

A G E N D A
BIG BEAR MUNICIPAL WATER DISTRICT

BOARD OF DIRECTORS
Regular Meeting
July 5, 2012

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

Next Resolution Number: 2012-13

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 June 21, 2012
 - B. Warrant List Dated July 2, 2012 for \$43,691.20
 - C. Consider approval of a proposal from Eadie and Payne, Certified Public Accounts, for the completion of the Annual Audit for the year ended June 30, 2012
- 6. BUSINESS**
 - A. Consider approval of In-Lieu Water MOU between BMWWD and San Bernardino Valley Municipal Water District (Valley District)
 - B. Consider approval of a Resolution of the Board of Directors of Big Bear Municipal Water District revising boundaries for District Divisions

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, July 12, 2012

Big Bear Municipal Water District

40524 Lakeview Drive, Big Bear Lake, CA

PLEASE 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.

Agenda related writings or documents provided to the Board of Directors are available for public inspection at www.bbmwd.org or in the District office during business hours, 8:00 am – 4:30 pm Monday – Friday.

Big Bear Municipal Water District wishes to make all of its public meetings accessible to the public. If you need special assistance to participate in this meeting, please contact the Board Secretary. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting

**MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, JUNE 21, 2012**

CALL TO ORDER

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

REPORTS

General Manager, Scott Heule reported that it's been rather unsettled here in the office during the past couple of weeks. He explained that with Mr. Stephenson's wife Dana getting her kidney transplant, he has been directing his staff via e-mail and text messaging. He added that we have been further distracted because of Director Fashempour's hospitalization. Mr. Heule commented that Staff has been keeping up with the typical and the un-typical events that have been occurring on and around the Lake. He reported that last Saturday Lake Patrol responded to a report of cars in the Lake at Windy Point. He explained that a Suburban failed to negotiate the corner and broadsided a Toyota 4-Runner and both ended up over the side. He commented that the Toyota was unoccupied and stopped in the Lake. He added that the Suburban was on its side and the driver and passenger were trapped. Mr. Heule explained that Patrol Officer Crouthamel wedged his boat between the vehicles and a fireman used an axe to break the windshield to extricate the victims. He reported that we transported them to Captain Johns Marina where they were picked up by ambulance and taken to the hospital. He explained that the passenger in the Suburban was unconscious for most of the trip to the marina but the driver was uninjured but later cited for DUI. Mr. Heule reported that other events on the lake during the Saturday windy weather included a sail boat with a broken mast, and a dead in the water wake board boat that left their wake boarder stranded. He added that we have lost one ramp attendant explaining that Mr. Stephenson and Mr. Williams are in the process of trying to fill that position. He commented that so far it has not hampered the Districts effort to manage the ramps. Lake Manager, Mike Stephenson reported on weed treatments. He explained that several of the planned treatments had to be postponed due to the extremely windy conditions. He added that application equipment was removed during these conditions and the harvester was used in some areas. Director Murphy commented that he saw some weeds in Boulder Bay asking if they had been treated. Mr. Stephenson explained that the Boulder Bay area has been treated. He commented that night treatments will resume as soon as the weather permits. He reported that there are three special events this coming weekend; Jazz Trax on the Lake, Inland Empire Bass Assassins tournament, and the Carp Roundup. He reported that the dissolved oxygen in the lake is as good as he has ever seen at this time of year. He reported that his wife Dana's new kidney is functioning at 86% which is very good. Director Murphy asked if, because the 4th of July falls on a Wednesday, it is expected to be busy. Mr. Stephenson explained that it is expected to be a busy weekend before and after and moderately busy during the week.

APPROVAL OF CONSENT CALENDAR

Item 5E (a Resolution establishing employee compensation) was pulled from the Consent Calendar for discussion.

Thursday June 21, 2012

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

- Minutes of a Regular Meeting of June 7, 2012
- Warrant List Dated June 14, 2012 for \$97,253.61
- 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
- Approval of a Special Event Permit for Inland Empire Bass Assassins Bass Fishing Tournament

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT ESTABLISHING EMPLOYEE COMPENSATION AND REPEALING RESOLUTION NO. 2011

It was explained that consent item 5E needed correction (the General Manager position was omitted). A corrected Resolution was passed out.

Upon a motion by Director Suhay, seconded by Director Murphy the above Resolution was unanimously approved.

CONSIDER APPROVAL OF SECOND READING BY TITLE ONLY OF AN ORDINANCE OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO. 39 (ADMINISTRATIVE CODE) AS IT RELATES TO A REDUCTION IN DIRECTORS COMPENSATION

Mr. Heule reported that as a cost cutting measure discussed at the last Board meeting it was agreed that Directors compensation be reduced 10%. He stated that the Administrative Committee recommends the Board approve the second reading by title only of the ordinance reducing Director Compensation by 10% to \$137.22. Mr. Heule asked District Counsel Wayne Lemieux when the Ordinance would become effective. Mr. Lemieux explained that it would be 60 days after today.

Director Suhay moved approval of the second reading by title only of an Ordinance amending Ordinance No. 39 (Administrative Code) as it related to a reduction in Directors compensation. Director Murphy seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF A CONTRACT WITH SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT FOR A WORK PROGRAM

Mr. Heule reported that the County of San Bernardino administers a work program through the Sheriff's Department for the performance of work by persons committed to the custody of the Sheriff. He explained that Big Bear Sheriff's Captain Tom Bradford asked District staff to participate in this program. He added that the Sheriff would coordinate with the District to place inmates to perform manual labor at District facilities when the District has transportation, supervisory staff and work for them to do. He commented that the District would have to provide appropriate training and personal protective equipment necessary for the work. Mr. Heule explained that the District would not be required to provide security guards, however if an inmate leaves the work area before an appointed time the District would notify the Sheriff. He reported that in order for this program to move forward the District must enter into a contract with San Bernardino. He explained that the contract runs for five years after adoption and requires a \$100 administrative fee when the executed contract is signed and returned. He stated

that no other expense is associated with this contract and the manual labor could include weed trimming, trash pick-up, painting etc. He added that the District is not under any obligation to utilize the service of inmate labor and would be able to request their help when a specific project or projects are identified. Director Suhay asked how much notice is needed for them to supply the workers. Mr. Heule stated there is no fast rule. Mr. Stephenson commented that they seem to be readily available.

Director Murphy moved approval of a Contract with San Bernardino County Sheriff's Department for a Work Program. Director Smith seconded the motion and it was unanimously approved.

CONSIDER APPROVAL OF FISCAL YEAR 2012-13 BUDGET

Mr. Heule reported that at the last Board meeting Staff provided a summary of the proposed Fiscal Year 2012-13 Budget. He explained that the only change in the proposed budget compared to the version presented at the meeting on June 7, 2012 is a reflection of the 10% reduction in Directors per-diem payment. He stated that one other issue might affect our budget in the future and that is that the State legislature wants to abolish all Redevelopment Agencies and if they decide to do that it could be a loss of \$90,000 next year. He added that CSDA and ACWA are both lobbying to have it corrected. He commented that there is more information to come on this issue. He reported that the Budget and Finance Committee recommends the Board approve the proposed Fiscal Year 2012-13 Budget as presented here and the Resolution establishing the Appropriations Limit for Fiscal Year 2012-13.

