

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 June 19, 2013.

CALL TO ORDER:

The meeting was called to order by President Monroe at 6:00 p.m. He asked for a moment of silence in honor of former President Allan Monroe who passed away June 14th.

ROLL CALL:

Directors present: 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 – May 22, 2013 Regular and Closed Session The board asked that clarification be made to “new service installed” in Work in Progress(Water) to add “residential water” service.

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE ELEVENTH MONTH ENDING MAY, 2013.

DISTRICT WARRANTS FOR MAY –

CHECK #8950 - #8997	= \$ 144,576.00	OPERATING
PAYROLL	= \$ 36,671.70	PAYROLL
FEDERAL/STATE PR TAXES	= \$ 17,217.15	TAXES
LAIF TRANSFERS	= \$ -0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$ -0-	OTHER

OPERATIONS REPORT AND GRAPHS FOR THE ELEVENTH MONTH ENDING MAY 31, 2013. No main line leaks were reported in May. Foster Lake was 6.5’ at the end of May. It is 5.5’ today. IWD diverted 23 gpm during May. We are not diverting now. In May there was no precipitation and 30 gpm flow at the Tahquitz Bridge. The static water levels at the Foster Lake Wells were 14’ below ground level and the downtown wells are currently 20’. Terry said when the Foster Lake wells are 20’ and the Downtown Wells are 22’ below ground level, he may declare a Stage 2. May unaccounted for water was 3.92% of production and the yearly average is 6.85%. 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 has been repairing and replacing water meters. A list of residential water meters that appeared to not be registering were noted for investigation. The crew completed repairs on several of our wells. We needed to replace a blower unit for our Foster Lake solar inverter.

Our crew investigated the Idyllwild Arts water service lines and noticed there was one service line, not two service lines, as shown on one of our plans. Bill has ordered the material and we are still awaiting the CLA VAL unit before scheduling this project.

WASTEWATER – Steve exercised the plant generator under load for 4 hours. Nick repaired sprinkler lines. They repaired a damaged manhole riser ring on the Boy Scout Camp. A 2” ball gate was replaced at the upper drying beds. They repaired a 4” riser stem gate valve on the return line at the plant. Steve had jury duty and also took off a week for vacation. Nick took care of plant operations.

GOLDEN ROD TANK PROJECT - Joel with M-Rae Engineering constructed the tank ring wall. It took Joel’s crew a day to form up the pad and another day to pour 40 yards of cement to complete the circular tank ring pad. Our crew spent a few days watering the new pad. Ed is using the existing water service to water the dirt road to maintain dust control. 50% of the tank material was delivered on Wednesday, June 12th. We have permission from the owner to use the adjacent vacant lot for storing material and equipment. The tank work is scheduled to be completed within four weeks. The painting will take another 4 weeks to complete. Another two weeks will be needed to allow curing time and for Joe Colon to provide the wash down inside the tank. We will be on schedule filling the new tank in September.

TOLLGATE TANK - We are awaiting a final review on the Toll Gate Tank site agreement. It will be reviewed by the Board of Supervisors on July 23rd. Terry asked Tom Dodson for an environmental proposal to perform the CEQA report for this tank project.

OTHER PROJECTS & MATTERS

4A. BOARD VACANCY - Due to Allan Morphett’s untimely passing, a new director will need to be chosen to fill the fifth board seat. We will advertise for the position. The board can choose a new director from the applicants at the next board meeting if there are sufficient applicants. If there aren’t sufficient applicants, the County will appoint one in 60 days.

5. RESOLUTION #670 – 2013/2014 BUDGET - The Chief Financial Officer, Hosny Shouman presented the budget. He discussed the sewer loss in income and capital expenditures during this budget year. Terry said Hosny has worked very hard reducing our costs and providing us a \$100,000 annual savings with this budget. Terry addressed the water and wastewater capital improvement projects and answered questions from the board members. Director Billman said this was a good budget and costs were pared where necessary. Director Cook made a MOTION to grant merit raises, up to 3%, subject to General Manager approval. The Motion was seconded by Director Billman and approved with a unanimous vote. Director Cook made a MOTION to adopt Resolution #670, setting the 2013/2014 budget, which was seconded by Director Billman and passed with a unanimous vote.

6. CUSTOMER DAMAGE CLAIM - Last month we discussed a Pine Dell customer having water damage from a sewer lateral back-up due to tree roots. The District contracted with Houston Harris to video the Pine Dell sewer main. Viewing the video, tree roots were noticed inside the sewer main just below the customer lateral. Hosny contacted our insurance carrier, Joint Powers Insurance Authorization (JPIA) , and they have worked closely with the property owner. Cece, our JPIA agent, contacted Hosny and reported their adjuster had completed the investigation for the damage claim. JPIA contacted the owner and informed them they would receive checks to cover both damages for a previous water damage claim last December 2012, along with the recent May, 2013 damage claim. Both claims were filed with us in May, 2013. The tree roots were removed from inside the sewer main and the nearby tree entry root was cut to prevent any other future problems. Hosny said our insurer did a good job. He doesn’t know if future insurance will increase. President Monroe asked how often we inspect the sewer lines. Terry said every five years. Some areas prone to root inclusions are done every two to three years. President Monroe asked if we could complete 20% of the sewer cleanings annually. Director Billman asked if we could prepare a cost analysis to clean a portion of the lines annually.

