

NOTE: If you wish to address the MWD Board of Directors during discussion of an agenda item, or during the PUBLIC FORUM, please complete a Speaker Request card (blue in color) and give it to the Board Secretary. Unless a detailed presentation of an agenda item is required by the Board of Directors, it is requested that each speaker limit comments to FIVE MINUTES. All testimony given before the Board of Directors is tape recorded.

A G E N D A
BIG BEAR MUNICIPAL WATER DISTRICT

BOARD OF DIRECTORS
Regular Meeting
August 4, 2011

PLACE: Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA 92315

Next Resolution Number: 2011-07

OPEN SESSION: 1:00 P.M.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. DISCUSSION AND ACTION ON CLOSED SESSION ITEMS**
- 4. REPORTS**
 - A. General Manager
 - B. Lake Manager
 - C. Legal
 - D. Committee
 - E. Other
- 5. CONSENT CALENDAR**
 - A. Minutes of a Regular Meeting of July 21, 2011
 - B. Warrant List dated August 1, 2011 for \$54,874.32
- 6. BUSINESS**
 - A. Consider approval of Consent to Assignment; lessor, lessee, and lender agreement; and estoppel statements
- 7. TOUR THE LAKE AND MWD FACILITIES**
- 8. PUBLIC FORUM**

(The Board will receive comments from the public on items not on the agenda; no action is permitted on these items. Time set aside not to exceed 30 minutes total by all participants)

9. ANNOUNCEMENTS

10. DIRECTOR COMMENTS

11. ADJOURNMENT

NEXT MEETING: Open Session at 1:00 P.M.
Thursday, August 18, 2011
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, JULY 21, 2011***

CALL TO ORDER

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

REPORTS

General Manager, Scott Heule reported that preparatory work for the old highway bridge demolition has begun. He explained that Flatiron Construction will prepare and install the plywood lined netting under the bridge decking and heavy timbers in the upstream side of the arches to protect and capture falling debris. He added that then the bridge railings will be removed with an excavator, basically just by pulling them over onto the old roadway. He stated that the current schedule has the demolition contractor beginning his work on August 24th. He commented that Flatiron anticipates the demolition work will be completed mid to late September. Mr. Heule reported that as part of the bridge demolition work, all electrical supply and control cables will be relocated through the new highway bridge to bays 10 and 7 on the east or south side of the dam. He added that Bob Ludecke continues to work closely with the contractor on that effort. He explained that the electrical should be completed by the time the demolition begins. Mr. Heule reported that Bear Valley Electric intends to underground their lines on Stanfield Cutoff. He added that they called the office a couple weeks ago asking if the District had immediate plans for constructing the SCRIP plan. He stated that, based on this information, President Suhay suggested that maybe we should revisit the idea and evaluate whether or not this is a good time to dust off the project and try to get it built. He explained that he has made preliminary contact with Tim Moore who has identified a number of hurdles we would need to jump through. He stated that he and Mr. Stephenson have also briefly discussed this adding that they will bring it to the Lake Improvement Committee in August.

Lake Manager, Mike Stephenson reported that they have finished the final weed applications this week. He commented that they have been very effective. He reported that they performed a little different treatment in the Mallard Lagoon area. He explained that it seemed to address that area's special needs adding that SePro Research wants him to write a paper on it. He reported that we received credit from SePro for the failure of the product from last year. Mr. Stephenson reported that staff started "Carping" and removed 2,800 pounds of Carp in just 2 days. He added that, along with what was removed during the Carp Roundup, a significant number of Carp have been removed from the lake. He reported that they started Trout Pond cleanup today with District staff. He commented that 23 tons of yard-waste was removed. He explained that they took out some of the stop logs dropping the water level a couple of inches adding that a lot of water is still flowing. He reviewed the latest limnological report explaining the dissolved oxygen and water temperatures. He explained that trout "stress" at 70 degrees and therefore they tend to migrate to the cooler areas of the lake. He added that you will only find Spiny Sculpin in most other areas

when the water temperatures reach over 70 degrees. He added that there are lots of nutrients on the bottom and he predicted that we will have an algae bloom this season. Mr. Stephenson reported that they are spending a good deal of time getting dead weeds out of the lake. He explained that they are using the harvester when they can. He added that some residents have been collecting the dead weeds themselves from the lake and transporting them to the District and then the District is taking them to the dump. He reported that staff is collecting full loads of trash daily at Stanfield and taking it to the dump. Director Murphy asked if the Stanfield area is easy to clean out. Mr. Stephenson explained that we used to be able to take the harvester in there but now is difficult to get into that area. Mr. Heule added that we clean it up (Stanfield) every day and it fills in again the same day.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of July 7, 2011
- Warrant List Dated July 14, 2011 for \$1,320,361.15
- Consider approval of proposal from Eadie and Payne, Certified Public Accountants, for the completion of the Annual Audit for the Year Ended June 30, 2011
- Consider approval of CSDA Board of Directors election

