

A G E N D A
BIG BEAR MUNICIPAL WATER DISTRICT

BOARD OF DIRECTORS
Regular Meeting
September 5, 2013

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

Next Resolution Number: 2013-12

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 August 15, 2013
 - B. Warrant List dated August 29, 2013 for \$81,622.66
- 6. BUSINESS**
 - A. Discuss and direct Staff regarding the proposed In-Lieu Water Agreement amendment and September Lake Release
- 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, September 19, 2013
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, AUGUST 15, 2013***

CALL TO ORDER

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

DISCUSSION AND ACTION ON CLOSED SESSION ITEMS

President Smith reported that there was no closed session at the meeting of August 1st.

REPORTS

General Manager Scott Heule reported that there was another visit to the Trout Pond property by staff and a partner of the Inland Empire Resource Conservation District last week. Mr. Heule added that he provided a tour of the site to their restoration expert and an engineer with the federal National Resource Conservation Service (NRCS). He explained that according to Mandy Parks "all feedback has been good". He reported that there is no firm timeline on their decision making process yet. He explained that we have had one other telephone inquiry about the property. He added that this person has some interest in returning the property to a commercial trout pond enterprise and actually visited the property over the weekend of August 3rd and 4th. Mr. Heule reported that he continues to work with Valley District on the details of the release of their water from the Lake after Labor Day. He added that due to the time constraints of Southern California Edison we will be moving the release from September 4th to September 9th. He reported that this water would have had to have been released to Bear Valley Mutual Water Company early in the season based on our in-lieu agreement explaining that Valley delivered State Project water instead. He added that this created a storage account in the Lake that Big Bear has been able to recreate on all summer. He explained that the release will amount to the equivalent of about 10 July days of normal evaporation from the Lake and about 2.5 inches of Lake level. President Smith stated that this all reflects how fast evaporation is occurring this year. Mr. Heule reported that we have completed the second lake wide aquatic plant census. He explained that our intern John Cylwik worked with field staff to sample 323 unique sites in the lake and identify presence or absence of plants, plant density, and plant species. He reported that the census indicates a decrease from 2011 of the acreage milfoil only and a corresponding increase in area of native only plant species. He added that staff is still working to interpret the basic data and a formal report will be forthcoming. Mr. Heule reported that the TMDL targets the Lake to have 30% to 40% aquatic plant coverage on a total lake area basis and a 95% eradication of Eurasian Water Milfoil and any other invasive aquatic plant by 2015. He explained that based on what we have experienced over the past couple years it appears we can probably achieve about a 30% plant coverage but will fall short of the 95% invasive plant eradication target. He added that we will likely need to expand our aquatic plant management

program in all areas (harvesting and herbicide treatments) in order to get closer to the TMDL target goals. He explained that if the Lake level continues to drop, Lake temperature and dissolved oxygen concentrations will become more difficult to manage.

Lake Manager Mike Stephenson announced that harvesting continues daily. He reported on Kool Kids explaining that there were 201 3rd graders who participated and everyone caught a fish. He added that he received many positive comments on the Director's and General Manager's participation in the event. He reported that one mother said her child was "beaming" when he arrived home after the field trip. Mr. Stephenson thanked the Directors and Mr. Heule for their participation and all their hard work. He reported that dredging continues at Cluster Pines with about 4,000 cubic yards of soil having been dredged. Director Murphy asked what the total cubic yard goal was. Mr. Stephenson reported that it is 28,000 cubic yards of soil. He reported that he had lunch today with representatives of Department of Boating & Waterways and received notice that a grant for a new patrol boat would be coming our way next year. He added that the new boat will replace Patrol 1. He explained that they take the used boats and refurbish them. Mr. Stephenson reported that the first 12 days in August were the coldest first August days since 1919 and that is why the lake flipped so early this year (and no algae bloom). Director Murphy complimented Mr. Stephenson on the great organization of Kool Kids. President Smith added that it was a great job getting Bass Pro Shop on board. Mr. Stephenson said that the Bass Pro Shop representatives were really cool with the kids and contributed a lot. Director Lewis stated that she has seen Kool Kids from both sides (as a teacher and as a Director) and now realizes how much hard work, planning, and organization goes into the event commenting that it is "mind boggling".

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of August 1, 2013
- Warrant List Dated August 12, 2013 for \$14,443.73
- Approval of a revised Special Event Permit for the 2013 Hobie Cat Regatta scheduled for September 28th and 29th
- Approval of ACWA Region 9 Board Ballot

CONSIDER APPROVAL OF CHANGING THE ADMINISTRATIVE CLERK POSITION TO A YEAR ROUND FULL TIME POSITION

Mr. Heule reported that in March last year (2012) the Board approved a part time year round Administrative Clerk position. He explained the responsibilities for this position included:

- collecting fees for weeds and dock licenses
- managing dock license files for insurance
- managing new dock license applications
- correct billing per the new payment schedule
- managing the RV Park reservation system
- managing the indoors winter boat storage

- answering questions about new dock design
- answering inquiries about property dock privilege's and
- answering questions about weeds and other counter duties

He stated that the position is full time from March through mid-October and part time the balance of the year (1560 hours). He reported that since the District instituted this new position collections of dock fees, organization and insurance documentation, and operation of RV park reservations has all improved dramatically. He added that the revenue from private dock licensing has increased over previous years because more docks have been licensed. Mr. Heule explained that with the purchase of new marina management software last spring, the District is now ready to take the next step of entering all the private dock licensing, payment and insurance information, into the computer management system. He stated that once this work is complete, private dock management will be more efficient allowing an expansion of responsibilities and to cross train with District accounting staff. He commented that setting up the software and entering the dock data will be a time consuming job that cannot be accomplished over the winter on a part time basis. He explained that in order to complete this work, and in light of the additional revenue generated by the position, he requests that the Board approve for this position to become a full time year round title. He added that the anticipated future office staff realignment will obligate this position to perform some limited accounting functions in addition to the current duties. Mr. Heule reported that the position has reduced the number of uninsured private docks from 58 to 9, increased the number of paid licensed docks from 438 to 469, and has more effectively managed RV park reservations. He added that dock license fee revenue was increased by \$12,360. Mr. Heule explained that making this a full time year round position would cost the District another \$10,524. He reported that the Committee agreed with his request and recommends that the Board change the job description for the Administrative Clerk position to become a year round full time position. President Smith commented that getting return on our money (receiving more than we spend) usually doesn't happen but it did in this case.

Director Suhay moved approval of changing the Administrative clerk position to a year round full time position. Director Lewis seconded the motion and it was unanimously approved.