Director Murphy moved approval of Fiscal Year 2012-13 Budget. Director Smith seconded the motion and it was unanimously approved.

PUBLIC FORUM

No comments were made

ANNOUNCEMENTS

Mr. Heule announced that the Carp Round-up tournament is this coming weekend. He explained that District Staff will be putting in overtime hours to assure a successful event. He added that early registration is up this year. He reported that July 4th activities will occupy many staff hours for the next couple weeks. He commented that we hope the new lighting on the barge perimeter buoys will be more visible this year. He explained that the District purchased bright red solar lights specifically designed for attaching to buoys like the 5 mile an hour ones we have around the lake. Mr. Heule reported that he will be taking vacation time beginning right after the July 5th Board meeting and returning the following Wednesday. He explained that his family will be spending the time at their Utah cabin. He added that the following week, July 16 and 17, a Monday and Tuesday, he will be attending the annual CSDA General Managers Leadership Summit in Napa. He commented that the General Managers from BBARWA and the Airport will also be there. Mr. Stephenson reported that the District purchased solar lights for the 5 MPH buoys. Mr. Lemieux commented that he is going to be in the neighborhood more often because his firm was contracted as counsel by Eastern Municipal Water District.

DIRECTOR COMMENTS

No comments were made

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:33 P.M.

Thursday June 21, 2012

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, July 5, 2012
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA

Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

Big Bear Municipal Water District
Computer & Manual Check Register
Current and History Files, 06/14/12 to 06/30/12
Account 10010-00-001, Sessions 000000 to 002683

Check	Payment / Vendor Information	Ck Date	Prty	Invoice	Session	Reference	Amount
	Checking Account: 10010-00-001						
150447	HAMMAN / HOSS HAMMAN	06/24/12	M	06242012	002674	PRIZE	500.00
						HAMMAN Subtotal :	500.00
150448	HARTMA / JOE HARTMAN	06/24/12	M	06242012	002674	PRIZE	500.00
						HARTMA Subtotal :	500.00
150449	DUYSIN / JASON DUYSINGS	06/24/12	M	06242012	002674	PRIZE	250.00
						DUYSIN Subtotal :	250.00
150450	SCOTT / TRAVIS SCOTT	06/24/12	M	06242012	002674	PRIZE	250.00
						SCOTT Subtotal :	250.00
150451	DIMICE / Vince Dimiceli	06/24/12	M	06242012	002674	PRIZE	150.00
						DIMICE Subtotal :	150.00
150452	DONLON / KATHY DONLON	06/24/12	M	06242012	002674	PRIZE	150.00
						DONLON Subtotal :	150.00
150453	FOOTEB / Bryan Foote	06/24/12	M	06242012	002674	PRIZE	500.00
						FOOTEB Subtotal :	500.00
150454	TAGLIO / SCOTT TAGLIONE	06/24/12	M	06242012	002674	PRIZE	500.00
						TAGLIO Subtotal :	500.00
150455	LINNE / DEAN LINNE	06/24/12	M	06242012	002674	PRIZE	250.00
						LINNE Subtotal :	250.00
150456	OWENSD / Dell Owens	06/24/12	M	06242012	002674	PRIZE	250.00
						OWENSD Subtotal :	250.00
150457	RIDGE / Jimmy Ridge	06/24/12	M	06242012	002674	PRIZE	150.00
						RIDGE Subtotal :	150.00
150458	GOAD / DAVE GOAD	06/24/12	M	06242012	002674	PRIZE	150.00
						GOAD Subtotal :	150.00
150459	JOHNSR / RYAN JOHNSON	06/24/12	M	06242012	002674	PRIZE	200.00
						JOHNSR Subtotal :	200.00
150460	KOLTS / LUCAS KOLTS	06/24/12	M	06242012	002674	PRIZE	200.00
						KOLTS Subtotal :	200.00
150462	MCNEIL / JOHN MCNEILL	06/24/12	M	06242012	002674	PRIZE	100.00
						MCNEIL Subtotal :	100.00
150463	RIPPYD / DAN RIPPY	06/24/12	M	06242012	002674	PRIZE	100.00
						RIPPYD Subtotal :	100.00
150464	RONEYG / GARY RONEY	06/24/12	M	06242012	002674	PRIZE	100.00

Big Bear Municipal Water District
Computer & Manual Check Register
Current and History Files, 06/14/12 to 06/30/12
Account 10010-00-001, Sessions 000000 to 002663

Check	Payment / Vendor Information	Ck Date	Prtly	Invoice	Session	Reference	Amount
150481	BMARIN / Big Bear Marina	06/25/12	2	10311168	002670	PETRO-BOAT	1664.68
						BMARIN Subtotal :	1664.68
150482		06/25/12	2	10311167	002670	PETRO-BOAT	1327.07
						BMARIN Subtotal :	1327.07
150483	BUTCHR / Butcher's Block & Building Materi	06/25/12	2	130207	002670	PATROL	27.42
						BMARIN Subtotal :	1327.07
150483		06/25/12	2	130485	002670	PATROL	87.75
150483		06/25/12	2	130658	002670	PATROL	4.26
150483		06/25/12	2	132283	002670	EASTMAINT	10.89
150483		06/25/12	2	132346	002670	EASTMAINT	16.46
150483		06/25/12	2	132497	002670	EASTMAINT	31.12
150483		06/25/12	2	132844	002670	EASTMAINT	41.16
150483		06/25/12	2	133142	002670	SMTTOOLS	52.11
150483		06/25/12	2	133438	002670	EASTMAINT	11.43
150483		06/25/12	2	133672	002670	SHOPMAINT	9.14
						BUTCHR Subtotal :	291.74
150484	BVELEC / Bear Valley Electric	06/25/12	2	06062012A	002670	UTIL-MAIN	2619.68
150484		06/25/12	2	06062012B	002670	UTIL-RV	678.48
150484		06/25/12	2	06062012C	002670	UTIL-MAIN	106.75
						BVELEC Subtotal :	3404.91
150485	BVPRIN / Bear Valley Printing	06/25/12	2	82239	002670	ADMINPRINT	643.70
						BVPRIN Subtotal :	643.70
150486	CCONNE / CONNELLY PUMPING SERVICES	06/25/12	2	12260	002670	PORTABLES	320.00
150486		06/25/12	2	12261	002670	PORTABLES	220.00
150486		06/25/12	2	12262	002670	PORTABLES	320.00
150486		06/25/12	2	12263	002670	PORTABLES	255.01
150486		06/25/12	2	12264	002670	SSPUMPING	180.00
						CCONNE Subtotal :	1295.01
150487	CHARTER / CHARTER COMMUNICATIONS	06/25/12	2	06162012	002670	PHONE-NET	389.99
						CHARTER Subtotal :	389.99
150488	CHEMPA / CHEM PAK PRODUCTS	06/25/12	2	77669	002670	JANITSUPPL	321.66
						CHEMPA Subtotal :	321.66
150489	COMPVI / COMPUTER VILLAGE	06/25/12	2	125378	002670	EQUIPMANT	600.00
						COMPVI Subtotal :	600.00