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT ESTABLISHING THE TERMS AND CONDITIONS FOR THE SALE OF "SLIVER" EASEMENTS

Mr. Heule reported that the Administrative Committee asked Wayne Lemieux to draft resolution language that could be used to address the disposition of sliver fills in the future. He explained the purpose for the Resolution is that from time to time, the District discovers small pieces of land (slivers) owned by the District abutting what would otherwise be private lakefront property. He stated that these slivers may have little value to the District or the public and as a result the District wishes to establish a procedure and policy for the disposition of slivers. He reported that after review of the draft resolution the Committee would like to add language stating that construction of a fence cannot be higher than four feet. He added that the resolution also describes how the District will address requests to purchase sliver fill easements in the future and how their value will be calculated. He reported that the Committee recommends that the Board approve the resolution on Sliver Fills. President Suhay commented that he would like to contact other property owners who might be interested in sliver fills. Director Fashempour stated that none of the property is going to be sold, just a sliver easement. Mr. Heule reported that there would be a lot of recordings and filings involved if we sold the property itself so we are going to sell a sliver easement. Director Fashempour asked what would be done with the money from the sale of the sliver easements. Mr. Heule stated that has not been discussed but it would most likely go into the Lake Improvement fund.

Director Eminger moved approval of a Resolution establishing the terms and conditions for the sale of "sliver" easements adding language stating that construction of a fence not more than four feet high. Director Murphy seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF A SLIVER FILL EASEMENT FOR WHEELER/HOLLYHOCK TRUST

Mr. Heule reported on the Wheeler/Hollyhock Trust Sliver Fill Easement. He stated that at a meeting held July 8th, the Administrative Committee reviewed the draft easement deed for a sliver fill between the Wheelers parcel adjacent to Pleasure Point Marina and the Lake. He explained that the 2204 square foot fill is not accessible to the general public and has no value to the District. He added that it can only be accessed across the adjacent private Wheeler parcel, APN 306-124-10. He commented that during a previous Committee meeting held on June 20th the Committee concluded the value of an easement for this sliver fill is \$15,111 (\$6.86 per square foot). He reported that the legal description provided by Wheeler was not accurate and excluded the easement parcel explaining that a new plat map and legal description of the easement parcel that will be used for the final recorded easement is being prepared for the District by Transtech-MAPCO. He added that MAPCO will prepare a new exhibit A & B and the deed will be revised accordingly and Wheeler will pay for it. The Committee recommends the Board approve the sale of an easement over this sliver fill to the Wheelers when the new information is received from Transtech-MAPCO.

Director Murphy moved approval of a sliver fill easement for Wheeler/Hollyhock trust for a cost of \$15,111 plus the cost of the new descriptions. Director Fashempour seconded the motion and it was unanimously approved.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule reported that he will be on vacation all next week. He stated that a meeting with DSOD and Caltrans will be scheduled the week of August 1 to discuss grouting plan at left abutment. He commented that the Staff Summer BBQ is tentatively scheduled for Sunday, September 11th, asking if that date works for the Directors.

DIRECTOR COMMENTS

Director Murphy reminded everyone of the upcoming Doo Dah Parade that takes place in Fawnskin.

ADJOURNMENT TO CLOSED SESSION

The meeting was adjourned to Closed Session at 1:48 P.M to:
Conference with Legal Counsel (2 cases):

Potential Litigation - BBMWD vs. City of Big Bear Lake DWP (eminent domain)

Potential Litigation - Conroy vs. BBMWD

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 4:01 P.M.

Potential Litigation - BBMWD vs. City of Big Bear Lake DWP. The decision was made to terminate the acquisition of the City of Big Bear Lake Department of Water and Power.