PUBLIC FORUM

Mr. Don Bremer, valley resident, reported that he lives on Gilner Point explaining that when he first moved in years ago his children used to be able to swim and fish off of his property. He added that now the weeds are so bad that those activities are no longer possible. He explained that he has been working with Mr. Stephenson and paid to have more weeds harvested in his area but still has many weeds. He is asking that the District allocate more money to deal with weed removal. Mr. Stephenson reported that he went by Mr. Bremer's property just today explaining that it is a very shallow area and has been treated from the dock to the shore. President Smith explained that we can't use herbicide in May and the last day for the harvester is September 15th. He added that it was unusually warm in May and unusually cold in August. Director Murphy added that Fish & Wildlife determines the dates we can treat and harvest and we don't have a choice. Mr. Stephenson explained that it is to protect fish nesting. Director Suhay suggested that when the lake is down he would like to clean up the lake bottom. Mr. Heule stated that could be discussed in a future committee meeting.

Mr. Jim Hart, valley resident, asked if the mission statement on the wall was the MWD's complete mission statement (the mission of the Big Bear Municipal Water District is to stabilize the level of the Lake for recreation and wildlife). Mr. Heule reported that it was. Mr. Hart asked

other questions regarding the cleaning out of the catchment basins and the amount of silt taken out. Mr. Stephenson responded that there are six basins total and the District cleans out two and Bear Mountain cleans out four. Mr. Hart also asked who has the ultimate maintenance authority for the area from Rathbun Creek to the lake. Mr. Heule responded that no one agency has complete authority. Mr. Hart asked if the agency interested in purchasing the trout pond area has a specific plan in mind. Mr. Heule stated that there is no specific plan. Mr. Hart asked if no new catchment basins are made will the silt go into the lake. Mr. Heule responded that we do have catchment basins to prevent this.

ANNOUNCEMENTS

Mr. Heule announced that the annual summer staff Barbeque will be Sunday afternoon, August 25th. He commented that the Board Workshop is next Thursday, August 22nd, at 9:30am to discuss amending the in-lieu agreement to save money and improve summertime lake levels. He reported on the next *Big Bear Thrives* "What Everyone Should Know About Water" explaining that topics include; naturally structured water, water energetically free of toxins, how to restructure our water and a documentary "Water: The Great Mystery". He added that it will be at the Discovery Center Sunday afternoon August 18th 3 to 5 PM. Mr. Heule reported that the San Bernardino County Water Conference is next Friday August 23rd. He added that Bear Valley Unified School District CNG Fueling Station Groundbreaking Ceremony is being held on Thursday August 22nd at 4:00 PM. He announced that the next District Board Meeting is scheduled for September 5th. He added that Director Eminger will be out of the Country for most of the rest of the month.

DIRECTOR COMMENTS

President Smith (on behalf of the Board) thanked everyone involved in Kool Kids for a job well done.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:44 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, September 5, 2013
Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA

Vicki Sheppard
Secretary to the Board
Big Bear Municipal Water District

(SEAL)

Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

Num	Date	Name	Account	Paid Amount
151633	8/10/2013	LERG RON	1001-01 · General Checking Account	
272	7/29/2013		2800-01 · Board Room Deposits	-50.00
			2800-01 · Board Room Deposits	-5.00
TOTAL				-55.00
151634	8/10/2013	PROMETHEUS ENTERTAINME...	1001-01 · General Checking Account	
276	8/1/2013		2800-04 · Filming Deposits	-500.00
TOTAL				-500.00
151635	8/10/2013	INTEX RECREATION CORP	1001-01 · General Checking Account	
277	8/5/2013		2800-04 · Filming Deposits	-500.00
TOTAL				-500.00
151636	8/10/2013	DEMMITT DOUG	1001-01 · General Checking Account	
284	7/29/2013		2800-03 · Boat Storage/RV Deposits	-100.00
TOTAL				-100.00
151637	8/10/2013	SOUTHER FRANK & LEA	1001-01 · General Checking Account	
285	7/31/2013		2800-03 · Boat Storage/RV Deposits	-100.00
TOTAL				-100.00
151638	8/10/2013	HOLMES LIBBY	1001-01 · General Checking Account	
286	7/31/2013		2800-03 · Boat Storage/RV Deposits	-100.00
TOTAL				-100.00
151639	8/10/2013	COVINGTON KEITH	1001-01 · General Checking Account	
287	8/7/2013		4600-03 · REV OPS - Boat Permits	-99.00
TOTAL				-99.00
151640	8/10/2013	TEISSERE JAMIE	1001-01 · General Checking Account	
289	7/30/2013		4600-03 · REV OPS - Boat Permits	-50.50
TOTAL				-50.50
151641	8/10/2013	WAKIM PAUL	1001-01 · General Checking Account	
290	8/9/2013		4600-03 · REV OPS - Boat Permits	-110.00
TOTAL				-110.00
151642	8/10/2013	ACWA HEALTH INSURANCE	1001-01 · General Checking Account	
A000138600	8/1/2013		5020-10 · ADMIN-Health Insurance	-4,834.42
			5020-20 · WATER-Health Insurance	-1,885.20
			5020-30 · MAINT-Health Insurance	-3,655.66
			5020-40 · OPS-Health Insurance	-4,083.93
			5021-10 · ADMIN-Dental Insurance	-305.11
			5021-20 · WATER-Dental Insurance	-119.20
			5021-30 · MAINT-Dental Insurance	-249.01
			5021-40 · OPS-Dental Insurance	-282.79
			5022-10 · ADMIN-Life Insurance	-198.14
			5022-20 · WATER-Life Insurance	-78.62
			5022-30 · MAINT-Life Insurance	-77.34

Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

Num	Date	Name	Account	Paid Amount
			5022-40 · OPS-Life Insurance	-66.99
			5550-01 · ADMIN-Director Group Insurance	-6,136.25
TOTAL				-21,972.66
151643	8/10/2013	AFLAC	1001-01 · General Checking Account	
855196	8/25/2013		2100-08 · AFLAC Payable	-284.18
TOTAL				-284.18
151644	8/10/2013	ALL PROTECTION ALARM	1001-01 · General Checking Account	
440838	8/1/2013		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-41.96
441095	8/1/2013		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-37.10
441219	8/1/2013		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-198.45
441298	8/1/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-125.88
TOTAL				-403.39
151645	8/10/2013	ALL VALLEY ENVIRONMENTAL	1001-01 · General Checking Account	
28310	7/24/2013		5590-43 · OPS-Petroleum-WASTE	-200.00
TOTAL				-200.00
151646	8/10/2013	AT & T MOBILITY	1001-01 · General Checking Account	
07162013	7/17/2013		5505-10 · ADMIN- Creek Telem Sim Card	-33.07
TOTAL				-33.07
151647	8/10/2013	ATK NORTH AMERICA	1001-01 · General Checking Account	
1960273	8/2/2013		5580-42 · OPS-Boat Maintenance-Work	-2,876.00
TOTAL				-2,876.00
151648	8/10/2013	BAUMGARTNER	1001-01 · General Checking Account	
110879	8/2/2013		5570-42 · OPS-OSHA-Vaccinations	-240.00
			5570-30 · MAINT-Training/Supplie/Med-OSHA	-60.00
			5570-44 · OPS-OSHA-First Aid Expense (WC)	-75.00
TOTAL				-375.00
151649	8/10/2013	BBLM	1001-01 · General Checking Account	
14	7/16/2013		5590-41 · OPS-Petroleum-VESSELS	-1,057.47
15	7/23/2013		5590-41 · OPS-Petroleum-VESSELS	-847.19
16	7/30/2013		5590-41 · OPS-Petroleum-VESSELS	-1,289.88
TOTAL				-3,194.54
151650	8/10/2013	BEAR VALLEY ELECTRIC	1001-01 · General Checking Account	
07242013	7/24/2013		5507-43 · OPS-Utilities-Ramps	-177.10
07262013A	7/26/2013		5507-22 · WATER-Utilities-Dam	-66.02
07262013B	7/26/2013		5507-43 · OPS-Utilities-Ramps	-104.67
07292013A	7/29/2013		5507-21 · WATER-Utilities-Aerator	-1,064.18
07292013B	7/29/2013		5507-22 · WATER-Utilities-Dam	-141.59
07292013C	7/29/2013		5507-22 · WATER-Utilities-Dam	-11.25
07292013D	7/29/2013		5507-41 · OPS-Utilities-Main Office	-12.12
TOTAL				-1,576.93
151651	8/10/2013	BEAR VALLEY HOSPITAL	1001-01 · General Checking Account	
WILLIAMS	8/5/2013		5570-44 · OPS-OSHA-First Aid Expense (WC)	-156.62
TOTAL				-156.62

Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

Num	Date	Name	Account	Paid Amount
151652	8/10/2013	BEAR VALLEY PRINTING	1001-01 · General Checking Account	
84059	8/2/2013		5510-44 · OPS-Quagga Mussel Printing	-364.69
TOTAL				-364.69
151653	8/10/2013	BIG BEAR DISPOSAL	1001-01 · General Checking Account	
1576	8/1/2013		5507-41 · OPS-Utilities-Main Office	-313.47
TOTAL				-313.47
151654	8/10/2013	BUTCHER'S BLOCK AND BUIL...	1001-01 · General Checking Account	
224089	7/15/2013		5580-41 · OPS-Boat Maintenance-Patrol	-8.61
227900	7/29/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-6.05
			5630-43 · OPS-Bldg/Fac Mtn/Rep-WEST RAMP	-6.05
228265	7/30/2013		5630-41 · OPS-Bldg/Fac Mtn/Rep-RV PARK	-4.76
228591	7/31/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-9.42
229223	8/2/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-14.64
229920	8/5/2013		5580-41 · OPS-Boat Maintenance-Patrol	-23.20
229759	8/5/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-32.01
230307	8/6/2013		5630-43 · OPS-Bldg/Fac Mtn/Rep-WEST RAMP	-13.37
230175	8/6/2013		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-17.94
230130	8/6/2013		5580-41 · OPS-Boat Maintenance-Patrol	-33.56
230627	8/7/2013		5580-41 · OPS-Boat Maintenance-Patrol	-40.36
230605	8/7/2013		5630-43 · OPS-Bldg/Fac Mtn/Rep-WEST RAMP	-17.69
230832	8/8/2013		5580-41 · OPS-Boat Maintenance-Patrol	-9.71
230895	8/8/2013		5543-00 · Small Tools/Tools Supplies	-105.98
			5650-02 · WATER-Watershed Mgt Equip&Maint	-16.70
TOTAL				-360.05
151655	8/10/2013	CASH PETTY CASH	1001-01 · General Checking Account	
08092013	8/9/2013		5650-03 · WATER-Watershed Mgt Supplies	-1.98
			5580-41 · OPS-Boat Maintenance-Patrol	-7.17
			5510-02 · ADMIN-KOOL KIDS Program	-30.38
			5503-01 · ADMIN-Office Supplies-Office	-24.55
			5503-03 · ADMIN-Office Supplies-Meetings	-55.66
TOTAL				-119.74
151656	8/10/2013	CHEM-PAK	1001-01 · General Checking Account	
82718	7/24/2013		5504-41 · OPS-Janitorial Supplies-Ramps	-121.16
			5504-41 · OPS-Janitorial Supplies-Ramps	-121.16
TOTAL				-242.32
151657	8/10/2013	COLONIAL LIFE	1001-01 · General Checking Account	
3587144-07...	7/25/2013		2100-19 · Colonial - Pre Tax Payable	-147.06
			2100-18 · Colonial Life- Post Tax Payable	-116.26
TOTAL				-263.32
151658	8/10/2013	COMPUTER VILLAGE	1001-01 · General Checking Account	
128697	7/1/2013		5620-12 · ADMIN-Computer Maint/Repair	-1,230.12
128933	7/24/2013		5509-12 · ADMIN-Member/Subs-Software	-586.00
TOTAL				-1,816.12
151659	8/10/2013	COMSERCO	1001-01 · General Checking Account	
65864	7/31/2013		5506-41 · OPS-Radio Service Contract	-260.00
TOTAL				-260.00

