



Big Bear Municipal Water District

Lake Management

Budget & Finance Committee Meeting Minutes January 28, 2026

Board of VPs

Steve Ludecke – Division 1
Bob Rehfuß – Division 2
Craig Brewster – Division 3
Mark Lee – Division 4
Tom Bradford – Division 5

Present: Vice President Ludecke
Director Lee
Jared Cheek, General Manager
Elsa Donoho, Board Secretary
Michael Schermer, Assistant Financial Officer
Catrina Rabago, Accountant I

Public: None.

1. Monthly Financial Review

- a. Monthly financial statements and reconciliation reports for December 2025 were presented.
- b. VP Ludecke asked why revenue was lower; staff explained this was due to lower earnings for the month.
- c. Year-over-year revenue for the period is up due to increased property tax revenue and permit activity. VP Ludecke asked about in-lieu payments and noted that increases in property tax result in higher in-lieu payments.
- d. Schermer stated the District is still catching up on a legal payment that was not originally budgeted.
- e. Investments continue to earn returns. The LAIF investment will not reflect quarterly interest until January.
- f. VP Ludecke asked about upcoming accrued payout at retirement. Schermer confirmed this was budgeted and stated he is working with CalPERS on retirement-related questions.
- g. Schermer noted workers' compensation costs increase as payroll increases.
- h. Staff is awaiting the largest property tax apportionment, expected in April 2026.
- i. Jared provided an update on the dam project. GEI Consultants submitted an initial OPCC estimate of \$2.6 million based on 90% complete plans. The project is nearing the DSOD approval phase.

2. Finance Issues & Updates

- a. The Quarter 2 (October–December) financial statements for Fiscal Year 2025–26 were presented.
 - i. VP Ludecke asked about the New Jersey Institute of Technology lease for the observatory. Jared will review the contract and report back.
 - ii. Legal fees are higher than normal due to the settlement payout.
 - iii. Phone expenses have increased and will be addressed in the next fiscal year budget.
 - iv. Jared explained that the employee training and seminars line item also includes tuition reimbursement. He plans to separate this into a distinct line item in the next budget cycle.

- v. VP Ludecke asked about banking fees. Staff confirmed the District does not typically incur banking fees; this quarter included a one-time wire fee related to the legal settlement.
- vi. Increased aerator usage occurred due to brown algae conditions last season. The cost was high but necessary.
- vii. VP Ludecke asked about water master costs with a new water master. Jared stated costs are anticipated to remain consistent, depending on processing efficiency.
- viii. Jared noted that SCADA consultant visits due to dialer issues will cause the Dam Maintenance budget to exceed projections this fiscal year, impacts will be reflected next quarter.
- ix. VP Ludecke asked about the fish fund. Schermer clarified that expenses are budgeted and reconciled annually through an internal auditor adjustment.
- x. Staff confirmed a buoy purchase will be made prior to the upcoming season.