

**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 July 19, 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, Steve Kunkle and Peter Szabadi. Interim General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman, Legal Counsel Christine Carson and Board Secretary Erica Gonzales were also present.

Director Caine was present but had to excuse himself before the meeting was called to order due to a family emergency, he returned at 6:10 pm during public comment.

General public present: (10)

PUBLIC COMMENT:

STEVE THOMPSON – Concerned about the varying Water Base Rates for varying sized water meters. Has a 1" Water Meter and does not feel he should pay more than a customer with a 5/8" Water Meter.

SUE NASH – Concerned about lack of transparency, amount of and subjects of Closed Sessions, frequency and time of Special Meetings, Idyllwild Brew Pub and newly adopted Rate Structure.

BOB GEARY – Concerned about the security of water meters, the prevention of water meter tampering. Would like to know if there are protocols in place for water meter security?

JACK HOAGLAND – Not a common issue, would have to look into securing meter where both homeowner and Idyllwild Water District will have access.

MARGE MUIR – Would like clarification on nomenclature regarding procedures of issuing water meters.

JP CRUMRINE – Noticed that the water budget was less than income but the amount of water sold was higher than budget, why the discrepancy? Also, with Idyllwild Water District having no leaks, why is water loss so high? Historically water loss has been

lowest in the area.

HOSNY SHOUMAN – Because Idyllwild Water District has moved out of Stage 2 and is effectively in no Stage of the Ordinance No. 64, the rates for the higher tiers are lower, creating less income for more water used.

JACK HOAGLAND – Is looking into how the production is recorded and trying to find a more efficient way of tracking to have a more efficient recording of the water loss. Will look into it.

ITEM #1- CONSENT CALENDAR:

MINUTES – June 14, 2017
June 21, 2017

FINANCIAL REPORTS JUNE 2017

A. Income statement for the Twelfth month ending June 2017

B. District warrants for June 2017.

Check #	14170 - 14226	= \$	182,383.77
Gross Payroll		= \$	50,479.66
Federal/State PR taxes		= \$	16,791.53
LAIF Transfers		= \$	0.00
Transfers/charges		= \$	90.10

OPERATIONS REPORT AND GRAPHS FOR THE TENTH MONTH ENDING JUNE, 2017.

No mainline leaks were reported in June. Foster Lake's level was full at 18 feet at the end of June. There was 0" of precipitation in June and there has been 27.76" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 0' below ground level, and the downtown well #23 is currently pumping at 229' and the downtown well #24 is static at 18' below ground level respectively. Production for June was 1,330,363 cubic feet. June's unaccounted for water was 19.17% of water production. Fiscal year to date unaccounted for water average is 6.42% of water production.

COMMENT:

DIRECTOR KUNKLE – Inquired about various warrants including checks to Arrow Printing and California Computer Options.

JACK HOAGLAND – Explained the charges from Arrow Printing were for an informational mailer to our customers about some changes and inconveniences to them

during the transition to the new billing system and the changes to their payment options. The charges from California Computer Options were for Computer Support, backing up the system at an offsite location and various other support issues that were more in depth than the monthly service charge covers.

PRESIDENT SCHELLY – Inquired about a check to Tyler Technologies. Would like to make sure that large charge will not be ongoing.

HOSNY SHOUMAN – These are last large charges for Tyler Technologies and the billing system. Any additional costs would be the annual support fee.

DIRECTOR KUNKLE - Inquired about check to ERSC update of sewer records.

JACK HOAGLAND – Gathered all notes and edits we have recorded about Sewer Collection System along with Harold K. Smith's notes for the last 50 years and ERSC added them to a new set of plans and created new full size maps and 4 sets of half size maps that are better for travel in the work trucks.

DIRECTOR KUNKLE – Inquired about well levels.

A MOTION was made by Director Szabadi to approve the Consent Calendar and Director Caine seconded. The vote was as follows:

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

Consent Calendar approved.

ITEM 2 – Vacancy on the Board of Directors

Recommendation: That the Idyllwild Water District Board of Directors determine to fill the current vacancy on the Board of Directors by the appointment process.

Background: Victor Sirkin resigned from the Idyllwild Water District Board of Directors effective July 11, 2017.

State law provides the District with several options for filling the vacancies:

- The remaining Board members may appoint a qualified applicant to the position;
- The Board can call a special election to fill the position; or
- The Board can default to the Board of Supervisors of Riverside County to appoint a qualified applicant to the position.

Considering that the Board of Directors might select the least costly and most timely option for filling the Board Vacancy, Staff have posted notice of the vacancy and ran an ad in the Town Crier advising of the vacancy. Both venues solicit interested, qualified candidates to submit a letter of interest and resume of qualifications to the President of the Board of Directors by August 4, 2017. The Board of Directors can then review the applicants and make a selection at the August 16, 2017 regular meeting.

COMMENT:

A MOTION was made by Director Caine to fill the current Board vacancy by appointment and Director Szabadi seconded. The vote was as follows:

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

Motion approved.

ITEM 3 – Construction Award for the 2017 Pipeline Project to Genesis Construction

Recommendation: That the Idyllwild Water District Board of Directors approve a Construction Contract for the 2017 Marian View Drive pipeline project with Genesis Construction in the amount of \$643,366.00 and authorize the Interim General Manager to execute the Contract.

Background: Construction bids for the Marian View Drive Pipeline Project were solicited through the required channels and the sealed bids were opened July 11,

2017 at 10 am. A copy of the bid results spreadsheet is attached. Genesis Construction of Hemet was the apparent low bidder.