9:30 AM
08/29/13

Big Bear MWD
Warrant List Detail
August 10 - 29, 2013

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
151660	8/10/2013	DIRECTV INC	1001-01 · General Checking Account	
20974343427	7/23/2013		5507-42 · OPS-Utilities-RV Park	-192.71
TOTAL				-192.71
151661	8/10/2013	DISH NETWORK	1001-01 · General Checking Account	
08042013	8/4/2013		5507-41 · OPS-Utilities-Main Office	-70.00
TOTAL				-70.00
151662	8/10/2013	DIVERSIFIED MARINE PRODU...	1001-01 · General Checking Account	
16367055	8/5/2013		5580-41 · OPS-Boat Maintenance-Patrol	-146.16
TOTAL				-146.16
151663	8/10/2013	DWP	1001-01 · General Checking Account	
07302013A	7/30/2013		5507-42 · OPS-Utilities-RV Park	-174.19
07302013B	7/30/2013		5507-41 · OPS-Utilities-Main Office	-15.14
07302013C	7/30/2013		5507-43 · OPS-Utilities-Ramps	-379.67
07302013	7/30/2013		5507-43 · OPS-Utilities-Ramps	-20.19
07302013E	7/30/2013		5507-41 · OPS-Utilities-Main Office	-49.90
07302013F	7/30/2013		5507-44 · OPS-Utilities-Trout Pond	-83.19
TOTAL				-722.28
151664	8/10/2013	EVENSON DON (REIMBURSE)	1001-01 · General Checking Account	
07222013	7/22/2013		5510-05 · ADMIN-Public Info-Other Agency	-530.68
TOTAL				-530.68
151665	8/10/2013	EXCEL MICRO	1001-01 · General Checking Account	
0226243	8/8/2013		5509-12 · ADMIN-Member/Subs-Software	-48.00
TOTAL				-48.00
151666	8/10/2013	HAUPT RALPH	1001-01 · General Checking Account	
7943	7/31/2013		5590-42 · OPS-Petroleum-VEHICLES	-333.67
TOTAL				-333.67
151667	8/10/2013	HAVASU EMBROIDERY INC	1001-01 · General Checking Account	
16902	8/5/2013		5510-02 · ADMIN-KOOL KIDS Program	-1,470.48
TOTAL				-1,470.48
151668	8/10/2013	HELMUTS MARINE SERVICES	1001-01 · General Checking Account	
201305585	7/30/2013		5580-41 · OPS-Boat Maintenance-Patrol	-267.80
2936-1	7/30/2013		5580-44 · OPS-Boat Maint-Engine/Outdrive	-5,590.00
TOTAL				-5,857.80
151669	8/10/2013	LEMIEUX & O'NEILL	1001-01 · General Checking Account	
20-999M 168	7/31/2013		5520-01 · ADMIN-District Counsel Retainer	-3,500.00
TOTAL				-3,500.00

Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

Num	Date	Name	Account	Paid Amount
151670	8/10/2013	LINCOLN NATIONAL	1001-01 · General Checking Account	
08152013	8/15/2013		2101-01 · Deferred Compensation	-1,525.00
TOTAL				-1,525.00
151671	8/10/2013	MASTERCARD	1001-01 · General Checking Account	
07312013 4...	7/31/2013		5510-03 · ADMIN-Empl Recognition-Pub Info	-62.86
			5570-41 · OPS-OSHA-Equipment	-164.85
			5630-10 · ADMIN-Bldg/Facility Maint/Rep	-574.73
			5660-02 · Aquatic Plant Control LAKE	-121.93
			5503-01 · ADMIN-Office Supplies-Office	-535.19
			5570-41 · OPS-OSHA-Equipment	-158.88
			5541-31 · MAINT-Uniform/Sm Equip-Reg Empl	-429.95
			5510-02 · ADMIN-KOOL KIDS Program	-532.00
			5620-30 · MAINT-Equip Maintenance	-12.71
			5510-02 · ADMIN-KOOL KIDS Program	-50.92
			5570-03 · ADMIN-Training/Seminars-Empl	-279.09
			5570-41 · OPS-OSHA-Equipment	-106.43
TOTAL				-3,029.54
151672	8/10/2013	MCMASTER-CARR	1001-01 · General Checking Account	
5932030	7/23/2013		5640-01 · WATER-Aerator Maint	-149.93
56074248	7/24/2013		5632-01 · MAINT-SS Reliefs/Portables	-59.48
TOTAL				-209.41
151673	8/10/2013	MID AMERICA APPLE PLAN	1001-01 · General Checking Account	
08012013	8/1/2013		2100-20 · Apple Plan - Employee Pay	-736.05
			2100-21 · Apple Plan - Company Pay	-736.06
TOTAL				-1,472.11
151674	8/10/2013	MOUNTAIN TROPHY AND PRO...	1001-01 · General Checking Account	
20130117	8/2/2013		5503-01 · ADMIN-Office Supplies-Office	-21.60
TOTAL				-21.60
151675	8/10/2013	MOUNTAIN WATER COMPANY	1001-01 · General Checking Account	
22694	7/31/2013		5507-43 · OPS-Utilities-Ramps	-57.12
WEB000093	8/2/2013		5507-43 · OPS-Utilities-Ramps	-135.00
TOTAL				-192.12
151676	8/10/2013	MWH	1001-01 · General Checking Account	
1623543	7/24/2013		6100-06 · Dam Repair-Gen Engineering	-4,221.86
TOTAL				-4,221.86
151677	8/10/2013	NAPA AUTO PARTS	1001-01 · General Checking Account	
146676	7/19/2013		5580-41 · OPS-Boat Maintenance-Patrol	-18.12
147338	7/24/2013		5580-41 · OPS-Boat Maintenance-Patrol	-80.18
147486	7/25/2013		5600-31 · MAINT-Vehicle Maint-ON ROAD	-36.55
147561	7/25/2013		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-39.25
148850	8/2/2013		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-34.89
149186	8/5/2013		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-58.68
149372	8/6/2013		5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-48.61
149648	8/7/2013		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-125.60
TOTAL				-441.88

Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
151678	8/10/2013	NO CONTRACT VOIP	1001-01 · General Checking Account	
0006033	8/5/2013		5505-01 · ADMIN-Phones Local/Hardware/Rep	-152.39
TOTAL				-152.39
151679	8/10/2013	QUILL	1001-01 · General Checking Account	
7258872	7/23/2013		5503-01 · ADMIN-Office Supplies-Office	-59.02
4325581	7/25/2013		5503-01 · ADMIN-Office Supplies-Office	-280.24
TOTAL				-339.26
151680	8/10/2013	RADIOSHACK CORPORATION	1001-01 · General Checking Account	
029618	7/18/2013		5620-10 · ADMIN-Equip Maintenance	-53.99
034929	7/19/2013		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-32.39
TOTAL				-86.38
151681	8/10/2013	SQUEEGEE CLEAN WINDOW ...	1001-01 · General Checking Account	
07252013	7/25/2013		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-50.00
TOTAL				-50.00
151682	8/10/2013	SUPERMEDIA	1001-01 · General Checking Account	
08012013	8/1/2013		5505-01 · ADMIN-Phones Local/Hardware/Rep	-67.50
TOTAL				-67.50
151683	8/10/2013	VALERO	1001-01 · General Checking Account	
07222013	7/22/2013		5590-42 · OPS-Petroleum-VEHICLES	-1,840.07
TOTAL				-1,840.07
151684	8/10/2013	VERIZON CALIFORNIA	1001-01 · General Checking Account	
07252013	7/25/2013		5505-05 · ADMIN-Phone Weather Station	-45.44
07282013	7/28/2013		5505-04 · ADMIN-Phone At the Dam	-47.18
08012013A	8/1/2013		5505-02 · ADMIN-Phones Ramps Local Svc	-59.00
08012013B	8/1/2013		5505-02 · ADMIN-Phones Ramps Local Svc	-52.94
08012013C	8/1/2013		5505-03 · ADMIN-Phones Long Distance	-52.50
			5505-01 · ADMIN-Phones Local/Hardware/Rep	-396.14
08012013D	8/1/2013		5505-02 · ADMIN-Phones Ramps Local Svc	-62.95
TOTAL				-716.15
151685	8/10/2013	XEROX	1001-01 · General Checking Account	
06411367	8/1/2013		5620-13 · ADMIN-Copier Maint/Repair	-62.93
			2950-03 · Copier Lease	-469.50
TOTAL				-532.43
151686	8/10/2013	MASTERCARD	1001-01 · General Checking Account	
073112013 ...	7/31/2013		5560-22 · WATER-Watermaster Meetings	-43.43
			5570-01 · ADMIN-Training/Seminars-GM	-80.74
			5570-01 · ADMIN-Training/Seminars-GM	-641.76
			5510-05 · ADMIN-Public Info-Other Agency	-42.46
TOTAL				-808.39