Big Bear Municipal Water District
Computer & Manual Check Register
Current and History Files, 06/14/12 to 06/30/12
Account 10010-00-001, Sessions 000000 to 002683

Check	Payment / Vendor Information	Ck Date	Prty	Invoice	Session	Reference	Amount
150490		06/25/12	2	125343	002670	EQUIPMAINT	450.00
COMPVI Subtotal :							450.00
150491	COMSER / ComSerCo	06/25/12	2	61010	002670	RADIOHAND	338.34
150491		06/25/12	2	61060	002670	RADIOHAND	474.10
COMSER Subtotal :							812.44
150492	CRPROD / CHRISTIN ROSE PRODUCTIONS	06/25/12	2	FILM201201	002670	FILMDEPO	500.00
CRPROD Subtotal :							500.00
150493	DELAPJ / JOHN DELAP	06/25/12	2	12313	002670	PERMITOVER	20.00
DELAPJ Subtotal :							20.00
150494	DISH / Dish Network	06/25/12	2	06042012	002670	UTIL-MAIN	64.99
DISH Subtotal :							64.99
150495	DIVERS / Diversified Products, Inc.	06/25/12	2	13776355	002670	PATROL	93.12
DIVERS Subtotal :							163.54
150496	HAVASU / HAVASU EMBROIDERY INC	06/25/12	2	15824	002670	CARPROUNDU	2048.20
HAVASU Subtotal :							2048.20
150497	HOMESA / HOME SAFE ENVIRONMENTAL	06/25/12	2	0612-4423	002670		650.00
HOMESA Subtotal :							650.00
150498	IDEARC / SUPERMEDIA LLC	06/25/12	2	06192012	002670	PHONE-ORG	29.95
IDEARC Subtotal :							29.95
150499	KENDAL / Kendall/Adams Group, Inc.	06/25/12	2	K3030	002670		5082.00
KENDAL Subtotal :							5082.00
150500	LINCON / Lincoln Financial Group	06/25/12	2	06212012	002670	DEFERDCOMP	1170.00
LINCON Subtotal :							1170.00
150501	MCMSTR / McMaster-Carr Supply Co.	06/25/12	2	28464314	002670	EQUIPMAINT	35.14
150501		06/25/12	2	28986637	002670	RAMPMAINT	171.82
150501		06/25/12	2	29237236	002670	EASTMAINT	159.19
150501		06/25/12	2	29436389	002670	EASTMAINT	388.63
150501		06/25/12	2	29612503	002670	RAMPMAINT	95.51
MCMSTR Subtotal :							850.29
150502	MCOYBR / Mountain Water	06/25/12	2	21086	002670	UTIL-RAMPS	125.00

Big Bear Municipal Water District
Computer & Manual Check Register
Current and History Files, 06/14/12 to 06/30/12
Account 10010-00-001, Sessions 000000 to 002683

Check	Payment / Vendor Information	Ck Date	Prty	Invoice	Session	Reference	Amount
						STOFCA Subtotal :	
150515	SWSTGS / Southwest Gas Corp	06/25/12	2	06152012A	002670	UTIL-RV	4642.51
150515		06/25/12	2	06152012B	002670	UTIL-MAIN	25.25
						SWSTGS Subtotal :	12.90
150516	TIFCO / Tifco Industries	06/25/12	2	70776720	002670	SHOPMAINT	38.15
150516		06/25/12	2	70776721	002670	SHOPMAINT	19.75
						TIFCO Subtotal :	125.59
150517	TUTTLE / JOHN TUTTLE	06/25/12	2	06112012	002670	PHONE-CELL	145.34
						TUTTLE Subtotal :	50.00
150518	UPS / UPS	06/25/12	2	F33Y11242	002670	LAKEIMP	50.00
						UPS Subtotal :	181.11
150519	VALERO / Valero Marketing and Supply Co.	06/25/12	2	06192012	002670	PETRO-AUTO	181.11
						VALERO Subtotal :	1145.04
150520	VERIZO / Verizon California	06/25/12	2	06132012	002670	PHONE-MAIN	47.47
						VERIZO Subtotal :	47.47
150521	VERWIR / VERIZON WIRELESS	06/25/12	2	1089470935	002670	PHONE-CELL	152.04
						VERWIR Subtotal :	178.53
150522	VOLVOP / Volvo Penta of the Americas, Inc.	06/25/12	2	164475	002670	PATROL	330.57
						VOLVOP Subtotal :	49.38
150523	WASTE / Solid Waste Management	06/25/12	2	009108	002670	FACILMAINT	300.17
						WASTE Subtotal :	49.38
150524	WEBER / JAMES WEBER	06/25/12	2	06062012	002670	PHONE-CELL	300.17
						WEBER Subtotal :	50.00
150525	WINZER / Winzer Corporation	06/25/12	2	4265613	002670	SHOPMAINT	125.06
						WINZER Subtotal :	125.06
150526	ALLMOU / ALL MOUNTAIN FEED & PET SUPPLY	06/29/12	2	3114	002683	REARING	1432.64
						ALLMOU Subtotal :	1432.64
150527	BVELEC / Bear Valley Electric	06/29/12	2	06252012	002683	UTIL-RAMPS	325.05
150527		06/29/12	2	06262012A	002683	UTIL-AERAT	663.39
150527		06/29/12	2	06262012B	002683	UTIL-MAIN	12.91
150527		06/29/12	2	06262012C	002683	UTIL-DAM	157.82

Big Bear Municipal Water District
Computer & Manual Check Register
Current and History Files, 06/14/12 to 06/30/12
Account 10010-00-001, Sessions 000000 to 002683

Check	Payment / Vendor Information	Ck Date	Prty	Invoice	Session	Reference	Amount
150527		06/29/12	2	06262012D	002683	UTIL-RAMPS	372.98
150527		06/29/12	2	06262012E	002683	UTIL-DAM	13.15
BVELEEC Subtotal :							1545.30
150528	CHEMPA / CHEM PAK PRODUCTS	06/29/12	2	77705	002683	SSJANITSUP	21.46
150528		06/29/12	2	77706	002683	JANITSUPPL	387.85
CHEMPA Subtotal :							409.31
150529	COLONI / COLONIAL LIFE	06/29/12	2	0607883	002683	PREMIUMS	281.06
COLONI Subtotal :							281.06
150530	DIRCTV / DIRECTV	06/29/12	2	1807401749	002683	UTL-RV	163.37
DIRCTV Subtotal :							163.37
150531	GEIGER / Geiger Supply	06/29/12	2	T1037293	002683	EASTMAINT	3.70
GEIGER Subtotal :							3.70
150532	HAMMET / WILLIAM HAMMETT	06/29/12	2	10689	002683	RVDEPORFND	40.00
HAMMET Subtotal :							40.00
150533	KENSLK / A-Kenn's Lock & Key	06/29/12	2	05142012	002683	FACILMAINT	36.00
KENSLK Subtotal :							36.00
150534	KOERDI / DICK KOERBER	06/29/12	2	1128	002683	PERMITOVER	10.00
KOERDI Subtotal :							10.00
150535	LAHAYE / KATHLEEN LAHAYE	06/29/12	2	06142012	002683	PROFSVCS	337.50
LAHAYE Subtotal :							337.50
150536	NAPA / MCCONNELL MOTOR PARTS INC.	06/29/12	2	084296	002683	HARVESTER	36.11
150536		06/29/12	2	084617	002683	EQUIPMAINT	8.37
150536		06/29/12	2	085097	002683	PATROL	75.97
NAPA Subtotal :							120.45
150537	UCR / UC REGENTS	06/29/12	2	2012	002683	TRAINING	425.00
UCR Subtotal :							425.00
150538	UPS / UPS	06/29/12	2	F33Y11252	002683	SHIPPING	76.45
UPS Subtotal :							76.45

