

**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 February 15, 2017, in the Idyllwild Water District Board Room.

CALL TO ORDER:

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

ROLL CALL:

Directors present: President Charles Schelly, Vice President Vic Sirkin, Geoffrey Caine, and Peter Szabadi. Interim General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Erica Gonzales were also present.

Steve kunkle had an excused absence due to a family emergency.

General public present: (-12-)

PUBLIC COMMENT:

TOM PAULEK- Glad to see Foster Lake is full again. Would like to know how happened.

JACK HOAGLAND- Two things: Diversion off of Strawberry Creek and the run off from Lily Creek.

JUNE ROCKWELL- Are we looking into the true capacity of Foster Lake compared to the permits that we have for it? It's a lot bigger than the permits say.

JACK HOAGLAND- We are looking into it, don't think a lot bigger.

JP CRUMRINE – Apologized for credit being given to him for the photo Jack took of Foster Lake.

JEFF SMITH- Expressed concern about a flushing pond at Dutch Flats creating a bad smell and stagnant water near people's homes, leading to a mosquito problem. This has been an ongoing problem for many years now.

TOM PAULEK- Addressed the sewage spill, would like to know the progress.

JACK HOAGLAND- Will address during Director's Comments.

DAVID WEADER- Had a leak and would like to know and understand IWD's policy on forgiveness and will this issue be addressed? If policy is revised, will they back date it?

PRESIDENT SCHELLY- We currently do not give forgiveness, we can offer a payment plan and we will be addressing the issue of forgiveness in the future.

JACK HOAGLAND- Policy Ad Hoc Committee on this Agenda.

JUNE ROCKWELL- With regard to the current lawsuit against a former employee/current Board member for monetary damages, are you going to file suit against the previous Board and General Manager for losses from the Recycled Water Project? Also, already talked about looking into the permits for Foster Lake and the Dam.

JEFF SMITH- Expressed concern about the silt that was removed from Foster Lake and the current capacity of the Lake. Also, expressed concern about the Dam and whether or not it is correctly permitted and if it can hold back the capacity.

ITEM #1- CONSENT CALENDAR:

MINUTES – January 18, 2017 Special Meeting
January 18, 2017 Regular Meeting
February 08, 2017 Special Meeting

FINANCIAL REPORTS JANUARY 2017

A. Income statement for the Seventh month ending January 2017		
B. District warrants for January 2017.		
Check # 13928 - 13957	= \$	79,603.38
Gross Payroll	= \$	46,371.80
Federal/State PR taxes	= \$	16,998.37
LAIF Transfers	= \$	0.00
Transfers/charges	= \$	77.55

OPERATIONS REPORT AND GRAPHS FOR THE SEVENTH MONTH ENDING JANUARY, 2017.

No mainline leaks were reported in January. Foster Lake's level was at 9.5 feet at the end of January. There was 12.67" of precipitation in January and there has been 18.04" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 26' below ground level, and the downtown well #23 is currently static at 8' and the downtown well #24 is static at 16' below ground level respectively. Production for January was 863,629 cubic feet. January's unaccounted for water was 2.80% of water production. Fiscal year to date unaccounted for water average is 4.29% of water production.

A MOTION was made by Director Caine to approve the balance of the Consent Calendar and Vice President Sirkin seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Geoffrey Caine			Steve Kunkle
Victor Sirkin			
Charles Schelly			
Peter Szabadi			

Consent Calendar approved.

ITEM 2 – FINANCIAL RECOGNITION OF C.F.O.:

Recommendation:

That the Idyllwild Water District Board of Directors consider financial recognition of the Chief Financial Officer for his assumption of additional responsibilities during the four-month period when the District did not have a General Manager in the amount of \$7,500.

Background:

Upon resignation of the District's General Manager in September 2016, the Chief Financial Officer (CFO), Hosny Shouman, assumed the responsibilities of managing the District's general business and field operations in addition to his existing duties of Chief Financial Officer, in an effort to provide seamless service continuity to the customers and ratepayers of Idyllwild Water District.

During the period of September 2016 through December 2016 his work was further complicated by loss of key staff and dynamic changes to the composition of the Board of Directors.

Mr. Shouman demonstrated outstanding professional demeanor and skills during this period and the Board of Directors may want to offer him some additional compensation for the additional duties performed during the four-month period. \$7,500 represents an eight percent bonus for Mr. Shouman.

DISCUSSION-

STEVE MOULTON- Would like to state for the record that Hosny was always very helpful and ready and willing to answer any question asked and help with any problem presented.

Vice President Vic Sirkin made a MOTION to approve the financial compensation for the C.F.O. and Director Szabadi seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Victor Sirkin			Steve Kunkle
Peter Szabadi			
Geoffrey Caine			
Charles Schelly			

The Motion passed.

