

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
IDYLLWILD WATER DISTRICT**

*The Board of Directors of the Idyllwild Water District met in regular session on May 16, 2018, in the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

The meeting was called to order by President Schelly at 6:00 p.m.

**ROLL CALL:**

Directors present: President Charles Schelly, Steve Kunkle, and David Hunt. General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Erica Gonzales were also present.

Vice President Szabadi had an excused absence.

General public present: (19)

**PUBLIC COMMENT:**

**VIC SIRKIN** – Would like the Board to delay their decision on changing the rates. Feels that Idyllwild Water District has not done enough to inform the public of why the rate changes are needed. Would like the District to reduce costs before implementing a rate change.

**KRIS KIRSHBAUM** – Stated that she has been attending all meetings, therefore understands why the changes are needed.

**SUE NASH** – Public was explained how the rates were going to work but doesn't understand why pipeline replacement isn't being done by Idyllwild Water District staff and what CIP priorities are and what they will cost. Doesn't think that legal fees should be included in fixed costs.

**DAVID LILIEHOLM** – Concerned about the rate increases and would like to be explained the justification for the changes. Would like a notification to the public through the mail. Would like the June 20, 2018 Public Hearing to be cancelled.

**MARGE MUIR** – Thinks meter sizes should not influence the base rate that people pay.

**VIC SIRKIN** – Agrees with Marge Muir.

**ITEM 1 - CONSENT CALENDAR:**

- A. MINUTES –** April 10, 2018 Workshop Meeting Minutes  
April 18, 2018 Regular Meeting Minutes

**FINANCIAL REPORTS APRIL 2018**

- A. Income statement for the Tenth month ending April 2018  
B. District warrants for April 2018.

|                        |               |      |            |
|------------------------|---------------|------|------------|
| Check #                | 14729 – 14783 | = \$ | 175,875.01 |
| Gross Payroll          |               | = \$ | 55,836.79  |
| Federal/State PR taxes |               | = \$ | 17,389.20  |
| LAIF Transfers         |               | = \$ | 0.00       |
| Transfers/charges      |               | = \$ | 194.11     |

**OPERATIONS REPORT AND GRAPHS FOR THE TENTH MONTH ENDING APRIL 2018.**

No mainline leaks were reported in April and there were no unmetered leaks. Foster Lake's level was at 2 feet 8 inches at the end of April. There was 0" of precipitation in April and there has been 6.99" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 11.6' below ground level, the downtown well #23 is currently static at 9' and the downtown well #24 is static at 18' below ground level respectively. Production for April was 938,035 cubic feet. April's unaccounted for water was 1.87% of water production. Fiscal year to date unaccounted for water average is 5.77% of water production.

**DISCUSSION:**

**JP CRUMRINE** – Noticed the Foster Lake level is low and asked if Idyllwild Water District water conditions were fine and will Idyllwild Water District be moving into a Drought Stage?

**JACK HOAGLAND** – Water conditions are stable and Idyllwild Water District will not be moving into a Drought Stage

A MOTION was made by Director Hunt to approve the Consent Calendar and Director Kunkle seconded. The vote was as follows:

|   |             |                |               |
|---|-------------|----------------|---------------|
| <b>AYES</b>                                   | <b>NAYS</b> | <b>ABSTAIN</b> | <b>ABSENT</b> |
| David Hunt<br>Steve Kunkle<br>Charles Schelly |             |                | Peter Szabadi |

**Consent Calendar was approved.**

**ITEM 3 – PUBLIC HEARING ON WATER AND SEWER STANDBY FEES**

Recommendation: That the Idyllwild Water District Board of Directors hold a public hearing to receive public input relative to the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: At the March 21, 2018 Regular Board meeting the Idyllwild Water District Board of Directors set May 16, 2018 at 6:00 pm as the time for a public hearing relative to the continued imposition of standby fees on undeveloped parcels within the Water Service area and Improvement District No. 1 (Sewer Service Area).

