public Facilities Corporation (PFC). He explained that the PFC is a nonprofit public benefit Corporation organized to provide financial assistance to the District by acquiring and constructing various public improvements, and the acquisition of land and related facilities for the use and benefit of the public. He stated that the Corporation can issue certificates of participation and pay their bond holders. He added that last year we amended the by-laws. He explained that officers of the corporation are the same as the District Directors. He reported that the Board of Directors will

hold an annual meeting for the purpose of organization, selection of officers, and other business, and the upcoming meeting is for this purpose.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:47 P.M.

**NEXT MEETING**

Open Session at 1:00 P.M.  
Thursday, March 21, 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)

# **Big Bear MWD** As of March 7, 2013

	<u>Mar 7, 13</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1001-01 · General Checking Account	42,097.11
1001-03 · Payroll Checking Account	22,813.35
1001-04 · Wildlife Mitigation Account	4,382.67
1001-06 · CHARGE CARD CHECKING ACCT	1,350.86
1002-00 · Petty Cash	400.00
1002-01 · Change Fund	0.00
1003-00 · Money Mover Acct.- GF Savings	769,841.59
	<u>840,885.58</u>
1006-00 · COP 2003 Bank Accounts	
1006-01 · COP - 2003 Project Fund	499,735.51
★ 1006-02 · COP - 2003 Certificate Fund	0.00
1006-03 · COP - 2003 Reserve Fund	393,500.00
Total 1006-00 · COP 2003 Bank Accounts	<u>893,235.51</u>
1007-00 · LAIF Bank Accounts	
1007-01 · LAIF- Dam Repair fund	1,040,266.72
1007-02 · LAIF - Aquatic Plant Mgt. Fund	5,331.00
1007-03 · LAIF - Rathbun Creek (RDA)	639,589.50
1007-04 · LAIF - General Fund Reserves	261,539.99
1007-05 · LAIF - In-Lieu Water Fund	1,937,092.49
1007-06 · LAIF - Lake Improvement Fund	829,233.00
1007-07 · LAIF - Capital Improvement Fund	559,818.37
Total 1007-00 · LAIF Bank Accounts	<u>5,272,871.07</u>
1008-00 · Crowell Weedon Accounts	
1008-01 · CW- Money Market Acct	0.00
1008-02 · CW- 6 month Sept 11, 2013	0.00
1008-03 · CW- 9 month Dec 11, 2013	0.00
1008-01 · CW- 12 month March 11, 2014	0.00
1008-01 · CW- 18 month Sept 11, 2014	0.00
Total 1008-00 · Crowell Weedon Accounts	<u>0.00</u>
Total Checking/Savings	<u>7,006,992.16</u>
Total Current Assets	<u>7,006,992.16</u>
<b>TOTAL ASSETS</b>	<u><u>7,006,992.16</u></u>

★ Account used by US Bank when moving funds for payments.