

**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 September 10, 2014.

CALL TO ORDER:

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

ROLL CALL:

Directors present: President Jim Billman, Vice-President John Cook, Dean Lattin, Warren Monroe and Mike Freitas. Also present was Finance Officer, Hosny Shouman, Board Secretary Kelly Clark and General Manager, Tom Lynch.

General public present: (- 4 -)

CONSENT CALENDAR:

MINUTES – August 20, 2014 - President Billman requested that “into the summer months” be stricken from the WIP and remove the unnecessary word “need” from page 3 under Public Hearing.

FINANCIAL REPORTS – Hosny said we have received the draft audit report. He said there aren’t financial reports this month since the meeting is a week early.

OPERATING STATEMENT FOR THE SECOND MONTH ENDING AUGUST, 2014.

DISTRICT WARRANTS FOR AUGUST –

CHECK #9759 - #9812	= \$	116,593.09	OPERATING
PAYROLL	= \$	33,452.80	PAYROLL
FEDERAL/STATE PR TAXES	= \$	16,764.19	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	98.00	

OPERATIONS REPORT AND GRAPHS FOR THE SECOND MONTH ENDING AUGUST 30, 2014.

No mainline leaks were reported in August. Foster Lake was still dry at the end of August. IWD did not divert water during August. There was 1.52” precipitation during August with 1.56” precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 46.5’ below ground level and the downtown wells are currently 18’. Production for August was 1,022,450 cubic feet. August unaccounted for water was 1.94% of production. Director Monroe asked if we could include the production capacity of non-utilized wells next month. Tom said he will check on it. A MOTION was made by Vice President Cook and seconded by Director Monroe to approve the Consent Calendar as modified. The Motion was approved and duly carried with a unanimous vote of all Directors present.

4. UNFINISHED BUSINESS –

WORK IN PROGRESS –

WATER AND WASTEWATER ISSUES – We remain in Stage II, and well levels are holding or slightly diminished. We have had a few days of precipitation, though not enough to impact our groundwater. Foster Lake is dry, and the wells at the Lake remain critical to watch. We thank our customers for their continued conservation efforts, and being frugal with their water consumption.

We are preparing the plans and specifications for the rebuild of the sewer effluent line. These documents will detail our requirements for the design, hydrology, installation, schedule and implementation features associated with this project. We have met with representatives for different piping products, and we will specify our preferences for durability, cost and ease of installation as a part of our bid process. Tom showed the Board a piece of the pipe they may use for the effluent line. Tom is also considering using Insituform to line some additional pipelines.

ENERGY CONSUMPTION UPDATE – On September 11th we will begin an in-depth analysis on the performance of our solar equipment. The first steps will evaluate the individual solar panels and the power inverter.

We have chosen Well #13 and #15 to test energy consumption/efficiency recommendations from SCE to measure the electricity use at each well. These wells have very similar characteristics, so one we will operate as we normally have and the other will be operated with different procedures. Over the next several months, we will be testing changes in our operational procedures. This may entail modifying certain well equipment, and how we use it. We got an efficiency rebate from SCE this month for \$562.50.

SCE billings are up this month, primarily driven by the anticipated 10% pricing increase from S.C.E., increased pumping of the downtown wells, the filling of the Tollgate Water Tank, and drought conditions which require longer pumping times.

TOLLGATE TANK UPDATE – The tank has been filling slowly, at off-peak hours. Due to the tank volume, we will see a slight rise in our energy bills that will reflect the extra pumping necessary to fill the tank. We will need to make various adjustments to bring the tank fully on line due to elevation and pressure balancing. We can schedule a formal ribbon cutting in October.

CONTINUING EDUCATION AND CERTIFICATIONS – Michael Creighton, with Mt. San Jacinto Community College, began our Monday evening classes on August 4th. He is providing instruction on a variety of topics including sustainable management, sources of supply, regulatory compliance, innovative water practices, water conservation, funding sources, operations and maintenance, safety, watershed harvesting and management, and water related mathematics. This program is designed specifically for our needs and will accomplish several goals, including preparing for State testing, advancing staff certifications, meeting mandatory continuing education units, staying up-to-date with changes in requirements, and new technology. Fern Valley Water District staff is also attending.

OTHER PROJECTS AND MATTERS – We have brought on board one water treatment intern from Mt. San Jacinto Community College. The College has a couple of different programs for students developing a career in water and sewer management. The College may be able to financially support the internship, including liability insurance costs. Tom expects other candidates will be expressing interest as we approach the fall term. All candidates will be thoroughly reviewed to see if we can find a fit for the District.

We had another incident of vandalism. A meter on a hydrant in the Saunders Meadow area was stolen, even though the meter was chained and locked. A report on the incident has been filed with the Sheriff's office. There was discussion regarding installing a chain around the circumference of the meter or encasing the meter in a case. It was the consensus that it may have been stolen for the brass content. Steve Moulton asked if any water was stolen. Tom said we don't know. Tom met with a representative of the U.S. Forest Service to review our plans for repair and maintenance of our sewer effluent line. They walked the site to determine if there are any environmentally sensitive areas. Their experts in biology and botany will be reviewing our plans and schedule, and will provide us with appropriate guidelines to minimize environmental impacts. However, they have provided us with an ability to proceed with our project, provided we keep them informed. Fortunately, most of the line repair will be within the access road to the ponds which means minimal environmental disturbance. We have also begun meeting with pipeline contractors to familiarize them with our sewer effluent line project.

