



Big Bear Municipal Water District

Lake Management

Board of Directors

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

Budget & Finance Committee Meeting Minutes May 27, 2026

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 – April

- a. Received largest tax payment of approximately \$1.7M in April.
 - i. Financial statements were presented.
- b. Investments (DA Davidson):
 - i. Some investments matured this month; proceeds were used to purchase new CDs.
 - ii. Average return across most investments is approximately 4%.
- c. LAIF Account:
 - i. Balance increased due to receipt of quarterly interest payment.
- d. CLASS Investments:
 - i. VP Ludecke inquired about CLASS fund.
 - ii. Staff stated that a portion of these investments are partially allocated to real estate. CLASS meets current investment policy requirements; however, staff are proceeding cautiously.
- e. Expenses:
 - i. Increased compared to prior year, primarily due to lawsuit payout.
- f. Projected six-month projected expenses estimated at \$8.3M.
- g. In-Lieu Water Purchase is estimated at \$2.4M for the upcoming year.
- h. Overall trend reflects year-over-year increases in expenses including the legal payout.

2. Finance Issues & Updates

- a. Reserve Policy – Discussed the potential structure and purpose of a reserve policy.