Total For Check Account: 10010-00-001

Check Register Total :

43691.20
43691.20
43691.20

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

MEETING DATE: July 5, 2012

AGENDA ITEM: 5C

SUBJECT:
CONSIDER APPROVAL OF A PROPOSAL FROM EADIE AND PAYNE, CERTIFIED PUBLIC ACCOUNTANTS, FOR THE COMPLETION OF THE ANNUAL AUDIT FOR THE YEAR ENDED JUNE 30, 2012

RECOMMENDATION:
The General Manager and the Budget and Finance Committee (Directors Murphy and Smith) recommend approval of this revised proposal from Eadie and Payne, Certified Public Accountants.

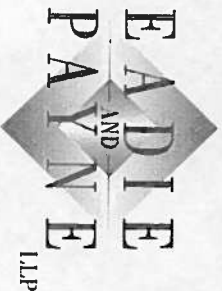
DISCUSSION/FINDINGS:
For the past several years the accounting firm of Eadie & Payne has been conducting the Districts annual audit. For the past two years the audit costs have exceeded their contract cost estimate. On June 27th the Committee had a conference call with Eden Casareno, the District's contact for this work, to discuss the audit costs for FY 2011-12. The Committee explained their frustration with past overages and expressed their concern that going forward the audit costs would have to be contained. The Committee asked Ms. Casareno if she would resubmit a contract showing a not to exceed amount and she agreed. As a result she submitted a revised contract to the District with a not to exceed cost of \$22,000 for the FY 2011-12 audit (see attached). The Committee recommends that the Board approve the not to exceed contract with Eadie & Payne for the FY 2011-12 audit.

OTHER AGENCY INVOLVEMENT: None

FINANCING: This not to exceed cost of \$22,000 includes the audit and preparing the annual State Controller's Report and has been included in the FY 2012-13budget.

Submitted by: Scott Heule, General Manager

EMER C. CASARENO, C.P.A.
DEBORAH L. GORTLER, C.P.A.
TOMM C. LAYMAN, C.P.A.



ADRIENNE J. LINDBERG, C.P.A.
JOHN E. PRENTICE, C.P.A.
DAVID M. THAYER, C.P.A.
FRANK M. ZARUETA, C.P.A.

*Certified Public Accountants
and
Business Advisors*

June 27, 2012

Board of Directors
Big Bear Municipal Water District
P.O. Box 2863
Big Bear Lake, CA 92315-2863

Dear Members of the Board:

We are pleased to confirm our understanding of the services we are to provide for Big Bear Municipal Water District for the year ended June 30, 2012.

We will audit the financial statements of the governmental activities, and each major fund, which collectively comprise the basic financial statements of Big Bear Municipal Water District as of and for year ended June 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis
2. Budgetary Comparison Information
3. CalPERS Schedule of Funding Program

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

1. Organization Data
2. Certificate of Participation 2003 Issue – Payment Schedule

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Management Responsibilities

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. Although we may advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, the responsibility for the financial statements remains with you. This responsibility includes maintaining adequate records and related internal control policies and procedures, selecting and applying accounting principles, accepting actuarial methods and assumptions used by the actuary, and safeguarding assets. Management is also responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

As part of our engagement, we may also propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the services performed as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for the services. In addition, management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

By your signature below, you acknowledge that you are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity that involves management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, illegal acts, or violations of contracts and agreements. You agree that you will confirm to us in your management representation letter your understanding of your responsibilities as defined in this letter.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on approximately October 2012 and to issue our report no later than December 2012.

Eden Casareno is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Firm's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

As part of our engagement, we will also prepare the Annual Report of financial Transactions of Special Districts for the year ending June 30, 2012. We will prepare federal Form 990 and California form 199 for Big Bear Municipal Water District Public Facilities Corporation for the year ended June 30, 2012 from information you furnish us. We will also advise you on income tax matters for which you specifically request our advice.

We are responsible for preparing only the returns listed above. All others are to be prepared by you or other preparers.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will adopt whatever position you request on your return, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. When possible, we will resolve questions involving application of tax rules in your favor, if there is reasonable justification for doing so. If the Internal Revenue Service or other taxing agency should later contest the position taken, there may be assessment of additional tax plus interest and penalties. We assume no liability for such additional penalties, interest, or assessments. Additional services will be subject to arrangements made in writing at the time requested.

It is your responsibility to provide us with all information required for preparing complete and accurate returns. You should retain all the documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

By your signature below, you are confirming to us that unless we are otherwise advised, the travel and entertainment, gift, and related expenses are supported by the necessary records under Section 274 of the Internal Revenue Code. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the taxing authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

The law provides for a penalty to be imposed where taxpayers make a substantial understatement for the year exceeds the greater of ten percent of the tax required to be shown on the return, or \$10,000. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your returns if you desire us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in your returns.

Our fee does not include responding to inquiries or examinations by taxing authorities. However, we are available upon request to represent you and will render additional invoices for the time and expenses incurred. Fees for these additional services will be communicated in a separate engagement letter.

We generally base our fees on the amount of time required at standard billing rates plus out-of-pocket expenses, such as travel, postage, and computer charges. However, our fees may also include other appropriate factors, including the difficulty of the assignment, the degree of risk and responsibility the work entails, time limitations imposed on us by others, the experience and professional expertise of the personnel assigned, and the priority and importance of the work to the client. In any event our fees will not exceed \$22,000. If the state of California or other governmental entity imposes a tax on accounting services, this tax will be in addition to our regular fee. You will be responsible for any such tax. Payments for services are due when rendered, and interim billings may be submitted as work progresses and expenses are incurred. A late charge of one percent per month will be assessed on all balances remaining unpaid after thirty days.

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 45 days of the invoice date, at our election, we will stop all work until your account is brought current, or we will withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

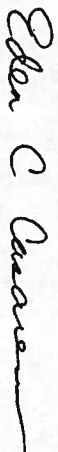
It is our policy to keep records related to this engagement for seven years. However, Eadie and Payne, LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Eadie and Payne, LLP shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. By signing this letter you agree that you will not extend an offer of employment to any of our employees during the term of this engagement, as such offer could impair our independence. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

EADIE AND PAYNE, LLP



Eden C. Casareno

This letter correctly sets forth the understanding of
BIG BEAR MUNICIPAL WATER DISTRICT

Officer signature: _____

Title: _____

Date: _____

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

MEETING DATE: July 5, 2012

AGENDA ITEM: 6A

SUBJECT:

CONSIDER APPROVAL OF IN-LIEU WATER MOU BETWEEN BMWWD AND SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (VALLEY DISTRICT)

RECOMMENDATION:

The General Manager and the Watermaster Committee (Directors Eminger & Suhay) recommend approval of this proposed MOU.

