

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
June 2, 2011

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

Next Resolution Number: 2011-04

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 May 19, 2011
 - B. Warrant List Dated May 25, 2011 for \$178,409.67
 - C. Consider approval of a Special Event Permit for USARC (United States Adaptive Recreation Center) Summer Program to be headquartered at B's Backyard BBQ on various weekday dates throughout the summer months
- 6. BUSINESS**
 - A. Review and discuss FY 2011-2012 District Budget
 - B. Consider approval of the Special Event Permit for Big Bear Jazz Trax on the lake to be held June 24, 25, 26

7. 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)

8. ANNOUNCEMENTS

9. DIRECTOR COMMENTS

10. ADJOURNMENT

NEXT MEETING: Open Session at 1:00 P.M.
Thursday, June 16, 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, MAY 19, 2011***

CALL TO ORDER

President Suhay called the Open Session to order at 1:00 PM. Those in attendance included 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 he received a call from Raina Fulton, our ACOE Project Manager, and an e-mail message from Walter Yep that our project got an additional \$250,000 funding through the balance of this current federal fiscal year. He explained that according to Ms. Fulton this means that they will be able to do a little more work on finishing the F4 than they expected. He reported that the DWP is challenging the amount of a City road impacts charge. He explained that it is intended to pay for the impacts of the DWP's heavy equipment on the City's paved streets. He commented that evidently they have not charged the fee in the past and can only charge the fee to City departments. Mr. Heule explained that Steve Foulkes has spent a lot of time with spreadsheets and vehicle mileage etc. to attempt to show the City has miscalculated the cost. He reported that Mr. Foulkes calculates the cost at only \$104,667 while Kathleen Smith at the City says the fee should be \$132,876. He explained that they will be presenting their FY 2011-12 Budget in a workshop at the City on June 13 adding that they have not decided how they are going to address this road impact fee in their budget. Mr. Heule reported that at the last meeting he mentioned that the DWP was having their semi-annual Technical Review Team or TRT meeting to review their water supply and management strategy. He explained that the Commissioners discussed the results of the TRT meeting at their Board meeting this past Tuesday and they asked Staff to prepare a resolution for consideration at their next Board meeting that would lift the Water Shortage Emergency in all service areas except Lake William. He added that if the resolution is approved there would be no limitations on new connections, and they might increase the allowable turf area to increase from the current 500 square feet to 1000 square feet. He reported that all regular conservation measures would remain in place and the current moratorium on new water service connections in Lake William would remain in place. Mr. Heule reported that in order to develop a post acquisition Lake Management organization chart to recommend to the Board, we have been meeting and discussing issues with DWP senior staff members. He added that on Wednesday interim General Manager Dani McGee met with Carrie Shirreffs and Victoria Moore to discuss the various accounting necessary for District operations. He explained that it appears that some of our regular processes, like dock fee billing and management, might be suitable for transitioning to the DWP's regular utility billing software. Mr. Heule reported that based on the current feedback we are getting, it appears that DWP employees are mostly okay with moving from SBCERA to CalPERS, however the social security participation is not being well received. He explained that they have engaged David Aladjem, at the law firm Downey Brand in Sacramento, to come up with an alternative for consideration. He reported that based on preliminary conversations it appears one solution might involve LAFCO. He stated that Wayne Lemieux has indicated he would be in touch with Mr. Aladjem to discuss this matter. Mr. Heule reported that one of the pieces needed to move forward with eminent domain proceedings is to secure an inventory of

DWP supplies, equipment, facilities, real property, and easements. He explained that we have already received a water system infrastructure inventory that was complete as of 2006. He stated that updates to the 2006 data are being made by the Water Superintendent based on construction project records. He reported that DWP is working on the real property inventory and other inventory pieces are also being compiled or will be compiled by the later part of June. He added that they have indicated that compilation of an easement inventory will be very difficult and complex due to the age of the system and poor records available. Mr. Heule explained that as we have been going through this process it has become apparent to him that the District might want to update and memorialize some of its personnel policies. He added that these would include what level of insurance and type of coverage the District provides (health, dental, life, buy-out of unused comp time, vacation time, and Christmas time office closure schedule). He stated that this information will be presented to the Administrative Committee.

Lake Manager, Mike Stephenson reported on the May Trout Classic that took place this last weekend. He commented that participation was down to somewhere between 383 and 402 fishermen (they usually get 500). He added that a local young man, Jason Marshall who happens to be on the baseball team that he coaches, took third place. He added that through the years this event has stocked over 222,000 pounds of fish. Mr. Stephenson reported that the "bus stop" at the East Ramp (the Quagga inspection station shelter) is ready to go in and will be installed before Memorial Day weekend. He explained that we are fully staffed now adding that we had the beginning of the season breakfast and staff training on Wednesday, May 11th. He reported that the ramps were closed yesterday due to inclement weather adding that we accommodated a boater by having staff open the ramp at the administration office (Big Bear Marina). He commented that the lake has been at 0' 0" down from full for several weeks now. He reported that he has been working with Caltrans explaining that the electrical conduit is in and the cement sidewalk poured at the new bridge. He stated that it was discovered that the culvert pipe that was to go down the canyon for the discharge of water couldn't be placed as planned so they are working on other ways to route the water adding that there will be more to be told on this in the near future. President Suhay asked about the sizes of the conduits. Mr. Stephenson explained that they are two 5" and five 2.5" manifolded at each end. He added that Bob Ludecke is working with them on electrical.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of May 5, 2011
- Minutes of a Special Meeting Workshop of May 3, 2011
- Warrant List Dated May 12, 2011 for \$81,502.25
- Authorizing the General Manager to secure a consulting service to compare and contrast salary & wages and review the DWP MOU and the MWD Employee Handbook

CONSIDER AUTHORIZING STRADDLING YOCCA CARLSON & RAUTH (BOND COUNSEL) TO PROCEED ON DWP WATER SYSTEM ACQUISITION FINANCING SERVICES

Mr. Heule reported that the proposal from Stradling Yocca Carlson & Rauth (bond counsel) recommended by District Counsel Wayne Lemieux, was reviewed by the Committee. He explained that the scope of services were discussed as well as the fees and costs which will be a fixed fee of not-to-exceed \$45,000 for the services described in paragraphs 1, 2, and 3 of the

Scope of Services and in addition a fixed fee of not-to-exceed \$40,000 for the service described in paragraph 4 (see attached). He added that their fees would be contingent on completion of the financing and would be payable from the proceeds of the financing. Mr. Heule reported that the tasks proposed are included as described by paragraphs 1 through 5. He stated that paragraph 1 involves advising the District with respect to the process for the proposed water system acquisition financing. He explained that paragraph 2 describes the preparation of a tax opinion that interest earned on the debt is exempt from taxes. He reported that paragraph 3 describes assistance, if needed, to form the District financing corporation to assist in implementing the financing. He added that paragraph 4 describes the assistance to be provided in preparation of the official statement, and in Paragraph 5 advice will be given the District with respect to the financial aspects only of the proposed eminent domain action. District Counsel Wayne Lemieux explained that the proposal meets industry standards and he recommends we engage them as bond counsel. President Suhay commented that several other agencies in the valley (the Fire Department for example) have hit a brick wall because of employee negotiations so are we putting the cart before the horse? Mr. Lemieux stated that employee negotiations have nothing to do with this. President Suhay commented that if this acquisition doesn't fly we are charged no money.

Director Fashempour moved approval of authorizing Straddling Yocca Carlson & Rauth (Bond Counsel) to proceed on DWP Water System Acquisition Financing Services. Director Smith seconded the motion and it was unanimously approved.

CONSIDER AUTHORIZING FIELDMAN ROLAPP & ASSOCIATES TO PROCEED ON FINANCIAL ADVISOR SERVICES ASSOCIATED WITH FINANCING THE ACQUISITION OF THE DWP WATER SYSTEM

Mr. Heule reported that the Administrative Committee discussed the need for a financial advisor to coordinate the acquisition. He added that the District has an existing relationship with Joshua Lentz of Fieldman Rolapp & Associates and a proposal was requested and received (see attached). He explained that the fees for Phase I & II will be a not-to-exceed amount of \$20,000 (exclusive of all actual expenses incurred). He added that Phase III of the scope of work will be billed at the amounts set forth on page 11 of the proposal and will be contingent on and payable at the closing of the debt issues and Phase I Scope of Work will include review of the District financial status and policy update/development. He reported that Phase II will involve special assignments as directed by the District and identification of the District's objectives. He added that Phase III will include bond financing transaction management. District Counsel Wayne Lemieux explained that the financing is fairly simple adding that he recommends Fieldman Rolapp. Mr. Heule explained that this is an expense on an interim basis and if the acquisition doesn't take place the District still owes them the money. President Suhay asked again if this is a necessary step to take at this time. Mr. Lemieux stated that we need this information and it is necessary. Director Eminger commented that the District is going step by step and not rushing into it. Director Smith explained that they seem to have a good track record as well as Wayne Lemieux's recommendation. Mr. Lemieux explained that they will be looking at the quality of MWD management as well as DWP staff and state law is such that they cannot perform this work on a contingency basis.

Director Smith moved approval of authorizing Rieldman Rolapp & Associates to proceed on Financial Advisor Services associated with financing the acquisition of the DWP Water System. Director Fashempour seconded the motion and it was unanimously approved.

CONSIDER ADOPTION OF RESOLUTION 2011-03 THAT WOULD IMPLEMENT THE MEYERS-MILIAS-BROWN ACT, GOVERNMENT CODE SECTIONS 3500-3511 AND AMEND RESOLUTION NO. 2006-13 (ADMINISTRATIVE CODE TO PROVIDE PROCEDURES FOR ADMINISTRATION OF EMPLOYER-EMPLOYEE RELATIONS)

Mr. Heule reported that the proposed Resolution, if adopted, would implement the Meyers-Milias-Brown Act, Government Code Sections 3500-3511, and amend District Resolution No. 2006-13 (Administrative Code) to provide procedures for administration of employer-employee relations. He explained that in contemplating acquisition of the DWP, which employees are represented by a union, the District would use the procedures in the resolution to negotiate and potentially prepare a transitional MOU with employees at the DWP. He commented that the District currently has no procedure in place to address this issue. Mr. Lemieux reported that this does not unionize employees explaining that it is a procedural issue. Mr. Heule explained that Christine Carson of Lemieux & O'Neill reported that the MWD employees would not be obligated to join the union and there would be no automatic membership just because we acquire DWP; they can be separate units. President Suhay asked if the DWP employees could opt out of the union after the acquisition. Mr. Lemieux stated that we would want to talk about that when it happens and not at this time. Director Smith asked if we want to go ahead with this Resolution if the acquisition doesn't happen. Mr. Lemieux stated that he believes we should explaining that if an employee union were to come in then we would want this in place. Mr. Heule commented that at this time it does not appear that MWD would have the votes to go union.

Director Smith moved approval of adoption of a Resolution that would implement the Meyers-Milias-Brown Act. Director Eminger seconded the motion and it was unanimously approved

PUBLIC FORUM

Mr. Larry Cooke asked if the second Trout Pond Workshop was scheduled. President Suhay stated that it will be scheduled for early in June. No other comments were made.

ANNOUNCEMENTS

Mr. Heule asked if the Directors wanted to reschedule the lake tour that was cancelled due to inclement weather. President Suhay stated that he would rather wait until Director Murphy returns from vacation.

DIRECTOR COMMENTS

No comments were made

ADJOURNMENT TO CLOSED SESSION

The meeting was adjourned to Closed Session at 1:46 P.M to:
Conference with Legal Counsel
Potential Litigation – Conroy v. BBMWD

RECONVENE TO OPEN SESSION

The meeting was reconvened to Open Session at 2:00 P.M.
No reportable action.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:01 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, June 2, 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)

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION

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DOUGLAS S. BROWN
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May 11, 2011

Mr. Scott Heule, General Manager
Big Bear Municipal Water District
40524 Lake View Drive
Big Bear, California 92315

Dear Mr. Heule:

We thank you for the opportunity to represent the Big Bear Municipal Water District as bond counsel for the proposed water system acquisition financing. As is traditional for bond counsel matters, our fees would be contingent on completion of the financing and would be payable from the proceeds of the financing. Unless otherwise confirmed in writing, the terms of this letter and the enclosed Terms of Retention will govern our special counsel representation of you in connection with the matters identified above.

We are attaching our normal Terms of Retention, which is an integral part of our retention agreement. If this letter, including the attached Terms of Retention, accurately reflects your understanding of our relationship, please acknowledge your approval and acceptance of these terms by signing and returning this letter to me. Copies of each are enclosed for your files. I would be pleased to answer any questions you might have.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH

Douglas S. Brown

cc: Wayne Lemieux, General Counsel

Enclosure

The undersigned hereby agrees that the terms and conditions in this letter and the accompanying Terms of Retention shall apply to services rendered by Stradling Yocca Carlson & Rauth.

BIG BEAR MUNICIPAL WATER DISTRICT

By: _____
General Manager

STRADLING YOCCA CARLSON & RAUTH

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TERMS OF RETENTION OF STRADLING YOCCA CARLSON & RAUTH

1. **Fees and Costs.** Stradling Yocca Carlson & Rauth (the "Firm") is compensated for its services based primarily on the value of the services and the time spent performing them. The scope of services currently contemplated for this matter is attached on Exhibit A. The parties acknowledge that given the unique nature of the proposed transaction such scope of services maybe modified from time-to-time to assist the District in accomplishing the transaction.

Such compensation may include the time spent on client conferences, travel, research, drafting documents, and other activities. The amount of fees charged on a statement is determined by the hours expended by the different attorneys and other professional personnel involved and the applicable rates. **Notwithstanding the foregoing, we have agreed to a fixed fee of not-to-exceed \$45,000 for the services described in paragraphs 1, 2 and 3 of the attached Scope of Services. In addition, we have agreed to a fixed fee of not-to-exceed \$40,000 for the service described in paragraph 4 of the attached Scope of Services. Because of the uncertainty related to the amount of time to be spent on the scope of services described in paragraph 5, we have not been able to set a not-to-exceed amount on these services at this time. We will agree to such an amount at a future date as requested by the District.**

The firm also charges for various costs such as copying, telephone charges, computerized legal research, word processing and/or other computer time, overtime costs, messenger services, travel, filing fees and other costs. Bills for some costs are passed on directly, such as bills for certified shorthand reporters, technical consultants, and other professional fees. **For bond counsel matters, expenses are included in the fixed amount quoted to you as described above.**

2. **Termination by Us.** We reserve the absolute right to withdraw from representing you if, among other things, you fail to honor the terms of our agreement, you fail to cooperate fully or follow our advice on a material matter, or any fact or circumstance occurs that would, in our view, render our continuing representation unlawful or unethical. If we elect to withdraw, you will take all steps necessary to free us of any obligation to perform further services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on your behalf. Notwithstanding the foregoing, no portion of any contingent bond counsel fee shall be payable in the event we terminate our representation of you as discussed above prior to closing of the proposed transaction. If necessary in connection with litigation, we would request leave of court to withdraw.

3. **Termination by District.** We understand that we serve at the pleasure of the District and this Agreement may be terminated by the District at any time, upon 10 days written notification

with or without cause. In the event that our services are terminated prior to completion of the financing, no portion of any contingent bond counsel fee shall be payable to us.

4. **Date of Termination.** Our representation of you will be considered terminated at the earlier of: (i) your termination of our representation; (ii) our withdrawal from our representation of you; or (iii) the substantial completion of our substantive work for you.

5. **Related Activities.** If any claim or action is brought against us or any personnel or agents of the firm based on your negligence or misconduct, or if we are asked to testify as a result of our representation of you or must defend the confidentiality of your communications in any proceeding, you agree to pay us for any resulting fees, costs, or damages, including our time, even if our representation of you has ended.

6. **No Guarantee of Outcome.** The Firm will provide its services consistent with the level and quality of expertise expected of a nationally recognized firm specializing in securities law and the transactions contemplated by this agreement. We do not and cannot guarantee any outcome in a matter.