Potential Litigation - Conroy vs. BBMWD. No reportable action

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:02 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, August 4, 2011
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 Municipal Water District
 Computer & Manual Check Register
 Current and History Files, 07/14/11 to 07/30/11
 Account 10010-00-001, Sessions 000000 to 002368**

**Active Sessions (Not Included in Report)
 002197, 002313**

| <u>Check</u> | <u>Payment / Vendor Information</u> | <u>Ck Date</u> | <u>Prty</u> | <u>Invoice</u> | <u>Session</u> | <u>Reference</u> | <u>Amount</u> |
|---------------------------------------|--|----------------|-------------|----------------|----------------|--------------------------|-----------------|
| Checking Account: 10010-00-001 | | | | | | | |
| 149513 | APPLIE / Applied Best Practices | 07/21/11 | 2 | 20095 | 002363 | DWPAQUISIT | 351.00 |
| | | | | | | APPLIE Subtotal : | 351.00 |
| 149514 | CENTUR / CENTURY FORMS, INC. | 07/21/11 | 2 | 70138 | 002363 | PRINTINGOP | 841.40 |
| | | | | | | CENTUR Subtotal : | 841.40 |
| 149515 | FIELDM / Fieldman/Rolapp & Associates | 07/21/11 | 2 | 20096 | 002363 | DWPAQUISIT | 18312.15 |
| | | | | | | FIELDM Subtotal : | 18312.15 |
| 149516 | MILEHI / Mile High Equipment | 07/21/11 | 2 | 19055 | 002363 | EASTMAINT | 865.00 |
| | | | | | | MILEHI Subtotal : | 865.00 |
| 149517 | MWH / MWH America, Inc. | 07/21/11 | 2 | 1407442 | 002363 | GEN ENG | 634.56 |
| | | | | | | MWH Subtotal : | 634.56 |
| 149518 | | 07/21/11 | 2 | 1407443 | 002363 | WTRMSTRMTG | 6698.91 |
| | | | | | | MWH Subtotal : | 6698.91 |
| 149519 | | 07/21/11 | 2 | 1410569 | 002363 | WTRMSTRREP | 137.78 |
| | | | | | | MWH Subtotal : | 137.78 |
| 149520 | PERS / Public Employees' Retirement Syst | 07/21/11 | 2 | 0620115 | 002363 | PERS | 4376.16 |
| | | | | | | PERS Subtotal : | 4376.16 |
| 149521 | POWERP / POWER PRODUCTS UNLIMITED INC. | 07/21/11 | 2 | 0270697-IN | 002363 | HANDHELDS | 766.27 |
| 149521 | | 07/21/11 | 2 | 0271025-IN | 002363 | HANDHELDS | 500.00 |
| | | | | | | POWERP Subtotal : | 1266.27 |
| 149522 | TOMDOD / Tom Dodson & Associates | 07/21/11 | 2 | BB-145-2 | 002363 | PROFSVCS | 900.00 |
| | | | | | | TOMDOD Subtotal : | 900.00 |
| 149523 | VANTIN / JERALD VANTINE | 07/21/11 | 2 | 06272011 | 002363 | FACILMAINT | 330.00 |
| | | | | | | VANTIN Subtotal : | 330.00 |
| 149524 | WASTE / Solid Waste Management | 07/21/11 | 2 | 005193 | 002363 | FACILMAINT | 674.81 |
| | | | | | | WASTE Subtotal : | 674.81 |
| 149525 | ALIBER / Nick Aliberti | 07/24/11 | 2 | 07192011 | 002368 | PRINTINGOP | 525.00 |
| | | | | | | ALIBER Subtotal : | 525.00 |
| 149526 | ALLPRO / All Protection Alarm | 07/24/11 | 2 | 170163 | 002368 | FACILMAINT | 37.00 |

**Big Bear Municipal Water District
 Computer & Manual Check Register
 Current and History Files, 07/14/11 to 07/30/11
 Account 10010-00-001, Sessions 000000 to 002368**