DISCUSSION/FINDINGS:

The Committee reviewed the latest version of an MOU prepared by Don Evenson (copy attached) based on conversations he and Scott had with San Bernardino Valley Municipal Water District (Valley District). The Committee would like to continue discussions with Valley District regarding an amendment to the 1996 in-lieu agreement that would allow the District to keep water in the Lake all summer long and have Valley District deliver in-lieu of releases during the summer boating season even when the Lake level would normally require Lake releases. Valley District would be "paid back" the water they delivered during this time with releases made after the Labor Day weekend. Don Evenson has suggested that additional operational efficiencies could be made that would provide for emergency storage of water in the Lake for Valley District but the details and modeling to understand the full impact of the storage has not been completed.

Valley District is undertaking a construction project that might interfere with their ability to deliver water to some of their customers during 2013. They would like to enter into an MOU, which term would extend from July 1, 2012 through December 31, 2013, to store water in Big Bear Lake by making in-lieu deliveries to Bear Valley Mutual when Lake releases would normally be made under the Lake Release Policy and to use the stored water, as needed, to meet its water delivery needs while the elements of their delivery system are out of service. By making in-lieu deliveries to Bear Valley Mutual when Lake releases would normally be made Valley District would create a storage account in the Lake that could be used as needed during construction. The water that is left in the Lake after the term of the MOU would either be incorporated into an amendment to the in-lieu agreement if all parties can agree or will no longer be callable by Valley District.

The Committee would like to continue moving forward on a possible amendment to the 1996 in-lieu agreement and believes the proposed June 2012 MOU is a good step towards accomplishing the longer term goal. They are recommending approval of the proposed MOU.

OTHER AGENCY INVOLVEMENT: San Bernardino Valley Municipal Water District

FINANCING: None

Submitted by: Scott Heule, General Manager

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JULY 2012 MEMORANDUM OF UNDERSTANDING

BETWEEN

BIG BEAR MUNICIPAL WATER DISTRICT ("BIG BEAR")

AND

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("VALLEY DISTRICT")

July 2012

1. BIG BEAR and VALLEY DISTRICT entered into an Agreement on February 1, 1996 which provides, among other things, for VALLEY DISTRICT to deliver In-Lieu water to Bear Valley Mutual Water Company ("Bear Valley") in accordance with BIG BEAR's Lake Release Policy as contained in Exhibit "1" to said agreement.

2. BIG BEAR and VALLEY DISTRICT entered into a Memorandum of Understanding on June 3, 1999 which, for the term of the Memorandum, modified the obligation of BIG BEAR to make releases from Big Bear Lake and the obligation of VALLEY DISTRICT to make In-Lieu deliveries under the 1996 Agreement. The 1999 Memorandum allowed BIG BEAR to keep additional water in the Lake by providing for VALLEY DISTRICT to deliver In-Lieu water to meet Bear Valley demands at times when the Lake Release Policy would have required Lake releases. The 1999 Memorandum also made the additional water stored in Big Bear Lake available to VALLEY DISTRICT to meet Bear Valley's high elevation delivery needs. The June 1999 Memorandum was scheduled to expire on December 31, 2000.

3. BIG BEAR and VALLEY DISTRICT entered into Amendment 1 of the June 1999 Memorandum on December 21, 2000 to extend the

1 opportunities provided to each Party under the Memorandum until
2 December 31, 2002. Amendment 1 was successfully concluded on
3 December 31, 2002, and each Party was able to achieve their
4 objectives under the June 1999 Memorandum and Amendment 1.

5 4. BIG BEAR and VALLEY DISTRICT entered into a
6 Memorandum of Understanding on February 1, 2006 that modified the
7 compensation to VALLEY DISTRICT for additional In-Lieu deliveries
8 resulting from BIG BEAR's adoption of a Flood Control Release
9 Policy. This Memorandum of Understanding remains in effect.

10 5. BIG BEAR and VALLEY DISTRICT entered into a
11 Memorandum of Understanding on September 7, 2006 that modified the
12 compensation to VALLEY DISTRICT for additional In-Lieu deliveries
13 resulting from BIG BEAR's agreement to increase the annual
14 withdrawals of water from the lake for local ski areas to make
15 artificial snow. This Memorandum of Understanding remains in
16 effect.

17 6. VALLEY DISTRICT has informed BIG BEAR that, as a
18 result of construction of the East Branch Extension Phase II (EBX
19 II) of the State Water Project, several elements of VALLEY
20 DISTRICT's water delivery system will be out of service in 2013.
21 VALLEY DISTRICT desires to store water in Big Bear Lake by making
22 In-Lieu deliveries to Bear Valley when Lake releases would
23 normally be made under the Lake Release Policy and to use the
24 stored water, as needed, to meet its water delivery needs while
25 the elements of their delivery system are out of service.

26 7. BIG BEAR and VALLEY DISTRICT desire to enter into an
27 amendment to the 1996 In-Lieu Agreement to create additional
28 benefits for each Party. To begin the process of amending the

1 1996 In-Lieu Agreement, BIG BEAR and VALLEY DISTRICT are willing
2 to enter into this July 2012 Memorandum of Understanding to
3 replicate the conditions under Amendment 1 of the June 1999
4 Memorandum and to accommodate VALLEY DISTRICT's needs as described
5 in Paragraph 6 while the technical details of the amendment to the
6 1996 In-Lieu Agreement are developed. This Memorandum of
7 Understanding will provide the Parties an opportunity to collect
8 basic data on the effect of lake operations on Santa Ana River
9 flows, to experiment with the impact lake releases will have on
10 the ability of VALLEY DISTRICT to divert lake releases for
11 beneficial uses, and to evaluate how to maximize the effectiveness
12 of lake releases on environmental management of Big Bear Lake and
13 the Santa Ana River. This Memorandum of Understanding will expire
14 on December 31, 2013 or the date the amendment to the In-Lieu
15 Agreement is signed, whichever date occurs first.

16 8. Under the Lake Release Policy BIG BEAR is required
17 to make Lake releases to meet Bear Valley's demands at all times
18 when the Lake level is within 4 feet of the spill elevation
19 between May 1 and October 31 or within 6 feet of the spill
20 elevation between November 1 and April 30.

21 9. Bear Valley routinely requests Lake releases to
22 meet its water delivery needs. Currently, natural flows in the
23 Santa Ana River are sufficient to meet Bear Valley's high
24 elevation delivery needs.

25 10. VALLEY DISTRICT and BIG BEAR desire to keep as
26 much water as possible in storage at Big Bear Lake to meet the
27 high elevation demands of Bear Valley at a later date, if
28

1 necessary, and to accommodate VALLEY DISTRICT's needs as described
2 in Paragraph 6.

