

MINUTES OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549

October 17, 2018 - 6:00 P.M.

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

ROLL CALL: Directors present: President Schelly, Vice President Szabadi, Director Kunkle, Director Hunt, and Director Gin. General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Jeannine Olsen were also present.

Public: 8

PUBLIC COMMENTS: Public concerned about questionable transactions that have occurred outside of the board's knowledge that affects Idyllwild. IWD's first priority should be health and safety.

1. **CONSENT CALENDAR:**

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. MINUTES – July 18, 2018
August 15, 2018

A MOTION was made by Vice President Szabadi for the Board Secretary to make clarification requested by Mr. Sirkin in the September 19th inappropriate minutes and Director Gin seconded.

AYES

NAYS

ABSTAIN

ABSENT

Dr. Schelly
Peter Szabadi
Steve Kunkle
David Hun
Les Gin

B. FINANCIAL REPORTS September 2018

1. Income statement for the Third month ending September 2018
2. District warrants for September 2018.

Check #	14988 – 15039	= \$	127,918.36
Gross Payroll		= \$	64,000.00
Federal/State PR taxes		= \$	2400.00

LAIF Transfers	= \$	0.00
Transfers/charges	= \$	285.00

C. OPERATIONS REPORT FOR THE THIRD MONTH – September 2018

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

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			
Peter Szabadi			
Steve Kunkle			
David Hunt			
Les Gin			

- 2. WATER QUALITY ISSUES** – Staff will update the Board of Directors regarding the public water quality notifications, discuss progress on remediation, and ask the Board of Directors to ratify their decision of August 15, 2018 regarding authorization for the General Manager to acquire mitigating equipment for the Disinfection Byproduct issue up to \$200,000.

G.M. Comments: Board has discussed other options, such as using chloramines as a disinfectant or relying more on the downtown wells, Hoagland again recommended installation of the GAC filter. Hoagland said he expects delivery of the equipment within nine to 11 weeks, by the end of December. Staff will construct a building around the tank we are working on the piping layout. Hoagland believes the Granulated Activated Carbon Filter is the most direct method to get rid of the problem.

Directors Comments: Director Hunt stated his view that this option was being implemented at considerably less than the estimate in the consultant’s report on the cost of the options. He also mentioned his previous recommendations for a \$50 rebate to customers who purchase a home filter and to extend the pipeline beyond the end of Lower Pine Crest. This would eliminate the problem of a dead-end pipe where the pollutants could collect and concentrate. President Schelly asked Hoagland to place the rebate on the agenda for November. Director Kunkle would like to know the estimated life of the filter. Hoagland replied somewhere between 8 months to two years. Vice President Szabadi questioned the number of wells that would be filtered; Hoagland replied that the filter filters all the production water at Foster Lake. Szabadi also would like to know what the improvement would be in the THMs. Hoagland would like to see the same sampling numbers as the city wells which are very low. President Schelly inquired about the installation whether we are changing the system or simply placing the filter. Hoagland replied the installation would be simple. Vice President Szabadi concluded that IWD has done a lot of study a lot of consideration coming to this alternative to solve the problem.

PUBLIC COMMENTS: Idyllwild resident Vic Sirkin would like to know if IWD is committed to purchasing the filter and would this filter address the byproducts that will occur in the storage. Hoagland replied that no, once the water is in the tanks it does not go through the carbon filter. Tom Paulek objected to approval of any action before the district completed an analysis of the solutions, pursuant to the California Environmental Quality Act.

A MOTION was made by Vice President Szabadi to ratify their decision of August 15, 2018 regarding authorization for the General Manager to acquire mitigating equipment for the Disinfection Byproduct

issue up to \$200,000. And Director Hunt Seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly Peter Szabadi Steve Kunkle David Hunt Les Gin			

- 3. IDYLLWILD COMMUNITY CENTER** – The Board of Directors will here an update on the interface between the Staff and the ICC project members and may discuss the issue.

G.M. Comments: Hoagland explained that Idyllwild Community Center approached him about a water line for fire suppression as their initial construction is beginning and expectation of the amphitheater is in the future. The ICC suggested connecting to a fire line in the Strawberry Plaza parking lot. However, that is privately owned. The District approached the owners about giving the line to IWD. Then a line can go down the hill, onto the ICC property and up to the Highway 243 areas. But he stressed to the board that there is no deal yet with ICC. However, the ICC participants felt they had permission to make the connection with the Strawberry Plaza pipeline since their plans had Hoagland’s sanction.

