

**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 February 25, 2015.

CALL TO ORDER:

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

ROLL CALL:

Directors present: President Jim Billman, Dean Lattin, Warren Monroe and Mike Freitas. Also present was Finance Officer, Hosny Shouman, Board Secretary Kelly Clark and General Manager, Tom Lynch. Vice-President John Cook had an excused absence.

General public present: (- 6 -)

CONSENT CALENDAR:

MINUTES – January 21, 2014

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE SEVENTH MONTH ENDING JANUARY, 2014

DISTRICT WARRANTS FOR JANUARY –

CHECK #12765 - #12811	= \$	126,390.85	OPERATING
PAYROLL	= \$	46,103.70	PAYROLL
FEDERAL/STATE PR TAXES	= \$	16,043.32	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	63.00	

OPERATIONS REPORT AND GRAPHS FOR THE SEVENTH MONTH ENDING JANUARY 31, 2014.

No mainline leaks were reported in January. Foster Lake was still dry at the end of January. IWD did not divert water during January and there was .41” precipitation. There has been 11.69” precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 50’ below ground level which is the trigger for Stage 3, and the downtown wells are currently 24’. Production for January was 837,910 cubic feet. January unaccounted for water was 0.40% of production. FY unaccounted for average is 3.87%. A MOTION was made by Director Monroe and seconded by Director Freitas to approve the Consent Calendar. The Motion was approved and duly carried with a unanimous vote of all Directors present.

4. UNFINISHED BUSINESS –

WATER AND WASTEWATER ISSUES – We are still in Stage II. However, we meet the criteria level for Stage III. We are evaluating day to day. The recent rain has done little to impact our water condition. Portions of the Lake bottom are damp and muddy, but any standing water evaporates quickly.

The Oakwood Well rehabilitation is now complete. The water has been tested, and we have supplied the water testing laboratory results and environmental documentation to the State. Once the State approves, we will bring this well on-line. The estimate for its production is approximately 20 to 25 gpm.

The rehabilitation of the horizontal wells is complete, and full water testing was submitted to Babcock laboratories. The test results were good, and this information has been submitted to the State for its review. We are also in the process of repairing inoperative vertical wells in the vicinity of the horizontal wells to increase the needed volume of water. The damaged electrical panel for Well #8 is partially repaired, and we are looking at the pumps and motors of Wells #8 and #11. We also want to move Well #16 into more regular pumping if possible.

Our USDA grants for improving our District infrastructure are still going through review at the federal regional office. They have been helpful in guiding us to provide detailed materials to make our grant submittals more competitive.

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We held our pre-bid meeting on Feb. 18th for the replacement of our sewer effluent line. Nine contractors attended to hear the presentation and tour the project site. Bids are due on March 5th, and we expect a good response.

We thank our customers for their continued conservation efforts, and we will keep encouraging our customers to continue their conservation efforts in our newsletters and on our website.

ENERGY CONSUMPTION UPDATE – We have received various proposals to restore our solar system. There seems to be several advantages to moving to multiple inverters both for cost efficiency and versatility. On the agenda tonight is a recommendation to approve a contract to repair our inverter.

CONTINUING EDUCATION – Hosny attended a special training of the California Society of Municipal Financial Officers from Feb. 17th to Feb 20th in Monterey. He said it was good training and 900 CFO's were in attendance. Bill has signed up to take an additional class in advanced water treatment offered by Mt. San Jacinto College. Staff will also be attending a class in water distribution in mid-March.

OTHER PROJECTS AND MATTERS – We have made offers to two new full-time positions with appropriate water and wastewater credentials. Both have received recommendations from their former employers. They will be starting work in the next couple of weeks.

We have auctioned off four of our old vehicles; the two postal Jeeps, a flatbed truck that needs an engine and the Chevy SR 10. We will receive approximately \$2,500 for all four vehicles.

Three large cedar trees were damaged in a recent storm and were removed from the Well #23 site. One of the trees was leaning in a perilous manner and was removed by an outside company. IWD personnel is cutting up the felled trees.