7. **Insurance.** We hereby advise you that this firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to you.

8. **Client.** This firm's client for the purpose of our representation is only the person or entity identified in the letter accompanying these Terms of Retention. Unless expressly agreed, we are not undertaking the representation of any related or affiliated person or entity, nor any parent, brother-sister, subsidiary, or affiliated corporation or entity, nor any of your or their officers, directors, agents, or employees.

9. **Payment Notwithstanding Dispute.** In the event of any dispute that relates to our entitlement to any payment from you, all undisputed amounts shall be paid by you. Any amounts in any client trust account held on your behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

10. **Primary Attorney.** The primary attorney with responsibility for this representation will be Douglas S. Brown. The parties agree that the Firm is being retained based on the unique skill, experience, and expertise of Mr. Brown and no change will be made in the primary attorney without the prior, written consent of the District. The Firm will not substitute another primary attorney without the prior, reasonable, approval of the District.

EXHIBIT A

SCOPE OF SERVICES

As Bond Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation (the "Firm"), will undertake the following Scope of Services:

1. Advise the District with respect to the process for the proposed water system acquisition financing, including but not limited to advice and consultation with Fieldman, Rolapp & Associates, the District's financial advisor, the General Manager, General Counsel and the Board of Directors regarding the financing process; prepare all legal proceedings in connection with the proposed financing, including but not limited to: (i) drafting various resolutions, documents and agreements for consideration by the Board of Directors of the District and any financing corporation; (ii) providing legal opinions on the validity of any financing documents; and (iii) participating in meetings, hearings or negotiations with District staff and the Board of Directors, as the circumstances require.
2. In addition to the preceding paragraph, the Firm will render a tax opinion that interest earned with respect to the District's debt obligation is exempt from State and Federal taxes and prepare final closing documents to be executed by the District to effect delivery of any financing (including the tax certificate) and coordinate the adoption and execution of all documents and of the closing.
3. If necessary, form the District financing corporation to assist in implementing the financing.
4. Assist the District in preparation of a preliminary official statement, including but not limited to information with respect to the District, its financial operations and system information; assist the District in preparation of a final official statement; preparation of a continuing disclosure certificate as required by federal securities laws.
5. Advise the District with respect to the financial aspects only of the proposed eminent domain action, including but not limited to review of the existing City of Big Bear Department of Water and Power debt documents, the assignment of certain existing and pending loans and other related matters.



**2011 STATEMENT OF QUALIFICATIONS
FOR
FINANCIAL ADVISOR SERVICES**

May 12, 2011



BIG BEAR MUNICIPAL WATER DISTRICT



There is no substitute for experience.

May 12, 2011

Mr. Scott Heule
General Manager
Big Bear Municipal Water District
P.O. Box 2863
Big Bear Lake, CA 92315

Re: **Statement of Qualifications for Financial Advisor Services**

Dear Mr. Heule:

We are pleased to submit this statement of qualifications for financial advisor services Big Bear Municipal Water District (hereafter, "District") for financial advisor services.

Fieldman, Rolapp & Associates ("FRA") is the right advisor for the District:

- ✓ We have a long history of successful service to California municipalities, with an emphasis on water and wastewater enterprises, and have been providing independent financial advice to our clients for over 44 years.
- ✓ We provide professional depth including experienced, skilled staff members, located nearby, who know the District and can immediately begin working on District matters.
- ✓ We have direct, relevant experience in matters important to District. Our firm has advised numerous water agencies in connection with the successful development and implementation of financial plans and the structuring, restructuring, and execution of water and wastewater debt.
- ✓ We are the most experienced financial advisor for water and wastewater financing in California. Since 2008, we have advised on 53 water/wastewater transactions for agencies similar to the District totaling over \$2 billion in par amount of obligations sold.
- ✓ We have the resources, both human and technical, to devote immediately to the needs of the District.

We have reviewed the District's financial position and the existing debt of the City's water enterprise and prepared a statement of qualifications we believe addresses District's needs. We are confident that we would bring an unparalleled depth of knowledge and experience that will provide the District with extraordinary service which would best meet the District's needs and objectives.

Respectfully submitted,

FIELDMAN, ROLAPP & ASSOCIATES

A handwritten signature in black ink, appearing to read "Robert A. Porr", is written over a light blue circular stamp.

Robert A. Porr
Senior Vice President



TABLE OF CONTENTS

1.	STATEMENT OF EXPERIENCE	1
2.	SCOPE OF WORK	6
3.	FEE SCHEDULE	11
4.	PROPOSED STAFFING AND PROJECT ORGANIZATION	12
5.	REFERENCES	15



1. STATEMENT OF EXPERIENCE

Fieldman, Rolapp & Associates ("FRA" or the "Firm") is a full service, independent, financial advisor focused on California public finance. We began business in 1966 and have a long history of successful service to California municipalities. Since 1966 FRA has emphasized water and wastewater enterprises as a core business practice.

Fieldman, Rolapp & Associates concentrates its consulting activities in four primary areas: capital finance transaction management, investment of capital funds, derivative advisory services and the planning, management and policy development required to support the capital formation process. By concentrating on the client's overall needs, the Firm is equipped to provide topical, useful consulting services to its clients on all aspects of the capital process.

As an independent advisor, FRA neither underwrites bonds nor has a relationship, direct or otherwise, with any municipal bond underwriter, broker/dealer or financial institution. The Firm represents public entities and non-profit organizations only. We do not accept engagements representing developers or other private, for profit enterprises.

We have a staff of 20 employees (13 financial advisors), all based in Irvine, readily available to our clients spread throughout California. Through our Employee Stock Ownership Program (ESOP), our employees, as beneficial owners of the Firm, participate in an ownership culture. Each of us has a strong interest in being efficient and providing responsive service to each client on each and every assignment.

Our professionals come from a broad range of backgrounds, from law to public administration, real estate development and investment banking. We include senior managers of our Firm on every project team as Engagement and Project Managers to ensure that every engagement has a high priority and resources are committed to ensure responsiveness and accuracy.

Our goal is to provide sound, unbiased, and creative consulting services to Big Bear Municipal Water District ("District"). Our experience has proven to us that this mission is best accomplished through interaction with our client through multiple levels and by assigning professional staff with a variety of talents. We propose to assign the team described in Section 4, each of whom will assume different duties and responsibilities. Using a team approach assures the District that several individuals will be familiar with the District's needs and requirements. This approach offers superior service, better turnaround times and more efficient use of the District's staff time.

The water practice at Fieldman, Rolapp is diverse because water and water related transactions are pervasive throughout the Firm. Robert Porr, a Senior Vice President with the Firm, will be the Firm's engagement manager. Mr. Porr specializes in water and wastewater transactions and advises most of the Firm's utility clients. Mr. Darryl Street, Vice President, will serve as project manager for all District's assignments. Mr. Street has worked with Mr. Porr on numerous water transactions. Mr. Porr and Mr. Street will be assisted by Mr. Josh Lentz, Assistant Vice President, and Ms. Ruth Matthews, Senior Associate. All four members of our team will be available daily to District staff.

In 2008, 2009, 2010, and 2011 Fieldman, Rolapp & Associates advised on 53 financings secured by water, or wastewater revenues, totaling in excess of \$2 billion in par amount of obligations. The majority of these transactions, which include revenue bonds and certificates of participation, have been secured by senior pledges of water or wastewater revenues.

FRA leads all other financial advisory firms in completing water and water-related financings for California entities (both special districts and California cities with water enterprises.) The table below demonstrates our rankings based upon the number of issues completed over the last five years.



**TOP 10 CALIFORNIA FINANCIAL ADVISORS FOR WATER & WASTEWATER FINANCINGS
 5 YEARS**

Financial Advisor	Issues Completed (Sole FA)	Market Share	Par Amount (US\$ mil)	Issues Completed (Co-FA)
FIELDMAN, ROLAPP & ASSOCIATES	91	31%	3,019.9	0
Public Financial Management	54	19%	3,050.5	4
Public Resources Advisory Group	49	17%	4,406.7	17
Montague DeRose & Associates	23	8%	3,194.8	12
Bartle Wells Associates	16	6%	573.1	0
KNN Public Finance	16	6%	650.1	22
Urban Futures Inc	15	5%	289.6	0
Northcross Hill & Ach	11	4%	264.3	0
Del Rio Advisors	8	3%	181.2	0
FirstSouthwest	7	2%	402.3	0
TOP 10 TOTALS	290		16,032.7	55

Source: Thomas Reuters on Demand, December 10, 2010

We believe that the number of transactions and assignments that we have completed and the diversity of our clients have given our professionals a better understanding of the business side of the municipal water industry. It is this understanding which permits us to approach challenges with practicality and develop effective financial advice.

Our analytical experience is best applied by combining the strengths of our professionals that have been involved in: (1) investment banking, trading and underwriting, (2) quantitative analyses, and (3) cash management services. Each member of the team assigned to this assignment is proficient in the use of the most commonly used word processing, spreadsheet and financial programs. Our software includes spreadsheet programs compatible with any which may be used by District.

Our team, steeped in years of experience in assisting numerous local agencies in making policy decisions, will make the issues and recommendations clear and concise for District's policymakers. After identifying needs and developing suggestions into real-world solutions, (in all facets) we believe in recommending a course of action for consideration by policymakers.

In addition to our transactional experience, we have served a wide range of clients in the planning, management and policy development required to support the financial process and implementation of long term capital plans. Over the last three years we have assisted a number of municipal agencies with policy development and review.



The table below illustrates some of our most recent efforts in the development of new or the review/enhancement of existing policies for our water district clients.

WATER DISTRICT	RESERVE POLICY	DEBT MANAGEMENT POLICY	BUILD AMERICA BONDS POLICY	SWAP POLICY	INVESTMENT POLICY
Eastern Municipal				✓	
Western Municipal	✓	✓		✓	
Rancho California		✓		✓	
Olivenhain Municipal		✓			✓
Orange County					✓
Castaic Lake Water Agency	✓		✓		✓
District Consolidated Water District	✓				
Santa Ana Watershed Project Authority	✓	✓			
San Bernardino Valley Municipal Water District	✓	✓			

Fieldman, Rolapp & Associates concentrates its consulting activities in three primary areas: capital finance transaction management, investment of capital funds and the planning, management and policy development required to support the capital formation process. By concentrating on the client's overall needs, the Firm is equipped to provide topical, useful consulting services to its clients on all aspects of the capital process. Below are brief descriptions of each of our areas of expertise.

Capital Planning, Management and Policy Development

The planning, management and development of the capital structure is often the least visible, but is clearly the most important undertaking in the management of the balance sheet of public sector clients. This is where the basic decisions are made about the scope, cost and approach to financing the client's needs. The firm assists clients with the development of clear, thoughtful plans for the implementation of the capital plan.

Capital Finance Transaction Management

The firm assists clients with all aspects of the debt issuance or borrowing process. For example, we advise clients on the general feasibility of financing a project, the nature and manner of the debt issue to be structured and sold, the size of the issue required to accomplish the client's funding requirements and the general state of the credit markets.

We assist the client with defining objectives for the financing, the determination of a method of sale, the selection of other service providers and the establishment of a timetable for the financing process. Once the objectives are defined and the best structure is selected, we assist the client with the marketing, sale and closing of the issue.



The Firm handles both competitive and negotiated sales of debt. In a competitive sales situation, the Firm assists with the dissemination of information to bidders and the calculation and acceptance of the bids received. In negotiated sales, the Firm advises its clients on the terms of the sale offered by the negotiating underwriter and assists with the negotiation of prices that are compatible with the client's needs.

Investment of Funds

Fieldman Rolapp Financial Services, LLC, an affiliate of the Firm, is a registered investment advisor. The affiliate offers clients professional, thoughtful investment advice relating to capital and operating funds. There are three basic elements to the investment advisory process: portfolio evaluation and reporting, tactical investment consulting, and the actual investment transaction.

Secondary Market Disclosure Services

Applied Best Practices, LLC, a subsidiary of FRA, has procedures and practices to assist an issuer to meet all necessary requirements pursuant to Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934.

Arbitrage Rebate Services

Applied Best Practices, LLC, a subsidiary of FRA, has procedures and practices to assist an issuer to meet all necessary requirements pursuant to the federal tax code.

Commitment to Water Industry

Fieldman Rolapp & Associates is deeply committed to the support and development of the Water Industry and has been for decades. We have demonstrated this commitment in many ways including financially co-sponsoring with the Association of California Water Agencies ("ACWA") a Public Television Series and CD entitled "California's Water-Climate Change."

Legislatively, we have supported all the professional water groups by assisting in the drafting of certain legislative priorities of the associations as well as those of ACWA. We have demonstrated our support by sponsoring, attending and providing educational presentations to other water groups. We also sponsor and attend the Riverside County Water Symposium and other events.

With our involvement and commitment, as a firm we know the water and wastewater industry issues and needs. Fieldman Rolapp & Associates is proud of our involvement, commitment and support to the industry and plans to continue and strengthen our involvement in the future.

Other Technical and Data Resources

FRA maintains the most sophisticated software available for structuring municipal bond issues. Our advanced DBC software allows us to analyze and structure almost any bond or loan structure, and our project personnel are proficient in the use of the software.

Technical resources include a live Bloomberg terminal and TM3 subscription that provides us with the most up-to-date market events and data. Each of these allows us to gather and analyze the fixed-income markets for use in debt pricing, spread negotiations and forecasting economic conditions. With access to Bloomberg and TM3, we have access to the latest pricing information in the fixed-income markets.

While all of our technical resources allow us to keep abreast of the markets and trends, we have not allowed this new infrastructure to replace the "old-fashioned" resources of talking with analysts at rating agencies and communicating with the client, investment bankers, and underwriters. There still is no substitute for conducting thorough due diligence and analysis by hard-working individuals; technical resources simply allow us to do more of it and more quickly.



We believe that FRA is an excellent choice for providing the financial advisor services required by the District. Our track record for delivering high quality service and providing creative advice with our clients' best interests at heart speaks for itself. The District will always have access to its entire FRA team and we will meet the District's needs even on short notice. We are experts in water and wastewater credits, we are creative and reliable, we communicate with our clients and their boards in plain English, we serve as extension of staff and we provide continuity based on long-tenured, senior professional management. Our strength is our people and experience. We are dedicated to the District and are committed to meeting and exceeding the District's needs.



2. SCOPE OF WORK

The District is looking for financial advisory services to be provided in connection with the potential absorption of the City of Big Bear Lake's water enterprise. A critical financial issue will be the financial ability to service customers at fair and reasonable rates and charges. Integral to such issue is the revenues, expenses and outstanding debt of each entity. We have already begun to analyze the District's and the DWP's outstanding debt to ascertain the existence of refunding and/or restructuring opportunities to make the transfer of the water system as economically efficient as possible. We will undertake an effort to bolster out already thorough understanding of the District's needs, financial constraints and risk tolerance by a thorough analysis of the District's budget, cash flows, audit, existing debt and other pertinent financial information. Thus, based on our current understanding of the District's needs, we envision the potential scope of work to include three phases. We have outlined within each phase the potential tasks that might be associated with the particular phase. This list is not exhaustive and will be subject to change, depending on the specific assignments we receive from the District. Further, if in the District's opinion specific tasks listed are not warranted, FRA will adjust the tasks, if selected as financial advisor.

PHASE I – REVIEW OF DISTRICT'S FINANCIAL STATUS AND POLICY UPDATE/DEVELOPMENT

We will encompass an extensive review of the District's overall financial status, debt outstanding and available cash reserves. It will include the potential review of existing policies, as well as possibly the development of new financial policies, which will be discussed and drafted by the joint efforts of District Staff, FRA, and District's Counsel, where appropriate. The credit rating agencies look favorably on municipal issuers that have adopted a full set of policies as such demonstrates strong governance on the part of elected officials and strong management on the part of staff. We will work with Staff to understand District's short and long term objectives. Some of those will include: better understanding the District's plans to acquire the assets of, and take over providing services for the City's Department of Water & Power, completing capital improvements that maintain rates and charges at levels that are acceptable to ratepayers; obtaining and maintaining strong credit ratings without sacrificing the ability or flexibility of the District to access the capital markets; and maintaining reserve balances at levels that are prudent.

