

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 March 20, 2013.

CALL TO ORDER:

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

ROLL CALL:

Directors present: President Allan Morphett, Vice President Warren Monroe, John Cook, Jim Billman, and Mike Freitas. Also present was General Manager, Terry Lyons, Finance Officer, Hosny Shouman and Board Secretary Kelly Clark.

General public present: (- 3 -)

CONSENT CALENDAR:

MINUTES – 2/20/12 Closed Session & Regular-President Morphett asked that we remove “The solar plant, etc.” under Well#23 in WIP. Vice-President Monroe asked Terry if we have a list of the old equipment to sell that was under Wastewater in WIP. Terry said yes, but they are not identified yet.

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE SEVENTH MONTH ENDING FEBRUARY, 2013.

DISTRICT WARRANTS FOR FEBRUARY –

CHECK #8770 - #8825	= \$	143,513.57	OPERATING
PAYROLL	= \$	33,633.38	PAYROLL
FEDERAL/STATE PR TAXES	= \$	14,582.22	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	81,000.00	OTHER

OPERATIONS REPORT AND GRAPHS FOR THE SEVENTH MONTH ENDING FEBRUARY 28, 2013. No main line leaks were reported in February. Foster Lake was 7.5’ at the end of February. Lilly Creek is still filling the Lake at this time and we are still diverting. In March there was 2.34” precipitation and 225 gpm flow at the Tahquitz Bridge. The static water levels at the Foster Lake Wells were 14.5’ below ground level and the downtown wells are currently 19’. This year’s snowpack indicated 29.7” which was 10” more than last year, but it doesn’t do much good during this warmer time of year. Terry is concerned because we need more rainfall. February unaccounted for water was 8.58% of production and the yearly average is 6.58%. A MOTION was made by Director Cook and seconded by Director Billman to approve the Consent Calendar. The Motion was approved and duly carried with a unanimous vote of all Directors.

4. UNFINISHED BUSINESS

WORK IN PROGRESS –

WATER – The crew installed a new 5/8” water meter on Double View. The crew encountered a large boulder and had to reroute the plumbing. The owner still needs to install a backflow device for the fire sprinkler system. Laura Sherman from IA asked if they have a common meter for fire and water use. Terry said yes. We have been flushing Well #10 to monitor the Well for fine sands. So far the well water is sand free. We had a problem with the main breaker switch for the FV1A Well. This is the original 200 watt breaker for the diversion booster pump and for the Well. We ordered a new breaker. The hands-off auto (HOA) switch for Well #23 needs to be replaced.

WASTEWATER - Steve provided some in-house training for cold weather procedures for the water crew who were on call/standby during the cold temperatures. Over-all the crew performed

the day to day normal plant checks. They operated the standby generator under a load for 2 ½ hours.

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Per Ed's request, Steve performed some welding on a steel water main. Terry stated that it is nice that we now have two welders, Steve and Bill. Steve rotated aerator pumps in the EQ Basin and repaired some sprinkler heads out at the ponds.

TANK PROJECTS – We have been focusing on the Golden Rod tank replacement project. Our crews are planning the initial preparation work so the existing bolted water tank can be dismantled and removed. The Toll Gate tank site has been surveyed and the agreement exhibits "A" and "B" have been sent to Marc Brewer for his review and comments. After Marc and Terry make some corrections, the agreement will need to be reviewed by IWD and RCRP & OSD's counsel. Terry will bring the tank site agreement back to the board for their consideration for approval. Marc will present the agreement to his Park Commissioners for consideration of approval. Ed and Terry met with Joe Colon and Premier Tank regarding the project.

DRAFT PERSONNEL POLICY – Geoff Hopper & Associates, Attorney at Law, is reviewing the draft Personnel Policy. He provided us his comments and the Personnel Committee members have provided responses for Geoff to make the necessary changes. The Policy will need to be reviewed by the employees for their comments. This will require a meeting with the employees to receive their comments and questions.

MONITORING WATER LEVELS – The Foster Lake standing well levels are up 3.5 feet at 14.5 feet from 18 feet last month. Foster Lake water level is up a foot at 7.5 feet from 6.5 feet last month. However, the downtown well levels are down a foot at 19 feet from 18 feet last month. Strawberry Creek flows are up from 250 gpm last month to 300 gpm this month. We are currently pumping 100 gpm creek water over to Foster Lake, compared to 77 gpm last month. The February average well production is lower at 138 gpm compared to 215 gpm for January.

OTHER PROJECT & MATTERS - Terry spoke with Mark Abbot with CA Regional Environmental Health regarding a Saunders Meadow project that has had a septic problem. This area is difficult for percolation. Terry explained the Advantex System, however an agreement would need to be made between the new owner and someone to maintain the unit. A sewer line could also be installed, however they are out of District. Terry may bring this item back before the board next month.

Director Cook asked when the housing and fencing for Well#23 will be complete. Terry said the crew is working on it. At this time we are waiting for additional bacterial samples.

5. CLEAN WATER REVOLVING FUND FOR RECYCLED WATER - David Balgobin has returned as the Project Manager with the State Recycle Water Division. James Garcia filled in during David's absence, but was having trouble locating information for our grant application. Terry shared with James that the items he was requesting were sent to him and one item was sent back in early 2012. David, returning as the Project Manager, was helpful in locating items needed to complete the grant application. During a conference call with David, Dan, James, Suzie, and Megan, we discussed the status of our grant application and they were unable to verify if the environmental review was completed, as Lisa Lee had left. They were looking for a replacement person.

