

**A G E N D A**  
**BIG BEAR MUNICIPAL WATER DISTRICT**

**BOARD OF DIRECTORS**  
**Regular Meeting**  
**September 3, 2015**

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

Next Resolution Number: 2015-08

**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 20, 2015
  - B. Warrant list dated August 24, 2015 for \$55,558.92
- 6. BUSINESS**
  - A. An information only presentation regarding proposed modification to the 2012 MOU between Big Bear Municipal Water District (BBMWD) and San Bernardino Valley Municipal Water District (Valley District)
- 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 17, 2015  
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](http://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 20, 2015***

**CALL TO ORDER**

President Lewis called the Open Session to order at 1:00 PM. Those in attendance included Director Ludecke, Director Brewster, Director Smith, Director Eminger (joined the meeting at 1:15), District Counsel Wayne Lemieux (via Skype), General Manager Mike Stephenson, Lake Manager John Tuttle, and Board Secretary Vicki Sheppard.

**DISCUSSION AND ACTION ON CLOSED SESSION ITEMS**

District Counsel Wayne Lemieux stated that there are no closed session items to report.

**REPORTS**

General Manager Mike Stephenson reported on the Kool Kids event Tuesday and Wednesday commenting that it went very well. He thanked the Directors, Mason Perry, Bass Pro Shop, and the Department of Fish & Wildlife for their participation and help. He added that it was very much appreciated. Mr. Stephenson reported on the weed program explaining that staff is working on a few last spots adding that after that the equipment will be put away for the season. He detailed a reportable accident on the lake earlier in the week explaining that it was serious enough to require medical attention and further investigation by the County. He stated that it was a successful rescue adding that the quick response by staff saved a man's life. President Lewis reported that she was in the office attending a meeting at that time explaining that she was very impressed on how the District reacted. She added that staff was on full alert within seconds and help was dispatched immediately. Mr. Tuttle explained that he was on vacation all last week and has nothing to report. District Counsel Wayne Lemieux reported that there will be no need for the scheduled closed session because the case has been dismissed. He explained that Christine Carson (Lemieux & O'Neill) did a very good job handling the case.

**APPROVAL OF CONSENT CALENDAR**

Upon a motion by Director Ludecke, seconded by Director Brewster, the following consent items were unanimously approved:

- Minutes of a Regular Meeting of August 6, 2015
- Minutes of a Special Meeting of August 12, 2015
- Warrant list dated August 13, 2015 for \$55,332.45

Director Eminger joined the meeting at 1:15 PM

**CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF DIRECTORS OF BIG BEAR MUNICIPAL WATER DISTRICT APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS IN CONNECTION WITH THE REFINANCING OF CERTAIN IMPROVEMENTS TO BIG BEAR LAKE, REFUNDING THE DISTRICT'S OUTSTANDING 2003 CERTIFICATES OF PARTICIPATION (1991 REFUNDING AND LAKE IMPROVEMENTS) AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

Mr. Stephenson reported that at the meeting of August 6<sup>th</sup> the Board approved a Resolution authorizing the sale of certificates of participation (COP's) and approval of various documents relating to the bond issuance and lease arrangements. He explained that today's Resolution will authorize the execution of certain installment sale documents in connection with the refinancing of certain improvements to Big Bear Lake and will refund the District's outstanding 2003 Certificates of participation and authorize and direct certain actions. He added that the latest savings analysis (based on the anticipated rate of 3.45% which is the rate lock from Capital one) was subject to final credit approval but as of last Tuesday, the credit has been approved.

Mr. Ben Levine, Wulff, Hansen & Co., explained that Mr. Stephenson did a brilliant job of answering questions on a conference call with Capital One. He added that it usually takes 2 to 3 days after the interview for approval but they approved it right away. He reported that Capital One stated that the District's budget was the best one that they had seen in a long time. Mr. Levine highlighted the Numerical Analysis including Sources & Uses, Cost of Issuance, Funding Statistics, Debt Service, and Savings. Director Ludecke asked if the numbers are locked in. Mr. Levine stated that they are. He explained that at this meeting the District will be approving the Resolution. Mr. Stephenson reported that the interview with Capital One was very extensive. Mr. Levine again commented that Mr. Stephenson did a great job. Director Smith stated that the District went to great lengths to make the budget accurate and easy to understand.