DIRECTORS COMMENTS: Kunkle and other directors are concerned about IWD providing this pipeline on private property and having responsibility for future maintenance. Kunkle’s point was that IWD brings a pipeline and connection to a parcel, then the owner is responsible for the pipeline across the private property so why is Idyllwild, not Fern Valley or Pine Cove Water Districts absorbing all the responsibility. Directors Hunt and Gin doesn’t want IWD to be responsible for the liability for pipeline. Vice President Szabadi recommends this be an item at the next general meeting whether we or we need the assistance of the other Districts who want to provide this benefit to ICC by assuming liability.

PUBLIC COMMENT: Feels that in the future the rate payers will be taking on the liability. Developers should pay what developers get.

- 4. CONSOLIDATION COMMITTEE** – The Board of Directors will hear a report from the Consolidation Committee and may take action to determine if and how to proceed.

Board Comment: Vice President Szabadi would like to continue the committee. Director Hunt again recommended the district dissolve the committee and allow a citizens’ group, such as the San Jacinto Watershed Watchdogs, to work the issue. “Everybody thinks we’re trying to take them over,” he said. The report from the Consolidation Committee was brief and decided its decision to revise the committee’s name, by deleting “consolidation” from the name. The new name will be, “The Committee to Improve Cooperation among the Water Districts of the Hill.

Public Comment: Two members of the public responded. Sue Nash of Idyllwild said, “We’re only doing the right thing for the water district and community. We are not responsible for other people’s actions. “And Marge Muir, a Pine Cove resident, added, “This is only for the betterment of the mountain. The board of realtors supports the idea.

A MOTION was made by Vice President Szabadi to change the name of the Consolidation Committee to “The Committee to Improve Cooperation among the Water Districts of the Hill”. And Director Gin seconded.

AYES NAYS ABSTAIN ABSENT

Dr. Schelly
Peter Szabadi
Steve Kunkle
David Hunt
Les Gin

5. **GENERAL MANAGER POSITION** – The Board of Directors will hear a report from the General Manager Recruitment Committee, including a report of the Special Meeting of September 26, 2018, a draft Job description, and a draft hiring process. The Board may take action related to any of the information presented or discussed.

Directors Comments: Director Kunkle and Director Hunt have met several times and have put together a job description along with a hiring process. Hunt explains that they have received about 40 resumes which 10 are qualified in water and field experience. To find a well-qualified candidate with both administrative and field experience will be rare and expensive. Director Hunt would like to have a good benefit package including housing. Director Hunt’s recommendations are to eliminate one of the water maintenance and a sewer maintenance position to create a new position called field supervisor which position already exists in Resolution 740. Director Hunt feels that by eliminating 2 positions, hiring a field supervisor to train employees to lay pipe would save the district a lot of money. Director Gin agrees with the hiring of a field supervisor and having the new hire to live locally. Vice President Szabadi feels that being a good field supervisor doesn’t mean you could learn to be an administrator. Vice President Szabadi’s consideration was to see if we could get a new General Manager that was the point. Director Kunkle would like on the AGENDA to freeze the hiring process unless the board approves first then when we get a new General Manager they would be able to evaluate and reorganize. Director Hunt and Kunkle feel that the job posting should direct interested parties to our website where a candidate can send a resume and cover letter to admin@idyllwildwater.com. President Schelly and Vice President Szabadi commend Directors Hunt and Kunkle for all the work they have done.

Director Kunkle would like the Job Description reworded to say “ability to operate water field equipment and some wastewater field equipment” in the Minimum Qualifications.

PUBLIC COMMENT: Members of the community would be interested in the hiring process.

A MOTION was made by Vice President Szabadi to approve the General Manager Job Description and Hiring Process AS IT IS after rewording the “Minimum Qualifications” and if approved by Legal Counsel and approved by the Board, community members may be appointed to the hiring Committee and Director Gin seconded. The vote was as follows,

AYES NAYS ABSTAIN ABSENT

Dr. Schelly
Peter Szabadi
Steve Kunkle
David Hunt

Les Gin

- 6. **HOLD A PUBLIC HEARING TO CONSIDER HAVING THE DISTRICT GO TO STAGE 1 UNDER ORDINANCE NO. 64** – The Board of Directors will hold a public hearing to take public comment regarding Ordinance No. 64 and may take action to move the District into Stage 1 of Ordinance No. 64.

The board unanimously agreed to enter a Stage 1 water emergency. In November, it will consider a new water shortage ordinance. General Manager Jack Hoagland did confirm that Proposition 218 notices of the meeting and rate implications were mailed. Under the current ordinance, IWD can issue only 10 new water service availability letters, totaling water and sewer usage for 10 equivalent dwelling units. Hoagland said existing service availability letters will be honored through the expiration date.

DIRECTORS COMMENTS: Vice President Szabadi states that traditionally when the lake is dry IWD would be at some stage. Given the fact that our rate system has changed our only possibility is to move into stage 1. Stage 2 under the old system would require a change in rates

G.M. COMMENTS: Hoagland explains that we can come out of stage 1 when Foster Lake is full.

