

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 April 20, 2016.

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, Mike Freitas, June Rockwell and Steve Kunkle. Also present was General Manager, Tom Lynch, Finance Officer, Hosny Shouman, and Board Secretary, Lauren Bland.

General public present: (- 3 -)

PUBLIC COMMENT: A member of the audience recently exchanged communication with staff regarding the transfer of water meters between lots at the customer’s expense; the member of the audience requested further clarification on subjects mentioned in the letter staff wrote and provided staff with a written response.

CONSENT CALENDAR:

MINUTES – March 16, 2016 (Moved as a separate MOTION)

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE NINTH MONTH ENDING MARCH 31, 2016

DISTRICT WARRANTS FOR MARCH–

| | | | |
|---------------------|------|-----------|----------------|
| CHECK #13452-13494 | = \$ | 78,704.89 | OPERATING |
| PAYROLL | = \$ | 40,696.60 | PAYROLL |
| FEDERAL/STATE TAXES | = \$ | 7,060.44 | TAXES |
| LAIF TRANSFERS | = \$ | -0- | LAIF TRANSFERS |
| TRANSFERS/CHARGES | = \$ | 73.64 | |

OPERATIONS REPORT AND GRAPHS FOR THE NINTH MONTH ENDING MARCH 31, 2016.

No mainline leaks were reported in March. Foster Lake was still dry at the end of March.

IWD did not divert water during March. There was 2.11” of precipitation in March and there has been 22.47” of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 35’ below ground level, and the downtown wells are currently at 12’. Production for March was 675,440 cubic feet. March unaccounted for water was 2.00% of water production. Fiscal year to date unaccounted for water average is 1.12% of water production. Various questions arose on the warrants for the months of March but were explained in-depth by staff. Director Kunkle requested further explanation of the chase credit card expenses in the future and also requested that the GM Report include the previous year’s water production. Director Rockwell requested that staff provide information on wells working part-time and full-time. An audience member questioned why the production decreased and the sewer flow increased; Vice President Cook and staff confirmed that we will keep an eye on it. Director Kunkle expressed that he felt the March minutes did not accurately represent his recollection of the meeting; Director Kunkle proposed that we implement his written addition. A MOTION was made by Vice President Cook to approve Item 2 and Item 3 as submitted, which was seconded by Director Kunkle. The motion was approved and duly carried with a unanimous vote of all Directors. Item 1 (March Minutes) was acted upon as a separate item. Director Kunkle made a MOTION to amend the March minutes to include the additions he presented, which was seconded by Director Rockwell and approved by the following vote:

| | | | |
|---------------|--------------|-----------------|----------------|
| AYES: | NAYS: | ABSTAIN: | ABSENT: |
| Jim Billman | John Cook | | |
| June Rockwell | | | |
| Mike Freitas | | | |
| Steven Kunkle | | | |

WATER AND WASTEWATER ISSUES – We remain at Stage II. The weather patterns this year have varied from rain followed by warm weather which hasn't helped us build and maintain a snow pack. Foster Lake is still empty. We have been storm ready and leaks have been managed.

Water consumption is down, probably as the result of continuing conservation. However, this will impact our water production and revenues.

The State will likely continue to develop long-term statewide standards for water consumption. Several pieces of new legislation are going through the State Assembly and Senate.

We are making progress on our well rehabilitation project. We have pulled equipment from Well #5, #8, #11, #12, #16, and #27. Although we were held up by weather, we will resume our video of all the wells, including one or two horizontal wells later this month.

SPi is assisting with the analysis of the recycled water project and will be producing a phasing strategy to suggest implementation in a cost effective fashion. We are reviewing routing options for recycled water lines. These plans will provide support for all the engineering companies who have expressed an interest in developing the plans and specifications for the project.

Filtronics has installed upgraded equipment at the treatment plant. The new equipment is operational. The SCADA interface will begin in a week. These system updates will save chemicals, water and electricity.

The County has received our invoice for the damage the road crew did to one of our fire hydrants on Cedar Glen. They have asked for some clarifications which we prepared and provided.

The District will undergo our annual hazmat inspection early next month. The inspector will be looking at our treatment rooms, storage of chemicals, chlorine, oil supplies, propane, welding equipment and safety signage.

Staff met with Babcock Laboratories to discuss ways to reduce or minimize costs for lab work. They mentioned their pricing is increasing, but will work to keep our District pricing under control. Director Kunkle mentioned that Babcock may pick-up samples at Mountain Center, but staff confirmed otherwise.

With the completion of the new concert hall at Idyllwild Arts, staff will conduct an audit of the new facility within the next week.

ENERGY CONSUMPTION UPDATE – The Energy Coalition has been working on our wastewater plant condition assessment and the development of potential measures. This will take into account our present conditions and the expansion we contemplate for water recycling. This will dovetail into our expansion planning for greater efficiencies in our energy consumption. Any equipment capital cost associated with equipment upgrades can be partially or completely reimbursed by S.C.E. and the Energy Coalition.

Staff is meeting with our solar contractor to look at options for an expansion of our solar production.

OTHER PROJECTS AND MATTERS – On tonight's agenda staff is requesting approval for a truck replacement. We are able to take advantage of buying through the State contract which will result in a large discounted price. We are evaluating other pieces of equipment and will be returning to the Board with recommendations in the near future.

We are upgrading our computer server. Our computers have been running slowly for billings, and we will be installing an upgraded server to correct the problem.