PHASE II – SPECIAL ASSIGNMENTS AS DIRECTED BY DISTRICT AND IDENTIFICATION OF DISTRICT'S OBJECTIVES

The second phase includes specific assignments as directed by the District and combines identifying the most important objectives with analyzing and assessing the fiscal health of the District to develop a strategy for financing contemplated borrowings and any other capital improvement projects reflected in the District's capital improvement plan for the next five fiscal years.

PHASE III – TRANSACTION MANAGEMENT

Lastly, there is the transaction management phase. We will assist the District in the design of a financing structure for any potential financing consistent with the District's policies and objectives, that coordinates each transaction with outstanding issues and that reflects current conditions in the capital markets. We will take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses. As the financing activities progress, we will constantly monitor the progression to ensure that the District's policies



and objectives are not compromised. If deviations take place, we will advise District Staff and provide a recommended course of action.

We will coordinate (and assist, where appropriate) the review of the legal and disclosure documents and will monitor the progress of all activities leading to the sale of each series of debt. We will monitor document preparation for a consistent and accurate presentation of the recommended business terms and financing structure of each debt issue. We will prepare the timetables and work schedules necessary to achieve this goal in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the financing transaction. We stand ready and willing to attend all public meetings, workshops, and hearings that District Staff deems necessary.

We will take the lead in analyzing the District's credit from both quantitative aspects (for example, calculating credit metrics), and qualitative aspects (for example, recommending an appropriate rate covenant and additional bonds test). For the District, we will prepare the credit presentation, with the input from other finance team members, and prepare the presenters for the actual meeting(s) with the rating analysts. We recognize that the credit process is an important part of minimizing interest expense.

In the case of a negotiated sale of debt, we will perform a thorough evaluation of market conditions preceding the negotiation of the terms of the sale of debt and will assist the District with the negotiation of final issue structure, interest rates, interest cost, reoffering terms and gross underwriting spread to provide a recommendation on acceptance or rejection of the offer to purchase the debt. The assistance and evaluation will focus on the following areas as determinants of interest cost: size of financing; sources and uses of funds; terms and maturities of the debt issue; investment of debt issue proceeds; distribution mixes among institutional and retail purchasers; interest rate, reoffering terms and underwriting discount with comparable issues; and redemption provisions.

We will provide regular commentary on current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the District's proposed financing. We will make specific recommendations as to the optimal time to enter the market according to the protocols for competitive or negotiated sales. We will assist in activities related to the closing of each financing. We will assist the District's bond counsel in assuming responsibility for such arrangements as they are required, including arranging for or monitoring the progress of bond printing, qualification of issues for book-entry status, signing and final delivery of the securities and settlement of the costs of issuance.

In addition, we will act as the District's representative in procuring the services for trustees, paying agents, fiscal agents, financial printers for the official statement and related services. Further, we will act as the District's representative in procuring the services or other consultants or professionals as necessary under the District's direction, including the preparation and evaluation of requests for proposals for underwriters and other professionals. We have built and maintained a customized database for servicing the needs of our clients in these matters. In addition, we have developed and utilized a four phase systematic method of procuring the aforementioned service needs. Our systematic method (Identification, RFP, Response and Evaluation) has yielded favorable results to our current and past clients.

The potential specific services to be provided in Phase III may include:

1. Initial Meeting and Set-Up of the District Objectives

Our aim in this stage of the work is to ensure that everyone has a clear understanding of the District's financing and policy goals. Ensuring that everyone has a thorough grasp of the District's goals will empower the financing team to work smoothly and efficiently.



2. Prepare and Monitor Schedule

To ensure milestones are met in a timely manner and that the preparation for the issuance of bonds occurs according to schedule, our firm will work with the rest of the finance team to draft a schedule of responsibilities. Thereafter, we will coordinate the team to make certain that financing activities are occurring according to schedule.

3. Review of Legal and Financing Documents

FRA will review documents and will review the highlights and notable points with District Staff, saving time for the Staff.

4. Structuring of the Bond Issue

Financing Model

If not already done as part of our assignments in the previous phases, we will develop a financial model in Microsoft Excel of the District's financial position; the model will depict revenues and expenses and calculate debt service coverage, cash flow and cash balances. The initial model will be based upon the most recent audited financial statements of the District. We will work closely with Staff to develop reasonable assumptions for each revenue and expense line item. With a working model of revenues and expenses we will then overlay the additional debt to finance the project and test rates, debt service coverage levels and cash balances.

Weighing the Impacts of using Cash versus Issuing Debt

Our services would be focused on providing a recommendation to the District by weighing the anticipated cost of borrowing money to fund projects versus the anticipated rate of return of cash on hand to fund those same projects, as well as the current balances in the District's reserves.

Issue Lowest-Cost of Debt

We will compare the use of various types of debt such as fixed-rate debt, floating rate debt, etc., and detail for Staff the benefits and drawbacks of each. We will work in cooperation with the investment banking team, if any, to develop a financing structure including maturity schedules, additional bonds test, redemption features and other covenants, etc., that is most suitable for the District.

5. Credit Ratings

The ratings downgrade of most of the bond insurance companies has resulted in investors placing an even greater emphasis on underlying ratings. Each issuer and each transaction have its own set of facts; however, in today's market, credit ratings have become even more important.

As part of the contemplated borrowing, if selected as the District's financial advisor, we will take the lead in the preparation of the District's credit presentation. We will coordinate the presentation materials among all the District presenters and coach presenters on their specific parts. We often recommend to clients that face to face meetings be held with the analysts for each major bond issuance. Our presentation will highlight the District's overall strong credit features and focus on presenting and highlighting key credit benchmarks and financial ratios, based on our experience and knowledge of what criteria the ratings agencies typically assess. We aggressively seek credit rating upgrades or new ratings for our clients.



6. Advise on the Choice of Sale Method

FRA will review with the District the financial basics relating to the choice between a competitive and a negotiated sale. These factors can be placed into three broad categories of characteristics: Issuer Characteristics (market familiarity, credit strength and policy goals), Transaction Characteristics (form of debt, issue size, complexity, market conditions and the story underlying the issuance) and prevailing Market Dynamics (interest rate environment and supply and demand).

7. Selling the Bonds Competitively

- a. FRA will develop a marketing plan for selling the bonds.
- b. FRA will establish an account with Parity® electronic bidding system.
- c. FRA will create and publish Notice of Sale and electronically post Preliminary Official Statement.
- d. FRA will monitor pricing electronically during the bond sale and make live access available to the District to ensure transparency and the lowest interest rates available.
- e. FRA will verify winning bid and make recommendations to the District.

8. Selling the Bonds on a Negotiated Basis

- a. FRA will coordinate a marketing plan with the underwriter.
- b. FRA will negotiate underwriter's compensation and redemption features on behalf of the District.
- c. FRA will facilitate calls before and at pricing of the bonds.
- d. FRA will prepare a list of contemporaneously sold transactions, similar in size, rating and structure and compare the coupons and yields of such issues with the proposed pricing offered by the underwriter.
- e. FRA will review pricing, negotiate the pricing with the underwriter, and make recommendations to District.

9. Conduct Market Analysis and Evaluate Timing of Market Entry

- a. FRA will provide regular commentary on current municipal market conditions, trends in the market and how these may favorably or unfavorably affect the District's proposed financing.
- b. FRA will make specific recommendations as to the optimal time to enter the market according to the protocols for competitive or negotiated sales.

10. Closing Activities

- a. FRA will prepare closing memorandum with wire instructions and coordinate with Trustee and Underwriter to ensure the smooth closing of the transaction.
- b. FRA will review all closing documents for accuracy and completeness.
- c. FRA will coordinate with the financing team on all closing activities.



d. FRA will prepare a closing laminate for District Staff to have as a summary reference guide.

11. Post-Closing

We will always be available to confer with District Staff regarding any matter and as directed by District Staff we will confer with District officials, members of the public, or stakeholders.



3. FEE SCHEDULE

It is difficult to estimate the hours that will be needed to complete the tasks outlined in Phases I and II of our proposal, since we are not certain at this time which tasks and deliverables the District might require. Thus, Fieldman, Rolapp & Associates proposes to bill the District on an hourly basis for all advisory services pursuant to Phase I and Phase II. The fee schedule listed below details our proposed hourly fees broken out by level of personnel performing the assigned tasks. We propose a “not-to-exceed” amount of \$20,000 (exclusive of all actual expenses incurred). If in the District’s opinion specific tasks listed as potential services in Phases I and II are not warranted, FRA will adjust the tasks, if selected as financial advisor, thus decreasing the annual not-to-exceed amount. In addition, some of the services pertaining to Phases I and II may be completed as part of the financing services outlined in Phase III, thus decreasing the annual hourly not-to-exceed amount.

Hourly Fees Effective January 1, 2005	
Executive Officer	\$300 Per Hour
Principal	\$290 Per Hour
Principal/Senior Vice President/Director	\$275 Per Hour
Vice President	\$225 Per Hour
Assistant Vice President	\$195 Per Hour
Senior Associate	\$150 Per Hour
Associate	\$125 Per Hour
Analyst	\$85 Per Hour
Administrative Assistant	\$65 Per Hour
Clerical	\$35 Per Hour

Financial Advisory Services performed in connection with a transaction pursuant to Phase III of the scope of work in our proposal will be billed for at the amounts set forth below and will be contingent on, and payable at the closing of the debt issue(s).

Transaction Size		Negotiated Sale Fee Sale Fees	Competitive Sale Fee Sale Fees
\$1	to \$25,000,000	\$50,000	\$55,000
\$25,000,001	to \$50,000,000	\$60,000	\$70,000
\$50,000,001	and above	to be negotiated	to be negotiated

Expenses

Expenses incurred as part of the transaction will be billed for separately and will cover, among other things, travel, lodging, subsistence, overnight courier, Internet posting, computer, and fax transmission charges. Advances made on behalf of the District for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed through to the District upon prior authorization. Additionally, a surcharge of 6% of the net fee amount is added to non-verifiable out-of-pocket expenses.



4. PROPOSED STAFFING AND PROJECT ORGANIZATION

All FRA personnel are available to the District as needed. FRA personnel responsible for the day-to-day financial advisory services to District are listed below. All of the personnel are located in our offices in Irvine, California. Their resumes follow.



ROBERT A. PORR

Engagement Manager

Allocates resources of firm, manages day-to-day activities of the project team, interfaces with District Staff, Management, and Board.



DARRYL T. STREET

Project Manager

Assists the Engagement Manager in managing day-to-day activities of project team, interfaces with District Staff. Oversees all technical, financial analyses and document review.



JOSHUA J. LENTZ

Technical Consultant

Provides technical analysis, including the initial drafts of proposal analyses and memoranda documenting financial options and decisions.



RUTH C. MATTHEWS

Technical Consultant

Provides technical analysis, including the initial drafts of proposal analyses and memoranda documenting financial options and decisions.



Mr. Robert A. Porr, Senior Vice President, returned to the firm in May 2005 after pursuing a career in investment banking. Since re-joining the firm, he has focused on serving the firm's utility clients having completed transactions with the Eastern Municipal Water District, Olivenhain Municipal Water District, Rancho California Water District and City of Redlands Redevelopment Agency. He is working with Azusa Light and Water and the cities of Corona, Newport Beach and Redlands. Mr. Porr has served as swap advisor to Hemet Untied School District, Riverside County Transportation Commission and Western Municipal Water District.

Prior to joining the firm, Mr. Porr was a Senior Vice President for a regional investment banking firm for more than eight years. His experience as a banker includes working with numerous local agencies in connection with the issuance of more than \$1.2 billion in debt. Mr. Porr has assisted issuers with the structure and sale of many forms of debt including general obligation, special tax, assessment, revenue and lease backed debt. He structured nearly \$100 million of complex tax-backed refunding debt for the County of Riverside and developed a novel lease revenue bond structure for the Alaska Industrial Development and Export Authority. Mr. Porr's experience includes investment banking assignments for Anaheim Public Utilities, the County of Los Angeles and the Cities of Murrieta, Norco, Palmdale and Redlands. During his previous employment with Fieldman, Rolapp & Associates, Mr. Porr worked with Central Coast Water Authority, Coachella Valley Water District, Eastern Municipal Water District, East Valley Water District, Elsinore Valley Municipal Water District, Orange County Water Agency, Palmdale Water District and Santa Margarita Water District.

Mr. Porr earned his undergraduate degree in Psychology from Pace University in New York, NY and his Juris Doctorate from New York Law School in New York, NY.

Mr. Porr holds the CIPFA designation as a Certified Independent Public Finance Advisor from the National Association of Investments Advisors and is admitted to practice law in the State of New York.

Mr. Darryl T. Street, CIPFA, Vice President, returned to Fieldman, Rolapp & Associates in September 2007 after working for an investment banking firm. Prior to joining the firm, Mr. Street served as a debt management analyst for the City of Los Angeles. Mr. Street also served as an investment agreement provider for Protective Life Insurance Company (GIC Division), headquartered in Los Angeles, CA. Since re-joining the firm, Mr. Street is focusing on serving the firm's city, redevelopment agency and special district clients.

Before leaving to work in the investment banking industry, Mr. Street had worked at Fieldman, Rolapp & Associates for more than five years. During that time Mr. Street assisted clients with credit enhancement, debt structure analytics and all aspects of the competitive sale process. He provided technical assistance on various financing projects, as well as preparing quantitative analyses on bond structuring, cash flow utilization, and refinancing opportunities. During his time at the firm, Mr. Street has completed several hundred financing engagements of various types for a wide variety of clients. Those clients have included Western Municipal Water District, the City of Big Bear Lake Improvement Agency, the State of California, The J. Paul Getty Trust, the counties of Los Angeles, Orange and Alameda, and the cities of Los Angeles, Arcadia, Concord, Inglewood, Compton, Culver City, San Juan Capistrano and Rialto, amongst many others, in achieving their debt capital goals.

Mr. Street holds an M.B.A. in finance and a B.B.A. in business management from Loyola Marymount University in Los Angeles. In addition, Mr. Street holds the CIPFA designation as a Certified Independent Public Finance Advisor from the National Association of Independent Public Finance Advisors, as well as being a registered investment advisor representative (Series 65). In addition, Mr. Street has participated on speaker panels for both CDIAC and the County of San Diego Treasurer-Tax Collector, most recently regarding the investment of bond proceeds.



Mr. Joshua J. Lentz, Assistant Vice President, joined the firm in August 2006. Prior to joining the firm, Mr. Lentz was a Public Finance Paralegal for over eight years. Mr. Lentz has been involved in all aspects of public finance issuances, including general obligation bonds, lease revenue obligations, special tax bonds, assessment district bonds, tax allocation bonds, enterprise revenue obligations, multifamily housing revenue bonds and 501(c)(3) revenue obligations. He has completed transactions with Eastern Municipal Water District, East Valley Water District, the cities of Orange, San Clemente, San Marcos, Thousand Oaks, and Vista, and the Roman Catholic Diocese of Orange.

Over the last 13 years, Mr. Lentz has been assisting a variety of clients with continuing disclosure reporting for multiple school districts, special districts, cities and redevelopment agencies.

Mr. Lentz received his Bachelor of Arts in History with concentrations in Economics, Political Science, Sociology and Urban Geography from the Arizona State University. Mr. Lentz is a registered Investment Advisor Representative (Series 65), a licensed Real Estate Salesperson in the State of California and is a Certified Independent Public Finance Advisor.

Ms. Ruth C. Matthews, Senior Associate, joined Fieldman, Rolapp & Associates in June 2009. Since joining the firm, Ms. Matthews has focused her quantitative skills on complex financing models. She has worked with Western Municipal Water District, Orange County Water District, Castaic Lake Water Agency, Mojave Water Agency, Rancho California Water District and District Consolidated Water District. For many of our water clients, she has created financing models that measure critical credit metrics. Ms. Matthews has prepared numerous credit presentations on behalf of our water clients. She also provides project support and compiles general market information, providing insight into clients' financing activities and analyzes operating and capital budgets.