**President Schelly opened the Public Hearing on Water and Sewer Stand by fees.**

**MARGE MUIR** – Asked for the fee amount to be clarified.

Director Hunt made a MOTION to close the Public Hearing on Water and Sewer Stand by Fees and Director Kunkle seconded. The vote was as follows:

| <b>AYES</b>                                   | <b>NAYS</b> | <b>ABSTAIN</b> | <b>ABSENT</b> |
|---|-------------|----------------|---------------|
| David Hunt<br>Steve Kunkle<br>Charles Schelly |             |                | Peter Szabadi |

**Motion approved.**

**ITEM 3 – RESOLUTION #751 AND #752 FOR WATER AND SEWER STAND BY FEES IN FY 2018-2019**

Recommendation: That the Idyllwild Water District Board of Directors consider adoption of Resolutions #751 and #752 for the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: In order to equitably allocate costs for benefits received by having water and/or sewer service available to vacant lots, Idyllwild Water District has for decades imposed a Standby Fee on unimproved lots within the Water Service area or Improvement District No.1 (Sewer Service area).

The fees are not proposed to change and will be collected on the unified property tax bill issued by Riverside County.

**DISCUSSION:**

**JP CRUMRINE** – Asked for clarification on if the amount of the fee needed to be in the

wording of the Resolution.

**JACK HOAGLAND** – It is defined as “Exhibit A” and the Exhibit states the amount for each parcel.

A MOTION was made by Director Kunkle to approve Resolution No. 751 and 752 for the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area) and Director Hunt seconded. The vote was as follows:

| <b>AYES</b>            | <b>NAYS</b> | <b>ABSTAIN</b> | <b>ABSENT</b>        |
|------------------------|-------------|----------------|----------------------|
| <b>Steve Kunkle</b>    |             |                | <b>Peter Szabadi</b> |
| <b>David Hunt</b>      |             |                |                      |
| <b>Charles Schelly</b> |             |                |                      |

**Motion approved.**

**ITEM 4 – VACANCY ON THE BOARD OF DIRECTORS**

Recommendation: That the Idyllwild Water District Board of Directors accept the resignation of Catherine Dearing and determine to fill the vacancy on the Board of Directors by the appointment process and direct staff to take the required steps of advertisement of the vacancy.

Background: Catherine Dearing resigned from the Idyllwild Water District Board of Directors effective May 1, 2018.

State law provides the District with several options for filling the vacancies:

- The remaining Board members may appoint a qualified applicant to the position;
- The Board can call a special election to fill the position; or
- The Board can default to the Board of Supervisors of Riverside County to appoint a qualified applicant to the position.

Considering that the Board of Directors might select the least costly and most timely option for filling the Board Vacancy, Staff will post notice of the vacancy and run an ad in the Town Crier advising of the vacancy. Both venues will solicit interested, qualified candidates to submit a letter of interest and any additional pertinent information to the President of the Board of Directors by June 13, 2018. The Board of Directors can then review the applicants and make a selection at the June 20, 2018 regular meeting.

**DISCUSSION:**

**JP CRUMRINE** – Asked if the appointment would be before or after the Public Hearing

at the June 20, 2018 meeting.

**PRESIDENT SCHELLY** – We would follow precedent and have it be the first item on the Agenda.

**SUMMER BROWN** – Asked if qualifications and requirements are included in the advertisement.

**VIC SIRKIN** – People don't read the newspaper and can't afford the internet so should not rely on those mediums for communication with the public. Should use mailers.

**TOM PAULEK** – It is important to inform the public of the requirements of the job of being a Board Member. Supports the idea of using mailers.

**SUE NASH** – Would like to make sure that people know that the recordings of the meetings are now posted online. Would like to encourage anyone wanting to apply for the Board seat listen to the recordings so they can get a sense of what a Board meeting entails if they have never attended a Board Meeting before.

**DIRECTOR KUNKLE** – Suggested a "Sandwich Board" to inform public of things going on in the District.

**STEVE MOULTON** – Clarified that tenants are still eligible to be on the Board as long as they are registered to vote in the Idyllwild Water District.

**DIRECTOR HUNT** – Appreciates the feedback from the public. Asked if we could hold the Public Hearing but delay the vote a month.

A MOTION was made by President Schelly to fill the vacant Board Seat by appointment at the June 20, 2018 Regular meeting and that we advertise through a mailing as well as the publishing requirements set by the State and Director Hunt seconded. The vote was as follows:

| <b>AYES</b>            | <b>NAYS</b> | <b>ABSTAIN</b> | <b>ABSENT</b>        |
|------------------------|-------------|----------------|----------------------|
| <b>Charles Schelly</b> |             |                | <b>Peter Szabadi</b> |
| <b>David Hunt</b>      |             |                |                      |
| <b>Steve Kunkle</b>    |             |                |                      |

**Motion approved.**

**DIRECTOR'S COMMENTS:**

**DIRECTOR KUNKLE** – Commented that Idyllwild Water District has held meetings about the Rate Changes. Agrees that the Prop 218 Notice could have had more

information. Would like to have a Workshop meeting to educate the public more.