**Active Sessions (Not Included in Report)
 002197, 002313**

| Check | Payment / Vendor Information | Ck Date | Prty | Invoice | Session | Reference | Amount |
|--------|---|----------|------|-----------|---------|--------------------------|----------------|
| | Co. | | | | | | |
| 149526 | | 07/24/11 | 2 | 170171 | 002368 | DAMMAINT | 129.00 |
| 149526 | | 07/24/11 | 2 | 170381 | 002368 | FACILMAINT | 147.00 |
| 149526 | | 07/24/11 | 2 | 170458 | 002368 | FACILMAINT | 33.00 |
| 149526 | | 07/24/11 | 2 | 170526 | 002368 | SHOPMAINT | 63.00 |
| 149526 | | 07/24/11 | 2 | 170638 | 002368 | FACILMAINT | 175.00 |
| | | | | | | ALLPRO Subtotal : | 584.00 |
| 149527 | ALTITU / ALTITUDE FINANCIAL PLANNING | 07/24/11 | 2 | 1256 | 002368 | DWPAQUISIT | 1500.00 |
| | | | | | | ALTITU Subtotal : | 1500.00 |
| 149528 | AVERY / W.B. AVERY | 07/24/11 | 2 | DOCK 003 | 002368 | DOCKREFND | 75.00 |
| | | | | | | AVERY Subtotal : | 75.00 |
| 149529 | BANKSU / BANK SUPPLIES | 07/24/11 | 2 | 111891380 | 002368 | RAMPSUPPLS | 212.18 |
| | | | | | | BANKSU Subtotal : | 212.18 |
| 149530 | BBDSPL / Big Bear Disposal | 07/24/11 | 2 | 256736 | 002368 | UTIL-MAIN | 296.86 |
| | | | | | | BBDSPL Subtotal : | 296.86 |
| 149531 | BMARIN / Big Bear Marina | 07/24/11 | 2 | 10311142 | 002368 | PETRO-BOAT | 1899.06 |
| 149531 | | 07/24/11 | 2 | 10311143 | 002368 | PETRO-BOAT | 1537.18 |
| | | | | | | BMARIN Subtotal : | 3436.24 |
| 149532 | BRISTO / RICHARD BRISTOL | 07/24/11 | 2 | 07092011 | 002368 | QUAGGA | 166.95 |
| | | | | | | BRISTO Subtotal : | 166.95 |
| 149533 | BUTCHR / Butcher's Block & Building Materi | 07/24/11 | 2 | 76798 | 002368 | WESTMAINT | 3.08 |
| 149533 | | 07/24/11 | 2 | 76997 | 002368 | JANITSUPPL | 12.91 |
| 149533 | | 07/24/11 | 2 | 77223 | 002368 | EQUIPMAINT | 4.70 |
| 149533 | | 07/24/11 | 2 | 77866 | 002368 | CREEKCAM | 11.81 |
| | | | | | | BUTCHR Subtotal : | 32.50 |
| 149534 | BVELEC / Bear Valley Electric | 07/24/11 | 2 | 07132011 | 002368 | UTIL-RAMPS | 157.38 |
| | | | | | | BVELEC Subtotal : | 157.38 |
| 149535 | BVPRIN / Bear Valley Printing | 07/24/11 | 2 | 80992 | 002368 | PRINTING | 107.75 |
| | | | | | | BVPRIN Subtotal : | 107.75 |
| 149536 | COMPVI / Computer Village | 07/24/11 | 2 | 122221 | 002368 | COMPMAINT | 100.00 |
| | | | | | | COMPVI Subtotal : | 100.00 |
| 149537 | CYGNET / CYGNET ENTERPRISES, INC | 07/24/11 | 2 | 5399 | 002368 | AQUASDOCKS | 3010.46 |