Prior to joining the firm, Ms. Matthews worked for a special tax consulting firm. While there, she was involved with CFD formations, preparation of annual special tax levies, and the CFD administration.

Ms. Matthews received an Allaway Scholarship to attend the University of California, Berkeley for undergraduate studies and has a Masters of Mathematics degree from the University of Sussex (England).



5. REFERENCES

We focus on exceeding the expectations of each client. The values of our Firm push us to strive for excellence and build long term relationships based on trust. From the listing of Water and Wastewater transactions we have completed during the past three years, we have selected 3 references for the District to contact to understand our working relationships. These references will confirm our professionalism and commitment to high quality service. We urge you to contact them.



Rancho California Water District
42135 Winchester Road
Temecula, CA 92590

Jeff Armstrong, Chief Financial Officer/Treasurer

951-296-6928

armstrongj@ranchowater.com

Recent Assignments Completed for RCWD: We have served as the District's financial advisor since the late 1970's. During the last 3 years, we have developed comprehensive debt management policies, assisted RCWD prepare and make its annual presentations to the credit rating agencies; assisted RCWD with the termination of four interest rate swaps and the refunding of \$300 million of floating rate debt into two separate series, a fixed rate and a floating rate series, the latter one of which has two interest rate swaps associated with it. More specifically, in 2007, we advised RCWD on the conversion and pricing of \$60.2 million of adjustable rate water revenue bonds into fixed rate revenue bonds. Our efforts included analyzing and balancing the use of the cash position of RCWD to determine the efficacy and practicality of leaving the debt in a variable rate mode or converting the debt to fixed. Based upon our efforts and recommendation, RCWD decided to convert the bonds into a fixed rate mode. In addition, we have also assisted RCWD in replacing an expiring letter of credit for one of its variable rate bond issues. Further, in 2008, RCWD was interested in placing a solar array project on vacant land adjacent to one of its treatment plants. The 1.12 megawatt solar project offered RCWD the opportunity to currently save money on its cost of energy, but also provide a hedge against escalating energy costs. RCWD asked us to review and analyze three alternatives to finance the project. The alternatives were using a lease-purchase structure, a lease structure and a power purchase agreement. Our analysis from a financial perspective clearly indicated that the power purchase agreement would provide the greatest potential benefit to RCWD – approximately \$3.4 million. We were also able to envision the practical benefits of the power purchase agreement, and avoided unnecessary entanglements, obsolescence and insurance risks. In addition, as part of another assignment last year, we developed a sophisticated model to analyze the costs and benefits of various financing alternatives and timing considerations for the expansion of the Santa Rosa Wastewater Treatment Plant. In addition to the issuance of water revenue bonds in 2007 and 2008 with which we assisted RCWD, we have recently worked on a revenue bond offering with a par amount of \$130 million that will fund water and wastewater projects and are currently advising the District on several other projects, including the analyses of two new potential solar power projects.



Western Municipal Water District
450 E. Alessandro Blvd.
Riverside, CA 92517

John Rossi, General Manager

951-789-5042

jrossi@wmwd.com

Rod LeMond, Assistant General Manager/CFO

951-789-5003

rlemond@wmwd.com

Recent Assignments Completed for WMWD: We have served as Western MWD's financial advisor since the early 2000's. During the last 3 years, we have assisted Western MWD with the development and drafting of swap policies and a comprehensive cost/benefit analysis of various financing alternatives for a solar panel project. Further, we have assisted Western by negotiating the termination of one interest rate swap that hedged a portion of a series of outstanding bonds and the execution of a new replacement swap that hedged the \$45.7 million balance of remaining bonds. As part of that process, in 2008, we assisted WMWD with an interim financing to refund their outstanding auction rate securities. In 2009, we advised Western on a \$48 million variable rate refunding water revenue bonds and a \$54.3 million of fixed rate new money water revenue bonds. We managed the bidding process for liquidity to secure the \$48 million variable rate bonds in a severely limited liquidity market and were able to negotiate favorable terms and pricing from the highest rated bank in the United States. Further, in 2009, we assisted Western with the procurement and successful private placement for a new headquarters facility. Also, in 2009, in connection with our role as the District's swap advisor, we prepared a comprehensive swap valuation report reflecting the requirements of the newly adopted GASB 53. In 2010, FRA advised Western on the issuance of \$51.2 million revenue bonds to finance various water and wastewater projects in furtherance of their capital improvement plan. The bonds were structured into two series; tax-exempt and federally-taxable Build America Bonds. The firm advised Western on all aspects of the transaction; including leading discussions with the rating agencies, making several presentations to their Board on various aspects of the financing, as well as negotiating with the underwriter to obtain the best possible pricing for the bonds.



Castaic Lake Water Agency
27234 Bouquet Canyon Rd.
Saugus, CA 91350

Valerie Pryor, Administrative Services Manager

661-513-1257

vpryor@clwa.org

Recent Assignments Completed for CLWA: In 2008 we assisted CLWA with the refunding of its then outstanding auction rate securities and the issuance of approximately \$40 million of variable rate refunding water revenue certificates of participation secured by a letter of credit provided by Wells Fargo. Last year we reviewed and helped with the preparation of CLWA's budget and developed reserve policies. Earlier this year, we assisted CLWA with the structuring and pricing of \$14.5 million of revenue certificates of participation for



its retail division. We recently completed on a \$70 million refunding issue of the Agency's 2001 revenue certificates of participation. In addition, we provide the Agency with quarterly analysis of its swap performance and prepare and provide the Agency with annual swap valuation reports. We have also reviewed and enhanced the Agency's investment policies and assisted the Agency with the purchase of new reserve fund investments for its 2006A and 2006C certificates of participation. Further, we have developed a comprehensive model that analyzes the cost and benefit of fixed rate debt vs. floating rate debt vs. maintaining the Agency's then-current debt profile.

**Big Bear Municipal Water District
 Computer & Manual Check Register
 Current and History Files, 05/13/11 to 05/25/11
 Account 10010-00-001, Sessions 000000 to 002309**

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

<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							
149283	ALLPRO / All Protection Alarm Co.	05/24/11	2	151589	002309	FACILMAINT	37.00
149283		05/24/11	2	151910	002309	FACILMAINT	33.00
149283		05/24/11	2	152083	002309	FACILMAINT	175.00
149283		05/24/11	2	152188	002309	EAST MAINT	111.00
ALLPRO Subtotal :							356.00
149284	ATLANT / Atlantic-Meeco	05/24/11	2	IVC013583	002309	WEST DOCK	11878.40
ATLANT Subtotal :							11878.40
149285		05/24/11	2	IVC013591	002309	WEST DOCK	2969.60
ATLANT Subtotal :							2969.60
149286	BBCHAM / Big Bear Chamber of Commerce	05/24/11	2	2162	002309	MEMBERSHIP	100.00
BBCHAM Subtotal :							100.00
149287	BBJANI / CHEM TECH PRODUCTS	05/24/11	2	10035	002309	JANITSUPPL	49.59
149287		05/24/11	2	10036	002309	SHORELINE	69.07
149287		05/24/11	2	10046	002309	JANIT-RAMP	854.79
149287		05/24/11	2	10049	002309	JANIT-SSRE	387.79
149287		05/24/11	2	10051	002309	JANIT-RAMP	529.75
BBJANI Subtotal :							1890.99
149288	BMARIN / Big Bear Marina	05/24/11	2	007038	002309	PETRO-BOAT	1417.68
149288		05/24/11	2	10311134	002309	PETRO-BOAT	488.06
149288		05/24/11	2	10311135	002309	PETRO-BOAT	1063.53
BMARIN Subtotal :							2969.27
149289	BVELEC / Bear Valley Electric	05/24/11	2	04292011	002309	UTIL-DAM	67.33
149289		05/24/11	2	05102011A	002309	UTIL-MAIN	2656.89
149289		05/24/11	2	05102011B	002309	UTIL-MAIN	145.93
149289		05/24/11	2	05102011C	002309	UTIL-RV	133.92
BVELEC Subtotal :							3004.07
149290	CASH / Victoria Moore /Petty Cash	05/24/11	2	05242011	002309	PETTYCASH	228.84
CASH Subtotal :							228.84
149291	CHARTE / CHARTER COMMUNICATIONS	05/24/11	2	05162011	002309	PHONE-DSL	274.99
CHARTE Subtotal :							274.99

**Big Bear Municipal Water District
 Computer & Manual Check Register
 Current and History Files, 05/13/11 to 05/25/11
 Account 10010-00-001, Sessions 000000 to 002309**

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

<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>
149292	CYGNET / CYGNET ENTERPRISES, INC	05/24/11	2	5235	002309	AQUAPLCONT	138199.50
CYGNET Subtotal :							138199.50
149293	DWP / Department of Water and Power	05/24/11	2	05192011	002309	UTIL-TROUT	74.50
DWP Subtotal :							74.50
149294	IDEARC / SUPERMEDIA LLC	05/24/11	2	05192011	002309	PHONE-WEB	29.95
IDEARC Subtotal :							29.95
149295	LUDECK / Ludecke's Electric Service	05/24/11	2	6084	002309	DAMMAINT	1258.75
LUDECK Subtotal :							1258.75
149296	MCMSTR / McMaster-Carr Supply Co.	05/24/11	2	85353715	002309	WESTMAINT	46.80
MCMSTR Subtotal :							46.80
149297	MCOYBR / Mountain Water Company	05/24/11	2	19370	002309	UTIL-RAMPS	225.00
MCOYBR Subtotal :							225.00
149298	MILEHI / Mile High Equipment	05/24/11	2	18930	002309	EASTWATREP	5362.70
149298		05/24/11	2	18932	002309	EASTWATREP	750.00
MILEHI Subtotal :							6112.70
149299		05/24/11	2	18931	002309	EASTMAINT	792.50
MILEHI Subtotal :							792.50
149300	ORION / Orion Radiology	05/24/11	2	6393513	002309	PHYSICALS	34.00
149300		05/24/11	2	6397158	002309	PHYSICALS	34.00
ORION Subtotal :							68.00
149301	PERS / Public Employees' Retirement Syst	05/24/11	2	0520114	002309	PERS	4376.16
PERS Subtotal :							4376.16
149302	PITNY / PITNEY BOWES (RENTAL)	05/24/11	2	MY11	002309	POSTAGE	121.00
PITNY Subtotal :							121.00
149303	QUILL / Quill Corporation	05/24/11	2	4123840	002309	OFFICESUPP	100.02
149303		05/24/11	2	4195617	002309	OFFICESUPP	36.65
149303		05/24/11	2	4226733	002309	OFFICESUPP	46.97
QUILL Subtotal :							183.64

**Big Bear Municipal Water District
 Computer & Manual Check Register
 Current and History Files, 05/13/11 to 05/25/11
 Account 10010-00-001, Sessions 000000 to 002309**

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

<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>
149304	STEGMA / Stegmann Service	05/24/11	2	128940	002309	MAINT-RV	359.43
STEGMA Subtotal :							359.43
149305	SWSTGS / Southwest Gas Corp	05/24/11	2	05172011A	002309	UTIL-RV	29.41
149305		05/24/11	2	05172011B	002309	UTIL-MAIN	80.02
SWSTGS Subtotal :							109.43
149306	TUTTLE / John Tuttle	05/24/11	2	05112011	002309	PHONE-CELL	50.00
TUTTLE Subtotal :							50.00
149307	VALERO / Valero Marketing and Supply Co.	05/24/11	2	05192011	002309	PETRO-AUTO	1511.34
VALERO Subtotal :							1511.34
149308	VERIZO / Verizon California	05/24/11	2	05012011D	002309	PHONE-RAMP	48.22
149308		05/24/11	2	05132011	002309	PHONE-MAIN	47.19
VERIZO Subtotal :							95.41
149309	VERWIR / VERIZON WIRELESS	05/24/11	2	975697534	002309	PHONE-CELL	331.04
VERWIR Subtotal :							331.04
149310		05/24/11	2	973746253	002309	PHONE-CELL	250.42
VERWIR Subtotal :							250.42
149311	WASTE / Solid Waste Management	05/24/11	2	004285	002309	FACILMAINT	491.94
WASTE Subtotal :							491.94
149312	WEBER / JAMES WEBER	05/24/11	2	06062011	002309	PHONE-CELL	50.00
WEBER Subtotal :							50.00
Total For Check Account: 10010-00-001							178409.67
Check Register Total :							178409.67

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

MEETING DATE: *June 2, 2011*

AGENDA ITEM: *5C*

SUBJECT:

CONSIDER APPROVAL OF A SPECIAL EVENT PERMIT FOR USARC (UNITED STATES ADAPTIVE RECREATION CENTER) SUMMER PROGRAM TO BE HEADQUARTERED AT B'S BACKYARD BBQ ON VARIOUS WEEKDAY DATES THROUGHOUT THE SUMMER MONTHS

RECOMMENDATION:

The General Manager and the Operations Committee (Directors Suhay & Alternate Smith) recommend approval of this event.

DISCUSSION/FINDINGS:

The USARC Summer Program (United States Adaptive Recreation Center) involves adaptive water skiing, jet skiing, fishing, kayaking and sailing. Their staff members are CPR, First Aid, and Lifeguard certified. This event will again take place from the docks at B's Backyard Barbeque. The event will run weekdays only during July and August. Staff training will take place on Saturday June 25th. The Committee recommends approval of this event.

OTHER AGENCY INVOLVEMENT: None

FINANCING: None

Submitted by: Scott Heule, General Manager



Big Bear Municipal Water District

Lake Management

Board of Directors

Todd Murphy – Division 1
Paula Fashempour – Division 2
Skip Suhay – Division 3
John Eminger – Division 4
Vince Smith – Division 5

SPECIAL EVENT PERMIT FOR BIG BEAR LAKE

As of _____, Big Bear Municipal Water District (hereinafter "District") grants a Special Event Permit to _____ (hereinafter "Permittee") as follows:

Section 1. Event Described

Permittee may conduct only the event described on Exhibit "A", attached hereto and hereby incorporated by this reference. Permittee shall comply with laws, rules and regulations applicable to the event.

Section 2. Fees and Deposits

Within 30 days before the event: the Permittee shall pay the District \$100.00 to cover the cost of processing this Permit, and the Permittee shall deposit \$500.00 with the District to cover the cost of clean-up and other added expenses incurred by the District if Permittee fails to comply with this Permit. The part of the deposit, if any, not used by the District shall be refunded to the Permittee within 30 days after the event. The attached Fee Schedule (Exhibit "B") details rates for special services.

Section 3. Indemnification

A. Permittee shall indemnify and hold harmless and defend District, its officers, agents, employees and volunteers from and against: cost, liability and damages, including attorney's fees and litigation costs, arising out of any act or omission to, including any negligent act, or omission to act, by Permittee, its officers, agents, employees or volunteers arising out of activities permitted herein.

B. Permittee shall reimburse District and its directors, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Section 4. Insurance

A. Permittee shall cause the District, its officers, agents and employees to be named as an additional or co-insurance under policies of commercial general liability insurance as broad as the following:

1. General Liability - one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

2. The coverage shall contain no special limitations on the scope of protection afforded to the District, its officers, employees, agents and volunteers.
3. The permittee's insurance shall be primary insurance as respects the District, its officers, employees, agents and volunteers. Any insurance, pooled coverage or self-insurance maintained by the District, its officers, employees, agents and volunteers shall not contribute to it.
4. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage.
5. The permittee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
6. Such liability insurance shall indemnify the permittee against loss from liability imposed by law upon, or assumed under contract by, the permittee for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability.
7. Such insurance shall be provided on a policy form written by underwriters through an agency satisfactory to the District which includes a cross-liability clause, and covers bodily injury and property damage liability, blanket contractual liability and completed operations liability.
8. Any deductible or self-insured retention must be declared to and approved by the District. At the option of the District, either the insurer shall reduce or eliminate such deductibles or self-insured retentions.
9. The insurer shall have a current A.M. Best's rating of no less than A-:VII or equivalent.