PUBLIC COMMENT: Concerned about the number of meters given out in stage 1.

Chief Financial Officer, Hosny Shouman explains that the 10 service availability letter limit may be rescinded at the next meeting on November 21st.

A MOTION was made by Vice President Szabadi to close the Public Hearing and Director Gin seconded. The vote was as follows,

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			
Peter Szabadi			
Steve Kunkle			
David Hunt			
Les Gin			

A MOTION was made by Vice President Szabadi to advance to Stage 1 Water Restrictions under Ordinance #64 and Director Hunt seconded. The vote was as follows,

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly			
Peter Szabadi			
Steve Kunkle			
David Hunt			
Les Gin			

- 7. **OAKWOOD WATERLINE PROJECT UPDATE**– the Board of Directors will hear a staff update/history of the project.

GM COMMENTS: IWD acquired the well several years ago. It was not until last August that we were able to obtain the state permits to begin using the well. However, questions arose about the adequacy of the pipeline from the well to the mainline under Pine Crest Avenue. Hoagland then scheduled the Oakwood pipeline replacement for fiscal year 2019-20. This was part of the capital improvement plan presented to the Board in December 2017 and again in March 2018. The approximate cost of the meters is \$66,000. Stewart installed the pipeline for about \$84,000. In addition, he will be responsible for monthly water fees of \$635, although he does not plan to develop the parcels for several years. These fees will generate about \$45,000 for the district. Consequently, Hoagland said he approved a project, which had a benefit to cost ratio of 1.89. In his report to the board, Hoagland wrote, "Well-established policies and practices throughout the Water [sic] industry make landowner driven projects very common." He then quoted two sections from the District's "Water Rules and Regulations," and 5.3.07 reads, "DISTRICT may, at its sole discretion, accept facilities in lieu of a facilities connection fee. For purposes of this section, 'Facilities' means public water facilities infrastructure required, or anticipated to be required, to properly support development within Idyllwild area ..."

DIRECTORS COMMENTS: Vice President Szabadi, felt the agreement should have been presented to the Board before approval. The work was done during August and September. Szabadi felt especially frustrated because he had requested a special meeting to discuss the project in late August, but it was never scheduled. "It was a bad deal. Fundamentally no wrong doing, but terrible judgment," he stated. "We rushed to a deal without understanding the benefits." Szabadi told his colleagues, that "DISTRICT" is not defined. While the section says the "DISTRICT" has authority to enter into these types of agreements, This ambiguity is why he felt Hoagland should have brought the proposal to the board for approval before the developer began the work, which is now finished. Does it mean the general manager or the board? I do not appreciate Jack's approach on this subject and his disregard for the concerns of at least a certain number of board members," Szabadi said. "... Mr. Hoagland should have had the sense to bring the issue to the board so we could consider the pluses and minuses. I'm upset." "He recommended revising the rules and regulations to clarify the general manager's authority and suggested that disciplinary action might be considered. Director David Hunt supported Hoagland saying, "I think, personally, the water district benefited." However, colleague Steven Kunkle disagreed. He pointed to the Rules and Regulations, stating that only one meter was allowed per parcel and this project violated the district's rules. He also expressed his dismay that the board was not involved in the decision.

PUBLIC COMMENT: Members of the Watchdogs were concerned about the effect of the possible development of the parcels with the subsequent population growth on IWD water and sewer resources. They opined that IWD should not be adding more demand to the waste treatment plant, and the district should recognize its water condition and not permit new demand on its tenuous water supply. Speaking for the Watchdogs, Vic Sirkin, Idyllwild resident, argued that there were other alternatives for connecting the well to the system without giving away the meters.

8. CONSIDER A LABOR AGREEMENT FOR THE CONSTRUCTION OF THE LILY

CREEK/FOSTER LAKE FLOW MEASURING STRUCTURE – The Board of Directors will consider an agreement with GNW Construction to provide the labor to form, place reinforcing bars and pour and finish the concrete for the Lily Creek/Foster Lake flow metering structure.