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|--------|---|----------|------|------------|---------|--------------------------|----------------|
| | | | | | | CYGNET Subtotal : | 3010.46 |
| 149538 | KIRCH / RICHARD KIRCHNAVY | 07/24/11 | 2 | 07192011 | 002368 | PERMIT | 90.00 |
| | | | | | | KIRCH Subtotal : | 90.00 |
| 149539 | MCENTI / SHAWN MCINTIRE | 07/24/11 | 2 | 6712 | 002368 | PERMIT | 75.00 |
| | | | | | | MCENTI Subtotal : | 75.00 |
| 149540 | MCMSTR / McMaster-Carr Supply Co. | 07/24/11 | 2 | 90147114 | 002368 | BBMAINT | 17.12 |
| | | | | | | MCMSTR Subtotal : | 17.12 |
| 149541 | MERITO / Merit Oil Company | 07/24/11 | 2 | 142749 | 002368 | QUAGGAKERO | 301.13 |
| | | | | | | MERITO Subtotal : | 301.13 |
| 149542 | PERS / Public Employees' Retirement Syst | 07/24/11 | 2 | 07113 | 002368 | PERS | 4882.71 |
| | | | | | | PERS Subtotal : | 4882.71 |
| 149543 | PITNY / PITNEY BOWES (RENTAL) | 07/24/11 | 2 | JULY2011 | 002368 | POSTAGE | 121.00 |
| | | | | | | PITNY Subtotal : | 121.00 |
| 149544 | QUILL / Quill Corporation | 07/24/11 | 2 | 5429694 | 002368 | OFFICSUPPL | 78.78 |
| 149544 | | 07/24/11 | 2 | 5459767 | 002368 | OFFICSUPPL | 196.53 |
| 149544 | | 07/24/11 | 2 | 5460333 | 002368 | OFFICSUPPL | 36.97 |
| | | | | | | QUILL Subtotal : | 312.28 |
| 149545 | SQUEEG / Squeegee Clean Window Service | 07/24/11 | 2 | 07132011 | 002368 | FACILMAINT | 50.00 |
| | | | | | | SQUEEG Subtotal : | 50.00 |
| 149546 | SWSTGS / Southwest Gas Corp | 07/24/11 | 2 | 07182011A | 002368 | UTIL-MAIN | 12.15 |
| 149546 | | 07/24/11 | 2 | 07182011B | 002368 | UTIL-RV | 23.60 |
| | | | | | | SWSTGS Subtotal : | 35.75 |
| 149547 | TASC / TASC | 07/24/11 | 2 | 3100112167 | 002368 | MEMBERSHIP | 600.00 |
| | | | | | | TASC Subtotal : | 600.00 |
| 149548 | TUTTLE / John Tuttle | 07/24/11 | 2 | 07112011 | 002368 | PHONE-CELL | 50.00 |
| | | | | | | TUTTLE Subtotal : | 50.00 |
| 149549 | UPS / UPS | 07/24/11 | 2 | F33Y11291 | 002368 | SHIPPING | 40.85 |
| | | | | | | UPS Subtotal : | 40.85 |
| 149550 | | 07/24/11 | 2 | F33Y11281 | 002368 | SHIPPING | 416.50 |
| | | | | | | UPS Subtotal : | 416.50 |

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|--|--|----------------|--------------|----------------|----------------|------------------|-----------------|
| 149551 | VALERO / Valero Marketing and Supply Co. | 07/24/11 | 2 | 07202011 | 002368 | PETRO-AUTO | 1388.08 |
| VALERO Subtotal : | | | | | | | 1388.08 |
| 149552 | VERIZO / Verizon California | 07/24/11 | 2 | 07132011 | 002368 | PHONE-MAIN | 46.99 |
| VERIZO Subtotal : | | | | | | | 46.99 |
| 149553 | VERWIR / VERIZON WIRELESS | 07/24/11 | 2 | 0993515875 | 002368 | PHONE-CELL | 333.20 |
| VERWIR Subtotal : | | | | | | | 333.20 |
| 149554 | WINZER / Winzer Corporation | 07/24/11 | 2 | 3998148 | 002368 | SHOPMAINT | 521.35 |
| WINZER Subtotal : | | | | | | | 521.35 |
| Total For Check Account: 10010-00-001 | | | | | | | 54874.32 |
| Check Register Total : | | | | | | | 54874.32 |

**BIG BEAR MUNICIPAL WATER DISTRICT
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: August 4, 2011

AGENDA ITEM: 6A

SUBJECT:

CONSIDER APPROVAL OF CONSENT TO ASSIGNMENT; LESSOR, LESSEE, AND LENDER AGREEMENT; AND ESTOPPEL STATEMENTS

RECOMMENDATION:

The General Manager and the Administrative Committee (Directors Suhay & Eminger) will provide further information and a possible recommendation at this meeting.

DISCUSSION/FINDINGS:

The Consent to Assignment will allow Big Bear Marina to borrow funds from First Mountain Bank using marina operations as security. In the event of default, the Bank has the right to step in and continue the operations. During the Administrative Committee Meeting held on July 28th the Committee expressed some concerns regarding the wording of the assignment due to the fact that Greg Boll and Deborah Hull's names are listed as the assigned interest in the permit and both are deceased. Because of this the Committee asked to see a copy of the Big Bear Marina LLC documents before a recommendation can be considered. The Committee also asked District Counsel Wayne Lemieux whether the District can withhold consent to transfer to another assignment by the bank if foreclosure occurs. Counsel will research this and advise. When this information is received, the Committee will evaluate the new information and possibly make a recommendation at the Board meeting.

OTHER AGENCY INVOLVEMENT: None

FINANCING: None

Submitted by: Scott Heule, General Manager