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08/29/13

Big Bear MWD
Warrant List Detail
August 10 - 29, 2013

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
151687	8/24/2013	ALGER CRAIG	1001-01 · General Checking Account	
291	8/22/2013		4600-06 · REV OPS - Rec Vehicle Revenue	-120.00
			4600-12 · REV OPS- Utility Fee RV Revenue	-19.60
TOTAL				-139.60
151688	8/24/2013	ALL PROTECTION ALARM	1001-01 · General Checking Account	
440159	7/31/2013		5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-115.00
TOTAL				-115.00
151689	8/24/2013	BBLM	1001-01 · General Checking Account	
17	8/6/2013		5590-41 · OPS-Petroleum-VESSELS	-912.33
18	8/16/2013		5590-41 · OPS-Petroleum-VESSELS	-1,142.10
TOTAL				-2,054.43
151690	8/24/2013	BEAR VALLEY ELECTRIC	1001-01 · General Checking Account	
08082013A	8/7/2013		5507-41 · OPS-Utilities-Main Office	-2,737.17
08072013B	8/7/2013		5507-42 · OPS-Utilities-RV Park	-2,364.79
08072013C	8/7/2013		5507-41 · OPS-Utilities-Main Office	-52.39
08092013	8/9/2013		5507-44 · OPS-Utilities-Trout Pond	-25.50
TOTAL				-5,179.85
151691	8/24/2013	BEAR VALLEY UNIFIED SCHO...	1001-01 · General Checking Account	
14000TRAN...	8/19/2013		5510-02 · ADMIN-KOOL KIDS Program	-146.25
TOTAL				-146.25
151692	8/24/2013	BUTCHER'S BLOCK AND BUIL...	1001-01 · General Checking Account	
230542	8/7/2013		5580-41 · OPS-Boat Maintenance-Patrol	-4.42
233657	8/19/2013		5650-02 · WATER-Watershed Mgt Equip&Maint	-14.29
TOTAL				-18.71
151693	8/24/2013	CHEM-PAK	1001-01 · General Checking Account	
82995	8/14/2013		5504-30 · MAINT-Janitorial Supplies	-171.07
TOTAL				-171.07
151694	8/24/2013	COMPUTER VILLAGE	1001-01 · General Checking Account	
129181	8/16/2013		5530-02 · ADMIN-Prof&Spec-ComputerConsult	-100.00
TOTAL				-100.00
151695	8/24/2013	CSB SOLID WASTE MANAGEM...	1001-01 · General Checking Account	
021131	8/14/2013		5630-30 · MAINT-Bldg/Facility Maint/Rep	-252.62
TOTAL				-252.62
151696	8/24/2013	INFINITY TRUST	1001-01 · General Checking Account	
44397	8/12/2013		5509-03 · ADMIN-Memberships-Subscriptions	-10.00
			2100-09 · PR VSP Vision	-135.96
TOTAL				-145.96

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Big Bear MWD
Warrant List Detail
 August 10 - 29, 2013

Num	Date	Name	Account	Paid Amount
151697	8/24/2013	LINCOLN NATIONAL	1001-01 · General Checking Account	
08292013	8/29/2013		2101-01 · Deferred Compensation	-1,525.00
TOTAL				-1,525.00
151698	8/24/2013	MCMASTER-CARR	1001-01 · General Checking Account	
56776786	8/5/2013		5630-43 · OPS-Bldg/Fac Mtn/Rep-WEST RAMP	-461.51
56776785	8/5/2013		5510-02 · ADMIN-KOOL KIDS Program	-97.66
TOTAL				-559.17
151699	8/24/2013	MERIT OIL COMPANY	1001-01 · General Checking Account	
217997	8/19/2013		5631-03 · OPS-Quagga Prevent Kerosine	-326.88
TOTAL				-326.88
151700	8/24/2013	MID AMERICA APPLE PLAN	1001-01 · General Checking Account	
08152013	8/15/2013		2100-20 · Apple Plan - Employee Pay	-592.82
			2100-21 · Apple Plan - Company Pay	-592.82
TOTAL				-1,185.64
151701	8/24/2013	PITNEY BOWES RENTAL	1001-01 · General Checking Account	
1098706-AU...	8/13/2013		5501-01 · ADMIN-Post&Ship OFFICE	-329.94
TOTAL				-329.94
151702	8/24/2013	QUILL	1001-01 · General Checking Account	
816899	7/17/2013		5503-01 · ADMIN-Office Supplies-Office	-27.00
TOTAL				-27.00
151703	8/24/2013	RADIOSHACK CORPORATION	1001-01 · General Checking Account	
034854	7/17/2013		5650-02 · WATER-Watershed Mgt Equip&Maint	-76.63
TOTAL				-76.63
151704	8/24/2013	SOUTHWEST GAS CORPORAT...	1001-01 · General Checking Account	
08152013A	8/15/2013		5507-41 · OPS-Utilities-Main Office	-11.00
08152013B	8/15/2013		5507-42 · OPS-Utilities-RV Park	-17.76
08162013	8/16/2013		5507-44 · OPS-Utilities-Trout Pond	-7.43
TOTAL				-36.19
151705	8/24/2013	UNIQUE AWARDS	1001-01 · General Checking Account	
6504	6/6/2013		5670-05 · WATER-Carp Roundup Expense	-412.99
TOTAL				-412.99
151706	8/24/2013	UPS	1001-01 · General Checking Account	
0000F33Y1...	8/10/2013		5501-01 · ADMIN-Post&Ship OFFICE	-14.47
F33Y11333	8/17/2013		5501-01 · ADMIN-Post&Ship OFFICE	-14.47
TOTAL				-28.94
151707	8/24/2013	VALERO	1001-01 · General Checking Account	
08202013	8/20/2013		5590-42 · OPS-Petroleum-VEHICLES	-1,716.94
TOTAL				-1,716.94

