

MINUTES OF THE SPECIAL RESCHEDULED REGULAR MEETING
OF THE BOARD OF DIRECTORS
IDYLLWILD WATER DISTRICT

The Board of Directors of the Idyllwild Water District met in a special rescheduled regular session (due to fire evacuation on July 17, 2013) on July 24, 2013.

CALL TO ORDER:

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

ROLL CALL:

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

General public present: (- 2 -)

CONSENT CALENDAR:

MINUTES – Need to add the silence that was requested for Allan.

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE TWELFTH MONTH ENDING JUNE, 2013.

DISTRICT WARRANTS FOR JUNE –

| | | |
|------------------------|-----------------|----------------|
| CHECK #8998 - #9056 | = \$ 233,078.01 | OPERATING |
| PAYROLL | = \$ 33,589.66 | PAYROLL |
| FEDERAL/STATE PR TAXES | = \$ 12,935.38 | TAXES |
| LAIF TRANSFERS | = \$ -0- | LAIF TRANSFERS |
| TRANSFERS/CHARGES | = \$ -0- | OTHER |

OPERATIONS REPORT AND GRAPHS FOR THE TWELFTH MONTH ENDING JUNE 30, 2013. No main line leaks were reported in June. Foster Lake was 4.5' at the end of June. Even though the Lake looks dry it is 3' today, but only in the middle section. IWD did not divert water during June. There was no precipitation and no flow at the Tahquitz Bridge during June. The static water levels at the Foster Lake Wells were 18' below ground level and the downtown wells are currently 20'. Production is high at 217 gpm. June unaccounted for water was 6.75% of production and the yearly average is 6.84%. A MOTION was made by Director Billman 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 – The crew has been upgrading the FV2 Well. They installed a new roof and are relocating the electrical pole outside the building. It is ready for painting. We began work on the Oakwood Well, installing the new water treatment equipment. This Well will provide an additional water supply of 40 gpm. The water treatment equipment was purchased last year to raise the pH water level. We designed the installation drawing in-house. This is our first time using this kind of treatment to adjust the pH level. We have an existing Foster Lake aeration treatment unit to raise pH levels. We are modifying our South Ridge stand-by fire booster pump building to help eliminate heat. This pump was used during a recent fire and we noticed more ventilation is needed for long periods of operation. President Monroe asked if we had considered using a fan. Terry said it would help. Director Billman suggested a thermostatic control panel.

WASTEWATER – Steve had problems with our 27 year old Ford tractor that is located at the sewer ponds. He removed the hydraulic control valve box and delivered it to Riverside Tractor for repairs. In the meantime, since the tractor is down, he has Dave's Mobile Repair overhauling the

rear brakes. The plant has been operating well. Ken Theisen, Environmental Scientist with the Santa Ana Region CA Water Quality Control Board Riverside office, will be conducting his annual plant inspection. Steve inspected a new 4" sewer lateral that Dave Jones installed for a Jameson property owner.

GOLDEN ROD TANK PROJECT - The steel supplier was late in making the delivery for the tank material. The tank welder should be completed by mid-August. The interior and exterior painting will take another 4-6 weeks. We will have some remaining items to complete by the end of August and September. The tank will then be filled and put back in service.

TOLL GATE TANK PROJECT – Based on the timing completing the CEQA requirements for this tank project, we may begin in August. Terry anticipates about 60 days to complete the project by late October. It's a tight schedule, but he will try to make it happen so we receive substantial cost savings.

IAF WATER SERVICE PROJECT – Taylor Underground should begin this project on July 30th.

WATER SHORTAGE EMERGENCY STAGE II – After eight months of operating under Stage I, we now have met the trigger conditions to go to a Stage II. These triggers are:

- The Foster Lake level has continued to decline to 3 feet.
- We are pumping a rate of 217gpm – higher than previous years.
- The Foster Lake static well levels are @ 18 feet or three times lower than the previous two years. Creek static well levels are lower @ 20 feet than previous years. Stage II will go into effect on September 1, 2013. We will post a notice in the Town Crier.

OTHER PROJECT & MATTERS - Cal Fire had opened and closed some hydrants too quickly during the first day of the fire which caused water hammering, causing damage to a 6" steel fire hydrant valve which was broken the same day. Some hydrant water was also used and Terry is filling out paperwork to have Cal Fire reimburse us.

