

***MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, NOVEMBER 7, 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, Director Eminger, District Counsel Wayne Lemieux, 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 reportable action at the closed session on October 17th.

REPORTS

Mr. Heule explained that people ask if we really have anything to do after the boating season and he tells them things that could be put off during the summer all come to the table beginning in the fall adding that this is surely the case now. He listed projects that he is working on now:

- a. Amendment to the in lieu agreement
- b. Sale of the trout pond
- c. Signs at Stanfield Marsh
- d. New dredge project in Fawnskin
- e. TMDL workgroup
- f. Annual State Water Resources Control Board Report for Bear Creek Fish Releases
- g. Integrated Regional Water Management Plan for the Upper Santa Ana River
- h. Report of Lake weed census
- i. Report of Lake Operations (harvesting, treatments, carp removal, limnology)
- j. ACOE work in kind
- k. And many more

Mr. Heule reported on yesterday's meeting with Valley District commenting that it seemed very productive allowing us to hear first-hand what questions Valley District directors have about the proposal. He added that Don Evenson sent over a draft agreement for a year extension of the 2012 MOU. He reported that it will be an agenda item for the Board's consideration possibly as soon as the next Board meeting. He explained that the potential monetary reward for the District securing an amendment is substantial beginning in 2017. He added that Valley considers the loss of that 2017 increase in the in-lieu payment a cost to them. Director Murphy asked how soon Bob Tinchler will have their numbers for them. Mr. Heule reported that he believes it will be at least a few weeks before we know more. Director Murphy commented that evaporation seems to scare them. Mr. Heule explained that they did not understand it and he feels they will need to be

educated and updated adding that he believes they want to know what the price of water will actually be.

Mr. Heule reported that this morning Jim Weber tested the spillway gates on the dam. He explained that he could not open gate number 1 because of dirt backfill blocking it on the upstream side. He added that maintenance will have to clear the dirt before a test can be done there. He reported that two other gates did not open because of debris in the gate channels binding the gates and preventing them from moving. He explained that when they are dry like they are now they don't. Director Suhay asked if we have looked into purchasing a new valve. Mr. Heule explained that we will need to put it out to bid. He added that it would allow us to increase controlled flows.

Lake Manager Mike Stephenson reported on the spillway gate test this morning commenting that an 8" flange is already in place. He explained that DSOD (Division of Safety of Dams) requires us to do an annual test of the gates when the water is 8' down from full and today it is 8' down. He added that tomorrow they will use water to flush the gates. Mr. Stephenson reported that the work on the boardwalk is just about complete adding that they purchased the lumber locally for a good price. Mr. Stephenson reported on the NALMS (North American Lake Management Society) conference he attended last week. He added that people from all over the country attended. He explained that a day before the conference he attended an accredited freshwater algae class and spent 10 hours learning about algae and what it means to the ecology of the lake. He added that all buoys are out. He commented that the East Ramp launched 50 boats on Saturday and 7 boats on Sunday adding that the West Ramp is closed. Mr. Stephenson reported on fish stocking in the lake. He explained that Fish & Wildlife's allocations are down over 50% due to the fact that all trout planted in freshwater now have to be triploid trout (sterile trout) and the price of producing these trout has doubled. He added that this is due to the lawsuit regarding steelhead trout. Mr. Stephenson reported that on April 4th he estimated that the lake would be down 8' by November 1st adding that he is off by a week because it is down 8' on November 7th.

APPROVAL OF CONSENT CALENDAR

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

- Minutes of a Regular Meeting of October 17, 2013
- Minutes of a Special Meeting Workshop of October 31, 2013
- Warrant List dated October 28, 2013 for \$47,132.41

CONSIDER APPROVAL OF A PROPOSAL FOR A REAL PROPERTY APPRAISAL TO ESTABLISH THE MARKET VALUE OF THE THREE PARCELS COMPRISING THE DISTRICT'S TROUT POND HOLDINGS

Mr. Heule reported that although the District worked closely with the City of Big Bear Lake and the Inland Empire Resources Conservation District to secure the Trout Pond property for environmental mitigation purposes, financing of the arrangement could not be worked out at this time. He explained that the objective of securing an appraisal now is to determine market value

for purposes of listing the property for sale to the public. He commented that after the appraisal is returned the District will interview and select a real estate agent based on marketing strategy and fees. He added that the two principal objectives the District originally had for purchasing the property have been achieved; first the District has eliminated the ongoing liability of an unfavorable agreement signed by the District and then owner of the Trout Pond Robert Ewing in 1982 and secondly excavating the nutrient laden sediment from the pond bottom to keep it from entering the Lake. Mr. Heule reported that on October 24, 2013 the Administrative Committee interviewed the following three commercial appraisers by phone who estimated the work could be accomplished for between \$4500 and \$6000.

