

**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 July 20, 2016.

CALL TO ORDER:

The meeting was called to order by Vice-President Cook at 6:00 p.m.

ROLL CALL:

Directors present: Vice-President John Cook, Mike Freitas, June Rockwell and Steve Kunkle. President Jim Billman had an excused absence. Also present was General Manager, Tom Lynch, and Finance Officer, Hosny Shouman, and Erica Gonzales.

General public present: (- 30 -)

PUBLIC COMMENT:

Several members of the public expressed concern about the availability of will serve letters, the Recycled Water Project, maintaining District Property and water billing.

Vice President John Cook requested to take ITEM #5 out of sequence.

ITEM #5 PUBLIC HEARING- RESOLUTION 720 & 721:

Vice President John Cook opened the PUBLIC HEARING.

Annually, the District conducts a Public Hearing to receive public comments on the \$30 per acre or parcel assessment fee for water and sewer. This fee only is applied to vacant land. This fee is consistent with most other Water Districts and Cities in California. The fee was established by District Resolution # 148, and has been in effect since 1974, originally set at \$10 per acre or parcel. In 1986 the amount was analyzed by an assessment engineer and increased to \$30 per acre or parcel by Resolution # 316. The \$30 amount hasn't been changed since. The fee is in place to support the District infrastructure availability adjacent to property for when the property ultimately develops. The funds generated from this fee help to maintain the District's infrastructure system. The annual amount generated from this assessment is applied to maintaining water and sewer lines. There are no proposed increases in the fee this year. The annual amount received by the District from this fee is approximately \$25,000.

Several Members of the public offered their opinions about the Vacant Land Assessment Fees.

Additionally a member of the public expressed concern regarding the notification process for the PUBLIC HEARING, Vice President Cook stated that the Public Hearing would be continued to the following week.

CONSENT CALENDAR:

MINUTES – June 15, 2016 (Director Kunkle requested that this Item be separated from the rest of the consent calendar) Director Kunkle requested to know why comments by Board members and the public are being left out. John Cook and staff responded that they are action minutes pursuant to

existing Board Policies. A Motion was made by Director Freitas and seconded by Director Cook. The vote was as follows:

AYES:	NAYS:	ABSTAIN:	ABSENT:
Mike Freitas	Steve Kunkle		Jim Billman
John Cook	June Rockwell		

FINANCIAL REPORTS –

**OPERATING STATEMENT FOR THE TWELFTH MONTH ENDING JUNE 30, 2016
DISTRICT WARRANTS FOR MAY–**

CHECK #13590 - 13643	= \$	198,914.13
PAYROLL	= \$	48,153.74
FEDERAL/STATE TAXES	= \$	4,268.83
LAIF TRANSFERS	= \$	-0-
TRANSFERS/CHARGES	= \$	-0-

OPERATIONS REPORT AND GRAPHS FOR THE TWELFTH MONTH ENDING JUNE 30, 2016.

No mainline leaks were reported in June. Foster Lake was still dry at the end of June.

IWD did not divert water during June. There was 0” of precipitation in June and there has been 24.80” of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 31’ below ground level, and the downtown wells are currently pumping at 216’ and 142’. Production for June was 1,009,129 cubic feet. June unaccounted for water was 5.14% of water production. Fiscal year to date unaccounted for water average is 2.46% of water production.

Director Kunkle had various questions about the warrants for the month of June which were explained in- depth by staff. Director Kunkle requested an itemized list of legal fees. Director Kunkle presented an example of the old GM report used years ago and suggested using this version because there is more information on it. Director Cook commented that the current GM report was revised to this version because the Board of Directors want useful information, rather than more information. A motion was made By Director Freitas and seconded by Director Cook to approve the Financial Report (Item 2), and the Operations Report (Item 3) by separate motion and duly carried. The vote was as follows

AYES:	NAYS:	ABSTAIN:	ABSENT:
Mike Freitas		Steve Kunkle	Jim Billman
John Cook			June Rockwell

Director Rockwell had stepped out.

ITEM #4- WORK IN PROGRESS-

WATER AND WASTEWATER ISSUES – We remain at Stage II, and water consumption is up. Additional wells were put into operation. Foster Lake remains empty.

The State has proposed statewide standards to achieve a 20% reduction in water consumption by 2020. Several pieces of new legislation potentially impacting water districts are going through the State Assembly and Senate.

The video of the wells targeted for rehabilitation is complete, and the videos and reports have been distributed to several contractors who have expressed interest in bidding on the project.

The District's tank inspections are completed with the exception of the South Ridge tanks. We have ordered custom water bladders to assist with the cleaning and inspections.

SPi has submitted the final draft of the design of the recycled water project equipment, and we are preparing the engineer solicitation. The SPi plans will provide support for all the engineering companies who have expressed an interest in developing the plans and specifications for the project. We are evaluating routing options for recycled water lines. I will be meeting with various property owners along the routing in the next several weeks.

Filtronics and our SCADA interface are now working well. We have looked at tying in the wastewater treatment plant and the Tollgate tank into our SCADA system. These system updates will save chemicals, water and electricity.

ENERGY CONSUMPTION UPDATE – Tom has met with the Energy Coalition to fill them in on our recycling efforts and equipment upgrades. They will also be integrally involved with the planning that is going into our well rehabilitation efforts. This will produce greater efficiencies in our energy consumption. Any equipment capital cost associated with equipment upgrades can be partially or completely reimbursed by S.C.E. and the Energy Coalition.

The staff has cleaned the solar panels following the large accumulation of pollen we had several weeks ago. We are putting panel cleaning on a more regular schedule.

OTHER PROJECTS AND MATTERS – The Staff is actively looking at alternative financial systems, which is over 20 years old. We are checking with other water agencies for their recommendations. The District has received some of the new heavy equipment that was approved as part of the budget to keep us in compliance with the State's Air Resources Board requirements.