We are still in the process of switching our Internet provider from Verizon to Time-Warner. We have been having persistent problems with maintaining our Internet connection and this disrupts our work flow. Time-Warner has provided an attractive bundling which will include telephone and Internet service at pricing less than Verizon.

The District's application for water recycling is still being considered by the Water Resources Board. Although the State is presently offering low-interest loans, additional funding, in the form of grants, should be available in the next few months.

The County Board of Supervisors will be hearing presentations on our C.D.B.G. applications on March 10th in Riverside. Tom Lynch and Hosny Shouman will be in attendance and will make a presentation.

We will need meetings of the Rules and Regulations and Surface Water Committees in the next few weeks to discuss revisions to Ordinance #62 (Water Shortage Emergency Plans), project applicant requests for meter upgrades, and water invoicing in emergency situations. The revisions will result in new Ordinance #64.

5. NEW BUSINESS – VACATION AND SICK PAY POLICIES - Presently, all staff accumulate sick leave and vacation leave based on their tenure with the District. Sick leave accumulates at a rate of 8 hours per month, and vacation accumulates at an initial rate of 6.67 hours per month. Depending on the length of employee service, vacation accumulation rates increase to 10 hours per month after 5 years, and 13.33 hours per month after 10 years.

In practice, two of our employees have reached the maximum accumulation of 250 sick leave hours. Thereafter, no additional accumulation is allowed. Hosny said at this time we are short of workers and this will be more efficient. In comparing leave policies of other organizations, we have determined that almost all allow sick leave accumulation at lower rates than vacation leave. Thus, we are proposing to change the hour accumulation of sick and vacation leave to be more consistent with other agencies. Please note that this will not change the total hours accumulated by any employee. It will also not result in any increase in cost for the District. Staff is proposing to change sick leave accumulation to 6.67 hours per month, and vacation to accrue at 8 hours per month, for a starting employee, 11.33 hours per month for employees with 5 years of service, and 14.66 for employees with 10 or more years of service. This switch will net the same number of leave hours an employee earns monthly, however, the sick leave will accumulate at a slower pace and vacation leave at a faster pace. Our legal staff has reviewed this proposed change, and indicated this action should assist employees and the District in managing individual employee leave banks. The Personnel Committee has reviewed the proposed amendment. Staff recommended the Board approve an amendment to Resolution #676 regarding sick leave and vacation accruals for District employees. Steve Kunkle had questions regarding the proposed change. Tom Lynch said this will be the appropriate level of vacation and sick leave. Director Monroe made a MOTION to approve an amendment to Resolution, which was seconded by Director Freitas and approved with a unanimous vote of all Directors present.

6. SOLAR REPAIR - The solar array at Foster Lake has been out of service for several months. Prior to its complete shutdown, its performance was diminishing from its expected production. Staff requested a review from several solar companies to determine ways to restore and improve its service. The inverter at the solar array is no longer functioning. Based on more recent technological innovations, it appears replacing the single inverter with several smaller inverters, which collectively produce approximately the same output as one larger inverter has advantages for cost savings and efficiency gains. HPE (Hot Purple Energy) has provided a quote to replace our central inverter with three (3) 14 kW Solectria string inverters at a cost of \$21,120. The projected cost for a single 45 kW inverter ranged from \$50,000 to \$80,000. The projected efficiency gain utilizing the three smaller in-line inverters is approximately 3%. Presently the meter that our solar is offsetting is being charged at an industrial (PA) rate as opposed to a commercial (GS) rate. Our solar system can provide about 67,000 kWh/year and our working solar array should cut our annual S.C.E. bill by approximately 50% (from approximately \$14,000 to around \$7,000). Tom provided a spreadsheet illustrating a combination of the 15-minute interval data provided by S.C.E. with the applicable rate we are paying, along with general solar production data broken down by the same 15-minute intervals. In the next phase, staff will be pursuing additional enhancements to our solar system to achieve greater efficiency and cost savings by including additional meters in the Lake area. Staff recommended the HPE (Hot Purple Energy) Company's proposal to replace our single inverter with 3-14 kW Solectria string inverters in an amount of \$21,120. Tom said there will be an approximate 3-year payback. The contract amount is contained in the FY2014/15 budget. Discussion was held regarding the age of the array and inverter. Steve Moulton asked if the District get a tax benefit from Solar. Tom said no, but we will get SCE grid offsets. Steve Kunkle asked if we will be tracking future costs and benefits. Hosny Shouman said yes. Director Monroe made a MOTION to accept HPE's proposal in the amount of \$21,120 with the total amount less than \$25,000, which was seconded by Director Freitas and approved with a unanimous vote of all Directors present.