5. RESOLUTION #671-#672 – RESTRICTED CASH RESERVE FUNDS – Funds need to be set aside for deferred maintenance, COP's and the uncompensated balance liability fund. Hosny prepared the Resolution #671 (water) for the above funds and will present this item to the board for consideration for approval. Resolution #672 (sewer/Improvement District #1) is for the deferred maintenance & uncompensated balance liability funds. The last payment has been made for the sewer bond. Director Billman made a MOTION to adopt Resolution #671 & Resolution #672, setting the 2013/2014 restricted funds with the date changed, which was seconded by Director Freitas and passed with a unanimous vote of all Directors present.

6. RESOLUTION #673 – ACKNOWLEDGEMENT - We have prepared Resolution #673 to acknowledge IWD past President Allan Morphett. Staff will read the Resolution at the meeting. The plaque will be sent to his family. We welcome comments from the public. Director Billman said the District has lost a valuable asset. Director Billman made a MOTION to adopt Resolution #673, which was seconded by Director Freitas and approved with a unanimous vote of all Directors present.

7. BOARD MEMBER VACANCY – A notice regarding the vacant seat was placed in the Town Crier newspaper for two weeks; July 5th & July 12th. The board members can interview the applicants at the meeting. The Board may appoint one of them at this meeting. If not, there is an additional 30 days before the Board of Supervisors will make the appointment. The only application received was from Dean Lattin. He works for Inland Aerial Surveys at Riverside Municipal Airport. Director Billman asked if the meeting schedule would be a problem with his job. He said no. Director Freitas asked he what he could bring to the Board. He said he would have a diversified approach with his background. Although water is not his vocation, he was in South America as an aviation missionary collecting surface water. He was also in the desert in Paraguay and helped with the construction of a half-dozen cisterns. He said there will be a lot to learn about our water system. Director Billman said he would have adequate time to learn and all

the Directors agreed that they know much more about water than they did when they came to the Board. Director Freitas asked about his thoughts regarding IWD.
IWD Board Minutes, 06/19/13, New Business, Water meters, cont.

Mr. Lattin said he appreciates the quality water and the low rates compared with other cities. He has no complaints with the District, the technician respond to leaks swiftly. He sees an economic challenge developing more water. He understands the increasing demand and depleting supply. Director Billman made a MOTION to appoint Mr. Lattin to the Board to complete Past President Morphett's remaining tenure, which was seconded by Director Freitas and approved with a unanimous vote of all Directors present.

8. IWD PERSONNEL POLICY - We had a Personnel Policy Committee meeting on July 2nd to review the third draft of the new policy from Geoff Hopper. We compiled a list of changes from the Personnel Policy Committee meeting. Terry spoke with Joe Aklufi and he requested we send the list of changes for his review. We provided Joe five attachments, A, B, C, D, & E. The 1997 policy has been in review for several years and has grown from 20 pages to the latest draft of 90 pages. We received an approved Draft Personnel Policy from our Counsel, Joe Aklufi, and Terry scheduled a workshop meeting for Directors and employees to review and discuss the new revised Personnel Policy on August 8th at 1:00 p.m.

9. NEW BUSINESS – TANK SITE AGREEMENT – Terry has been working with the County Park District on this agreement for six months. The lease agreement provides IWD (Parcel 1 – Exhibit “A”) with a 20 foot wide ingress/egress easement from Delano up to the tank site. The second easement is (Parcel 2 - Exhibit “B”) a 150' x 150' pad for the new 60' diameter x 27' height welded steel tank. The lease is for 25 years with an option to extend it for additional ten year terms up to ninety-nine years. We will install an 8" water line, including two six-inch fire hydrants. We are expected to have Worker's Compensation Insurance. We may create a possessory interest subject to property taxation and, if so, may be subject to the payment of property taxes levied on such interest. A temporary right of entry for the construction project will be considered. Marc Brewer, County Senior Planner will request that the Board of Supervisors approve this agreement at their August 20th meeting. Terry will attend this meeting. After both parties sign the agreement we will be able to schedule the pipeline and tank projects. We will need to meet all of the CEQA requirements before any construction can begin. Director Billman made a MOTION to approve the tank site agreement, which was seconded by Director Freitas and approved with a unanimous vote.