- a. Steve Fontes – Mission Property Advisors (951) 656-6036
- b. Mike Frauenthall – (949) 496-1676
- c. Len Perdue – (951) 686-6470

He stated that based on the interviews the Administrative Committee selected Steve Fontes to recommend to the Board for approval. He explained that Mr. Fontes advises that it would probably be best to value the two westerly parcels (Trout Pond parcel and parcel abutting on the west) together and the easterly parcel separately. He added that Mr. Fontes thought that the easterly flood plain parcel might generate the interest of abutting property owners and suggested that based on the current commercial zoning and the adjacent residential zoning the best and highest use might be a high end residential estate type use. Mr. Fontes submitted a \$5,000 proposal for valuation services that could be completed within three weeks after receiving a signed contract for the work and in addition to the signed contract, the District will need to provide the following documentation that was prepared for or made available prior to the District purchase in 2010.

- Title report
- Purchase agreement and closing statement
- Phase I environmental assessment report
- Known or suspected unusual easements or encroachments

Director Suhay asked if we would be contacting adjacent property owners to see if they had interest in the property. Mr. Heule explained that the Committee wants to wait until the appraisal is back to make any other recommendations. Director Lewis asked about page 3, ownership of the work product. District Counsel Lemieux explained that it will be the District's document and the appraiser will not have permission to distribute to anyone else. He added that the appraiser may need attorney advice as to what to do in certain circumstances. President Smith commented that this appraiser seemed more prepared than the others they interviewed and had ideas of what to do with the property. Director Murphy asked if this is a firm fixed price. Mr. Heule explained that it is unless attorney's need to get involved.

Mr. Jim Hart, local resident, asked if this appraisal is being done for the Inland Empire Resources Conservation District. Mr. Heule explained that it will be done in order to market the property to the public and we have made no decisions on who to market to. Mr. Hart asked if the District received 2 offers so far. Mr. Lemieux explained that is confidential information.

Director Lewis moved approval of contracting Steve Fontes, Mission Property Advisors, to complete an appraisal of the Trout Pond property for a cost of \$5,000. Director Murphy seconded the motion and it was unanimously approved.

CONSIDER RENEWAL OF SHOREZONE ALTERATION PERMIT FOR MARINA POINT

Mr. Heule reported that the Marina Point Shorezone Alteration Permit No. S2011-01 extension expires after November 30, 2013. He explained that the project applicant, Marina Point Development Associates, has asked that it be extended for an additional year. He added that the permit from Fish and Wildlife is also expiring. He stated that the Army Corps of Engineers permit expires in February 2017 and the Regional Water Quality Control Board permit remains in effect until the work is completed and any delays simply obligate the permit holder to abide by their most current requirements. He explained that when the District issued a permit in 2003 the applicant included a performance bond in the amount of \$409,000. He commented that the Committee recommends that the request for an extension of Shorezone Alteration Permit No. 2011-01 be extended for an additional year providing the applicant can document that a valid performance bond naming the Big Bear Municipal Water District is in place. Director Lewis asked if there is a limit to the number of extensions that can be issued. District Counsel Lemieux stated that we can deny an extension but there is no rule on the number of extensions that can be approved and issued. Mr. Heule stated that we can extend it with the stipulation that all permits are approved and in place. President Smith asked when the work will be finished. Mr. Ken Discenza representing Marina Point reported that they still have work to complete in the marina explaining that all dredging should be done by December 1st. He added that their goal is to be out by December and then come back in the spring to finish outside of the marina. Director Murphy asked if the equipment will be removed after December 1st. Mr. Discenza stated that he believes the contractor will remove the equipment when he is not working on the area. Mr. Discenza added that they would like to request that when they get the permit extension that they could lower the bond amount. Mr. Heule explained that if that is the request we need additional information such as what the cost of completion of the project would be before we can approve the extension. Mr. Discenza stated that all they need today is approval to extend and then if they have an opportunity to reduce the bond later that would be helpful.

Director Suhay moved approval of extending the Shorezone Alteration Permit for one more year for Marina Point. Director Eminger seconded the motion and it was unanimously approved.

REVIEW AND DISCUSS PROPOSED AMENDMENT TO THE 1996 IN-LIEU AGREEMENT

Mr. Heule explained that this is an opportunity to follow up and comment on yesterday's workshop. Director Lewis commented that she feels we were much more prepared than they were (San Bernardino Valley Municipal Water District). She added that they can't go forward until they get numbers. Director Suhay stated that he believes they were open to suggestions and it was a very productive meeting. President Smith commented that it was helpful to be able to

put a face with a name. He stated that he believes they need numbers on what water will cost before they make any decisions adding that they are very much dollars and cents oriented. He commented that we showed a willingness to talk. No other comments were made.

ANNOUNCEMENTS

Mr. Heule stated looking forward on the calendar, it appears we will need to adjourn or reschedule a Board meeting or two. He explained that he put some background materials in the Director's boxes for review prior to the workshop on Friday November 22. He reported that Mike Stephenson will be presenting a summary history of aquatic plant management in the Lake along with cost estimates for various alternative management schemes for the Board to discuss.

DIRECTOR COMMENTS

No comments were made

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:53 P.M.

NEXT MEETING

Open Session at 1:00 P.M.
Thursday, November 21, 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)