A recommendation from Webb Associates is also attached. Authorization from the County to award should be received prior to the Board Meeting.

Total Project costs are:

Design	Webb	\$141,700	22.0%
Construction Services	Webb	\$89,584.	13.9%
Construction	Genesis	<u>\$643,366.</u>	
	Total Project	\$874,650.	

The construction cost represents \$224/foot for the pipe and all appurtenances including paving to County requirements. The overall project cost is \$304/foot.

The District could anticipate that somewhat larger projects (4-5,000 feet) would have some economies of scale, but should probably anticipate that further projects be estimated using at least \$275/foot (i.e., a 4,500 foot project would have an early estimated cost of \$1,250,000). The District needs to consider replacement of approximately 30,000 feet of pipeline in the next 10-15 years (about \$8,250,000 in capital project costs for pipeline only replacements).

A Notice of exemption from CEQA was filed April 13, 2017

DISCUSSION:

TOM PAULEK – When was this project approved by the Board? The CEQA document is supposed to be present at the Public Meeting when approving the project.

SUE NASH – Once file Notice of Determination, people have 30 days to file a CEQA

lawsuit complaint with the court. The time has now expired.

JACK HOAGLAND – This project was approved in September 2016 by Board action. Other items that have been voted on are the process of executing project.

TOM PAULEK – Glad to see Counsel at meeting. Would to see Counsel at every meeting to help make sure Board stays in compliance.

DIRECTOR SZABADI – That would be a significant financial cost.

DIRECTOR KUNKLE – Project is over budget, does not believe that the project was tailored to Idyllwild Water District's "need and style," concerned this project is going to balloon to an even greater cost. Would like to cut our losses, stop the project and refuse the grant from Riverside County.

DIRECTOR SZABADI – We need to replace pipes, previous Board did not replace anything. Believes the initial estimate was unrealistic. This project is going cost more than expected but hiring Webb will be some insurance against change orders because they designed the project. If we stop project now, will have to give the \$155,000 back to Riverside County and pay the \$80,000 for Webb. That's a loss of \$230,000 on a project that will need to be done in the near future anyway. May not be ideal project but still a need. Would like to continue with the project.

DIRECTOR CAINE – Do we expect cost over-run?

JACK HOAGLAND – Do not expect but is possibility. This company is the low bidder, therefore they are who is approved by the County.

DIRECTOR CAINE – Does not like situation but need to move forward, have to start somewhere.

PRESIDENT SCHELLY – How long has it been since Idyllwild Water District spent money to replace any pipeline? Will this project's cost prevent projects in the future?

HOSNY SHOUMAN – 7 years. Have been putting money away for projects, can afford replacements as long as not all at once.

A MOTION was made by Director Szabadi to approve awarding the Construction Contract with Genesis and Director Caine seconded. The vote was as follows:

AYES

**Peter Szabadi
Geoffrey Caine
Charles Schelly**

NAYS

Steve Kunkle

ABSTAIN

ABSENT

Motion approved.

ITEM 4 – Bidding and Construction Management Assistance for the 2017 Pipeline Project

Recommendation: That the Idyllwild Water District Board of Directors approve an agreement with Webb and Associates for Bidding Assistance and Construction Management during the 2017 pipeline project in the amount of \$83,600 and authorize the Interim General Manager to execute the agreement.

Background: Preparation of the plans and specifications for the 2017 Water Pipeline replacement project is complete. Webb and Associates is the Engineer of record and Staff recommends that the firm be engaged to assist with the construction management services during the construction project including inspection and compaction testing. The attached letter proposal for the additional assistance is for the Board of Directors information.

DISCUSSION:

A MOTION was made by Director Szabadi to approve the agreement with Webb and Associates for Bidding Assistance and Construction Management and Director Caine seconded. The vote was as follows:

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

DIRECTOR'S COMMENTS: None

GENERAL MANAGER'S COMMENTS:

JACK HOAGLAND – Have received some Water Service Applications, have been reviewing and creating plans to install meters. Working with Health Dept. for final permitting on Tollgate Tank. Filed all Water Rights Extraction requirements.

DIRECTOR SZABADI – What efforts are being made to recruit for vacant staff positions? What efforts have been made to reduce the level of the WWTP?

JACK HOAGLAND – Reduced level for Distribution system from 3 to 2 in March. Wastewater taking long and a bit more complicated of a process. Would help to find a larger pool of candidates if a lower level.

TOM PAULEK – Concerned about recording device failing at previous meetings. Would like more sophisticated recording system. Concerned about not reporting out once reconvening into open session.

JP CRUMRINE – Agenda Item for Potential Litigation is very general, would like clarification as to why listed this way.

ADJOURN TO CLOSED SESSION AT 7:37 PM:

1. **POTENTIAL LITIGATION AGAINST THE CITY (1 CASE) GC 54956.9(d)(2)** - A point has been reached where, in the opinion of the legislative body of the local agency (District) on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the District.

2. **Performance Review, Interim General Manager**

RECONVENE INTO OPEN SESSION: The Board reconvened in open session at 8:52 pm.


General Manager Jack Hoagland reported that there was no reportable action.

ADJOURNMENT: President Schelly adjourned the meeting at 8:53 pm.

IDYLLWILD WATER DISTRICT

BY: 
DR. CHARLES SCHELLY-
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: 
ERICA GONZALES
BOARD SECRETARY