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08/29/13

Big Bear MWD
Warrant List Detail
August 10 - 29, 2013

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>
151708	8/24/2013	VERIZON CALIFORNIA	1001-01 · General Checking Account	
08132013	8/13/2013		5505-05 · ADMIN-Phone Weather Station	-53.10
TOTAL				-53.10
151709	8/24/2013	VERIZON WIRELESS	1001-01 · General Checking Account	
9709279497	8/3/2013		5505-11 · ADMIN-Phones Ramp Aircards	-189.31
			5505-11 · ADMIN-Phones Ramp Aircards	-189.31
			5505-06 · ADMIN-Phone Cell Phones	-76.02
9709593340	8/9/2013		5505-06 · ADMIN-Phone Cell Phones	-202.46
TOTAL				-657.10
151710	8/29/2013	MID AMERICA APPLE PLAN	1001-01 · General Checking Account	
08292013	8/29/2013		2100-20 · Apple Plan - Employee Pay	-679.59
			2100-21 · Apple Plan - Company Pay	-679.59
TOTAL				-1,359.18

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

MEETING DATE: SEPTEMBER 5, 2013

AGENDA ITEM: 6A

SUBJECT:

DISCUSS AND DIRECT STAFF REGARDING THE PROPOSED IN-LIEU WATER AGREEMENT AMENDMENT AND SEPTEMBER LAKE RELEASE

RECOMMENDATION:

The General Manager requests that the Board direct staff regarding the proposed in-lieu agreement amendment and consider approving additional work effort in preparation for a combined workshop with San Bernardino Valley MWD in November.

DISCUSSION/FINDINGS:

The Board had the opportunity to review and ask questions of staff concerning a proposed amendment to the in-lieu agreement with San Bernardino Valley Municipal Water District during the workshop on August 22, 2013. Don Evenson provided a PowerPoint presentation (copy attached) that detailed the history of the in-lieu agreement, efforts to amend the agreement to reduce the cost and increase the typical level of the lake, and describe the 600 acre-foot lake release that will take place beginning September 10. This Board and the Board of the San Bernardino Valley Municipal Water District have scheduled a combined workshop to further discuss amending the in-lieu agreement. If the proposed terms of the amendment are agreed to the District will save \$80,000 to \$100,000 annually beginning in Fiscal Year 2017-18. In order for the studies necessary to analyze the details of the lake condition as a result of the proposed amendment Staff must perform additional modeling and climate analysis. Staff requests that the Board consider approving this additional work in preparation for the combined workshop in November. The additional effort is expected to require roughly 75 hours to complete by Don Evenson.

OTHER AGENCY INVOLVEMENT: None

FINANCING: Water Resources Salaries and Benefits

Submitted by: Scott Heule, General Manager

**In-Lieu Water Agreement
with
San Bernardino Valley
MWD
1996 - 2013**

Big Bear MWD Board Workshop
August 22, 2013

1

**Three Important In-Lieu Periods
Since The 1977 Judgment was
Signed.**

- 1977 – 1986. The years after the Judgment was signed and before Big Bear adopted the Mutual Lake Release Policy.
- 1987 – 1995. The years after Big Bear adopted the Mutual Lake Release Policy and before the In-Lieu Agreement with Valley District was signed.
- 1996 – 2013. The years since the In-Lieu Agreement with Valley District was signed.

2

1996 In-Lieu Agreement

- 1996 – Big Bear and Valley District entered into an In-Lieu Agreement for Valley District to deliver In-lieu water to Mutual beginning in FY 1996-97 following the 1987 Mutual Lake Release Policy.
- The “base cost” of the In-Lieu Agreement was \$834,000 a year for the first ten fiscal years.
- Beginning in FY 2006-07 the “base cost” was adjusted for changes in AV relative to FY 2004-05
- The annual In-Lieu cost reached a maximum in FY 2009-10 at \$1,281,000

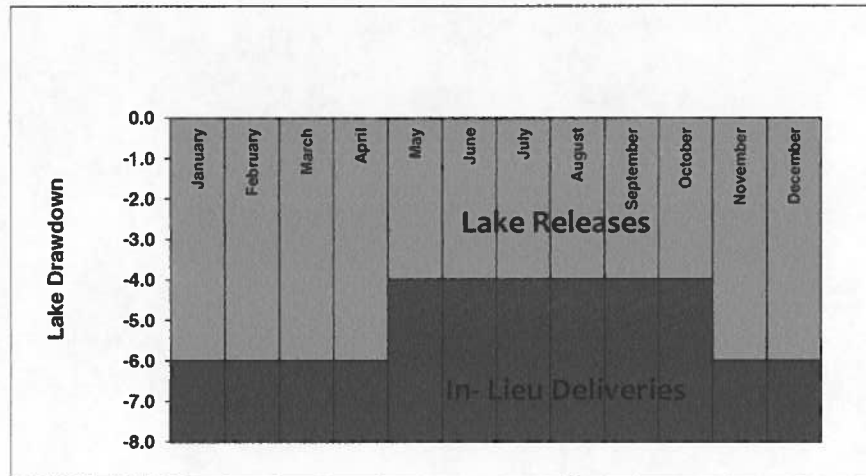
3

1996 In-Lieu Agreement

- The current (FY 2013-14) annual In-Lieu cost is \$1,220,000.
- Beginning in FY 2017-18 there will be an increase in the “base cost” from \$834,000 to \$895,000 that could increase the annual In-Lieu cost an additional \$80,000 to \$100,000 per year depending on the AV at the time.
- The 1996 In-Lieu Agreement has been modified four times
 - 1999 for repairs to the Greenspot Pipeline
 - 2006 for impacts of Big Bear’s Flood Control Drawdown Policy
 - 2006 for Big Bear’s revised Snowmaking water sales contract
 - 2012 for connections to the SWP East Branch Extension and to evaluate alternative in-lieu storage concepts.

