

***MINUTES OF A SPECIAL MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, JANUARY 23, 2014***

CALL TO ORDER

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

DISCUSSION AND ACTION ON CLOSED SESSION ITEMS

President Murphy reported that there was no closed session at the January 9th meeting.

REPORTS

Mr. Heule reported that our proposed amendment to the in-lieu agreement has made significant progress both in detail and lower costs to Valley District. He explained that during the meeting Tuesday modeling results of 53 years of historic records indicate the average cost of the water to make this amendment happen is \$256 per acre foot. He added that this is very close to other programs Valley District has in place. He stated that there are still a few modifications that need to be made to the modeling. Mr. Heule explained that Valley would also like to see release rates in the term sheet increase closer to about 25 cfs from 15 cfs. He reported that this rate would more closely match Mutual's typical demand rate. He explained that to satisfy Valley's request for a higher release rate the District will need to modify the outlet works by up sizing the 6-inch bypass line to a 10 or 12-inch line with valve and flow meter. He reported that Valley indicated that they would cost share the expense of this modification. He added that one potential roadblock to this proposal identified during the modeling was that Valley can be in a situation where they are obligated to deliver water to Mutual but would not get credit in their Lake account because their accounts are full. Mr. Heule explained that this occurred once and only amounted to 19 acre feet but Doug Headrick indicated that he could not accept the plan if we could not resolve that specific issue. He reported that Don Evenson has an idea about how we can modify the term sheet to fix the problem adding that there are likely to be a couple other modifications that will be presented in the near future including allowances for fall releases at Lake levels lower than eight feet. He explained that one other aspect of the modeling results that everyone should be aware of is that out of the 53 years of record that was modeled, three years had lake levels a foot or less lower than they would otherwise be if the amendment is not implemented. He commented that this was caused by the advance of emergency storage after Valley's storage accounts had been depleted. Mr. Heule reported that also during the meeting Valley District indicated that although the Department of Water Resources has estimated that contractors will be getting 5% of their allocation in 2014, Valley is assuming that the actual number will be 0% unless something dramatic and unanticipated occurs. He added that Valley thinks that the only water they will get this year from north of Tehachapi will be their carryover

from last year. He explained that this situation might motivate them to finalize an amendment to the in-lieu agreement that would allow them to use their Lake account to offset the in lieu demands for Mutual. Mr. Heule reported that Crowell Weeden bought another \$250,000 CD for the District to replace one that was maturing. He explained that this new one with Compass Bank out of Birmingham, Alabama matures on July 29, 2015 and has an "excellent rate" of 0.35%. He reported that Kathy Bergmann at the ACOE is retiring the end of this month. He explained that this means that any additional credit for work in kind with the Corps study must be pretty much wrapped up within the next several days. He added that Mike Stephenson is working on a significant piece of this credit by tracking down costs and invoices for aquatic plant management consulting services that the District paid for in support of the Corps study.

Lake Manager Mike Stephenson reported that employment ads are out for clerk dispatch, ramp attendant, and lake patrol. He added that we have received over 35 applications already. Director Lewis asked if we were going to invite agency leaders to participate in the interview process like we did last year. Mr. Stephenson responded that we are going to do that again this season. He reported on a break in the aeration line. He explained that it was shut down and the line will be replaced in the next few days. He reported on a crisis with Department of Fish and Wildlife that may limit the amount of stocked fish we receive this year. He added that Mount Lassen Trout Farm had over 50,000 pounds of trout killed by a lightning strike so we can't purchase fish from them. He explained that Fish and Wildlife has contracted with other suppliers but he does not know how many fish we will be able to purchase for various fishing events. He added that our caged fish are in good shape and are worth a lot of money, but if he releases them he doesn't know how we will replace them. He reported that he is trying to get the Fishing Association back on board.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Special Meeting of January 9, 2014
- Warrant List dated January 16, 2014 for \$16,300.44

CONSIDER APPROVAL OF A PROPOSAL FOR TECHNICAL SERVICES ASSOCIATED WITH THE DESIGN, MONITORING AND REPORTING OF AN ALUM TREATMENT

Mr. Heule reported that he and the Lake Manager have had recent conversations with the TMDL Workgroup members about helping to fund an alum treatment in the Lake. He explained that the Regional Board wants the named parties to pursue an "in Lake" project and an alum application would satisfy that objective. He added that discussions with the City of Big Bear Lake, City Engineer indicate that San Bernardino County MS4 dischargers (flood control, sanitary sewer responsible agencies) have committed \$350,000 to help fund an alum treatment in Big Bear Lake. He stated that knowing that this level of interest was likely to come forward the Lake Manager asked Michael Anderson at the University of Riverside to draft a proposal for technical services associated with the design, monitoring and reporting of an alum treatment in the Lake