ITEM 3 – POLICIES AND PROCEDURES AD HOC COMMITTEE:

Recommendation:

That the Board of Directors of the Idyllwild Water District consider the appointment of an ad hoc sub-committee to review the Districts policies and procedures and make recommendations for any modifications to the full Board of Directors.

Background:

It has been quite some time since the Board has reviewed many of the District's policies and procedures. Staff suggests that the initial focus be on the District/customer relationship rules and regulations for the provision of the various District services.

Staff will be reviewing the current water supply conditions in the next few weeks and will be making separate recommendations for Board consideration in conjunction with the Budget and rate recommendation for FY 2017-18.

Over the last several weeks the issue of "by-laws" has been raised by the public and some Board members. The District is, however, a "public" corporation and was created based on specific legislation (Water Code Division 12, Section 30000, et al). This portion of California Law represents the "by-laws" of the District. By-laws are defined as follows:

Bylaws

The rules and regulations enacted by an association or a corporation to provide a framework for its operation and management.

Bylaws may specify the qualifications, rights, and liabilities of membership, and the powers, duties, and grounds for the dissolution of an organization.

West's Encyclopedia of American Law, edition 2. Copyright 2008 The Gale Group, Inc. All rights reserved.

Bylaws

n. the written rules for conduct of a corporation, association, partnership or any organization. They should not be confused with the Articles of Corporation which only state the basic outline of the company, including stock structure. Bylaws generally provide for meetings, elections of a board of directors and officers, filling vacancies, notices, types and duties of officers, committees, assessments and other routine conduct. Bylaws are, in effect a contract among members, and must be formally adopted and/or amended.

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The index of the District's enabling legislation is attached so that it can be seen that it does in fact represent the "By-laws" of the organization.

Discussion of what areas the Board would like the sub-committee to review would be helpful in directing the efforts.

DISCUSSION:

MARGE MUIR- Will this Committee be looking at and redoing Ordinance 64? It needs an overhaul.

PRESIDENT SCHELLY- Will include all policies and procedures of the District.

PRESIDENT SCHELLY- Are there any members that would like to be a part of this committee.

DIRECTOR CAINE- nominated self.

JACK HOAGLAND- Spoke with Director Kunkle earlier today and he expressed interest in being a part of this Ad Hoc Committee.

President Schelly appointed Director Caine and Director Kunkle to a Policies and Procedures Ad Hoc Committee along with Jack Hoagland.

ITEM 4 – "DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE":

Recommendation: That the Board of Directors of the Idyllwild Water District consider directing staff to prepare an application to the California Special Districts Association for consideration to receive a District Transparency Certificate of Excellence.

Background: The California Special Districts Association (CSDA) advocates for and supports special districts in California. In response to criticism over the years about the "hidden government" of California, CSDA has developed a program which when implemented can assist special districts by enumerating steps to provide the public with information about the activities, operations and financial condition of the District. The "Checklist" is attached for reference.

IWD does many of the items on the check list. Several others will require some additional effort, including modifying the way reports are prepared and some will probably require an upgrade to the District Website to handle all of the information suggested.

Staff believes the additional effort is important to ratepayer confidence in IWD.

COMMENTS:

JACK HOAGLAND- Included the checklist in the Board Packet and the good news is that we already do a lot of what is asked for on the checklist. There are some things that we need to bring up to date like changing some things on our website.

TOM PAULEK- Would like to see the meetings video recorded so that those that cannot be at the meetings in person can watch it online.

JACK HOAGLAND- Video recording is expensive. Would like to suggest audio recordings that could be keyed to the items on the agenda so you can listen to the audio for a particular item you are looking for without having to listen to the whole meeting.

TOM PAULEK- Thinks that is a great idea. Would be great for transparency and for archiving.

SUE NASH- Would really appreciate live streaming or video/audio shortly after the meeting for those that are not able to attend.

JEFF SMITH- Would like to see District email accounts for Board Members instead of them using personal emails.

The Board directs staff to continue to work on the District Transparency Certificate of Excellence.

ITEM 5 – KATHY TIEGS FOR THE ACWA/JPIA EXECUTIVE BOARD:

Recommendation:

That the Board of Directors of the Idyllwild Water District adopt Resolution 729 concurring in the candidacy of Kathy Tiegs for the Association of California Water Agencies/Joint Powers Insurance Authority Executive Board.

Background:

IWD is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (JPIA). Each agency is represented by a Director. The Directors elect an executive board to provide the immediate direction and oversight to the JPIA staff and the operations of the organization. To be eligible for the executive board election a JPIA Director:

1. Must be from an agency that participates in all of the JPIA insurance programs (4);
2. Must get a nomination resolution from their agency; and
3. Must get concurring resolutions from other JPIA member agencies.