Director Smith moved approval of a Resolution approving the form and authorizing the execution of certain installment sale financing documents in connection with the refinancing of certain improvements to Big Bear Lake, refunding the District's outstanding 2003 Certificates of Participation (1991 refunding and lake improvements) and authorizing and directing certain actions with respect thereto. Director Brewster seconded the motion and it was unanimously approved.

**PUBLIC FORUM**

No comments were made

**ANNOUNCEMENTS**

Mr. Stephenson announced that he is going on vacation after this meeting and returning to work on August 31<sup>st</sup>. He added that he will be working while on vacation so if anyone needs him they should contact Vicki Sheppard and she will contact him.

**DIRECTOR COMMENTS**

Director Smith stated that Kool Kids went well explaining that 3<sup>rd</sup> graders are the perfect age for this program. He added that the volunteers were great and he feels the children got a lot from it. Director Brewster reported that he spoke to one of the parents explaining that the parent was very impressed with the program.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:33 PM

**NEXT MEETING**

Open Session at 1:00 P.M.  
Thursday, September 3, 2015  
Big Bear Municipal Water District  
40524 Lakeview Drive, Big Bear Lake, CA

---

Vicki Sheppard  
Secretary to the Board  
Big Bear Municipal Water District

(SEAL)

3:49 PM

08/26/15

**Big Bear MWD**  
**Warrant List Detail**  
 August 14 - 24, 2015

Num	Type	Date	Name	Account	Paid Amount
153811	Liability Check	08/24/2015	ACWA HEALTH INSURANCE	1001-01 · General Checking Account	
				66000 · Payroll Expenses	21,275.45
				5020-10 · ADMIN-Health Insurance	-5,032.52
				5020-20 · WATER-Health Insurance	-2,030.62
				5020-30 · MAINT-Health Insurance	-3,575.59
				5020-40 · OPS-Health Insurance	-3,983.85
				5021-10 · ADMIN-Dental Insurance	-334.42
				5021-20 · WATER-Dental Insurance	-138.74
				5021-30 · MAINT-Dental Insurance	-249.01
				5021-40 · OPS-Dental Insurance	-282.79
				5022-10 · ADMIN-Life Insurance	-170.91
				5022-20 · WATER-Life Insurance	-61.37
				5022-30 · MAINT-Life Insurance	-92.59
				5022-40 · OPS-Life Insurance	-98.08
				5550-01 · ADMIN-Director Group Insurance	-5,224.96
				24000 · Payroll Liabilities	-1,159.01
				24000 · Payroll Liabilities	-401.23
				24000 · Payroll Liabilities	-19,462.38
TOTAL					-21,022.62
153813	Liability Check	08/24/2015	AFLAC	1001-01 · General Checking Account	
				2100-08 · AFLAC Payable	-284.18
TOTAL					-284.18
153815	Bill Pmt -Check	08/24/2015	BBLM	1001-01 · General Checking Account	
75	Bill	08/05/2015		5590-41 · OPS-Petroleum-VESELS	-190.00
TOTAL					-190.00
153816	Bill Pmt -Check	08/24/2015	BIG BEAR VILLAGE VOICE	1001-01 · General Checking Account	
005	Bill	08/20/2015		5510-09 · ADMIN-Public Info - General	-100.00
TOTAL					-100.00
153817	Bill Pmt -Check	08/24/2015	BUTCHER'S BLOCK AND BUILDING ...	1001-01 · General Checking Account	
409649	Bill	08/07/2015		5543-30 · MAINT-Small Tools/Tool Supplies	-62.62
410118	Bill	08/10/2015		5510-02 · ADMIN-KOOL KIDS Program	-41.46
410209	Bill	08/10/2015		5510-02 · ADMIN-KOOL KIDS Program	-12.93
410514	Bill	08/11/2015		5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-10.99
411226	Bill	08/13/2015		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-9.16
411071	Bill	08/13/2015		5580-42 · OPS-Boat Maintenance-Work	-8.63
				5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-6.88
413292	Bill	08/21/2015		5504-41 · OPS-Janitorial Supplies-Ramps	-20.42
413629	Bill	08/24/2015		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-4.21
413725	Bill	08/24/2015		5630-41 · OPS-Bldg/Fac Mtn/Rep-RV PARK	-37.63
TOTAL					-214.93
153818	Bill Pmt -Check	08/24/2015	BVE	1001-01 · General Checking Account	
08132015	Bill	08/13/2015		5507-44 · OPS-Utilities-Trout Pond	-25.51
TOTAL					-25.51
153819	Bill Pmt -Check	08/24/2015	CHEM-PAK	1001-01 · General Checking Account	
91800	Bill	08/10/2015		5504-41 · OPS-Janitorial Supplies-Ramps	-175.62
TOTAL					-175.62
153820	Bill Pmt -Check	08/24/2015	COMPUTER VILLAGE	1001-01 · General Checking Account	
136112	Bill	08/20/2015		5620-11 · ADMIN-Equip Maint-Software	-500.00
TOTAL					-500.00