10. CEQA PROPOSALS - We have two CEQA proposals. The lowest is from Lilburn Corporation. Terry has worked with Cheryl Tubbs for as many years as he has worked with Tom Dodson. Terry recommends we approve Lilburn to perform the CEQA Initial Study for a price not to exceed \$12,500.00. Tonight the board will consider setting the Toll Gate Tank Public Hearing date for August 21, 2013. Due to some special plants that bloom in June, which Marc Brewer wanted included in the CEQA study, Terry needed to have Cheryl begin the field survey for these three plants; Rock Cress, Munz Mariposa Lily and the San Jacinto Mountain Bedstraw. Terry approved a Purchase Order for \$700.00. Terry asked the board to consider approval for the \$12,500.00. Lilburn will have the Initial Study completed this week. Tom Dodson's proposal was for \$18,600.00. Director Billman made a MOTION to approve the bid from Lilburn Corp. in the amount of \$12,500.00 for completing the CEQA study. The Motion was seconded by Director Freitas and approved with a unanimous vote.

11. PUBLIC HEARING - Staff requested the board set the Public Hearing date for the Toll Gate tank project. Based on agenda items this evening Terry asked that the date be set for August 21, 2013. After the 30 day notice period we will be ready to present the entire project at the board meeting for approval. Director Billman made a MOTION to set the Public Hearing date to August 21, 2013, which was seconded by Director Lattin and approved with a unanimous vote. Cheryl

Tubbs from Lilburn Corporation will attend the Hearing. The County may also want to conduct their own CEQA.

12. PIPELINE PROPOSALS - Staff has received three proposals to install 2,000 feet of 8" C-900 PVC water line for the Toll Gate tank project. Terry recommended approving the lowest bid from Idyllwild Backhoe in the amount of \$35,200.00. This is an install price only, as IWD will provide the 8" pipeline, valves, fittings, sand and two fire hydrants. They will provide the thrust blocks at all bends. We will install the hot tap at the Delano 6" water main and connect the new line. This pipeline installation is contingent on the CEQA process being completed and approved. Director Billman made a MOTION to approve the bid from Idyllwild Backhoe in the amount of \$35,200.00 with a contingency that the CEQA review has been approved. The Motion was seconded by Director Lattin and approved with a unanimous vote.

13. PROPANE SERVICE PROPOSALS - Hosny obtained propane proposals and put together a matrix of the comparative proposals for the Board to review. Hosny presented this item and recommended the Ferrellgas Propane Service for a three year agreement. Cost will be at \$.32 over the national propane index. Terry asked if any company besides Diamond Valley had given a proposal for 5 years. Hosny said no, and Diamond Valley withdrew their bid immediately. Director Billman made a MOTION to approve the Ferrellgas three year contract, which was seconded by Director Freitas and approved with a unanimous vote.

14. RESOLUTION #674 - This is the last item needed to complete for the recycled water application process. The attached Resolution, when approved, will dedicate a source of net revenues throughout the term of such financing unless modification or changes are approved in writing by the State Water Resources Control Board. Director Billman said he believes this is putting the cart before the horse. Terry said this is just the last check off, doesn't back us in. President Monroe and Director Freitas said they believe we should go ahead, we can't lose. Director Billman said he wants to make sure this doesn't lock us in to the loan until November. It will be April before a decision needs to be made on the financing. The loan will cost us 1.99% interest. Director Billman made a motion to adopt Resolution #674, which was seconded by Director Freitas and approved with a unanimous vote.

DIRECTOR'S COMMENTS: Director Lattin said his first night was overwhelming. The Board commended the Town Crier and J.P.'s blog for keeping us informed during the fire. It was appreciated.

CORRESPONDENCE: None

PUBLIC COMMENT: J.P. said the fire is mostly contained, there may still be smoke present.

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 7:50 p.m.

IDYLLWILD WATER DISTRICT

BY: _____

KELLY CLARK - BOARD SECRETARY

APPROVED:

IDYLLWILD WATER DISTRICT

BY: _____
W. WARREN MONROE - PRESIDENT