B. If applicable, the permittee shall cover or insure under the applicable laws relating to:

1. Workers' compensation insurance, all of their employees working on or about the event, regardless of whether such coverage or insurance is mandatory or merely elective under the law, and the permittee shall defend, protect and save harmless the District, its officers, employees, agents and volunteers from and against all claims, suits, and actions arising from any failure of the permittee to maintain such insurance. Before beginning work, permittee shall furnish to the District satisfactory proof that he has taken out for the period covered by the event, full compensation insurance for all persons employed directly by him in the event contemplated under this contract, has been obtained in accordance with the "Workers' Compensation and Insurance Act".
2. The permittee shall provide employer's liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease.

C. Prior to execution of the contract, the permittee shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (endorsement form or insurer's equivalent) signed by the insurer's representative and certificate of insurance (Accord Form 25-S or equivalent). If such proof is not received 30 days prior to the event, the event may be canceled by the District's General Manager. All evidence of insurance shall be certified by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional primary insurers, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, the expiration date. The insurer will give by certified mail, written notice to the District at least thirty (30) days prior to the effective date of any cancellation, lapse or material change in the policy.

Section 5. Safety Regulations

The Permittee shall conduct the event with due care for the safety and welfare of participants and spectators, and in compliance with all laws, rules and regulations of federal, state, county or local agencies asserting jurisdiction. The Permittee shall attend two meetings with District representatives prior to the event described as follows:

A. Permit compliance meeting: Permittee shall demonstrate that all permit conditions have been met.

B. Skipper's and/or Safety meeting: Event organizers and participants shall meet with District representatives to have any questions answered and to receive an update of current Lake conditions which may affect event activities.

Section 6. Conditions

The Permittee shall comply with the conditions set forth on Exhibit C attached hereto and hereby incorporated by this reference.

Accepted by:

4/18/2011
Date

Shirley K. Richter
Permittee

Date

General Manager

EXHIBIT A

DESCRIPTION OF EVENT

1. Name of Event: U.S. Adaptive Recreation Center Summer Program
2. Location: B's Backyard BBQ
3. Date(s): July 6, 7, 13, 14, 20, 21, ~~25-26~~, ~~28-29~~ August 3, 4, 17, 18, ~~22-23~~, 25-26
4. Describe Event: Adaptive water-skiing, Jet skiing, fishing, kayaking + sailing
5. Estimated Number of Participants: 10 on Day Sessions, 20 on overnight sessions.
6. Estimated Number of Spectators: 5-20
7. Method of Limiting Attendance: Reservations only
8. Method of Trash Collection and Disposal: trash cans that we dispose of.
9. Proposed First-Aid Services: All staff are life-guard, CPR + first-aid certified
10. Proposed Security Services: N/A
11. Proposed Fire Protection Services: Fire extinguishers.
12. Proposed Sanitation Facilities: Accessible Porta-Potty
13. Parking Arrangements: B's Backyard BBQ
14. Name, Address and Telephone Number of Person Available Before and During Event with Authority to Control Event: Sara Richter
Po Box 2897, Big Bear Lake, CA 909-584-0269
office
15. Perimeter control, if applicable: N/A 714-305-9450 cell

EXHIBIT B

FEE SCHEDULE

1. APPROVED SPECIAL EVENTS (except filming/photos):

Lake usage fee: Non-commercial	-0-
Commercial	\$200/event (or 5% of gross, whichever is greater)

*Lake Patrol or work boat services (one hour minimum):

Boat with operator	\$115/hour
Each additional staff person	\$ 30/hour

Other services: actual cost

*These fees will be deducted from the deposit where it is determined that additional Lake Patrol, weed harvesting or similar services will be necessary in the interest of health and safety.

2. GROUP SPECIAL EVENT PERMITS

A discounted boat permit fee for approved special events will be available at prevailing fees for the term of the event to those entrants not already having a boat permit. Any entrant participating for less than the full term of the event shall pay the normal daily permit fees. A minimum number of twenty-five special event boat permits shall be issued for the approved event to qualify for this special group rate. A group special event permit shall not be issued for major holidays or holiday weekends. Permittee shall be responsible for the sale of the special event boat permits. Proper remittance from the sale of these permits must be delivered to the District within three (3) days of the conclusion of the special event. Permittee shall be responsible for all permits including any missing permits. All other special event permit processing fees shall apply. Participants may upgrade the special event discounted boat permit to an annual boat permit by paying the difference between the special event permit fee and the annual permit fee. Upgrades to annual permits shall be handled at the District Administration office only.

**EXHIBIT C
SPECIAL CONDITIONS**

1. Sessions will be held on weekdays only as listed in Exhibit A

Please print legibly and fill out completely, including the waiver on the reverse side, thank you.

Name:	Birthdate:	Gender:
Mailing Address:	T-shirt size:	Hat size:
City:	Place of Employment:	
State: Zip:	Occupation:	
County (ie: LA, Orange, San Bernardino):	Health Insurance Company:	
Emergency Contact Name:	Policy #	SS#(new vols only)
Emergency Contact Phone #:	Reference: (not family)	
Home Phone:	Reference Phone:	
Work Phone:	Reference Relationship:	
Cell Phone:	Email:	

Aside from the USARC, what organizations have you volunteered for or what experience do you have with people with disabilities?

Please detail any affirmative answers, using additional paper and including documentation as needed:

- Have you volunteered for the USARC summer program? Yes No List all years: _____
- Do you know other languages (sign, Spanish, etc.)? Yes No _____
- Have you been convicted of a felony law violation? Yes No _____
- Do you have any specific dietary requirements? Yes No _____
- Do you have any allergies? (medications, food, latex etc.) Yes No _____
- Do you need to limit your activities for any reason? Yes No _____
- I am experienced in: Swimming Water Skiing Sailing Kayaking Camp Counseling
Canoeing Fishing Jet Skiing Boat Driving Mountain Biking
- I hold certification in: W.S.I. Lifeguard Training First Aid E.M.T. Adapted Aquatics
For-Hire Vessel Operator Other _____
- How did you hear about the USARC? _____

Please circle all dates / sessions that you will be attending, noting the requirements for each option on the enclosed letter.

- Summer Training (circle one)** Saturday, June 25 (Big Bear) Monday, August 8 (Long Beach)
- Overnight Camps / Big Bear (circle at least two sessions)** July 24-26 July 27-29 Aug. 21-23 Aug. 24-26
- Single Day Camps Big Bear (circle at least two dates)** July 6, 7, 13, 14, 20, 21 Aug. 3, 4, 17, 18

**All volunteers must attend camp orientation on the first night of each overnight session*

***** Volunteer party is TBD*****

Land Meets Sea Camp does not count towards your USARC commitment of 6 days.

**Contact Casa Colina directly for a Land Meets Sea volunteer application 909.596.7733 ext 2212 / adventure@casacolina.org*

Be sure to call ahead of time if you are interested, spaces for watersports fill up quick!

- Long Beach / Casa Colina - Land Meets Sea Camp** August 9 (Tuesday), 10 (Wednesday), 11 (Thursday), 12 (Friday)

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

MEETING DATE: *June 2, 2011*

AGENDA ITEM: *6A*

SUBJECT:

REVIEW AND DISCUSS FY 2011-12 DISTRICT BUDGET

RECOMMENDATION:

The Budget and Finance Committee recommend the Board review and discuss the Draft Fiscal Year 2011-12 budget. Adjustments and changes the full Board would like to see in the budget will be incorporated into the final version that will be considered for approval at the Board meeting on June 16, 2011.

DISCUSSION/FINDINGS:

The Budget and Finance Committee has gone over several drafts of the budget, most recently on Friday May 27. The draft budget revenue is about \$28,000 more than last years' projected revenue at \$4,307,689. Property tax revenue is budgeted for \$2,970,000, which is \$130,000 less than in fiscal year 2010-11. Interest earnings budgeted for \$40,000 last year is \$25,000 in this draft budget. Revenue from increases in dock license fees and boat permit fees adopted by the Board in February 2011 should make up for some of the reduced tax revenue and interest earnings during Fiscal Year 2011-12.

Salary and benefits are higher than Fiscal Year 2010-11 by about 5% due to the typical step increases on the wage scale and COLA adjustment of 3.9% based on the Bureau of Labor Statistics, CPI-Wage Earners and Clerical Workers 12 month percent change for the period ending April 2011. Total salaries and benefits in the draft budget total \$1,322,368. The proposed 2011 compensation plan is attached for review. With the property tax revenue projected to be essentially flat this coming fiscal year the in-lieu contract payment is also anticipated to be nearly the same as last year at \$1,250,000. Two projects are proposed for the Capital Improvement Fund portion of the budget. The District has four RV Park sites that are not full hookup sites. Staff will be exploring the feasibility of installing sewer and water at the sites this fall or early next spring. The second project is an updating and improvement of the dais in the Board room. This would be in-house construction and would improve the view of the Directors from the audience and provide better lighting for Directors'. The budget also proposes spending \$100,000 from the Rathbun Creek Restoration Project fund at the Trout Pond for clean up, miscellaneous repairs and possibly dredging.

OTHER AGENCY INVOLVEMENT: None

FINANCING: None

Submitted by: Scott Heule, General Manager

BIG BEAR MUNICIPAL WATER DISTRICT
OVERALL GENERAL FUND OPERATING BUDGET SUMMARY

FISCAL YEAR REVENUE TOTALS	2008-2009 ACTUAL REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
OPERATING REVENUE						
ADMINISTRATIVE REVENUE	\$499,321	\$433,624	\$450,930	\$439,730	\$441,639	\$449,492
PROPERTY TAX REVENUE	\$3,209,348	\$2,974,599	\$3,100,000	\$2,959,000	\$2,970,000	\$2,970,000
OPERATING REVENUE	\$810,937	\$868,970	\$815,500	\$880,638	\$896,050	\$901,550
TOTAL	\$4,519,606	\$4,277,193	\$4,366,430	\$4,279,368	\$4,307,689	\$4,321,042
FISCAL YEAR EXPENSE TOTALS						
FISCAL YEAR EXPENSE TOTALS	2008-2009 ACTUAL EXPENSE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
OPERATING EXPENDITURES						
SALARIES AND BENEFITS	\$1,154,365	\$1,208,256	\$1,252,178	\$1,238,969	\$1,322,368	\$1,348,805
SERVICES AND SUPPLIES	\$949,428	\$945,893	\$1,080,220	\$915,260	\$1,088,006	\$1,092,802
IN-LIEU WATER CONTRACT PAYMENT	\$1,212,499	\$1,281,739	\$1,290,000	\$1,239,214	\$1,250,000	\$1,250,000
DEBT SERVICE (BONDS/OTHER)	\$393,147	\$390,601	\$396,551	\$396,688	\$402,838	\$402,835
CAPITAL IMPROVEMENT FUND ALLOCA	\$279,155	\$284,830	\$221,881	\$234,984	\$224,446	\$224,446
TOTAL	\$3,988,594	\$4,111,319	\$4,240,830	\$4,025,115	\$4,287,658	\$4,318,888
OPERATING REVENUE	\$4,519,606	\$4,277,193	\$4,366,430	\$4,279,368	\$4,307,689	\$4,321,042
OPERATING EXPENDITURES	\$3,988,594	\$4,111,319	\$4,240,830	\$4,025,115	\$4,287,658	\$4,318,888
OPERATING FUND ALLOCATIONS	\$531,012	\$165,874	\$125,600	\$254,253	\$20,031	\$2,154
<i>Dam Repair</i>	\$137,430	\$82,937	\$54,126	\$118,452	\$10,016	\$1,077
<i>In-lieu water fund</i>	\$245,921	\$0	\$17,348	\$17,348	\$0	\$0
<i>Lake Improvement</i>	\$147,661	\$82,937	\$54,126	\$118,452	\$10,016	\$1,077
SURPLUS/DEFICIT	\$0	\$0	\$0	\$0	\$0	\$0

GENERAL FUND REVENUE

FISCAL YEAR REVENUE	2008-2009 ACTUAL REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
ADMINISTRATIVE						
WATER SALES/SNOWMAKING	\$346,453	\$353,702	\$360,450	\$360,450	\$367,659	\$375,012
INTEREST INCOME	\$102,221	\$32,113	\$40,000	\$25,000	\$25,000	\$25,500
BB MARINA/MOBIL/NJIT LEASES	\$48,480	\$45,000	\$48,480	\$50,480	\$46,480	\$46,480
SURPLUS SALE	\$0	\$0	\$0	\$0	\$0	\$0
OTHER MISCELLANEOUS	\$2,167	\$2,809	\$2,000	\$3,800	\$2,500	\$2,500
TOTAL	\$499,321	\$433,624	\$450,930	\$439,730	\$441,639	\$449,492
PROPERTY TAXES						
CURRENT SECURED	\$2,882,449	\$2,655,664	\$2,711,000	\$2,600,000	\$2,611,000	\$2,611,000
CURRENT UNSECURED	\$164,016	\$155,334	\$170,000	\$140,000	\$140,000	\$140,000
PRIOR YEAR SECURED	\$72,312	\$36,093	\$78,000	\$78,000	\$78,000	\$78,000
PRIOR YR. UNSECURED	\$4,781	\$3,986	\$59,000	\$59,000	\$59,000	\$59,000
OTHER	\$49,260	\$85,187	\$42,000	\$42,000	\$42,000	\$42,000
HOMEOWNERS' TAX	\$36,530	\$38,335	\$40,000	\$40,000	\$40,000	\$40,000
TOTAL	\$3,209,348	\$2,974,599	\$3,100,000	\$2,959,000	\$2,970,000	\$2,970,000
OPERATING						
DOCK LICENSE FEES	\$80,748	\$79,903	\$79,000	\$90,000	\$95,000	\$95,000
BOAT PERMIT FEES	\$541,977	\$571,632	\$525,000	\$570,000	\$580,000	\$580,000
QUAGGA SURCHARGE FEES	\$26,534	\$53,474	\$54,000	\$54,000	\$54,000	\$54,000
MARINA COMPENSATION	\$79,284	\$74,935	\$75,000	\$84,388	\$80,000	\$82,000
BOAT STORAGE	\$15,000	\$16,450	\$16,000	\$13,000	\$14,000	\$14,500
RECREATIONAL VEH. PARK	\$50,682	\$58,175	\$53,000	\$55,200	\$55,000	\$58,000
MTN. WATERS DISPATCH - ADS	\$9,300	\$8,900	\$9,000	\$9,550	\$9,550	\$9,550
OTHER	\$7,412	\$5,501	\$4,500	\$4,500	\$8,500	\$8,500
TOTAL	\$810,937	\$868,970	\$815,500	\$880,638	\$896,050	\$901,550
REVENUE GRAND TOTAL	\$4,519,606	\$4,277,193	\$4,366,430	\$4,279,368	\$4,307,689	\$4,321,042

ADMINISTRATION

STAFFING SUMMARY		POSITION	ALLOCATION OF TIME	
			FULL-TIME	SEASONAL
		GENERAL MANAGER	0.60	
		SR/ ACCOUNTANT/HUMAN RESOURCES	1.00	
		ADMINISTRATIVE ASSISTANT	1.00	
		ACCOUNTANT I/PUBLIC INFORMATION	0.50	
		CUSTOMER SERVICE CLERK	0.50	
		SEASONAL OFFICE CLERK		0.50
		TOTAL STAFF	3.60	0.50