GM COMMENT: As a requirement for diversion and storage of water from Lily Creek that goes into Foster Lake we are required to have the ability to measure the amount of water that goes into the lake. While we can do that from the water we divert from Strawberry Creek through our diversion facility we don't have a measuring facility for water that flows down Lily Creek. We are limited to only storing 40 acre feet a year of Lily Creek flow. The State Water Recourse Control Board and The State of California Legislator passed rules that require a measurement structure for us to have for Foster Lake. IWD was supposed to have it in place January of this year. Last year we engaged Krieger and Stewart to design a measuring structure but unfortunately the weather got bad before we were able to start construction. We have cleared the area and are ready to get started but further review of the plans the concrete structure itself the reinforcing required our staff feels it's beyond their expertise. This is a complicated reinforced design to the structure that IWD needs. We have spent 3 months trying to get proposals to do just the forming. This is a labor only agreement. We will order and pay for the materials locally and also assist with what we can in terms of any excavation but we do want a professional with a lot of experience to lay out the structure and form it up for us. Staff feels comfortable with placing the rock and a lot of the other components of this project. Only GNW would give IWD a proposal. We are going to try to give as much support labor as we can. We would like an approval so we can start on Monday.

DIRECTORS COMMENTS: Director Kunkle sees there are conflicting numbers with GNW'S contract and what you want the board to vote on. The cost is not to exceed \$27,000.00 however their contract doesn't say not to exceed \$27,000. So I don't know how I can vote on this item if I don't have guarantee that it will not exceed the \$27,000. Director Gin feels there is no cap that states GNW won't go over \$27,000. Vice President Szabadi recalls Jack saying we could do this project with staff; so is this part of reluctance on part of our supervisor to do certain jobs or is there really no capacity. As an alternative we need to hire a GM who can teach staff how to do the work. Hoagland explains we are past the deadline and our saving grace is that there has been no flow. Szabadi is not pleased with this. President Schelly states we have already spent \$32,000.00 on the engineering to get on how to get this job done and so that's why our staff doesn't feel comfortable doing the job because it's very specific. So far as making it qualify as a measuring device requires some expertise that they are not comfortable with. Hoagland explains it's complicated.

PUBLIC COMMENT: Table the item until IWD can get a new GM. Some concerned about the lack of bids on the project.

A MOTION was made by Director Kunkle to approve the contract with GNW not to exceed \$27,000.00. and Director Gin seconded, The vote was as follows

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly Steve Kunkle Les Gin	Peter Szabadi	David Hunt	

9. REVIEW OF WATER SERVICE RULES AND REGULATIONS, PURCHASING POLICY AND BOARD INVOLVEMENT IN THE PERSONNEL HIRING PROCESS –

The Board of Directors will review these policies and may take action to direct staff to bring back changes in the policies.

GM COMMENTS: The final issue was a review of the district regulations regarding these issues and the general manager's authority. However, because they were going to make revisions, the board agreed to wait until the next meeting so the agenda could specifically state which rules and what actions would be considered.

DIRECTORS COMMENTS: Vice President Szabadi would like any project like Oakwood or ICC be brought to the boards attention so there is no confusion with the GM that any action should have the board's approval. Director Hunt believes it is a good idea for the board to be part of the hiring process for employees. Director Kunkle would like to freeze the hiring process till IWD can get a new General Manger. Director Gin is in agreement with Szabadi that any action taken by the GM should be approved by the board. Vice President Szabadi would like any agreements with regard to 5.3 07, 5.3 08 or 5.3 09 in IWD Rules and Regulations must require approval of the Board and that the General Manager should make any effort to include the Board in negotiating such agreement. President Schelly states The Board can't get specific enough. **Director Kunkle would like a special meeting next Wednesday to Evaluate the General Manager.**

CFO, Hosny Shouman states that IWD cannot change the Water or Sewer Policy without a Public Hearing. With a new Resolution you can change or edit the Rules and Regulations.

PUBLIC COMMENT: Public member agrees with the Board that we should come back on this item and IWD should contact legal counsel to make any changes.

DIRECTORS COMMENTS: Vice President Szabadi would like to review policies and may take action to direct Staff to bring back specific changes. Kunkle would like a report on how many lots IWD has in the District. President Schelly would like an item on the next AGENDA regarding an employee stipend.

ADJOURNMENT: A MOTION was made by Director Hunt to adjourn the meeting and Director Gin seconded, The vote was as follows:

AYES

NAYS

ABSTAIN

ABSENT

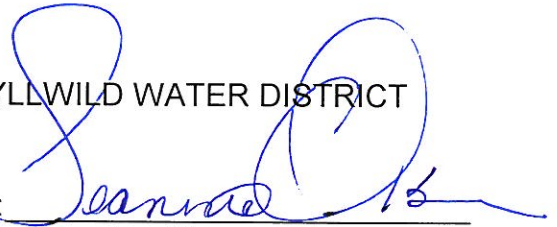
Dr. Schelly
Peter Szabadi
Steve Kunkle
David Hunt
Les Gin

President Schelly adjourned the meeting at 10:40 p.m.

IDYLLWILD WATER DISTRICT

BY: 
DR. CHARLES SCHELLY-
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: 
Jeannine Olsen-
BOARD SECRETARY