3 11. VALLEY DISTRICT and BIG BEAR understand that the
4 additional water stored in Big Bear Lake pursuant to this
5 memorandum of understanding will be considered to be "on top of"
6 the water in BIG BEAR'S lake account. This understanding means
7 that 1) in the event of lake spills or flood control releases, the
8 water so stored will be the first to spill and be released for
9 flood control purposes, and 2) in the case of evaporation losses,
10 the additional evaporation losses are only those that occur from
11 the additional surface area of lake as a result of the increased
12 lake levels.

13 12. Between July 1, 2012 and December 31, 2013, VALLEY
14 DISTRICT agrees to deliver additional In-Lieu water to Bear Valley
15 to meet its low elevation demands instead of requiring Big Bear
16 Lake ("Lake") releases as provided under the February 1, 1996 In-
17 Lieu Agreement.

18 13. BIG BEAR and VALLEY DISTRICT agree that BIG BEAR'S
19 Watermaster representative, in cooperation with a VALLEY DISTRICT
20 representative, will determine 1) the amount of additional In-Lieu
21 water that will have been delivered by VALLEY DISTRICT and the
22 resulting amount of additional water stored in Big Bear Lake
23 between July 1, 2012 and December 31, 2013 under this Memorandum,
24 and 2) the amount of additional In-Lieu water that was delivered
25 by VALLEY DISTRICT in 2010 when BIG BEAR could not release water
26 for Bear Valley in accordance with the Lake Release Policy as a
27 result of the construction of the new bridge below Bear Valley
28 Dam. The amount of additional In-Lieu water delivered by VALLEY

1 DISTRICT in item 2) above will be credited as additional water
2 stored in Big Bear Lake effective July 1, 2012. The Big Bear
3 Watermaster committee will document the amount of additional In-
4 Lieu deliveries by VALLEY DISTRICT and the resulting amount of
5 additional water stored in Big Bear Lake in their annual report.

6 14. BIG BEAR agrees that Lake water in the same
7 quantity as the additional In-Lieu water indirectly stored in Big
8 Bear Lake as provided for under this Memorandum will be made
9 available to VALLEY DISTRICT to meet 1) VALLEY DISTRICT's needs
10 during EBX II construction and 2) Bear Valley's "high elevation
11 delivery needs" in the years 2012 and 2013 without regard to the
12 then current Lake elevation. The quantity of additional In-Lieu
13 water in storage shall be adjusted in a manner consistent with the
14 Big Bear Watermaster's adjustments to BIG BEAR's Lake Account.

15 15. Lake releases made pursuant to this agreement for
16 "high elevation delivery" shall be in accordance with Section
17 25(e) of the 1977 Judgment except as provided in Paragraph 16 of
18 this amendment, and shall be made by December 31, 2013. On that
19 date, any remaining water stored under this Memorandum, but not
20 released hereunder, shall not be subject to future call by VALLEY
21 DISTRICT for its release, except as provided under future
22 amendments to the 1996 In-Lieu Agreement as may be developed
23 according to Paragraph 7 of this Memorandum.

24 16. BIG BEAR will release water sufficient to provide up
25 to 1.5 cfs in addition to the amount required under Section 25(e)
26 of the 1977 Judgment providing (a) VALLEY DISTRICT has requested
27 the additional amount of releases and provided BIG BEAR with a
28 delivery schedule for the additional releases, (b) the additional

1 releases will be for delivery to the "Flood Control Grove" in
2 accordance to the VALLEY DISTRICT's obligation, and (c) BEAR
3 VALLEY concurs, in writing, that the additional releases are for
4 delivery to VALLEY DISTRICT on their shares of stock in BEAR
5 VALLEY. The following two examples illustrate this paragraph of
6 the amendment. Example 1: the additional releases would provide
7 up to 13.5 cfs at the diversion point for the High Line and the
8 Greenspot Pipeline when 9.1 cfs are being delivered to the High
9 Line and 2.9 cfs are being delivered to the Edwards Canal. Example
10 2: the additional releases would provide up to 11.6 cfs at the
11 diversion point for the High Line and the Greenspot Pipeline when
12 9.1 cfs are being delivered to the High Line and 2.9 cfs of in-
13 lieu deliveries or simultaneous exchange waters are being
14 delivered to the Edwards Canal.

15 This Memorandum of Understanding shall be effective as
16 of the date shown below.

17 DATED: _____, 2012

18 BIG BEAR
19 MUNICIPAL WATER DISTRICT

20 By: _____
21 President

22 By: _____
23 Secretary

24 SAN BERNARDINO VALLEY
25 MUNICIPAL WATER DISTRICT

26 By: _____
27 President

28 By: _____
Vice-President

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

MEETING DATE: July 5, 2012

AGENDA ITEM: 6B

SUBJECT: CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT REVISING BOUNDARIES FOR DISTRICT DIVISIONS

RECOMMENDATION:

The General Manager and the Administrative Committee (Directors Eminger & Smith) recommend approval of this Resolution realigning Division Boundaries.

DISCUSSION/FINDINGS:

At the Board meeting (Public Hearing) of April 5, 2012, a map that delineates the new Division boundaries was approved. After that Board action, Staff authorized Hicks and Hartwick Engineers to prepare the legal description that fully defines the new Divisions. Hicks and Hartwick has completed their work and Board approval of the attached resolution will formally adopt the new boundaries. Once the resolution has been approved it will be submitted to the San Bernardino County Registrar of Voters for use beginning with the November elections.

OTHER AGENCY INVOLVEMENT: San Bernardino County Registrar of Voters

FINANCING: None

Submitted by: Scott Heule, General Manager

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
BIG BEAR MUNICIPAL WATER DISTRICT
ADJUSTING DIVISION BOUNDARIES**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL

WATER DISTRICT that the Divisions of the District are adjusted as set forth on Exhibit "A"

Legal Description and Exhibit "B" Map attached hereto and hereby incorporated by reference to equalize the population in each Division as near as practicable.

PASSED, APPROVED AND ADOPTED on _____, 2012.

ATTEST:

John Eminger, President

Vicki Sheppard, Secretary to the Board

(SEAL)

Exhibit A

Those portions of Townships 2 and 3 North, Ranges 1 West, 1 East and 2 East and Township 1 North, Range 2 East, San Bernardino Meridian, in the County of San Bernardino, State of California, described as follows:

DIVISION NO. 1

Beginning at the Northwest corner of Section 28, said Township 2 North,

Range 1 West;

Thence East along the North line of said Section 28 to the Southwest corner of Section 22;

Thence North along the West line of said Section 22 to the West quarter corner thereof;

Thence East along the East and West center line of said Section 22 to the High Water Line of Big Bear Lake;

Thence Easterly along the Southerly High Water line of Big Bear Lake, following all of its various courses to the centerline of Division Drive;

Thence North along said centerline of Division Drive to the centerline of North Shore Drive (State Highway 38);

Thence Easterly along said centerline of North Shore Drive to the centerline of Greenway Drive (State Highway 18 and 38);

Thence Southerly along said centerline of Greenway Drive to the centerline of Big Bear Boulevard (State Highway 38);