EXPENDITURES	2008-2009 ACTUAL EXPENSE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SALARIES AND BENEFITS						
FULL-TIME SALARIES	\$217,686	\$218,860	\$234,181	\$227,698	\$242,998	\$247,858
SEASONAL SALARIES	\$13,378	\$12,004	\$10,049	\$12,985	\$8,255	\$8,420
EMERGENCY OVERTIME	\$183	\$443	\$0	\$0	\$0	\$0
FICA/UI/WORKERS' COMP	\$21,015	\$21,128	\$21,361	\$20,507	\$21,475	\$21,905
RETIREMENT/GROUP INS.	\$94,000	\$99,920	\$96,162	\$96,637	\$109,714	\$111,908
SALARIES/BENEFITS TOTAL	\$346,262	\$352,356	\$361,753	\$357,827	\$382,442	\$390,091
SERVICES AND SUPPLIES						
POSTAGE/SHIPPING	\$9,167	\$8,165	\$6,800	\$6,000	\$6,800	\$6,868
PRINTING	\$6,430	\$4,865	\$7,900	\$6,000	\$6,000	\$6,060
OFFICE SUPPLIES	\$8,990	\$12,168	\$11,500	\$10,000	\$10,000	\$10,100
UNIFORMS	\$1,148	\$245	\$1,200	\$1,200	\$1,200	\$1,212
TELEPHONE	\$25,564	\$29,737	\$29,080	\$27,000	\$27,000	\$27,270
INSURANCE	\$5,555	\$5,779	\$5,970	\$5,068	\$5,970	\$6,030
MEMBERSHIPS/SUBSC/PERMITS	\$17,348	\$13,196	\$17,888	\$18,000	\$19,165	\$19,356
LAFCO FEE	\$6,832	\$9,925	\$5,000	\$5,000	\$5,000	\$5,050
PUBLIC INFORMATION	\$10,021	\$14,900	\$17,650	\$21,850	\$21,850	\$22,068
KOOL KIDS	\$2,441	\$2,494	\$5,600	\$5,600	\$4,000	\$4,040
MWD COUNSEL RETAINER	\$36,000	\$42,000	\$48,000	\$42,000	\$48,000	\$48,480
LEGAL/LEGAL NOTICES	\$60,970	\$1,825	\$67,000	\$25,000	\$50,000	\$50,500
PROFESSIONAL SERVICES	\$95,116	\$87,367	\$112,180	\$83,500	\$98,000	\$98,980
EMPLOYEE TRAINING	\$20,949	\$17,290	\$13,400	\$12,000	\$15,300	\$15,453
FINACIAL REPORT WRITING SOFTWARE	\$1,100	\$0	\$0	\$0	\$0	\$0
DIRECTOR FEES	\$46,073	\$48,916	\$50,000	\$51,678	\$57,913	\$58,492
DIRECTOR GROUP INSURANCE	\$59,543	\$61,382	\$63,192	\$64,997	\$63,900	\$64,539
DIRECTOR SEMINARS/TRAVEL	\$7,207		\$12,500	\$5,000	\$12,500	\$12,625
COMPUTER MAINTENANCE	\$8,495	\$9,164	\$6,500	\$6,500	\$7,500	\$7,575
EQUIPMENT MAINT/REPAIR	\$8,258	\$11,272	\$10,500	\$6,000	\$10,500	\$10,605
BLDG/FACILITY MAINTENANCE	\$9,261	\$8,837	\$10,000	\$10,000	\$10,000	\$10,100
PARKING LOT RE-SEAL	\$0	\$0	\$0	\$0	\$0	\$0
SERVICES/SUPPLIES TOTAL	\$446,467	\$389,527	\$501,860	\$412,393	\$480,597	\$485,403
GRAND TOTAL	\$792,729	\$741,883	\$863,612	\$770,220	\$863,039	\$875,493

WATER RESOURCES

STAFFING SUMMARY		ALLOCATION OF TIME				
	POSITION	FULL-TIME	SEASONAL			
	GENERAL MANAGER	0.40				
	LAKE MANAGER	0.20				
	LAKE OPERATIONS SUPERVISOR	0.20				
	MAINTENANCE COORDINATOR	0.20				
	MECHANICAL AND FACILITY TECH. (2)	0.60				
	FACILITY MAINTENANCE		0.50			
	TOTAL STAFF	1.60	0.50			
EXPENDITURES	2008-2009 ACTUAL EXPENSE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SALARIES AND BENEFITS						
FULL-TIME SALARIES	\$118,836	\$115,999	\$127,498	\$128,304	\$130,629	\$133,242
SEASONAL SALARIES	\$2,000	\$7,543	\$5,977	\$6,100	\$8,380	\$8,548
EMERGENCY OVERTIME	\$0	\$500	\$500	\$577	\$500	\$500
FICA/UI/WORKERS' COMP	\$12,987	\$12,677	\$16,036	\$18,255	\$18,075	\$18,436
RETIREMENT/GROUP INS.	\$31,000	\$42,186	\$42,118	\$41,278	\$46,333	\$47,259
SALARIES/BENEFITS TOTAL	\$164,823	\$178,905	\$192,129	\$194,514	\$203,917	\$207,985
SERVICES AND SUPPLIES						
INSURANCE	\$12,392	\$12,892	\$13,316	\$11,306	\$13,316	\$13,582
UTILITIES- DAM/AERATOR	\$15,623	\$11,662	\$12,000	\$12,800	\$15,000	\$15,300
BEAR VALLEY DAM PERMIT	\$10,497	\$10,497	\$11,730	\$11,730	\$11,730	\$11,965
LEGAL	\$0	\$0	\$500	\$0	\$500	\$500
PROFESSIONAL SERVICES	\$19,344	\$12,688	\$36,000	\$5,000	\$83,000	\$84,660
WATERMASTER	\$24,591	\$41,185	\$50,000	\$42,000	\$50,000	\$51,000
AERATOR/DAM MAINTENANCE	\$6,072	\$3,578	\$5,500	\$11,600	\$6,200	\$6,386
WATERSHED MGT. LAB TESTS/TMDL	\$25,614	\$37,881	\$47,000	\$28,000	\$0	\$0
FISHERY MANAGEMENT	\$25,876	\$21,292	\$18,000	\$20,810	\$18,000	\$18,540
ALPINE TROUT PONDS	\$811	\$0	\$5,000	\$0	\$0	\$0
SERVICES/SUPPLIES TOTAL	\$140,820	\$151,675	\$199,046	\$143,246	\$197,746	\$201,933
GRAND TOTAL	\$305,643	\$330,580	\$391,175	\$337,760	\$401,663	\$409,918

MAINTENANCE

STAFFING SUMMARY		POSITION		ALLOCATION OF TIME		
		FULL-TIME	SEASONAL			
		LAKE MANAGER	0.40			
		LAKE OPERATIONS SUPERVISOR	0.20			
		MECHANICAL AND FACILITY TECH.	0.80			
		MAINTENANCE COORDINATOR	0.80			
		LAUNCH RAMP SUPERVISOR	0.34			
		FACILITY MAINTENANCE		3.50		
		TOTAL STAFF	2.54	3.50		
EXPENDITURES	2008-2009 ACTUAL EXPENSE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SALARIES AND BENEFITS						
FULL-TIME SALARIES	\$126,903	\$131,886	\$139,025	\$131,189	\$134,081	\$136,763
SEASONAL SALARIES	\$44,002	\$35,988	\$30,021	\$55,369	\$46,488	\$47,418
EMERGENCY OVERTIME	\$2,144	\$1,150	\$1,000	\$2,742	\$1,000	\$1,020
FICA/UI/WORKERS' COMP	\$20,659	\$21,470	\$26,480	\$22,773	\$27,063	\$27,605
RETIREMENT/GROUP INS.	\$62,732	\$72,724	\$71,216	\$72,351	\$71,390	\$72,818
SALARIES/BENEFITS TOTAL	\$256,440	\$263,218	\$267,742	\$284,423	\$280,023	\$285,623
SERVICES AND SUPPLIES						
JANITORIAL SUPPLIES	\$4,326	\$2,618	\$4,300	\$3,500	\$3,500	\$3,570
INSURANCE	\$11,965	\$12,448	\$12,857	\$10,916	\$12,857	\$13,114
UNIFORMS/EQUIPMENT	\$3,706	\$2,357	\$4,400	\$4,400	\$4,700	\$4,794
SMALL TOOLS/TOOL SUPPLIES	\$6,426	\$2,801	\$6,000	\$7,000	\$7,000	\$7,140
OSHA COMPLIANCE (TRAINING ETC.)	\$2,930	\$3,275	\$2,925	\$3,000	\$3,100	\$3,162
VEHICLE MAINTENANCE	\$12,649	\$9,474	\$11,500	\$11,500	\$13,400	\$13,668
INVASIVE SPECIES CONTROL-Lake	\$49,581	\$40,500	\$45,000	\$45,000	\$55,000	\$56,100
EQUIPMENT MAINT/REPAIR	\$6,426	\$8,799	\$7,000	\$7,000	\$7,000	\$7,140
BLDG/FACILITY MAINTENANCE	\$23,464	\$22,622	\$22,000	\$22,000	\$22,000	\$22,440
SS RELIEF/PORTABLES MAINT.	\$11,385	\$11,990	\$12,500	\$12,500	\$12,500	\$12,750
VECTOR CONTROL/SB COUNTY	\$0	\$0	\$7,500	\$0	\$7,500	\$7,500
SERVICES/SUPPLIES TOTAL	\$132,858	\$116,884	\$135,982	\$126,816	\$148,557	\$151,378
GRAND TOTAL	\$389,297	\$380,102	\$403,724	\$411,240	\$428,579	\$437,001

OPERATIONS

OPERATIONS						
STAFFING SUMMARY		POSITION		ALLOCATION OF TIME		
		FULL-TIME	SEASONAL			
		0.40				
		0.40				
		0.60				
		0.50				
		0.50				
		1.00				
		0.50				
		0.50				
		3.40	0.50			
EXPENDITURES	2008-2009 ACTUAL EXPENSE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SALARIES AND BENEFITS						
FULL-TIME SALARIES	\$151,735	\$157,783	\$169,540	\$157,876	\$173,287	\$176,753
SEASONAL SALARIES	\$123,908	\$138,172	\$136,182	\$123,100	\$154,358	\$157,446
EMERGENCY OVERTIME	\$7,201	\$5,452	\$5,000	\$6,745	\$5,000	\$5,100
FICA/UI/WORKERS' COMP	\$41,265	\$42,910	\$49,909	\$46,221	\$48,598	\$49,570
RETIREMENT/GROUP INS.	\$62,732	\$69,462	\$73,013	\$68,263	\$74,743	\$76,238
SALARIES/BENEFITS TOTAL	\$386,841	\$413,778	\$433,645	\$402,205	\$455,986	\$465,106
SERVICES AND SUPPLIES						
POSTAGE AND SHIPPING	\$1,931	\$2,154	\$2,000	\$1,100	\$1,600	\$1,632
PRINTING CHARGES	\$15,916	\$13,048	\$15,500	\$9,500	\$9,500	\$9,690
MOUNTAIN WATERS DISPATCH	\$6,300	\$7,216	\$7,500	\$8,493	\$10,000	\$10,200
OSHA EQUIPMENT/OTHER	\$7,663	\$11,981	\$8,075	\$12,000	\$12,000	\$12,240
JANITORIAL SUPPLIES	\$3,273	\$2,832	\$3,900	\$3,400	\$3,400	\$3,468
RADIO COMMUNICATIONS	\$7,571	\$4,911	\$5,250	\$5,200	\$6,050	\$6,171
INSURANCE	\$11,965	\$12,448	\$12,857	\$10,916	\$12,857	\$13,114
UTILITIES	\$50,492	\$52,161	\$55,000	\$59,000	\$60,000	\$61,200
UNIFORMS/EQUIPMENT	\$4,408	\$3,966	\$4,200	\$4,200	\$4,700	\$4,794
BOAT MAINTENANCE	\$14,862	\$49,237	\$16,500	\$16,500	\$16,500	\$16,830
PATROL BOAT ENGINES/OUT DRIVES	\$12,000	\$12,256	\$12,000	\$12,000	\$12,000	\$12,240
PATROL BOAT HULL	\$0	\$31,390	\$0	\$0	\$0	\$0
PETROLEUM	\$54,829	\$47,133	\$62,000	\$50,000	\$62,000	\$63,240
PARKING LOT RE-SEAL - West Ramp	\$0	\$0	\$0	\$0	\$12,000	\$0
PARKING LOT RE-SEAL - East Ramp	\$0	\$0	\$0	\$0	\$0	\$0
RAMPS/RV PARK MAINTENANCE	\$16,171	\$23,796	\$20,000	\$18,500	\$18,500	\$18,870
QUAGGA PREVENTION	\$21,903	\$13,278	\$24,800	\$21,995	\$20,000	\$20,400
SERVICES/SUPPLIES TOTAL	\$229,284	\$287,807	\$249,582	\$232,804	\$261,107	\$254,089
GRAND TOTAL	\$616,124	\$701,585	\$683,227	\$635,009	\$717,093	\$719,195

DEBT SERVICE

DEBT SERVICE	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
PRINCIPAL					
COP - 2003 SERIES (FINAL PMT 2033)	\$135,000	\$135,000	\$135,000	\$140,000	\$140,000
XEROX COPIER LEASE	\$4,537	\$4,599	\$4,987	\$4,987	\$4,984
IN-LIEU WATER PURCHASE CONTRACT	\$1,281,739	\$1,290,000	\$1,239,214	\$1,250,000	\$1,250,000
PRINCIPAL TOTAL	\$1,421,276	\$1,429,599	\$1,379,201	\$1,394,987	\$1,394,984
INTEREST					
COP - 2003 SERIES	\$255,601	\$256,751	\$255,601	\$256,751	\$256,751
XEROX COPIER LEASE	\$696	\$201	\$1,100	\$1,100	\$1,100
INTEREST TOTAL	\$256,297	\$256,952	\$256,701	\$257,851	\$257,851
	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
PRINCIPAL & INTEREST TOTAL	\$1,677,573	\$1,686,551	\$1,635,903	\$1,652,838	\$1,652,835

CAPITAL IMPROVEMENT FUND

REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SURPLUS SALE	\$50,409	\$0	\$13,103	\$0	\$0
INSURANCE REIMBURSEMENT - 2009 Ford Expl.	\$12,540	\$0	\$0	\$0	\$0
UNIDENTIFIED CAPITAL REPLACEMENT (18% of past year depreciation)	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000
CAPITAL REPLACEMENT SCHEDULE	\$119,881	\$119,881	\$119,881	\$122,446	\$122,446
REVENUE TOTAL	\$284,830	\$221,881	\$234,984	\$224,446	\$224,446
EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
<i>EQUIPMENT/VEHICLE PURCHASE</i>					
CARP - ELECTRO SHOCK BOAT & EQUIP	\$7,332	\$0	\$0	\$0	\$0
FORKLIFT	\$0	\$100,000	\$0	\$0	\$0
BACKHOE	\$0	\$100,000	\$60,115	\$0	\$0
PARKING LOT SWEEPER (Boston Whaler Motor)	\$0	\$10,000	\$5,687	\$0	\$0
TOTAL	\$7,332	\$210,000	\$65,802	\$0	\$0
<i>STRUCTURES AND IMPROVEMENTS</i>					
PICNIC TABLES (RAMPS/RV PARK)	\$0	\$0	\$0	\$0	\$7,000
RV PARK UTILITY ADDITION	\$0	\$0	\$0	\$35,000	\$0
EAST RAMP PARKING LOT REPAIR/REPLACE	\$147,548	\$0	\$158,378	\$0	\$0
OFFICE REPLACEMENT, EAST BOAT RAMP	\$25,346	\$0	\$0	\$0	\$0
PONTOON LOGS	\$0	\$0	\$0	\$0	\$0
DATA BASE PROGRAM-dock/permits/patrol stops	\$9,620	\$0	\$0	\$0	\$0
ADMIN OFFICE FURNITURE	\$0	\$0	\$0	\$0	\$0
ACCTING OFFICE FURNITURE	\$5,509	\$0	\$0	\$0	\$0
FRONT OFFICE REMODEL	\$14,588	\$0	\$0	\$0	\$0
BOARDROOM DIAS REMODEL	\$0	\$0	\$0	\$7,500	\$0
WEST RAMP DOCKS (2 each 80')	\$0	\$120,000	\$60,000	\$0	\$0
PATROL DOCK - 2008	\$0	\$0	\$0	\$0	\$0
TOTAL	\$202,611	\$120,000	\$218,378	\$42,500	\$7,000
EXPENDITURE GRAND TOTAL	\$209,943	\$330,000	\$284,180	\$42,500	\$7,000
YEAR-END FUND BALANCE	2009-2010 ACTUAL BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED BALANCE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
CAPITAL IMPROVEMENT FUND	\$321,994	\$194,053	\$272,797	\$454,743	\$672,189