4

1987 Mutual Lake Release Policy



5

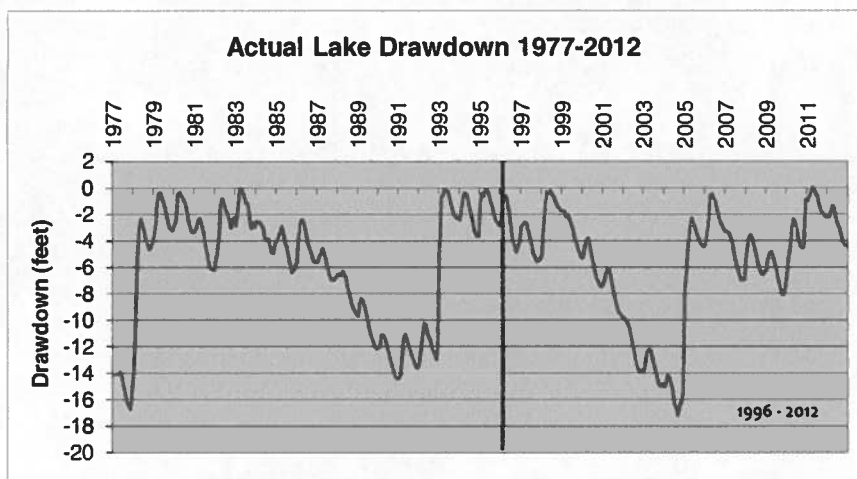
1996 In-Lieu Agreement

- For the 17 years (1996 – 2012) under the In-Lieu Agreement:
- Mutual's demands averaged 5,616 AF/year.
- They were met by:

▪ Mutual Lake Releases	242 AF/year
▪ Fishery Lake Releases	362 AF/year
▪ In-Lieu Deliveries	<u>5,012 AF/year</u>
▪ Total Deliveries	5,616 AF/year
- Lake levels declined to a record low and recovered.

6

1996 In-Lieu Agreement



7

1999 Memorandum of Understanding

- 1999 – Big Bear and Valley District entered into a Memorandum of Understanding that modified the In-Lieu Agreement for two years to provide assurances that Valley District could meet their high elevation In-Lieu obligations while their Greenspot Pipeline was under repair.
- 2001 – The MOU was extended for two years, until the end of 2002.

8

1999 Memorandum of Understanding

- MOU allowed Valley District to deliver In-Lieu Water when the lake level was high enough that lake releases would normally be made.
- MOU allowed an equivalent amount of water to be stored in Big Bear Lake in the event Valley District needed it to meet their “high elevation” In-Lieu obligations in the following years.
- Unused water would be returned to Big Bear.

9

1999 Memorandum of Understanding

- In 1999 Valley District delivered an extra 3,501 AF of In-Lieu water to Mutual, which increased lake levels about 1.2 feet.
- During the four years of the MOU, Valley District did not need any of the water stored in the lake for “high elevation” In-Lieu requirements.
- Increased evaporation from the lake over the four years of the MOU was estimated to be 893 AF.
- Big Bear got the balance of 2,608 AF at the end of 2002 and the MOU was terminated.

10

2003-04 In-Lieu Studies

- To better analyze in-lieu needs, Big Bear, Valley District and Mutual jointly conducted a Lake Management Study.
- They agreed to use water years and a 53-year period between October 1945 and September 1998 that included three wet and dry cycles with the lake full at the beginning and end of the 53-year period.
- During this 53-year period, the average annual in-lieu deliveries was estimated to be 2,815 AF/year assuming the Mutual Lake Release Policy was followed.

11

2006 Flood Control Release Policy

- 2006 – Big Bear adopted a flood control release policy to maintain lake levels one foot below full between December 31 and March 31.
- Estimated long-term average In-Lieu Deliveries increased from 2,815 to 2,895 AF/year, an increase of 80 AF/year.
- The cost of In-Lieu Water was priced at \$150/AF.
- The increase in the “base cost” of the In-lieu Agreement was \$12,000 per year.
- Adjusted for changes in AV this increase is now about \$17,000 per year.

12

2006 Snowmaking Water Sales

- 2006 –Big Bear entered into an agreement to increase the annual snowmaking withdrawal to up to 11,000 AF in any ten-year period, not to exceed 1,300 AF in any single water year.
- Estimated long-term average In-Lieu Deliveries increased from 2,895 to 2,914 AF/year, an increase of 19 AF/year.
- The cost of In-Lieu Water was priced at \$150/AF.
- The increase in the “base cost” of the In-lieu Agreement was \$2,850 per year.
- This increase after adjusting for AV changes is now about \$4,000 per year

13

2010 In-Lieu Concept Discussions

- Big Bear and Valley District held further discussions to determine if the In-Lieu Agreement could be modified to:
 - Increase water levels in Big Bear Lake during the summer recreation season (between Memorial Day and Labor Day), and
 - Provide Valley District water in storage in Big Bear Lake for “emergency” purposes.
- The goal was an operational plan that would be beneficial to both agencies and would not change the existing cost of the In-Lieu Agreement.
- The discussions were put on hold before any detailed discussions or evaluations on the limitations of storage and releases were held.

14

2012 Discussions/Concepts

- Valley District expressed interest in resuming the 2010 discussions on the In-Lieu Agreement.
- Valley District has an interest in water storage in Big Bear Lake, improving on the 1999 MOU experience.
- A concept that would eliminate summer lake releases for Mutual, better manage fall deliveries to Valley District, provide storage opportunities for Valley District and reduce In-Lieu costs would be developed and evaluated.

15

July 2012 In-Lieu MOU

- Big Bear and Valley District entered into an In-Lieu MOU effective July 1, 2012 through December 31, 2013.
- Valley District informed Big Bear that due to construction of the East Branch Extension of the SWP, elements of Valley District's water delivery system would be out of service in 2013 and they may not be able to deliver In-Lieu Water to Mutual during a portion of the year.
- Valley District agreed to deliver In-Lieu water to Mutual during times when Big Bear would normally make lake releases for Mutual and Big Bear agreed to give them storage credit in the Lake for these supplemental In-Lieu deliveries.

16

July 2012 In-Lieu MOU

- Additional evaporation resulting from the higher lake levels would be deducted from Valley District's lake storage account.
- Big Bear agreed to release water from Valley District's lake storage account as needed to meet Mutual's In-Lieu needs.
- Big Bear and Valley District agreed to examine changes to the 1996 In-Lieu Agreement that would create additional benefits for each party.