Thence easterly along said centerline of Big Bear Boulevard to the centerline of Barranca Boulevard;

Thence northeasterly along said centerline of Barranca Boulevard to the South line of Section 7, said Township 2 North, Range 2 East;

Thence East along South line of said Section 7 to the Southeast corner thereof;

Thence North along the East line of said Section 7 to the Northeast corner of the South half of the Southeast quarter thereof;

Thence West along the North line of South half of the Southeast quarter to the North and South centerline of said Section 7;

Thence North along said North and South centerline to the Center quarter corner of said section;

Thence West along the East and West centerline of said section to the West quarter corner thereof;

Thence North along the West line of said Section 7 to the Southwest corner of Section 6;

Thence North along the West line of said Section 6 to the West quarter corner thereof;

Thence east along the East and West centerline of said Section 6 to the centerline of North Shore Drive (State Highway 18);

Thence Northerly, Northeasterly and Southeasterly along said centerline of North Shore Drive to the West line of the East half of the Northeast quarter of said Section 6;

Thence South along the West line of the East half of the Northeast quarter of said Section 6 to the East and West centerline thereof;

Thence East along the East and West centerline of said Section 6 to the East quarter corner thereof;

Thence North along East line of said Section 6 to the Southeast corner of Section 31, said Township 3 North, Range 2 East;

Thence North along the East line of said Section 31 to the Northeast corner thereof;

Thence West along the North line of said Section 31 to the Southeast corner of Section 25; said Township 3 North, Range 1 East;

Thence North along the East line of said Section 25 to the Northeast corner thereof;

Thence West along the North line of said Section 25 to the Southeast corner of Section 23;

Thence North along the East line of said Section 23 to the Northeast corner thereof;

Thence West along section lines to the Northwest corner of Section 21, said Township 3 North, Range 1 West;

Thence South along section lines to the **Point of Beginning**.

DIVISION NO. 2

Beginning at the Northwest corner of Section 28, said Township 2 North, Range 1 West;

Thence East along the North line of said Section 28 to the Southwest

Corner of Section 22;

Thence North along the West line of said Section 22 to the West quarter Corner thereof;

Thence East along the East and West center line of said Section 22 to the

High Water line of Big Bear Lake;

Thence Southwesterly, Easterly and Northeasterly along the Southerly High Water Line of Big Bear Lake, following all of its various courses, to the Northwest corner of Tract No. 2577, Meadow Park Tract, as per map recorded in Book 36 of Maps, page 75, records of said County;

Thence South 45°29' East, 70 feet along the boundary of said Tract No. 2577 to the centerline of Park Avenue (formerly known as Meadow Drive);

Thence Northeasterly and Easterly along said centerline of Park Avenue to the centerline of Mountaineire Lane;

Thence South along said centerline of Mountaineire Lane to the centerline of Big Bear Boulevard (State Highway 18);

Thence Easterly along said centerline of Big Bear Boulevard to the centerline of Moonridge Road;

Thence Southeasterly along said centerline of Moonridge Road to the centerline of Silver Tip Drive;

Thence North along said centerline of Silver Tip Drive to the centerline of Villa Grove Avenue;

Thence Easterly, Northeasterly and Southeasterly along said centerline of Villa Grove Avenue, following all of its various courses, to the centerline of Minton Drive;
Thence Southeasterly, Southwesterly and Northeasterly along said centerline of Minton Drive, following all of its various courses, to the centerline of Villa Grove Avenue;
Thence Northwesterly, Northeasterly and Southeasterly along said centerline of Villa Grove Avenue, following all of its various courses, to the centerline of Sunnyslope Road;
Thence Northeasterly along said centerline of Sunnyslope Road to the centerline of La Crescenta Drive;
Thence Southeasterly along said centerline of La Crescenta Drive to the centerline of Klamath Road;
Thence Northeasterly, Easterly and Southeasterly along said centerline of Klamath Road, following all of its various courses, to the East line of Section 23, said Township 2 North, Range 1 East;
Thence South along the East line of Sections 23, 26 and 35 to the Southeast corner of Section 35;
Thence West along section lines to the Southwest corner of Section 33, said Township 2 North, Range 1 West;
Thence North along the West line of Sections 33 and 28 to the **Point of Beginning.**

DIVISION NO. 3

Beginning at the Northwest corner of Tract No. 2577, Meadow Park Tract, as per map recorded in Book 36 of Maps, page 75, records of said County, said corner being also on the Southerly High Water line of Big Bear Lake;
Thence Northwesterly and Northeasterly along said High Water line, following all of its various courses, to the center line of Division Drive;
Thence North along said centerline of Division Drive to the centerline of North Shore Drive (State Highway 38);
Thence Easterly along said centerline of North Shore Drive to the centerline of Greenway Drive (State Highway 18 and 38);
Thence Southerly along said centerline of Greenway Drive to the centerline of Country Club Boulevard;
Thence West along said centerline of Country Club Boulevard to the centerline of Rose Hill Drive;
Thence North along said centerline of Rose Hill Drive to the North line of Tract 2167, as per map recorded in Book 32 of Maps, page 28, records of said County;
Thence West along said North line of Tract 2167 to the centerline of Pinon Drive;
Thence South along said centerline of Pinon Drive to the centerline of Sugarloaf Boulevard;

Thence East and Southeasterly along said centerline of Sugarloaf Boulevard to the centerline of Saw Mill Drive;
Thence Southeasterly along said centerline of Saw Mill Drive to the East line of Section 14, of said Township 2 North, Range 1 East;
Thence South along the said East line of Section 14 and the East line of Section 23 to the centerline of Klamath Road;
Thence Northwesterly, Westerly and Southwesterly along said centerline of Klamath Road, following all of its various courses, to the centerline of La Crescenta Drive;
Thence Northwesterly along said centerline of La Crescenta Drive to the centerline of Sunnyslope Road;
Thence Southwesterly along said centerline of Sunnyslope Road to the centerline of Villa Grove Avenue;
Thence Southeasterly, Southwesterly and Northwesterly along said centerline of Villa Grove Avenue, following all of its various courses, to the centerline of Minton Drive;
Thence Southwesterly, Northwesterly and Northeasterly along said centerline of Minton Drive, following all of its various courses, to the centerline of Villa Grove Avenue;
Thence Northwesterly, Westerly and Southwesterly along said centerline of Villa Grove Avenue, following all of its various courses, to the centerline of Silver Tip Drive;
Thence South along said centerline of Silver Tip Drive to the centerline of Moonridge Road;
Thence Northwesterly along said centerline of Moonridge Road to the centerline of Big Bear Boulevard (State highway 18);
Thence Westerly along said centerline of Big Bear Boulevard to the centerline of Mountainaire Lane;
Thence North along said centerline of Mountainaire Lane to the centerline of Park Avenue (formerly Meadow Drive);
Thence West and Southwesterly along said centerline of Park Avenue to the West line of said Tract No. 2577;
Thence North 45°29' West, 70 feet along the boundary of said Tract to the **Point of Beginning.**