this summer (2014). Mr. Heule explained that this work will be necessary in order to gain the necessary permits and complete CEQA documents for the treatment. He added that the work will include both water and sediment sampling and analysis to develop an alum dosage and application plan, monitoring during the course of the application and finally an analysis after the treatment that measures its success. He reported that the objective of the treatment will primarily be to sequester soluble Phosphorous in the sediment so that it is no longer available to be released into the water column. He explained that sequestering Phosphorous in the sediment eliminates its availability as a nutrient for aquatic plants and algae in the Lake. He added that the application would also be timely in that the TMDL target compliance date occurs in 2015, just a year after the treatment would be completed. Mr. Heule reported that the cost for the proposed scope of work is \$29,400. He commented that in addition to the technical studies, additional costs would be associated with permitting and the CEQA document and are estimated not to exceed \$15,000 to \$20,000. He stated that the total cost of the actual alum application is estimated to be \$750,000. He reported that the Committee recommends that the Board of Directors approve the scope of work and cost described in the Michael Anderson proposal and that it get paid for with Lake Improvement Fund dollars. President Murphy asked if there was a chance of any other grant money for the project. David Lawrence, City of Big Bear Lake, reported that he doesn't see any more than the \$350,000 that has already been approved. Mr. Stephenson explained that some of the money in Michael Anderson's bid is for work to be completed after the alum treatment so if the treatment does not happen, that money would not be spent. He explained that the work that would be done would be helpful even if the alum treatment is not completed. Mr. Lawrence explained that if this is approved today by MWD, the City will contact the Regional Board for their approval.

Director Smith moved approval of a proposal for technical services associated with the design, monitoring and reporting of an alum treatment. Director Suhay seconded the motion and it was unanimously approved.

Mr. Heule stated that perhaps we should modify the motion to incorporate approval of the Regional Board as a condition of our approval.

Director Smith moved approval of a proposal for technical services associated with the design, monitoring and reporting of an alum treatment and commitment of \$400,000 of District funds to the project as long as the project is approved by the Regional Board. Director Suhay seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF AN EQUIPMENT AND OPERATION GRANT AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS AND THE BIG BEAR MUNICIPAL WATER DISTRICT, AND AUTHORIZING THE EXPENDITURE OF \$14,000 TO EQUIP THE NEW PATROL BOAT

Lake Manager, Mike Stephenson reported that the District's Lake Patrol 2 was originally purchased with Boating and Waterways grant funding in 1995 and is in need of being replaced. He explained that last fall the District applied for a grant to replace the patrol boat and it has been approved in the amount of \$80,000. He added that this amount covers the cost of the boat but not radios, light bar or scanner equipment, which should not exceed \$14,000. He commented

that, as with all of the other boats purchased with grant funds, this new boat will be aluminum chambered. He reported that he has already begun working on the specifications for the new patrol boat and if the Board approves executing the grant contract bids will be sought. Mr. Stephenson stated that staff recommends that the Board accept the grant from the Division of Boating and Waterways and authorize the General Manager to execute the contract. He added that staff also recommends that the Board approve an expenditure not to exceed \$14,000 to outfit the new patrol boat with radios, light bar and scanner equipment. He explained that the current fiscal year budget includes an allocation of \$14,000 in the Capital Replacement Budget for the necessary additional equipment for a new patrol boat. Director Suhay asked if we can keep the added equipment from the old patrol boat rather than returning it. Mr. Stephenson stated that we own it and will be keeping it but explaining that it is old and we will still want to purchase new equipment and store the old to use as backup if needed.

Director Eminger moved approval of an equipment and operation grant agreement with the State of California Department of Parks and Recreation, Division of Boating and Waterways and the Big Bear MWD, and authorizing the expenditure of \$14,000 to equip the new patrol boat. Director Suhay seconded the motion and it was unanimously approved.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule announced that the next Board meeting will be February 6th. He added that our next Workshop is scheduled for February 19th at 1:00 PM explaining that the agenda will be issues from the Operations Committee. He reported that he will be out of the office visiting family in North Carolina for a week from Thursday, February 26 through Tuesday, March 4. He added that the Redlands Bicycle Classic is asking for an event application for their bicycle race to be held April 3rd and also asking to again use the East Launch Ramp to stage the event.

DIRECTOR COMMENTS

Director Eminger commented that the workshop yesterday was good. Director Lewis complimented Mr. Stephenson on the positive article in the Grizzly Wednesday.

ADJOURNMENT TO CLOSED SESSION

The meeting was adjourned to Closed Session at 1:50 P.M under Government Code Section 54956.8 Conference with Real Property Negotiator, Scott Heule General Manager, concerning 440 Catalina, Big Bear Lake, California, APN #2328-202-15, #2328-202-08, #2328-291-27

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 2:09 P.M.
No reportable action.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:10P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, February 6, 2014
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA



Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

