

**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 21, 2014.

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, Dean Lattin, Warren Monroe and Mike Freitas. Also present was Finance Officer, Hosny Shouman, Board Secretary Kelly Clark and General Manager, Tom Lynch. President Jim Billman was noted as absent.

General public present: (- 1 -)

CONSENT CALENDAR:

MINUTES – April 16, 2014

FINANCIAL REPORTS – Director Monroe asked if we could change facility charge on the financial reports to connection charge. He also asked if we would consider leasing vehicles instead of buying them. Tom said we would evaluate whether it would be feasible.

OPERATING STATEMENT FOR THE TENTH MONTH ENDING APRIL, 2014.

DISTRICT WARRANTS FOR APRIL –

CHECK #9563 - #9615	= \$	146,381.21	OPERATING
PAYROLL	= \$	34,437.24	PAYROLL
FEDERAL/STATE PR TAXES	= \$	23,323.04	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	275.00	

OPERATIONS REPORT AND GRAPHS FOR THE TENTH MONTH ENDING APRIL 30, 2014. No main line leaks were reported in April. Foster Lake was still dry at the end of April. IWD did not divert water during April. There was .68” precipitation and no flow at the Tahquitz Bridge during April. Director Monroe said the creek is running 4 cf per minute behind his house. The static water levels at the Foster Lake Wells were 42.3’ below ground level and the downtown wells are currently 18’. Production is 155 gpm. Tom said we will be taking a close look at the operating wells since the deeper levels result in more pumping costs. April unaccounted for water was 10.6% of production and the yearly average is 7.3%. Tom said he has spoken to IFPD regarding cutting back their hydrant exercising program during this drought situation. 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 –
WORK IN PROGRESS –**

WATER AND WASTEWATER ISSUES– We are still in Stage II, but we are seeing a continual drop in water levels at our key well sites. Foster Lake is dry. In looking over past records, the last time we were in Stage III was about 12 years ago, and we are looking at the data figures from that period and comparing it to where we are today. We are keeping a careful observation on all our water well levels, but without any significant rainfall we may be forced into Stage III.

IWD Board Meeting, 5/21/14, cont.

This means mandatory emergency restrictions restricting outdoor irrigation, filling pools, or pulling water from hydrants. We are asking for the continued cooperation from our customers to be frugal with their water use. Staff is looking at the deterioration of some of our infrastructure. Many of our water and sewer lines have reached the end of their life-span. A portion of our exposed sewer line shows evidence of deterioration. Some of our tanks may require repainting. While this evaluation will be ongoing, staff will be focusing on areas of our system that are critical for our operations. This may entail bringing in outside consultants to assist in our evaluations.

SCE UPDATE – Staff has been working with SCE to undertake an energy efficiency audit of all the District's facilities. Next week SCE personnel will be on site to measure the efficiency of the well pumps and sewer pumps. This information will help us with managing our electricity use. We also plan on an assessment of our solar array. We have contacted a few solar companies to help evaluate the effectiveness of our existing equipment. SCE has informed us that their rates will be going up 10% this next fiscal year, and we want to look into finding ways to minimize our energy usage.

TOLLGATE TANK UPDATE- The painting of the tollgate tank is underway. The interior of the tank is just about complete with 3 coating levels, all exceeding specifications, and work has begun on the external surface. Staff has ordered the valves for the tank, and will be scheduling the pipe connection at the conclusion of the painting. The contractor has approximately 10 days of work remaining to complete the tank, but is running slightly ahead of schedule. Our hope is to complete all the work by the end of the fiscal year. Director Monroe asked who was installed the valves. Tom said the same contractor that installed the tank. Hosny showed a current slideshow of the tank.

RECORDS RETENTION POLICY- Within your packet is a draft Records Retention Policy. This proposed document would set standards for records management, inspection, retention, destruction and storage. It is modeled after policies adopted by other water districts. Please take some time to go through the draft and note any comments. Staff will compile and incorporate all comments and bring this back to the Board for adoption.

SAMPLE POLICIES- Within your packet is a copy of draft Board policies setting standards for meetings, Board member stipends, meeting noticing, reimbursement for expenses, guidelines for response to questions by the public, access to public documents, and the utilization of committees. The proposed policies are general in nature. Please take some time to review the draft and note any comments. Staff will compile and incorporate all comments and bring this back to the Board for adoption.

OTHER PROJECTS & MATTERS- Staff is in the process of preparing the 2014 – 2015 FY budget. This includes a close look at critical capital improvements. There are a few projects for both the water and sewer systems that need prompt attention. The cost for the items will be included in the budget document that will be part of your next agenda. Where, at all possible, larger projects will be proposed to occur incrementally to help avoid cost impacts occurring all at once. As an example, staff has been made aware of a significant cost increase of 10% coming from SCE next fiscal year. While we are doing our best to limit and contain costs, staff will also be making recommendations for adjustments to our rate structure.

5. **NEW BUSINESS – SELECTION OF DISTRICT AUDITOR** - As part of our fiscal accountability we select an auditor annually to prepare our annual audit report. We have received the attached proposal for \$9,000 from Rogers, Anderson, Malody and Scott to prepare the audit. This is the same firm utilized for the last two years. Having an auditor who understands our operation helps minimize the time necessary when preparing the audit report.

IWD Board Meeting, 5/21/14, cont.

Next year audit services will be bid to assure equitable pricing and compliance. Director Monroe made a MOTION to approve the selection of RAMS for \$9,000 to prepare the IWD annual audit, which was seconded by Director Freitas and approved with a unanimous vote of all Directors present.

6. RESOLUTIONS #688-#689 – Hosny explained the appropriations limits. Tom said we are well under the appropriation limits that have been set. Our auditors validate our appropriation limit every year. Director Monroe was concerned regarding who set the appropriation limits. Tom said Riverside County does, per Proposition 13. They allow a 2% allowance for inflation. Tom said he will get a breakdown from Riverside County and distribute the calculation within a reasonable amount of time. Director Monroe made a MOTION to approve Resolutions #688 and #689 as presented, which was seconded by Director Lattin and approved with a unanimous vote of all Directors present.

CORRESPONDENCE: None

DIRECTOR'S COMMENTS: Director Monroe said he will have a presentation at the next meeting regarding the ACWA/JPIA conference he attended this month. He said he got a power point DVD from Rob Donlan from Ellison, Schneider & Harris, LLP, with geographs showing the legal aspects of groundwater. J.P. Crumrine attended the California Water Foundation seminar where they are contemplating bigger government, more agencies to regulate water basins. Vice President Cook said that since the preliminary budget will be adopted at the next meeting, he would like the date changed to June 11th instead of June 18th so he could attend. The Board took an action to change the date of the next meeting.

PUBLIC COMMENT: J.P. Crumrine asked if we need a Public Hearing for a rate increase. Tom said not for the 6%, which has already been voted on. However it will be necessary if further increases are necessary and Proposition 218 will be followed.

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 7:00 p.m.

IDYLLWILD WATER DISTRICT

BY:

KELLY CLARK - BOARD SECRETARY

APPROVED:
IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN - PRESIDENT