3:49 PM

08/26/15

**Big Bear MWD**  
**Warrant List Detail**  
 August 14 - 24, 2015

Num	Type	Date	Name	Account	Paid Amount
<b>153821</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>CSB FIRE PROTECTION DISTRICT</b>	<b>1001-01 · General Checking Account</b>	
IN01064...	Bill	08/17/2015		5509-06 · ADMIN-Permits-SBC Hazardous Mat	-799.00
TOTAL					-799.00
<b>153822</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>CSB SOLID WASTE MANAGEMENT ...</b>	<b>1001-01 · General Checking Account</b>	
049463	Bill	08/10/2015		5630-30 · MAINT-Bldg/Facility Maint/Rep	-346.71
TOTAL					-346.71
<b>153842</b>	<b>Check</b>	<b>08/24/2015</b>	<b>DIVA LITE</b>	<b>1001-01 · General Checking Account</b>	
2098	Credit Memo	08/12/2015		2800-04 · Filming Deposits	-500.00
TOTAL					-500.00
<b>153823</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>DIVERSIFIED MARINE PRODUCTS</b>	<b>1001-01 · General Checking Account</b>	
21325827	Bill	08/05/2015		5580-43 · OPS-Boat Maint-Electro Shock	-43.48
TOTAL					-43.48
<b>153824</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>DIY HOME CENTER</b>	<b>1001-01 · General Checking Account</b>	
21575	Bill	08/10/2015		5631-02 · OPS-Quagga Prevention Equip	-6.79
21808	Bill	08/24/2015		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-6.79
TOTAL					-13.58
<b>153825</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>FRESH WATER FISH COMPANY</b>	<b>1001-01 · General Checking Account</b>	
15039	Bill	08/11/2015		5670-02 · WATER-Fishery Mgt-FISH PURCHASE	-10,000.00
TOTAL					-10,000.00
<b>153843</b>	<b>Check</b>	<b>08/24/2015</b>	<b>HOLLOWAY'S MARINA</b>	<b>1001-01 · General Checking Account</b>	
2100	Credit Memo	08/05/2015		4600-03 · REV OPS - Boat Permits	-23.00
TOTAL					-23.00
<b>153826</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>HOLLOWAYS MARINA</b>	<b>1001-01 · General Checking Account</b>	
23456LS	Bill	08/01/2015		5590-41 · OPS-Petroleum-VESSELS	-7,506.64
TOTAL					-7,506.64
<b>153839</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>HOLLOWAYS MARINA</b>	<b>1001-01 · General Checking Account</b>	
29102	Bill	08/12/2015		5580-41 · OPS-Boat Maintenance-Patrol	-186.75
TOTAL					-186.75
<b>153810</b>	<b>Liability Check</b>	<b>08/24/2015</b>	<b>LINCOLN NATIONAL</b>	<b>1001-01 · General Checking Account</b>	
				2101-01 · Deferred Compensation	-1,075.00
TOTAL					-1,075.00
<b>153827</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>MCMASTER-CARR</b>	<b>1001-01 · General Checking Account</b>	
36452468	Bill	08/10/2015		5510-02 · ADMIN-KOOL KIDS Program	-103.83
TOTAL					-103.83