We received a proposal for our recycled water project. Megan informed us that our loan/grant funding proposal was based on us NOT qualifying for the disadvantaged community (DAC). We were planning on receiving mostly grants from the Categorical 1, DAC program. Megan explained her decision was based on two items; first Idyllwild's Median Household Income (MHI) was \$55,495 or 90% of the Statewide MHI; to qualify we needed to be LESS than 80%. The second DAC requirement was our sewer rates needed to be MORE than 1.5% of the MHI; we were at 0.46%. Based on these two requirements we DID NOT qualify for the DAC funds. Category II funds are exhausted already. We are going for Category III funding now. Anders Wistrom said they may have used an incorrect census for the DAC. He suggested moving forward until a decision is

made. The State's financing agreement is a loan of \$973,000 with an estimated interest rate of 1.7% for a term of twenty years and receiving a Water Recycling Grant in the amount of \$324,000 for planning costs. They have recommended approval of the preliminary funding commitment for the maximum amount of \$973,000 and for \$324,000 as a 100% Water Recycling Grant. We need to inform them if we are interested in their proposal. Anders suggested completing the application and pass a Resolution allocating sequestration of monies to begin the process. We should get the CA preliminary funding agreement around June 2013. Then we will know the exact financing agreement with interest.

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Then the environmental review will need to be completed. This will give IWD June through November to review the project, complete a rate study and complete outreach and education programs for the public. Vice President Monroe asked if a \$1,000,000 bond issue would be better. Anders said it would cost 4%-5% interest and the Bureau of Reclamation would take a 10% cut. Terry said he had been speaking with Dennis from CA Rural Water and he recommended USDA funding for recycled water. Terry said we are searching for other avenues to stretch the groundwater supplies since the Strawberry Creek water rights are still a question. Anders said the Federal Government may enact a Resources Recovery Act, but it could take two years to begin. President Morphett asked if we could co-mingle sources. Anders said yes, the State will still support it if other monies are involved. Director Cook asked about dedicating net revenues of \$60,000 as a debt service each year. Anders said the State will be the first creditor on a lien. Warren said our indebtedness will be paid in November this year and would like to send additional monthly payments towards the loan amount. Director Cook asked if we could send additional money towards the loan each year without bearing prepayment penalties. Anders suggested that Terry ask David Balgobin if there would be penalties. We have the interest rate locked in for 20 years at 1.7%. President Morphett said he would like a preliminary position from the board regarding the project. Vice President Monroe said he is largely in favor of it, he said if we could find other sources for at least 50% it would be worth looking at. Director Billman said, with the first step, our exposure is minimal and it buys us time to do background research to find money. Director Cook said we absolutely need additional grant funding. This will buy us time for this important project. He would like to see the six months stretched out further. Director Freitas said he is not assuming we would get additional funding. He said the Resolution would give us an additional six months to check on financing. President Morphett said there is an option to drop the application in the future. Anders said we can accept or reject the offer. He said it's like playing the stock market, there is a potential for larger grants. President Morphett said we can work on the variables in the next six months. Director Freitas said we need to figure out the worth of the project. A lot more thought is needed if we don't get grants. Director Freitas made a MOTION to complete the application to the State and adopt a Resolution. The Motion was seconded by Director Billman. Director Billman added that we need to keep a tight rein on cost expenditures. The Motion was passed with a unanimous vote.

6. GOLDEN ROD PRESSURE ZONE PROJECT - A gate valve will be installed so we can isolate the water distribution system from the Golden Rod tank. We will relocate the Golden Rod Well 2" water service line from the tank over to the water pressure side of the new 6" gate valve. We will remove the 6" tank inlet water line from the tank back to the new gate valve. This will remove the water line outside the tank construction zone. We will continue operating the Well into the water system. When the new tank is constructed we will reconnect the 6" water line to the tank that will include an earthquake flex connector. Terry said we will start work in three weeks. It will take two weeks to tear down the tank. President Morphett asked if there were flex connectors. Terry said there were two.

7. NEW BUSINESS – WATER MODEL FOR TOLLGATE – Anders Wistrom with REVE ENVIRONMENTAL, INC. has provided the attached model to help us understand the available water supply in the Toll Gate pressure zone. There was a meeting with Bob Krieger, IAA, on March 12th to discuss the report and his updated Water Demand Study for Idyllwild Arts Academy Campus. The original Water Demand Study was provided to us in August, 2012. Terry said it was a productive meeting. It appears that 700-900 gpm flow is possible with an 8" pipe. Bob is

working on an agreement regarding a bypass line. Vice President Monroe asked how it would affect customers upstream if there were a pipe break at the IA side. Anders said a pressure sustaining valve on the IWD side could be installed. Warren asked how expensive it would be. Anders said about \$5,000. Vice President Monroe was concerned regarding sustainability, how long could the flow be maintained. Anders said that questioned hadn't been answered yet.

8. IDYLLWILD ARTS REQUEST WILL SERVE LETTERS – This item was tabled until next month at Idyllwild Arts request.

9. 2013 ELECTION – The election date is August 27, 2013. The incumbents are Mike Freitas and John Cook. Their terms expire on December 7, 2013. The Board discussed approving the Registrar of Voters Notice and whether the District or the candidates will pay for candidate's statement for the upcoming election. The candidate's statement cost is \$275.00. It is not necessary to include a statement with their declaration of candidacy. Vice President Monroe made a MOTION that the District not pay for the candidate's statement which was seconded by Director Freitas and approved with a unanimous vote.

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DIRECTOR'S COMMENTS: None

CORRESPONDENCE: None

PUBLIC COMMENT: None

ADJOURNMENT: Vice-President Monroe made a MOTION to adjourn the regular meeting which was seconded by Director Freitas. 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: _____
ALLAN MORPHETT - PRESIDENT