BIG BEAR MUNICIPAL WATER DISTRICT

CAPITAL REPLACEMENT SCHEDULE

	YEAR ACQUIRED	BOOK COST	DEPRECIATED VALUE 6/30/2010	DEPRECIATION YEARS	REPLACEMENT REVIEW	REPLACEMENT COST	REQUIRED ANNUAL ACCRUAL
AUTOS/TRUCKS							
2010 FORD EXPLORER	2008	\$24,000	\$20,925	8	2016	\$25,338	\$3,167
2006 FORD 3/4 TON TRUCK	2006	\$27,000	\$21,144	5	2015	\$30,900	\$3,433
2003 FORD FLATBED	2003	\$26,854	\$0	8	2013	\$31,673	\$3,959
2001 FORD 1 1/2 TON 4/4	2001	\$44,573	\$0	5	2016	\$52,788	\$10,557
2007 FORD PICKUP 4X4	2007	\$25,337	\$19,187	10	2017	\$31,673	\$3,167
90 INT'L FLATBED DUMP TRUCK	1997	\$18,210	\$0	16	2013	\$31,673	\$10,557
							\$34,840
MOBILE EQUIPMENT							
2006 CATERPILLAR SKID STEER/TRAILE	2007	\$39,986	\$37,086	15	2022	\$42,230	\$2,815
89 CLARK FORKLIFT	1989	\$49,413	\$0	7	2015	\$105,575	\$13,204
2008 VOLVO TRACTOR (BACKHOE)	2010	\$60,000	\$60,000		2022	\$100,000	\$8,333
2001 HARVESTER	2001	\$94,900	\$37,169	10	2020	\$103,000	\$10,300
BACKHOE TRAILER	1998	\$4,619	\$0	7	2020	\$12,669	\$1,060
							\$35,712
BOATS							
07 BOULTON (PATROL)	2007	\$70,546	\$69,450	15	2022	\$13,725	\$915
99 JETCRAFT (PATROL)	1999	\$48,997	\$0	5	2014	\$13,725	\$2,744
95 ALUMAWELD (PATROL)	1995	\$43,521	\$0	5	2014	\$13,725	\$2,744
95 JETCRAFT (PATROL)	1995	\$39,493	\$0	5	2015	\$13,725	\$2,744
1986 CRESTLINER MAINTENANCE	1986	\$33,493	\$0	5	NA	NA	
87 ALMAR (PATROL)	1989	\$43,399	\$0	7	2012	\$13,725	\$2,744
86 PONTOON (MAINT) REHAB 1994	1986	\$10,421	\$0	10	2015	\$26,399	\$2,639
1996 EROCA PONTOON (TMDL)	2006	\$10,000	\$6,250	10	2016	\$15,841	\$1,584
							\$16,114
STRUCTURES							
PATROL DOCK	2008	\$100,000	\$95,000	25	2033	\$131,963	\$5,278
WEST RAMP DOCKS	2011	\$60,000	\$60,000	25	2036	\$100,000	\$4,000
EAST RAMP DOCKS	2007			25	2032	\$150,000	\$6,000
							\$35,615
							\$122,282

STANFIELD MARSH IMPROVEMENT PROJECT

REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
MITIGATION FEES/INTEREST	\$3	\$500	\$0	\$500	\$500
TRANSFER	\$0	\$0	\$0	\$0	\$0
TOTAL	\$3	\$500	\$0	\$500	\$500
EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
SHORE PROTECTION/SIGNAGE	\$1,500	\$0	\$0	\$0	\$0
CONSERVATION EASEMENT FENCING	\$2,300	\$0	\$0	\$0	\$0
TOTAL	\$3,800	\$0	\$0	\$0	\$0
YEAR-END FUND BALANCE	2009-2010 ENDING BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED YEAR-END	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
TOTAL	\$614	\$1,577	\$614	\$1,114	\$1,614

RATHBUN CREEK RESTORATION PROJECT

REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
RDA PASS-THROUGH (CITY OF BBL) (Agreement expires June 2018)	\$56,885	\$45,000	\$45,000	\$45,000	\$45,000
TOTAL	\$56,885	\$45,000	\$45,000	\$45,000	\$45,000
EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
CATCHMENT BASINS CLEAN-OUT	\$0	\$0	\$0	\$0	\$0
RATHBUN CREEK FLOW MONITORING	0	1,000	0	1,000	1,000
TROUT POND	0	0	0	100,000	0
TOTAL	\$0	\$1,000	\$0	\$101,000	\$1,000
YEAR-END FUND BALANCE	2009-2010 ENDING BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED YEAR-END	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
TOTAL	\$511,755	\$495,346	\$556,755	\$500,755	\$544,755

DAM REPAIR FUND PROJECTS

	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
DAM REPAIR FUND					
BEGINNING BALANCE	\$902,671	\$924,675	\$1,188,651	\$1,158,041	\$1,113,057
EXPENDITURES					
	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
DAM REPAIR FUND					
Dam Repair Expense	\$0	\$0	\$3,900	\$0	\$0
Painting Dam Buttresses	\$0	\$130,000	\$0	\$0	\$0
Flood Routing	\$0	\$0	\$0	\$0	\$0
Pedestrian Bridge- Simon Wong	\$4,500	\$100,000	\$115,162	\$0	\$0
Pedestrian Bridge- CEQA	\$0	\$0	\$0	\$0	\$0
2008 Dam Crack - Monitoring/Reporting - MWH SD Rogers	\$0	\$30,000	\$25,000	\$0	\$0
Dam Engineering Services - MWH (San Diego-Rogers)	\$52,998	\$60,000	\$5,000	\$55,000	\$80,000
EXPENSE TOTALS	\$57,498	\$320,000	\$149,062	\$55,000	\$80,000
REVENUE					
	2009-2010 ENDING REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
DAM REPAIR FUND					
GENERAL FUND TRANSFER	\$343,478	\$54,126	\$118,452	\$10,016	\$1,077
REVENUE TOTALS	\$1,246,149	\$54,126	\$118,452	\$10,016	\$1,077
YEAR-END FUND BALANCE					
	2009-2010 ENDING BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED YEAR-END	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
DAM REPAIR FUND	\$1,188,651	\$658,801	\$1,158,041	\$1,113,057	\$1,034,134

LAKE IMPROVEMENT FUND PROJECTS

REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
LAKE IMPROVEMENT FUND					
GENERAL FUND TRANSFER	\$295,694	\$54,126	\$118,452	\$10,016	\$1,077
TMDL WORK GROUP FUNDS	\$0	\$0	\$0	\$0	\$0
TOTAL	\$295,694	\$54,126	\$118,452	\$10,016	\$1,077
PROJECT FUND BOND (COP)					
COP BOND PROCEEDS/INTEREST	\$0	\$0	\$0	\$0	\$0
REVENUE TOTALS	\$295,694	\$54,126	\$118,452	\$10,016	\$1,077
EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
LAKE IMPROVEMENT FUND					
TROUT POND - Property Purchase	\$0	\$0	\$700,000	\$0	\$0
LAKE WEED MAPPING - Expenses	\$6,691	\$0	\$6,200	\$0	\$0
LAKE WEED MAPPING - Consultant	\$0	\$0	\$0	\$0	\$0
LAKE MANAGEMENT CONCEPTUAL MATERPLAN	\$26,871	\$0	\$0	\$0	\$0
COST SHARING - Santa Ana Sucker Task	\$20,000	\$0	\$17,500	\$0	\$0
FISH PURCHASE	\$0	\$0	\$5,600	\$0	\$0
HERBICIDE	\$0	\$0	\$140,000	\$0	\$0
GRANT WRITER	\$0	\$20,000	\$0	\$0	\$0
BIG BEAR MARINA DREDGE:					
BB Marina Dredge - Moffat & Nichols	\$24,467	\$15,000	\$11,706	\$0	\$0
BB Marina Dredge - MWH Sediment Sampling Plan	\$34,321	\$0	\$14,004	\$0	\$0
BB Marina Dredge - CEQA EIR	\$0	\$140,000	\$0	\$0	\$0
BB Marina Dredge - Survey - Hicks & Hartwick	\$0	\$0	\$1,050	\$0	\$0
BB Marina Dredge - Bathymetry - Aquatechnex	\$0	\$0	\$0	\$0	\$0
	\$112,349	\$175,000	\$896,060	\$0	\$0
BOND PROJECT/DREDGE FUND (COP)					
MWD HARBOR REHAB/IMPROV PROJECT	\$0	\$0	\$0	\$0	\$0
BENEFICIAL USE MAP (COP EXP)	\$47,784	\$10,000	\$0	\$0	\$0
WEATHER STATION	\$0	\$1,200	\$0	\$0	\$0
TOTAL	\$47,784	\$11,200	\$0	\$0	\$0
EXPENSE TOTALS	\$160,133	\$186,200	\$896,060	\$0	\$0
YEAR-END FUND BALANCE	2009-2010 ACTUAL BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED BALANCE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
LAKE IMPROVEMENT FUND	\$1,243,217	\$992,040	\$465,609	\$475,625	\$476,702
COP CONSTRUCTION FUND	\$499,731	\$488,531	\$499,731	\$499,731	\$499,731
TOTAL	\$1,742,948	\$1,480,571	\$965,340	\$975,356	\$976,433

INVASIVE SPECIES FUND (DOCKS)

REVENUE	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
INVASIVE SPECIES FUND					
ANNUAL INVASIVE SPECIES FEE PAYMENTS					
FEES PAID BY DOCK OWNERS	\$82,585	\$80,000	\$80,000	\$80,000	\$80,000
REVENUE TOTALS	\$82,585	\$80,000	\$80,000	\$80,000	\$80,000
EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
INVASIVE SPECIES FUND					
Equipment Depr	\$9,490	\$9,490	\$9,490	\$9,490	\$9,490
Herbicides	\$76,007	\$60,000	\$60,000	\$60,000	\$60,000
Application Labor	\$6,776	\$6,646	\$6,776	\$6,776	\$6,776
Training/Travel Expense		\$600	\$600	\$600	\$600
EXPENSE TOTALS	\$92,273	\$76,736	\$76,866	\$76,866	\$76,866
YEAR-END FUND BALANCE	2009-2010 END BALANCE	2010-2011 APPROVED BUDGET	2010-2011 PROJECTED BALANCE	2011-2012 PROPOSED BUDGET	2012-2013 FORECAST BUDGET
ENDING BALANCE	\$7,273	\$17,361	\$10,407	\$10,407	\$13,541

CONTAMINATION CLEANUP PROJECT

FUNDING	2009-2010 ACTUAL REVENUE	2010-2011 APPROVED REVENUE	2010-2011 PROJECTED REVENUE	2011-2012 PROPOSED REVENUE	2012-2013 FORECAST BUDGET
UNDERGROUND STORAGE TANK FUND	\$15,000	\$15,000	\$15,000	\$185,000	\$15,000
TOTAL	\$15,000	\$15,000	\$15,000	\$185,000	\$15,000

EXPENDITURES	2009-2010 ACTUAL EXPENSE	2010-2011 APPROVED EXPENSE	2010-2011 PROJECTED EXPENSE	2011-2012 PROPOSED EXPENSE	2012-2013 FORECAST EXPENSE
TREATMENT/MONITORING	\$17,819	\$15,000	\$201,397	\$15,000	\$15,000
FINAL CLEAN-UP/SOIL REMOVAL PROJ.	\$0	\$0	\$0	\$0	\$0
TOTAL	\$17,819	\$15,000	\$201,397	\$15,000	\$15,000

TOTAL EXPENDITURES AS OF 1998-1999 FY END	\$433,926
TOTAL EXPENDITURES AS OF 1999-2000 FY END	\$563,059
TOTAL EXPENDITURES AS OF 2000-2001 FY END	\$633,598
TOTAL EXPENDITURES AS OF 2001-2002 FY END	\$675,865
TOTAL EXPENDITURES AS OF 2002-2003 FY END	\$734,349
TOTAL EXPENDITURES AS OF 2003-2004 FY END	\$768,161
TOTAL EXPENDITURES AS OF 2004-2005 FY END	\$809,245
TOTAL EXPENDITURES AS OF 2005-2006 FY END	\$818,479
TOTAL EXPENDITURES AS OF 2006-2007 FY END	\$836,298
TOTAL EXPENDITURES AS OF 2007-2008 FY END	\$854,116
TOTAL EXPENDITURES AS OF 2008-2009 FY END	\$871,935
TOTAL EXPENDITURES AS OF 2009-2010 FY END	\$889,753
TOTAL EXPENDITURES PROJECTED AS OF 2010-2011FY END	\$1,091,150

**RESOLUTION NO. 2011-
EXHIBIT "A"
2011 COMPENSATION PLAN**

FULL-TIME EMPLOYEES

POSITION	MINIMUM (Monthly)	MAXIMUM (Monthly)
GENERAL MANAGER	\$8,714	\$11,678
8,714 - 9,150 - 9,607 - 10,088 - 10,592 - 11,122 - 11,678		
LAKE MANAGER	\$5,947	\$7,970
5,947 - 6,245 - 6,557 - 6,885 - 7,229 - 7,591 - 7,970		
SR. ACCOUNTANT/HUMAN RESOURCES	\$4,481	\$6,004
4,481 - 4,705 - 4,940 - 5,187 - 5,446 - 5,718 - 6,004		
LAKE OPERATIONS SUPERVISOR	\$4,481	\$6,004
4,481 - 4,705 - 4,940 - 5,187 - 5,446 - 5,718 - 6,004		
MECHANICAL AND FACILITY TECHNICIAN	\$3,649	\$4,890
3,649 - 3,831 - 4,023 - 4,224 - 4,435 - 4,657 - 4,890		
MAINTENANCE COORDINATOR	\$3,334	\$4,469
3,334 - 3,501 - 3,676 - 3,860 - 4,053 - 4,256 - 4,469		
ADMINISTRATIVE ASSISTANT	\$3,246	\$4,350
3,246 - 3,408 - 3,579 - 3,757 - 3,945 - 4,143 - 4,350		
ACCOUNTANT I/PUBLIC INFORMATION COORDINATOR	\$3,246	\$4,350
3,246 - 3,408 - 3,579 - 3,757 - 3,945 - 4,143 - 4,350		
CUSTOMER SERVICE CLERK	\$2,564	\$3,436
2,564 - 2,692 - 2,827 - 2,968 - 3,117 - 3,273 - 3,436		
LAUNCH RAMP SUPERVISOR	\$2,564	\$3,436
2,564 - 2,692 - 2,827 - 2,968 - 3,117 - 3,273 - 3,436		

*** RESOLUTION NO. 2004-08 Section 4.104 Step Raises**

(b) Employees who are at the top or above the approved pay scale and who have not received a step (merit) increase in three (3) years, shall be eligible for a five percent (5%) merit raise after performing three years of satisfactory service. Performance evaluation(s) with a satisfactory or higher rating shall be required for this merit increase. Employees at the top of the pay scale shall only be eligible for this merit increase once in any three (3) year period.

RESOLUTION NO. 2011-

EXHIBIT "B"

2011

COMPENSATION PLAN

SEASONAL EMPLOYEES

POSITION	MINIMUM (Hourly)	MAXIMUM (Hourly)
LAKE RANGER AIDE	legal minimum wage	legal minimum wage
LAKE RANGER I	\$11.60	\$15.54
11.60 - 12.18 - 12.78 - 13.42 - 14.09 - 14.80 - 15.54		
LAKE RANGER II	\$14.10	\$18.89
14.10 - 14.80 - 15.54 - 16.32 - 17.14 - 17.99 - 18.89		

TEMPORARY EMPLOYEES

POSITION	(Hourly)	(Hourly)
GRANT COORDINATOR	\$45.00	\$45.00

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

MEETING DATE: *June 2, 2011*

AGENDA ITEM: *6B*

SUBJECT:

CONSIDER APPROVAL OF THE SPECIAL EVENT PERMIT FOR BIG BEAR JAZZ TRAX ON THE LAKE TO BE HELD JUNE 24th, 25th, 26th

RECOMMENDATION:

The General Manager, Lake Manager and Operations Committee (Directors Suhay and alternate Smith) recommend approval of this event.