DIVISION NO. 4

Beginning at the centerline intersection of Greenway Drive (State Highway 18 and 38) and Big Bear Boulevard (State Highway 38);
Thence Easterly along said centerline of Big Bear Boulevard to the centerline of Greenspot Boulevard (State Highway 38);
Thence Southeasterly along said centerline of Greenspot Boulevard to the North line of Section 19, said Township 2 North, Range 2 East;
Thence West along the North line of said Section 19 to the Northeast corner of Section 24, said Township 2 North, Range 1 East;

Thence South along said East line of Section 24 to the centerline of Barton Lane;
Thence West along said centerline of Barton Lane to the centerline of Cedar Lane;
Thence South along said centerline of Cedar Lane and its prolongation to the South line of said Section 24;
Thence West along the South line of said Section 24 to the centerline of San Bernardino Avenue;
Thence North along said centerline of San Bernardino Avenue to the centerline of Mahogany Road;
Thence West along said centerline of Mahogany Road to the centerline of Santa Barbara Avenue;
Thence South along said centerline of Santa Barbara Avenue to the South line of said Section 24;
Thence West along the South line of said Section 24 to the centerline of Orange Avenue;
Thence North along said centerline of Orange Avenue to the centerline of Mahogany Road;
Thence west along said centerline of Mahogany Road to the centerline of Inyo Avenue;
Thence South along said centerline of Inyo Avenue to the South line of said Section 24;
Thence West along the South line of said Section 24 to the Southeast corner of Section 23 of said Township 2 North, Range 1 East;
Thence North along the East lines of Section 24 and Section 14 to the centerline of Saw Mill Drive;
Thence Northwesterly along said centerline of Saw Mill Drive to the centerline of Sugarloaf Boulevard;
Thence Northwesterly and West along the said centerline of Sugarloaf Boulevard to the centerline of Pinon Drive;
Thence North along said centerline of Pinon Drive to the North line of Tract 2167, as per map recorded in Book 32 of Maps, page 28, records of said county;
Thence East along the North line of said Tract 2167 to the centerline of Rose Hill Drive;
Thence South along said centerline of Rose Hill Drive to the centerline of Country Club Boulevard;
Thence East along said centerline of Country Club Boulevard to the centerline of Greenway Drive (State Highway 18 and 38);
Thence South along said centerline of Greenway Drive to the **Point of Beginning.**

DIVISION NO. 5

Beginning at the centerline intersection of Big Bear Boulevard (State Highway 38) and Barranca Boulevard;

Thence northeasterly along said centerline of Barranca Boulevard to the South line of Section 7, said Township 2 North, Range 2 East;
Thence East along South line of said Section 7 to the Southeast corner thereof;
Thence North along the East line of said Section 7 to the Northeast corner of the South half of the Southeast quarter thereof;
Thence West along the North line of South half of the Southeast quarter to the North and South centerline of said Section 7;
Thence North along said centerline to the Center quarter corner of said section;
Thence West along the East and West centerline of said section to the West quarter corner thereof;
Thence North along the West line of said Section 7 to the Southwest corner of Section 6;
Thence North along the West line of said Section 6 to the West quarter corner thereof;
Thence east along the East and West centerline of said Section 6 to the centerline of North Shore Drive (State Highway 18);
Thence Northerly, Northeasterly and Southeasterly along said centerline of North Shore Drive to the West line of the East half of the Northeast quarter of said Section 6;
Thence South along the West line of the East half of the East half of the Northeast quarter of said Section 6 to the East and West centerline thereof;
Thence East along the East and West centerline of said Section 6 to the East quarter corner thereof;
Thence North along East line of said Section 6 to the Southeast corner of Section 31, said Township 3 North, Range 2 East;
Thence North along the East line of said Section 31 to the Northeast corner thereof;
Thence West along the North line of said Section 31 to the Southeast corner of Section 25; said Township 3 North, Range 1 East;
Thence North along the East line of said Section 25 to the Northeast corner thereof;
Thence West along the North line of said Section 25 to the Southeast corner of Section 23;
Thence North along the East line of said Section 23 to the Northeast corner thereof;
Thence East along the North line of Section 24 and its prolongation to the West line of Section 20, said Township 3 North, Range 2 East;
Thence North along the West line of said Section 20 to the Northwest corner thereof;
Thence East along Section lines to the Northeast corner of Section 21;
Thence South along section lines to the Northwest corner of Section 10, said Township 2 North, Range 2 East;
Thence East along the North line of said Section 10 to the North quarter corner thereof;

Thence South along the North and South centerline of Section 10 and Section 15 to the North quarter corner of Section 22;

Thence East along the North line of said Section 22 to the Northeast corner thereof;

Thence South along section lines to the Southeast corner of Section 34;

Thence West along the South line of said Section 34 to the Southwest corner thereof;

Thence South along the East line of Section 4, said Township 1 North, Range 2 East, to the East quarter corner thereof;

Thence West along the East and West centerline of said Section 4 to the West quarter corner thereof;

Thence South along the West line of said Section 4 to the Southeast corner of Section 5;

Thence West along section lines the Southwest corner of Section 6;

Thence North along the West line of said Section 6 to the Southeast corner of Section 36, said Township 2 North, Range 1 East;

Thence West along the South line of said Section 36 to the Southwest corner thereof;

Thence North along section lines the Southwest corner of Section 24;

Thence East along the South line of Said section 24 to the centerline of Inyo Avenue;

Thence North along said centerline of Inyo Avenue to the centerline of Mahogany Road;

Thence East along said centerline of Mahogany Road to the centerline of Orange Avenue;

Thence South along said centerline of Orange Avenue to the South line of said Section 24;

Thence East along the South line of said Section 24 to the centerline of Santa Barbara Avenue;

Thence North along said centerline of Santa Barbara Avenue to the centerline of Mahogany Road;

Thence East along said centerline of Mahogany Road to the centerline of San Bernardino Avenue;

Thence South along said centerline of San Bernardino Avenue to the South line of said Section 24;

Thence East along the South line of said Section 24 to the centerline prolongation of Cedar Avenue;

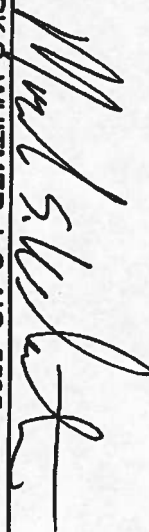
Thence North along the centerline and centerline prolongation of said Cedar Avenue to the centerline of Barton Road;

Thence East along Said centerline of Barton Road to the East line of said Section 24;

Thence North along the East line of said Section 24 to the Northwest corner of Section 19, said Township 2 North, Range 2 East;

Thence East along the North line of Said Section 19 to the centerline of Greenspot Boulevard (State Highway 38);

Thence Northwesterly along said centerline of Greenspot Boulevard to the centerline of Big Bear Boulevard (State Highway 38);
Thence Southwesterly along said centerline of Big Bear Boulevard to the Point of Beginning.



MARK S. WHITMER, L.S. NO. 5535

Hicks & Hartwick, Inc.

Date: 6/18/12





BIG BEAR MUNICIPAL WATER DISTRICT

June 2012 DIVISION BOUNDARIES








-  Division 1
-  Division 2
-  Division 3
-  Division 4
-  Division 5

Exhibit B