7. IDYLLWILD ARTS WATER SERVICE LINES – The IWD crew returned to widen the hole they dug earlier during our investigation. The welder needed the extra room to begin installing all the new material we ordered to upgrade the service lines. Bill Rojas has ordered the new Pressure Relief & Pressure Sustaining CLA-VAL, the Post Indicator Valve (PIV) and miscellaneous fittings. The special CLA-VAL takes about 6 weeks for delivery. As soon as we receive the CLA-VAL unit we can schedule the installation. This improvement will provide protection for the upstream water system pressure to limit the additional water from the upper water zone. IAF will receive an additional 500 gpm through the 6” by-pass line with a total combined supply not to exceed 1,000 gpm.

8. NEW BUSINESS – WATER METERS - When a residential fire sprinkler system is required on an existing house with a 3/4” water service line we end up replacing the 3/4” line with a 1” to meet fire flow requirements. The cost to perform the service line upgrade needs to be considered for a customer fee to cover our costs. We install both short run and long run service lines. Long runs are from one side of the street to the other side. Some of these water service installations involve removing asphalt or boring under the street. Staff is gathering actual costs involved for these new water services to help us determine what we should be charging. We need to revisit the water service fees to make sure the fees are covering these costs. Anders has provided a proposal to assist us in updating our fees. Our current water and sewer capacity fees have not been updated and are too low. A workshop will be scheduled to review our fees and help gather information to address updating our existing fees.

9. SELECTION OF DISTRICT AUDITOR - We select an auditor annually to prepare our annual audit report. Hosny received two proposals for review. The two proposals received were Rogers, Anderson, Malody and Scott (RAMS) for \$8,950.00 and Teaman, Ramirez & Smith for \$13,500.00. Last year we used RAMS to prepare the audit. Having an auditor who understands our operation helps minimize the time necessary when preparing the audit report. Director Cook made a MOTION to approve Rogers, Anderson, Malody and Scott to conduct our audit, which was seconded by Director Billman and approved with a unanimous vote.

10. UPDATE ON RECYCLED WATER PROJECT APPLICATION - We received a request from Ahmad Kashkoli, Senior Environmental Scientist with the California Water Board, Division of Finance Assistance to provide additional information to their office. Ahmad replaced Lisa Lee and has been working with us to complete our application for the Clean Water State Revolving Funds. A five page letter dated April 23, 2013 from Ahmad to Carol Roland-Nawi, with the California State Historic Preservation Office addressed all the information received from CRM TECH which works with Tom Dodson. Ahmad’s final decision was that “no historic properties will be affected” by the Project. A two page letter dated May 15th was in response to Ahmad’s letter. The second paragraph states that the SWB, Division of Financial Assistance, proposes to provide funding to IWD for constructing a Tertiary (Recycled Water) Treatment system and water conveyance pipeline in the community of Idyllwild. Tom Dodson and Anders are working together to provide Ms. Nawi additional information. We are nearing the end of the long application process to receive approval to receive Clean Water State Revolving Funds for this project. We started with this project to help ensure our future customer’s groundwater supplies by using recycled water to recharge our groundwater supplies. The recharge project was not approved by the CDPH due to fractures that would make it difficult to trace the underground water flow. It’s difficult to understand their reasoning when they know so little about our underground flows and would not consider allowing us to perform a pilot project using a tracer element to verify that we can trace the underground flows. They are hesitant to develop a recycled water project in the mountains and are waiting for other counties to approve a similar project. A similar recharge project using a lake has been under review for approval for many years in San Diego. We will need to monitor their project when approved if we want to move forward with our original groundwater recharge concept. Our current project is to use recycled water to offset drinking water use for irrigation. We would use the

100,000 plus gallons of treated water leaving our plant (from which we currently receive no benefit) from the plant discharge water. The State indicated that we were a Disadvantaged Community (DAC), but recently we were told we don't qualify for a DAC grant funded project. This decision quickly reduced our available grant funds to 25% with a 75% low interest loan. This decision was based on using, not Idyllwild, but all of the Hill Water Districts, to determine the Medium Household Income(MHI) of \$55,000. We can retain an agency that the State would agree with, to perform for us a MHI for Idyllwild. The California Rural Water Association may be willing to do this work for us. We have several months left before they ask us to make a decision on accepting the above 25%/75% funding agreement. Director Cook said increasing supply is critical. Director Billman said he doesn't want to spend money on research. President Monroe said it would be good if the MHI census by Rural Water was completed at no cost. He said the potential cost of inaction should keep driving us on. He said a bond issue may need to be looked at. He would like to see a citizen's committee formed. Director Billman made a MOTION to move forward by investigation and finding options for financing, but with no money spent and at no cost for the survey. The Motion was seconded by Director Cook and was passed with a unanimous vote.

11. AMENDMENT TO THE MONEY PURCHASE PENSION PLAN - Earlier this year we had a meeting with the employees to discuss a change for the MPPP. Overtime pay will no longer be considered for the MPPP. They agreed to the changes and our representative, Ken Mabie has prepared the language for the amendment. Hosny has provided copies of the amendment to the employees. We need to receive board approval for the amendment no later than the end of this month to go into effect by July 1, 2013. Director Cook said it was a good change to the MPPP and made a MOTION to approve the amendment. The Motion was approved by Director Billman and approved with a unanimous vote.

DIRECTOR'S COMMENTS: None

CORRESPONDENCE: None

PUBLIC COMMENT: J.P. Crumrine offered his personal condolences to the staff and Board on the loss of Board President, Allan Morphett.

ADJOURNMENT: Director Billman made a MOTION to adjourn the regular meeting which was seconded by Director Cook. With a unanimous vote of all Directors present, the regular meeting was adjourned at 7:48 p.m.

IDYLLWILD WATER DISTRICT

BY: _____
KELLY CLARK - BOARD SECRETARY

APPROVED:

IDYLLWILD WATER DISTRICT

BY: _____
W. WARREN MONROE - PRESIDENT