In a second meeting with the Forest Service, we reviewed our proposed plans for a security fence that will surround the Goldenrod Tank. Our excavation for the tank abuts Forest Service land. We had a property survey conducted to mark the exact boundaries to see if we can place the proposed security fencing on our land. Tom said it appears the Forest Service stake may be in the wrong location and we may not have to worry about being on their land.

We received a draft audit report and financial statement from our auditors (RAMS). We would like to schedule a meeting of the finance committee to review the preliminary audit findings. This will be scheduled before the next regular Board meeting.

IWD Board Meeting, WIP, September 10, 2014, cont.

We are putting a bidding system in place for the District for larger projects that will assure that we stay consistent with State and Federal laws, get competitive pricing, and follow procedures that are required of public agencies.

We have instituted monthly safety meetings to review conditions at the workplace and at work sites. Staff will now be wearing reflective vests and helmets when working in the public right-of-way.

The District’s application for water recycling is still being considered by the Water Resources Board. We have heard that funding for their program has been fully expended for this fiscal year. However, they are retaining our application for consideration during the next funding cycle, which begins in October.

Tom, Vice President Cook and Herb Bergstrom inspected the area where the horizontal wells are. Seven out of ten samples have come back good. This could result in 14-20 extra gallons per minute in our system. Vice President Cook said this would represent 10% of our water production demand. Director Monroe said the road is degraded and will need repair. Director Lattin asked how much funding would be necessary for materials. Tom said we are taking it step by step. The piping and repairs should be a minor expense. There were questions regarding Well #10 and one near 1000 Trails property. Steve Kunkle said we used to get 20 gpm from it. We got power from PCWD to run it. Tom said we will eventually evaluate all the wells.

Board training is still required for all Board members to stay compliant with FPPC and JPIA requirements.

5. NEW BUSINESS – PUBLIC HEARING – RESOLUTION #694 – SEWER RATE ADJUSTMENT –

The Water District Board recently met in study session to review conditions at the sewer plant and the need for capital improvements. This data illustrated that the total sewer revenues, fees and tax assessments have not kept pace with sewer operational costs. The plant has been in operation for 44 years, and much of the infrastructure is original. In many cases, staff has made temporary repairs, however, certain components, such as the sewer effluent line that extends from the sewer plant to the settling ponds is disintegrating, severely compromised and must be replaced. Tom said Steve Kunkle has kept the plant functioning well.

Staff provided a list of needed improvements, their projected cost, and a 5 year capital improvement plan to address deteriorated facilities and equipment. The replacement of the sewer effluent line is the highest priority. The line is in very poor shape and has degraded to the point of posing a significant liability risk. Although the District has submitted for State and Federal grant consideration to help offset certain capital costs, to-date funding has not been made available. In evaluating the total sewer revenues, staff has recommended adjustments to rates to assure costs can be recovered for both operations and capital needs. The Board tentatively approved staff’s recommendation regarding the proposed increase and set the matter for a Public Hearing. This proposed rate increase would affect all sewer E.D.U. rates, including commercial property, by 50%, and produce an additional \$180,000 in annual revenue to address operational cost shortfall and capital cost need. This adjustment would be \$12.75 per E.D.U. a month. The new rate for a single family residence would be \$38.25. Tom showed a power point presentation showing the deterioration of the plant and financial data showing how operational costs are more than revenues. Hosny said we are working to achieve stability in rates. We need \$500,000 immediately to repair the effluent line and this will come out of reserves. Tom said our use of reserves should stabilize in seven to eight years. Steve Moulton asked how much IWD has in reserves. Hosny said about \$3,000,000. Steve asked when the water rate will go up. Hosny said the usage adjustment went into effect Sept. 1st and will be on the October billing. Following further discussion, Director Monroe made a MOTION to adopt Resolution #694, which was seconded by Vice President Cook and approved with the following vote.

AYES:

Jim Billman
Warren Monroe
Dean Lattin
Mike Freitas
John Cook

NAYS:

ABSENT:

ABSTAIN:

IWD Board Meeting, September 10, 2013, cont.

6. EMERGENCY PREPAREDNESS – The Board discussed needed changes to the Emergency Preparedness manual. Director Freitas said many changes needed to be made. Director Cook thanked Tom for bringing it forward. Tom said he is still working with IFPD to obtain emergency badges. Tom asked the Board to bring back their thoughts and changes to the manual.

CORRESPONDENCE: None

DIRECTOR’S COMMENTS: Director Monroe presented a video from his deck showing Strawberry Creek flows. He said it is too bad we don’t have retention basins to collect this water. Director Lattin said he will be attending a CSDA conference in November to obtain an administrative certification.

PUBLIC COMMENT: William Walker, an IWD customer, was concerned regarding a high water usage reading at his home. His bill was \$90 more than the previous month. He presented a letter to President Billman. He said he had a leak at a hose bibb in October of 2013 and had trouble reaching the office. He said again this time, during August, he also had trouble getting an answer to his call. He said he did not use the water this time. He and his partner have met with Tom. Field crew have field tested and calibrated his meter which recorded accurate usage. Tom said they will replace the meter tomorrow since the homeowner couldn’t see through the glass to get a reading.

ADJOURNMENT: Vice President Cook made a MOTION to adjourn the regular meeting which was seconded by Director Monroe. With a unanimous vote of all Directors present, the regular meeting was adjourned at 7:55 p.m.

IDYLLWILD WATER DISTRICT

BY:

KELLY CLARK - BOARD SECRETARY

APPROVED:
IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN – PRESIDENT