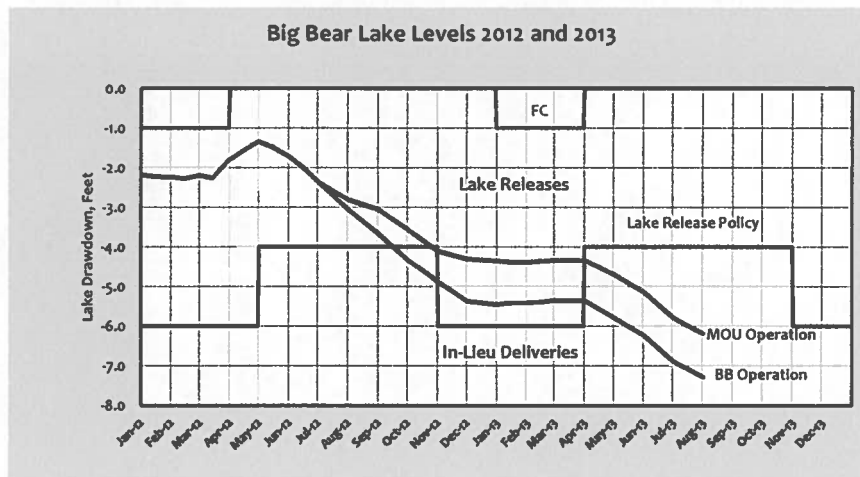
17

Status of July 2012 In-Lieu MOU

- Status as of July 2013
- Valley District has delivered 3,291 AF of supplemental In-Lieu water to Mutual when Big Bear normally would have made lake releases for Mutual.
- Big Bear Lake is 1.09 feet higher than it would have been if the Lake Release Policy had been followed.
- Additional evaporation from the higher lake levels has been 187 AF.
- Valley District has 3,104 AF of water in their lake account.

18

Lake Levels Under MOU and Big Bear Lake Release Policy



19

Status of July 2012 In-Lieu MOU

- A draft “term sheet” for an amendment to the 1996 In-Lieu agreement has been developed for discussion purposes.
- A test release plan has been proposed to evaluate the capability to control, measure and capture lake releases that would occur under the conditions of the draft term sheet.
- The test release plan could also be used in the event Valley District is unable to deliver In-Lieu water to Mutual.

20

Draft Term Sheet

- Big Bear would allow Valley District to store water in Big Bear Lake for
 - Emergency Purposes (2,800 AF)
 - Operational Purposes (2,800 AF)
- Valley District would meet all of Mutual's needs for lake water between Memorial Day and Labor Day regardless of lake level and would get credit in their storage account for deliveries made when Big Bear would normally make lake releases for Mutual. Credits would go first to their Emergency Account, and when full would go to their Operational Account.

21

Draft Term Sheet

- After Labor Day and before Memorial Day Valley District would have the option to also deliver In-Lieu water to Mutual during periods when lake releases would normally be made; storage credits would go to their Operational Storage Account.
- Spills and Flood Control Releases from Big Bear Lake would first come from Valley District's Operational Storage Account; when it is depleted, they would come from their Emergency Storage Account until it is depleted, then they would come from Big Bear's lake account.

22

Draft Term Sheet

- Increased lake evaporation resulting from higher lake levels would be
 - Deducted from Valley District's storage accounts between Labor Day and Memorial Day, and
 - Shared 50-50 between Valley District and Big Bear between Memorial Day and Labor Day to reflect the benefits gained by each agency during the summer recreation season.
- Releases from Valley District's Emergency Storage Account could be made when
 - The SWP Allocation to Valley District is less than 25,000 AF, or
 - Operational problems would prevent Valley District from delivering In-lieu water to Mutual.

23

Draft Term Sheet

- Releases from Valley District's Operational Storage Account could be made after Labor Day and before Memorial Day providing
 - the lake level is within 8 feet of full, and
 - Emergency Releases are not occurring.
- In the event of an "emergency" when Valley District's Emergency Storage Account is not full, Big Bear would make an "advance for emergency purposes" to ensure the full emergency amount (2,800 AF) is available; Valley District would repay the emergency advance with future supplemental In-Lieu deliveries.

24

Draft Term Sheet

- To reflect the benefits of these changes in In-Lieu Policy
 - Valley District would waive the In-Lieu Cost increase scheduled for FY 2017-18; the estimated cost increase is \$80,000 to \$100,000 per year depending on AV at the time of the increase,
 - Valley District would reduce the In-Lieu costs by \$50,000 per year for FY 2014-15, FY2015-16, and FY 2016-17 while the amendment is being implemented and the storage accounts are being filled, and
 - Valley District and Big Bear would evaluate and adjust the In-Lieu requirements and costs resulting from changes in lake releases for fishery protection under SWRCB Order 95-4 as amended on January 8, 2009.

25

Test Release Plan

- A “test release plan” has been developed to evaluate the capability to control future Valley District releases, to accurately measure the releases, and to determine how much of the releases will reach a point where Valley District can divert the flow.
- The releases would be made through the 14-inch sluice gate on the Outlet Works of Bear Valley Dam.
- Releases would be measured by the 36-inch electromagnetic flowmeter in the Outlet Works.
- Downstream flow measurements would be made at Station A on Bear Creek and at SCE PH #1 intake to estimate losses between Bear Valley Dam and SCE PH#1.

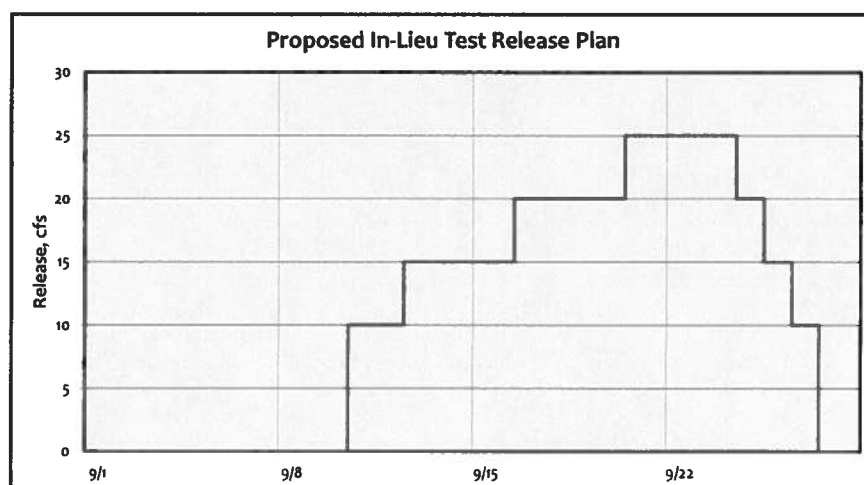
26

Test Release Plan

- The release rates would cover the expected range of “emergency” releases when Valley District would not be able to deliver In-Lieu water to Mutual; this flow range is estimated to be 15 to 25 cfs.
- The test release plan would begin Tuesday September 10 and end on Friday September 27; a duration of 18 days.
- Approximately 605 AF of water would be released.
- The lake level would drop about 3 inches.

27

Test Release Plan



28

Possible Next Steps

- Prepare operational concepts to be evaluated.
- Evaluate results of Test Release Plan
- Evaluate benefits and impacts of alternative operational concepts.
- Board Workshop(s)
- Select preferred concept
- Finalize draft term sheet
- Determine CEQA requirements
- Prepare Amendment to 1996 In-Lieu Agreement