3:49 PM

08/26/15

**Big Bear MWD**  
**Warrant List Detail**  
 August 14 - 24, 2015

Num	Type	Date	Name	Account	Paid Amount
153828	Bill Pmt -Check	08/24/2015	MHP	1001-01 · General Checking Account	
MH2195	Bill	08/07/2015		5600-33 · MAINT-Vehicle Maint-HARVESTER	-263.40
TOTAL					-263.40
153812	Liability Check	08/24/2015	MID AMERICA APPLE PLAN	1001-01 · General Checking Account	
				2100-21 · Apple Plan - Company Pay	-944.66
				2100-20 · Apple Plan - Employee Pay	-944.66
TOTAL					-1,889.32
153840	Liability Check	08/24/2015	MID AMERICA APPLE PLAN	1001-01 · General Checking Account	
				2100-21 · Apple Plan - Company Pay	-868.79
				2100-20 · Apple Plan - Employee Pay	-868.79
TOTAL					-1,737.58
153829	Bill Pmt -Check	08/24/2015	NAPA AUTO PARTS	1001-01 · General Checking Account	
250553	Bill	07/23/2015		5590-41 · OPS-Petroleum-VESSELS	-187.41
252968	Bill	08/07/2015		5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-72.08
				5600-31 · MAINT-Vehicle Maint-ON ROAD	-54.87
253306	Bill	08/10/2015		5600-31 · MAINT-Vehicle Maint-ON ROAD	-46.85
253504	Bill	08/11/2015		5580-41 · OPS-Boat Maintenance-Patrol	-249.87
255186	Bill	08/21/2015		5600-33 · MAINT-Vehicle Maint-HARVESTER	-3.93
255505	Bill	08/24/2015		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-52.86
TOTAL					-667.87
153830	Bill Pmt -Check	08/24/2015	OI CORPORATION - GLOBAL WATER	1001-01 · General Checking Account	
183875	Bill	08/14/2015		5650-02 · WATER-Watershed Mgt Equip&Maint	-632.74
TOTAL					-632.74
153831	Bill Pmt -Check	08/24/2015	PITNEY BOWES RENTAL	1001-01 · General Checking Account	
109870...	Bill	08/13/2015		5501-01 · ADMIN-Post&Ship OFFICE	-329.94
TOTAL					-329.94
153832	Bill Pmt -Check	08/24/2015	RPI-CS	1001-01 · General Checking Account	
3129	Bill	08/13/2015		5530-14 · ADMIN Professional Service Gen	-3,525.00
TOTAL					-3,525.00
153833	Bill Pmt -Check	08/24/2015	SOUTHWEST GAS CORPORATION	1001-01 · General Checking Account	
081720...	Bill	08/17/2015		5507-42 · OPS-Utilities-RV Park	-23.75
081720...	Bill	08/17/2015		5507-41 · OPS-Utilities-Main Office	-11.00
08182015	Bill	08/18/2015		5507-44 · OPS-Utilities-Trout Pond	-8.97
TOTAL					-43.72
153834	Bill Pmt -Check	08/24/2015	SQUEEGEE CLEAN WINDOW SERVI...	1001-01 · General Checking Account	
8944-39	Bill	08/21/2015		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-50.00
TOTAL					-50.00



3:49 PM

08/26/15

**Big Bear MWD**  
**Warrant List Detail**  
 August 14 - 24, 2015

Num	Type	Date	Name	Account	Paid Amount
<b>153835</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>UPS</b>	<b>1001-01 · General Checking Account</b>	
F33Y11...	Bill	08/08/2015		5501-01 · ADMIN-Post&Ship OFFICE	-178.64
F33Y11...	Bill	08/15/2015		5501-02 · ADMIN-Post&Ship WATER TESTING	-26.12
				5501-01 · ADMIN-Post&Ship OFFICE	-214.15
TOTAL					-418.91
<b>153836</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>UR BRIGHT PROP REPAIR</b>	<b>1001-01 · General Checking Account</b>	
0721	Bill	08/09/2015		5580-41 · OPS-Boat Maintenance-Patrol	-780.00
0725	Bill	08/18/2015		5580-43 · OPS-Boat Maint-Electro Shock	-132.50
				5580-42 · OPS-Boat Maintenance-Work	-132.50
TOTAL					-1,045.00
<b>153837</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>VERIZON WIRELESS</b>	<b>1001-01 · General Checking Account</b>	
975004...	Bill	08/03/2015		5505-11 · ADMIN-Phones Ramp Aircards	-62.26
				5505-11 · ADMIN-Phones Ramp Aircards	-62.26
975034...	Bill	08/09/2015		5505-06 · ADMIN-Phone Cell Phones	-126.08
TOTAL					-250.60
<b>153838</b>	<b>Bill Pmt -Check</b>	<b>08/24/2015</b>	<b>VOLVO PENTA OF THE AMERICAS L...</b>	<b>1001-01 · General Checking Account</b>	
461163	Bill	08/11/2015		5580-41 · OPS-Boat Maintenance-Patrol	-320.74
463189	Bill	08/17/2015		5580-41 · OPS-Boat Maintenance-Patrol	-371.40
95485	Bill	08/19/2015		5580-41 · OPS-Boat Maintenance-Patrol	-291.85
TOTAL					-983.99
<b>153814</b>	<b>Check</b>	<b>08/24/2015</b>	<b>WARNER WALTER</b>	<b>1001-01 · General Checking Account</b>	
2121	Credit Memo	08/21/2015		4600-03 · REV OPS - Boat Permits	-110.00
TOTAL					-110.00
<b>153841</b>	<b>Check</b>	<b>08/24/2015</b>	<b>WINTERWOLF MEDIA</b>	<b>1001-01 · General Checking Account</b>	
2122	Credit Memo	08/24/2015		2800-04 · Filming Deposits	-500.00
TOTAL					-500.00