7. SEWER EFFLUENT LINE PROPOSAL - With the change of personnel at the sewer plant, staff is evaluating our entire wastewater system technology, efficiency and methodologies. The typical average daily flow through our sewer system ranges from 67,000 gpd to 115,000 gpd, depending on the days of the week and season of the year.

Although our design capacity for sewer treatment is much larger, there are times during the year that the treatment plant struggles with maintaining adequate aeration and chemical balance. Initial review by staff has focused on striking a careful balance of blowers and chemicals to keep processing optimal, but larger flows of oils, fat, suspended solids, etc. can disrupt efficient treatment. Recently we have been approached by the Idyllwild Brew Pub, which is proposing a micro-brewery in the downtown area. The brewing of beer poses a challenge to deal with their waste products (biochemical oxygen demand, chemical oxygen demand, total dissolved solids, suspended solids and inorganic nitrogen). To address all these issues, staff is recommending bringing in a consultant to evaluate our existing mechanical and chemical systems at the sewer plant and to undertake an analysis of the waste materials we could expect if we allowed hook-up to the Idyllwild Brew Pub. Staff received a recommendation for W.L. Troxel to take on these tasks. Mr. Troxel has had former experience in evaluation of the Idyllwild Wastewater Treatment Plant. In addition, he has an extensive background in evaluation of processing various brewery waste products at Coors, Miller and Anhauser Busch. In his proposal, he has broken down his consulting fees separately for the Brewery and the overall sewer plant analysis. Staff has spoken to the Brewery proponents and they are willing to accept the cost for the Brewery analysis (\$2,520 plus expenses). Director Monroe asked if Task 2 would be performed if there were no upcoming brewery. Tom said yes. Director Monroe asked former Wastewater Supervisor, Steve Kunkle, if he had worked with Wyatt Troxel. He said yes and Mr. Troxel was very sharp and IWD benefitted from his last recommendations. Staff recommended acceptance of the proposed Wastewater Treatment Plant analysis by W.L. Troxel in an amount of \$7,140 plus expenses. Funding is available from the FY2014/15 reserves, however this item is not specifically budgeted. Director Freitas made a MOTION to approve W.L. Troxel's wastewater treatment plant proposal for evaluation and Task 2 - Brewery Impact Analysis. The Motion was seconded by Director Monroe and approved with a unanimous vote of all Directors present. Tom Lynch will send them a follow-up letter to make clear that any cost burden not benefitting IWD will be borne by the Brew Pub.

CORRESPONDENCE: None

DIRECTOR'S COMMENTS: None, however Tom Lynch stated that the hydrant at Idyllwild Arts was tested by IFPD and was found sufficient with 1,350 gpm fire flow. Field Supervisor Bill Rojas was in attendance.

PUBLIC COMMENT: Mr. Sanders Chase informed the Board that he had asked for a one-time forgiveness. Mr. Chase said Tom was basing a denial on IWD being in a Stage 2 emergency water shortage. Tom Lynch said Mr. Chase was shortcutting the procedure outlined in Resolution #451. Before appeal to the Board, the General Manager needs to make a determination. Tom said he hadn't made a final determination and didn't have the additional materials requested from Mr. Chase. Tom will provide a final determination in written form, and if Mr. Chase is not then satisfied, he may appeal to the Board.

ADJOURNMENT: Director Freitas made a MOTION to adjourn the regular meeting which was seconded by Director Lattin. With a unanimous vote of all Directors present, the regular meeting was adjourned at 7:30 p.m.

IDYLLWILD WATER DISTRICT

BY:

KELLY CLARK - BOARD SECRETARY

APPROVED:

IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN – PRESIDENT