**PRESIDENT SCHELLY** – Set a Workshop Meeting for Wednesday, May 30, 2018 at 6:00 pm.

**DIRECTOR HUNT** – These rate changes are proposed in order to address the infrastructure problems that the District is facing. Does want to see Idyllwild Water District staff do more of the work in regards to replacing pipeline but can't happen overnight.

**PRESIDENT SCHELLY** – Idyllwild Water District has a 10 year plan that was produced during the meetings and includes training staff to do more of the work as time progresses. It also includes inflation costs. Rate study is legally defensible. Herb Bergstrom was hired to make an accurate inventory of Idyllwild Water District's pipeline. Many places in this nation are having major emergencies and leaks that are catastrophic and this Board is trying to avoid such situations by having a plan. Feels irresponsible to put off repairs until they break and cannot be put off any longer.

**GENERAL MANAGER'S COMMENTS:**

None.

**ADJOURNMENT:**

A MOTION was made by Director Hunt to ADJOURN and the motion died for lack of a second.

**SUE NASH** – The Board did not go over priorities and why they are a priority. Thinks it is important for more detail at the Workshop on May 30, 2018.

**VIC SIRKIN** – Feels the cost savings benefit of training staff and not using outside contractors will outweigh the cost of delaying the Rate Change.

**PRESIDENT SCHELLY** – The previous project was in motion before the current Board or General Manager held their positions.

**VIC SIRKIN** – Jerry Johnson can replace pipe. Need to wait until Jerry Johnson trains the rest of staff and they can replace the pipelines.

**PRESIDENT SCHELLY** – Jerry Johnson is one man and not an engineer. There are other aspects to prep work for projects that Jerry Johnson is not qualified for.

**MARGE MUIR** – Water Districts should consolidate. Legal Fees need to be addressed.

**PRESIDENT SCHELLY** – New attorneys were hired and needed to research and be brought up to date on a few things. They billed us for this. These are fees that we will not have to incur again.

A MOTION was made by Director Hunt to ADJOURN and Director Kunkle seconded. The vote was as follows:

| <b>AYES</b>                | <b>NAYS</b>     | <b>ABSTAIN</b> | <b>ABSENT</b> |
|----------------------------|-----------------|----------------|---------------|
| David Hunt<br>Steve Kunkle | Charles Schelly |                | Peter Szabadi |

**Motion failed.**

**SUMMER BROWN** – Inquired as to the type of organizations of the Water Districts on the hill and why is it so difficult to consolidate.

**VAL VELEZ** – Asked for clarification on procedure.

**MARGE MUIR** – Wanted to stress that the public be informed that only written protests are counted as forma protests.

**TRUDY LEVY** – Feels like the public is being shut out of the process and a decision has already been made.

**STEVE MOULTON** – Pine Cove Water District and Fern Valley Water District both had meetings with public input and at the same meetings passed the new rates despite the people protesting in the room. Idyllwild Water District is going to hold another work shop to help people understand and let them be heard.


**HOSNY SHOUMAN** – The NBS Study is online. The budget is based on these proposed rates and there is a deadline to pass a Budget because it must be sent to the County of Riverside. If the Board rejects the Rates, the Budget cannot be approved.

A MOTION was made by Director Hunt to ADJOURN and Director Kunkle seconded. The vote was as follows:

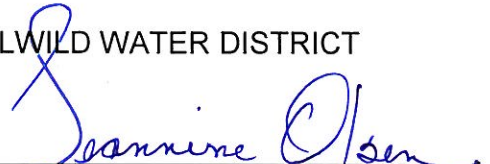
| <b>AYES</b>                                   | <b>NAYS</b> | <b>ABSTAIN</b> | <b>ABSENT</b> |
|---|-------------|----------------|---------------|
| David Hunt<br>Steve Kunkle<br>Charles Schelly |             |                | Peter Szabadi |

The meeting was adjourned at 8:11 pm.

IDYLLWILD WATER DISTRICT

BY:   
DR. CHARLES SCHELLY-  
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY:   
JEANNINE OLSEN-  
BOARD SECRETARY