A Sponsor's agreement for the water pipeline replacement project is on the Board agenda tonight, and the environmental assessment is being prepared. The grant awarded amount is \$155,000 from the County C.D.B.G. fund.

ITEM #6- FY 2016/2017 BUDGET ITEM - RESOLUTION 726:

At the June 15, 2016 Board meeting the Board approved adjustments of the employee salary schedule and medical benefits. Concern was expressed that the agenda cover sheet needed additional clarification detailing the proposed items of the employee salary schedule and medical coverage adjustments. Therefore these items are returning to the agenda for clarification. Staff has received notification of proposed increases to the employee medical plan. Staff is therefore recommending an adjustment to employee medical benefits based on anticipated increases in the District's insurance policies in the total amount of \$9,600.00. This adjusted amount will offset the increases in insurance premiums.

The District has had difficulty in staff recruitment. Advertising extensively did not produce an adequately certified Wastewater Supervisor. Staff has also been made aware of the resignation of the Water Supervisor. After conferring with the District's consultants from the California Rural Water Association, the Association management believes the present compensation levels are below industry standards. Staff also contacted the California Special District Association which had just completed a comprehensive survey of salary and benefits for 2015 - 2016. In addition, staff obtained specific salary comparisons for nine additional water districts in the Riverside and San Bernardino area. Based on all this input and data, staff is proposing a modification of the District's current salary schedule, by adding four additional salary steps to stay competitive with industry standards. This does not mean any automatic increase in individual employee salaries. Staff is recommending broadening the salary ranges to be consistent with other districts, promote broader recruitment, improve employee retention, and allow for long term growth. Any advancement by existing employees in the salary range will be based on performance achievement. This adjustment will not

impact the proposed budget cost. The salary survey information was provided to the Board at the June 15, 2016 meeting. The cost impact for the adjustment to insurance premiums will be \$9,600 annually. There will be no immediate cost impact for adjustments to the employee salary schedule. No employee is presently at the top of their salary range.

Staff recommends adjustment to the employee medical benefits based on anticipated increases in insurance premiums, and an adjustment to the current salary schedule by adding four additional salary steps to stay competitive with industry standards; Repeal of Resolution #723 and recommend action to approve Resolution #726.

Director Kunkle made a request to separate the consideration of medical benefits and salary schedule adjustments. Director Kunkle presented information on the cost per employee per hour for medical benefits to show the cost impacts of the proposed medical benefit adjustment.

Director Kunkle also expressed concern about adjusting all employee salary schedules moving from a 10- step to a 14- step range and wanted to only increase the salary schedule for the Sewer Supervisor in order to attract a potential employee. Director Kunkle provided Board Members a Salary Schedule from a previous Board Meeting and wanted to know why there were more Job Descriptions. Finance Officer Shouman responded that more than one employee represented on that particular salary schedule were in the same Job Description.

Director Kunkle a MOTION to approve the Medical Benefits increase for Employees and Retirees, and to repeal Resolution #723; Director Freitas seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Mike Freitas		Steve Kunkle	Jim Billman
John Cook			
June Rockwell			

Motion was approved.

Director Kunkle made a MOTION to modify the proposed Salary Schedule adjustment for the Sewer Supervisor only and return to the rest of proposed salary adjustments at a later date, Director Rockwell seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Steve Kunkle	Mike Freitas		Jim Billman
June Rockwell			
John Cook			

Motion was approved.

(ITEM #7) – NEW BUSINESS – SPONSOR’S AGREEMENT-

On October 21, 2015, the Board approved submittal of a grant application in the amount of \$200,000 for water pipe line replacement. This grant application proposed a local contribution of \$400,000 in matching funds from capital reserves. The County Board of Supervisors considered the request at its March 8, 2016 meeting, and approved an award in the amount of \$155,000 in CDBG funding for this project. This revised amount requires the District to contribute matching funds in the amount of \$310,000. With the approval of the grant award, the District is required to execute a Sponsor’s Agreement with the County consistent with Federal Regulations (CFR) 570.200(a)(2). In addition, the District needs to provide evidence of Workman’s Compensation Insurance, and Certificates of Insurance. Approval of the Sponsor’s Agreement requires a local contribution of \$310,000 from capital reserves. Staff recommends approval of the Sponsor’s Agreement, authorizing the General Manager to execute the Agreement, and allocate \$310,000 from reserves for water pipeline

replacement.

Director Freitas made a Motion to approve the submittal of the grant application, Director Kunkle seconded and the Motion was duly carried with a unanimous vote.

AYES	NAYS	ABSTAIN	ABSENT
Mike Freitas Steve Kunkle John Cook June Rockwell			Jim Billman

DIRECTORS COMMENTS:

Director Kunkle read aloud a letter written to President Billman with various questions about the General Manager in regards to salary and employment requirements. Director Kunkle commented that he had a meeting on July 6, 2016 with the General Manager and Director Rockwell and was told that they must meet in the Boardroom for the meeting. Director Kunkle noted that he had another meeting with the General Manager and Director Rockwell on July 14, 2016 in the Boardroom.

Director Cook commented that he found the General Manager to be cooperative and informed.

ADJOURNMENT:

Director Freitas made a MOTION to adjourn the regular meeting which was seconded by Director Rockwell. With a unanimous vote by all Directors present, the regular meeting was adjourned at 8:45 p.m. The next regular meeting of the Board will be Wednesday, August 17, 2016 at 6:00 PM. The meeting will convene at the Idyllwild Water District Boardroom, 25945 Highway 243, Idyllwild, CA.

APPROVED:
IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN- PRESIDENT

BY: _____
TEMP. BOARD SECRETARY