Ms. Tiegs meets all of these requirements and, as you can see from her attached biography, has extensive participation history in ACWA, currently serving as President of the Organization. During her time as Vice President of ACWA she was a member of the JPIA Executive Board.

To promote IWD participation in the Water Industry, Staff recommends adopting a concurring resolution for Ms. Tiegs. The adoption of a concurring resolution does not obligate the agency to vote for Ms. Tiegs in the May election.

COMMENTS:

JACK HOAGLAND- Kathy would be a good candidate and would shake up the current stagnant Executive Board.

President Schelly made a MOTION to adopt Resolution 729 concurring in the Candidacy of Kathy Tiegs for the ACWA/JPIA Executive Board and Director Szabadi seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Charles Schelly			Steve Kunkle
Peter Szabadi			
Geoffrey Caine			
Victor Sirkin			

The Motion passed.

ITEM 6- ENGAGE A GENERAL COUNSEL:

Recommendation:

That the Board of Directors of the Idyllwild Water District accept the Recommendation of the Ad Hoc Legal Representation Sub-committee and vote to engage Aleshire & Wynder, LLP, as General Counsel for the District.

Background:

The Board of Directors at its January 18, 2017 Regular Meeting appointed an Ad Hoc Legal Representation Sub-committee consisting of Vice President Sirkin, Director Szabadi, the General Manager and CFO.

The Board members of the sub-committee had an opportunity to speak with the representative of Varner & Brandt, LLP, at the Ethics Training seminar hosted by Pine Cove Water District on January 19, 2017.

The sub-committee requested and received an additional proposal for services from Aleshire & Wynder, LLP, and reviewed the proposal from Varner & Brandt, LLP previously submitted in December, 2016.

On February 6, 2017, the sub-committee interviewed Aleshire & Wynder, LLP, primary representatives (note the General Counsel proposed for IWD, Ms. Christine Carson, Esq., attended in person and the Assistant General Counsel proposed for IWD, Mr. Eric Dunn, Esq., attended via teleconference).

Based on the backgrounds and strengths of the firms and the speculative future needs of the District, the Ad Hoc Legal Representation Sub-committee recommends to the Board of Directors Aleshire & Wynder, LLP, for General Counsel to the District.

COMMENT:

JACK HOAGLAND – Had a proposal from Varner & Brandt and a representative from Aleshire & Wynder came and spoke to the Ad Hoc Committee. Representative was very knowledgeable and Aleshire & Wynder’s proposal was least expensive. Committee recommends hiring Aleshire & Wynder, LLC.

Vice President Sirkin made a MOTION to engage Aleshire & Wynder, LLC as general counsel for the Idyllwild Water District and Director Caine seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Victor Sirkin			Steve Kunkle
Geoffrey Caine			
Charles Schelly			
Peter Szabadi			

The Motion passed.

DIRECTORS COMMENTS:

VICE PRESIDENT SIRKIN- Would like Jack to give his opinion on whether or not we should release water meters. Would also like to consider giving the Community Center Project the water meter and will serve letters to complete the project without them having to reapply each phase.

JACK HOAGLAND- All of these will be addressed with the establishment of the Ad Hoc Committee.

GENERAL MANAGER’S COMMENTS:

JACK HOAGLAND- Solar Project has lived up to its purpose. Instead of paying for itself in 10.8 years it will be about 11 and a half to 12 years. There was a leak at Wastewater Pond #2 on Tuesday, Feb 7. Drained into pond #6 to lower the levels and make sure not leaking. Leak lasted from about 5:30 am to 1 pm and we lost about 44,000 gallons of secondary treated water. Cause was a gopher hole and saturation from rain and snow, the berm collapsed at the edge of a wall. Flowed about 1,000 ft down the slope. Contacted Forest service, Regional Board and County Health Dept. The Forest Service and Region Board visited site, took soil samples and samples of creek upstream and downstream, we are waiting for results. Not able to repair until we get results back and Forest Service is satisfied.

ADJOURNMENT: At 7:25 pm Director Caine made a MOTION to adjourn to the next Regular Meeting on March 15, 2017 at 6:00 pm and Vice President Sirkin seconded. The vote was as follows:

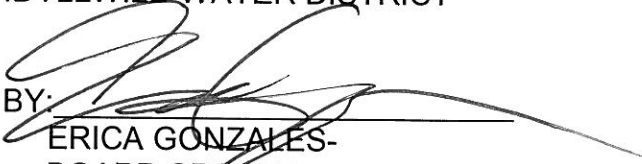
AYES **NAYS** **ABSTAIN**
Geoffrey Caine
Victor Sirkin
Charles Schelly
Peter Szabadi

ABSENT
Steve Kunkle

APPROVED.
IDYLLWILD WATER DISTRICT

BY: 
DR. CHARLES SCHELLY-
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: 
ERICA GONZALES-
BOARD SECRETARY