DISCUSSION/FINDINGS:

This event will be held on June 24, 25, 26. It is the second year for this event but this year it falls the same weekend as Carp Roundup. The event proposes to use the fireworks barge (16 feet by 80 feet) and an additional smaller platform dock (16 feet by 30 feet) just off the shoreline at the Marina Resort white tent for performers. Audience will be on the shoreline watching and listening. In addition to the barge on the water they will need to install a fence around the event to the water's edge. The fence will prohibit access to the area from public property but is necessary because of the sales of liquor, beer, and wine. The \$500 deposit will be collected and whatever time is required for Patrol and Maintenance Services will be deducted from their deposit. The \$100 administrative fee will also apply as will the liability insurance requirements. The Committee originally recommended approval of this special event subject to the following conditions:

- The general public must be prevented from accessing the barge
- Boats must be prevented from tying up along the edge of the barge. The District will install a floating rope and red buoys on a perimeter to prevent boats from encroaching too close.
- The Lake Manager will provide direction for placement of lifesaving throwable devices and fire extinguishers on the barge.
- The District may require additional conditions based on actual conditions as the event is being staged.
- Lake Patrol and Maintenance will be needed to set up and prepare for the event but no Lake Patrol or monitoring duties will be needed following initial satisfactory inspection of the setup.

Subsequent to the Committee meeting that recommended approval of this event, Staff reviewed the web site for the event. The web site advertises an event staging issue that was not disclosed in the special event application. The sponsor is selling seating on anchored pontoon boats located behind and east of the floating stage. This will potentially create a conflict with the general public on the lake that choose to anchor at the same location on the water. Staff recommends that the District add a condition of approval for the event that the sponsors are prohibited from interfering with the safe navigation or Lake use surrounding the floating stage by the general public, and that they cannot prevent the general public from anchoring outside of the floating buoy line placed in advance of the event by District Staff.

OTHER AGENCY INVOLVEMENT: None

FINANCING: None

Submitted by: Scott Heule, General Manager



Big Bear Municipal Water District

Lake Management

Board of Directors

- Todd Murphy – Division 1
- Paula Fashempour – Division 2
- Skip Suhay – Division 3
- John Eminger – Division 4
- Vince Smith – Division 5

SPECIAL EVENT PERMIT FOR BIG BEAR LAKE

As of _____, Big Bear Municipal Water District (hereinafter "District") grants a Special Event Permit to _____ (hereinafter "Permittee") as follows:

Section 1. Event Described

Permittee may conduct only the event described on Exhibit "A", attached hereto and hereby incorporated by this reference. Permittee shall comply with laws, rules and regulations applicable to the event.

Section 2. Fees and Deposits

Within 30 days before the event: the Permittee shall pay the District \$100.00 to cover the cost of processing this Permit, and the Permittee shall deposit \$500.00 with the District to cover the cost of clean-up and other added expenses incurred by the District if Permittee fails to comply with this Permit. The part of the deposit, if any, not used by the District shall be refunded to the Permittee within 30 days after the event. The attached Fee Schedule (Exhibit "B") details rates for special services.

Section 3. Indemnification

A. Permittee shall indemnify and hold harmless and defend District, its officers, agents, employees and volunteers from and against: cost, liability and damages, including attorney's fees and litigation costs, arising out of any act or omission to, including any negligent act, or omission to act, by Permittee, its officers, agents, employees or volunteers arising out of activities permitted herein.

B. Permittee shall reimburse District and its directors, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Section 4. Insurance

A. Permittee shall cause the District, its officers, agents and employees to be named as an additional or co-insurance under policies of commercial general liability insurance as broad as the following:

1. General Liability - one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

2. The coverage shall contain no special limitations on the scope of protection afforded to the District, its officers, employees, agents and volunteers.
3. The permittee's insurance shall be primary insurance as respects the District, its officers, employees, agents and volunteers. Any insurance, pooled coverage or self-insurance maintained by the District, its officers, employees, agents and volunteers shall not contribute to it.
4. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage.
5. The permittee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
6. Such liability insurance shall indemnify the permittee against loss from liability imposed by law upon, or assumed under contract by, the permittee for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability.
7. Such insurance shall be provided on a policy form written by underwriters through an agency satisfactory to the District which includes a cross-liability clause, and covers bodily injury and property damage liability, blanket contractual liability and completed operations liability.
8. Any deductible or self-insured retention must be declared to and approved by the District. At the option of the District, either the insurer shall reduce or eliminate such deductibles or self-insured retentions.
9. The insurer shall have a current A.M. Best's rating of no less than A-:VII or equivalent.

B. If applicable, the permittee shall cover or insure under the applicable laws relating to:

1. Workers' compensation insurance, all of their employees working on or about the event, regardless of whether such coverage or insurance is mandatory or merely elective under the law, and the permittee shall defend, protect and save harmless the District, its officers, employees, agents and volunteers from and against all claims, suits, and actions arising from any failure of the permittee to maintain such insurance. Before beginning work, permittee shall furnish to the District satisfactory proof that he has taken out for the period covered by the event, full compensation insurance for all persons employed directly by him in the event contemplated under this contract, has been obtained in accordance with the "Workers' Compensation and Insurance Act".
2. The permittee shall provide employer's liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease.

C. Prior to execution of the contract, the permittee shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (endorsement form or insurer's equivalent) signed by the insurer's representative and certificate of insurance (Accord Form 25-S or equivalent). If such proof is not received 30 days prior to the event, the event may be canceled by the District's General Manager. All evidence of insurance shall be certified by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional primary insurers, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, the expiration date. The insurer will give by certified mail, written notice to the District at least thirty (30) days prior to the effective date of any cancellation, lapse or material change in the policy.

Section 5. Safety Regulations

The Permittee shall conduct the event with due care for the safety and welfare of participants and spectators, and in compliance with all laws, rules and regulations of federal, state, county or local agencies asserting jurisdiction. The Permittee shall attend two meetings with District representatives prior to the event described as follows:

A. Permit compliance meeting: Permittee shall demonstrate that all permit conditions have been met.

B. Skipper's and/or Safety meeting: Event organizers and participants shall meet with District representatives to have any questions answered and to receive an update of current Lake conditions which may affect event activities.

Section 6. Conditions

The Permittee shall comply with the conditions set forth on Exhibit C attached hereto and hereby incorporated by this reference.

Accepted by:

Date

Permittee

Date

General Manager

EXHIBIT A

DESCRIPTION OF EVENT

- Name of Event: JAZZ TRAX ON THE LAKE, SPONSORED BY THE VILLAGE BUSINESS ASSOC.
2. Location: MARINA RESORT 40770 LAKEVIEW BBL
3. Date(s): FRI JUNE 24, SAT JUNE 25, SUN JUNE 26, 2011
4. Describe Event: CONCERT ON THE BEACH/LAWN
5. Estimated Number of Participants: 30
6. Estimated Number of Spectators: 400-700
7. Method of Limiting Attendance: PRE TICKET SALES
8. Method of Trash Collection and Disposal: TRASH CANS, CLEANUP CREW
9. Proposed First-Aid Services: AT HOTEL, OFFICE
10. Proposed Security Services: CERTIFIED 4-6 SECURITY PERSONNEL, SAN DIEGO SAFETY
11. Proposed Fire Protection Services: JACK TOFDLOGO 619-606-1806
BIG BEAR LAKE, F.D. ACCESS ROAD
12. Proposed Sanitation Facilities: EXISTING AND ADDITIONAL PORTABLE TOILETS
13. Parking Arrangements: MARINA & ROBINHOOD HOTELS, CITY LOT AT BARNETT
14. Name, Address and Telephone Number of Person Available Before and During Event with Authority to Control Event: CHARLES BREWSTER, 909-844-5337; AILT GOOD
700-333-1900
SEE #14 AND JACK TOFDLOGO, SECURITY 619-606-1806
15. Perimeter control, if applicable: 4 SECURITY FENCE, WATER LINE GUARDS
NOISE: STAGE WILL BE POINTING AWAY FROM THE LAKE
EXPECTED dB LEVEL TO BE 95dB AT STAGE, 83dB AT P/L
PLEASE NOTE:
WE ARE REQUESTING USE OF THE
16 X 100 FIREWORKS BARRAGE FROM JUNE 24. TILL JUNE 26, 2011
FLORATED 20 FEET OFF THE HOTEL'S BEACH (SEE MAP)

EXHIBIT B

FEE SCHEDULE

1. APPROVED SPECIAL EVENTS (except filming/photos):

Lake usage fee: Non-commercial	-0-
Commercial	\$200/event (or 5% of gross, whichever is greater)

*Lake Patrol or work boat services (one hour minimum):

Boat with operator	\$115/hour
Each additional staff person	\$ 30/hour

Other services: actual cost

*These fees will be deducted from the deposit where it is determined that additional Lake Patrol, weed harvesting or similar services will be necessary in the interest of health and safety.

2. GROUP SPECIAL EVENT PERMITS

A discounted boat permit fee for approved special events will be available at prevailing fees for the term of the event to those entrants not already having a boat permit. Any entrant participating for less than the full term of the event shall pay the normal daily permit fees. A minimum number of twenty-five special event boat permits shall be issued for the approved event to qualify for this special group rate. A group special event permit shall not be issued for major holidays or holiday weekends. Permittee shall be responsible for the sale of the special event boat permits. Proper remittance from the sale of these permits must be delivered to the District within three (3) days of the conclusion of the special event. Permittee shall be responsible for all permits including any missing permits. All other special event permit processing fees shall apply. Participants may upgrade the special event discounted boat permit to an annual boat permit by paying the difference between the special event permit fee and the annual permit fee. Upgrades to annual permits shall be handled at the District Administration office only.

EXHIBIT C
SPECIAL CONDITIONS
Jazz Trax on the Lake

- The general public must be prevented from accessing the barge
- Boats must be prevented from tying up along the edge of the barge. The District will install a floating rope and red buoys on a perimeter to prevent boats from encroaching too close.
- The Lake Manager will provide direction for placement of lifesaving throwable devices and fire extinguishers on the barge.
- The District may require additional conditions based on actual conditions as the event is being staged.
- Lake Patrol and Maintenance will be needed to set up and prepare for the event but no Lake Patrol or monitoring duties will be needed following initial satisfactory inspection of the setup.

AI VISITING...
 40170 BIG BEAR BLVD (LAKEVIEW)
 APN. 0308-151-32-000

NORTH

BIG BEAR LAKE

4' SECURITY FENCE

APPROX 320'

FROM HOLLOWAYS
 FROM ROTARY PINE KNIGHTLY CITY BARCE
 FLOTTING SITTING
 100'

NOTE:
 MINIMUM OF 4 SECURITY GUARDS ON DUTY WHILE OPEN.

4' SECURITY FENCE/GATE

LAWN/BENCH SITTING AREA

RESTROOMS

TENT MAIN ENTRANCE

EXEC TABLES

POOL

3 STORY MARINA RIVERVIEW

LOBBY

FOOD

2ND ENT

EMERGENCY ACCESS RD

RESTROOMS

LAKESIDE DENTISTRY

PARKING (20)

LAWN PARKING (40)

HOTEL PARKING (52)

CROSSING GUARD

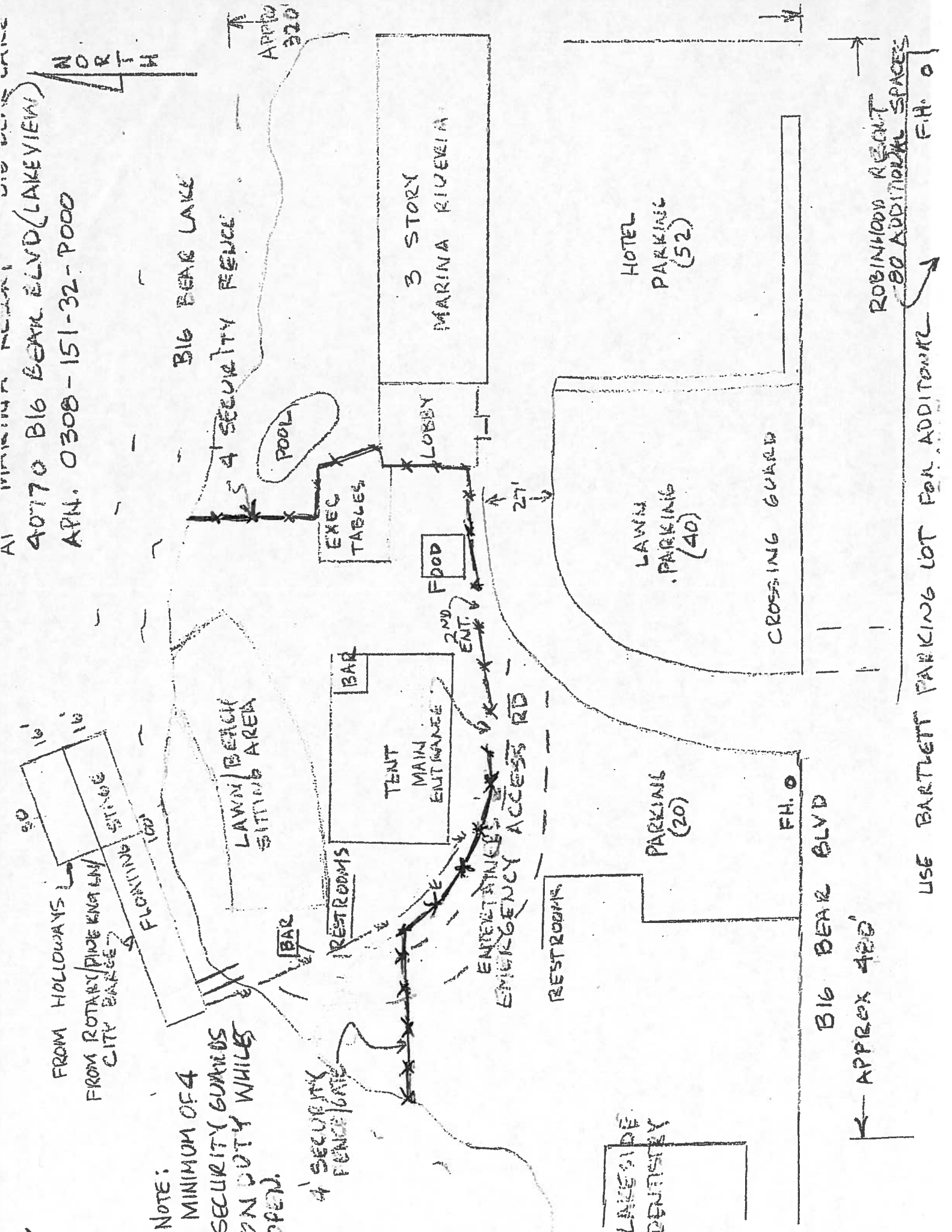
BIG BEAR BLVD

F.H. 0

APPROX 420'

ROBINHOOD ROAD
 80 ADDITIONAL SPACES
 F.H. 0

USE BARTLETT PARKING LOT FOR ADDITIONAL



BIG BEAR LAKE JAZZTRAX SUMMER MUSIC FESTIVAL

Floating Stage Lakeside Lawn Marina Resort • JUNE 24, 25, 26

IN ALL THE WORLD NO PLACE LIKE THIS FOR JAZZ
in the Summer Time Southern California Mountains with the
Stars of Smooth Jazz Performing on a Floating Stage On Big Bear Lake



Peter White • **Marion Meadows** • **Johannes Linstead** • **Warren Hill** • **Jackiem Joyner** • **Marcus Anderson** • **Chris Standing**



Order On-Line www.JazzTrax.com or **866-Trax Tix** (872-9849)