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

**MEETING DATE:** *September 3, 2015*

**AGENDA ITEM:** *6A*

**SUBJECT:**

**AN INFORMATION ONLY PRESENTATION REGARDING PROPOSED MODIFICATION TO THE 2012 MOU BETWEEN BIG BEAR MUNICIPAL WATER DISTRICT (BBMWD) AND SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (VALLEY DISTRICT)**

**RECOMMENDATION:**

The General Manager and the Watermaster Committee (Directors Eminger & Ludecke) recommend discussion of this proposed MOU modification.

**DISCUSSION/FINDINGS:**

The Watermaster Committee along with Don Evenson and the General Manager have been working diligently on evaluating an alternative agreement to deliver the balance of the water stored under the MOU. An MOU signed by the District and Valley District in July 2012 (copy attached) that is being used to study all aspects of a proposed amendment to the in-lieu agreement needs to be modified to allow Valley more flexibility for the District to not have additional infrastructure modifications.

**OTHER AGENCY INVOLVEMENT:** San Bernardino Valley Municipal Water District

**FINANCING:** None

Submitted by: Mike Stephenson, General Manager

**AMENDMENT NO. 1  
TO  
JULY 2012 MEMORANDUM OF UNDERSTANDING  
BETWEEN  
BIG BEAR MUNICIPAL WATER DISTRICT (BIG BEAR)  
AND  
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT  
(VALLEY DISTRICT)**

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 (MUTUAL) 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 Memorandums of Understanding on February 1, 2006 and September 7, 2006 modifying the compensation to VALLEY DISTRICT for additional In-Lieu Delivery each of which remain in full force and effect and are not changed by this Amendment.
3. BIG BEAR and VALLEY DISTRICT entered into a Memorandum of Understanding on July 5, 2012, which provides, among other things, for VALLEY DISTRICT and BIG BEAR to develop modifications to the 1996 In-Lieu Agreement that will create additional benefits for each party and to replicate the conditions of the June 1999 Memorandum of Understanding to provide Valley District with the capability to deliver high elevation In-Lieu water from Big Bear Lake to MUTUAL during construction of the East Branch Extension Phase II (EBX II) of the State Water Project (SWP).
4. The July 2012 Memorandum of Understanding is scheduled to expire on December 31, 2013.
5. Development of the modifications to the 1996 In-Lieu Agreement under the July 2012 MOU are progressing but the details are still under development and will take additional time to complete.
6. Construction of the EBX II of the SWP is not complete and consequently the potential remains that VALLEY DISTRICT may need high elevation water from Big Bear Lake to meet MUTUAL's In-Lieu water needs.
7. VALLEY DISTRICT and BIG BEAR desire to extend the July 2012 Memorandum of Understanding for an additional year to complete the modifications to the 1996 Agreement and to continue to provide the capability for VALLEY DISTRICT to provide high elevation water to Mutual during construction of the EBX II of the SWP.
8. The ending date of December 31, 2013 as referenced in Sections 7, 12, 13 and 15 of the July 2012 Memorandum of Understanding will be changed to December 31, 2014.
9. Except as provided in this Amendment all other terms and conditions of the July 2012 Memorandum of Understanding will remain unchanged and in full force and effect.
10. This Amendment shall be effective as of the date shown below.

DATED: November 21, 2013

BIG BEAR MUNICIPAL WATER DISTRICT

By: V. Smith  
Vince Smith, President

By: Vicki Sheppard  
Vicki Sheppard, Secretary

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: C. Patrick Milligan  
C. Patrick Milligan, President

By: Ed Killgore  
Ed Killgore, Secretary