We have received tentative approval for our C.D.B.G. funding application for 3,000 feet of replacement water line. The amount was awarded by our Third District Supervisor, Chuck Washington. The awarded amount of \$155,000 is

slightly under the amount we originally requested. The County staff will assist our staff in completing the environmental assessment. This project will require matching funds from the District.

We are submitting an application for a Homeland Security grant to improve our security improvements throughout the District. Staff attended a training workshop for the application on Monday.

Jerry Johnson has returned from work after an extended absence for surgery.

We are actively recruiting for replacement personnel. In the interim, the California Rural Water Association has assigned qualified operators to fill in until we are able to find a replacement. These operators have made several suggested changes to improve our operations, and are also providing Pedro with advanced education in wastewater applications. Although we have made offers for employment to two candidates, they were rejected. One rejection was for salary, and the other for the benefit package.

Vice President Cook expressed appreciation for staff and their assistance in the acquisition of grant money. Director Rockwell questioned the District's salaries in comparison to other Districts and General Manager, Tom Lynch, confirmed that further information will be provided as the budget approaches.

ITEM #5) MONEY ORDER 2016-002- EQUIPMENT PURCHASE/VEHICLE REPLACEMENT

One of the District's older trucks, a 1995 4X4 Dodge, has over 126,000 miles on the odometer and has reached its usable life expectancy and is in need of replacement. Repair costs to maintain this truck are excessive, and are not reasonable to expend. Staff has provided detailed specifications for a replacement truck, and has received a bid of \$48,555.15 off of the California State contract. This truck will be diesel powered, fully equipped for field service, and it will also serve as a tow vehicle for other equipment. Staff confirmed that unit 8 is not a viable alternative to the proposed purchase because unit 8 is unsafe to drive and therefore a liability. CFO, Hosny Shouman, confirmed the District has adequate funds to purchase the replacement vehicle.

RECOMMENDATION: Staff recommends the purchase of the replacement vehicle in the amount of \$48,555.15, and authorization to surplus the 1995 Dodge. Director Freitas moved that we approve and proceed with the purchase of a replacement truck in the amount of \$48,555.15. The MOTION was seconded by Vice President Cook, which was approved and duly carried with a unanimous vote.

ITEM #6) EXIT INTERVIEW

The Board of Directors requested that a written exit interview be prepared and implemented when employees leave the organization. Staff prepared an exit interview utilizing a sample document prepared by JPIA. This document, when completed, will be placed in the employees permanent personnel file. Director Kunkle requested that the exit interview include the following question, "If the District could do anything to keep you what would it be?" Vice President Cook made a MOTION to approve the exit interview as amended, which was seconded by Director Rockwell and approved by a unanimous vote.

ITEM #7) REVIEW BOARD MEMBER COMPENSATION FOR DISTRICT SERVICE

At the March 16th board meeting Director Kunkle requested review of the board member stipend. Staff surveyed numerous Water Districts, and the County to determine their stipend amounts. Staff was not able to locate any districts that did not provide a stipend to its board members. Director Kunkle provided a short presentation on board stipends for other local Special District's using fiscal year 2014 data he had gathered. The Directors discussed the impacts to the District if the stipends were lowered or eliminated. Directors also discussed the reduction in District expenses that had been a result of the Board's hard work during District meetings.

A MOTION was made by Director Kunkle to revoke Ordinance 63 decreasing the board stipend from \$100.00 to \$0.00 and was seconded by Director Rockwell. The MOTION failed due to lack of majority in the following vote:

AYES:

Steven Kunkle
June Rockwell

NAYS:

John Cook
Mike Freitas
Jim Billman

ABSTAIN:

ABSENT:

ITEM #8) HOMELAND SECURITY GRANT APPLICATION

The District has been informed that Riverside County is preparing for the FY16 Homeland Security Grant. The remainder of the funding will be awarded through an application process from the OA's cities, tribes, county agencies and special districts. After funding the carryover projects, the County anticipates that it will have funds to expend throughout the OA, which must be dedicated to Law Enforcement Terrorism Prevention activities. Each City, tribe or Special District can submit up to 3 projects maximum, a combination of any discipline (fire, law, emergency management).

In reviewing the District's needs and priorities, staff recommends submitting two projects for consideration.

1. Security cameras, at various locations, critical to maintain protection of wells, tanks and other vital infrastructure.
2. Tollgate tank SCADA (supervisory control and data acquisition) system.

General Manager, Tom Lynch, requested to increase the proposed grant funding to the following:

1. Security cameras- \$8,000
2. Tollgate tank SCADA- \$12,000

With the Board approval, staff will submit the two applications for consideration by the May 2, 2016 deadline. Staff confirmed that the District applied for this grant last year, but was not awarded grant money. Director Rockwell questioned why the District was denied, General Manager, Tom Lynch, confirmed that police have higher ratings for this type of grant and last year the District submitted a grant for security fencing. CFO, Hosny Shouman, stated that the Board Secretary must be removed as a signer on Resolution No. 719 and the District Manager must be added as a signer. Vice President Cook made a MOTION to approve the submittal of the Homeland Security Grant Application with the updated proposed grant amounts and updated signers. The MOTION was seconded by Director Freitas and approved by a unanimous vote.

DIRECTORS COMMENTS:

Director Rockwell inquired about the District's response to a letter from Idyllwild Heating and General Manger, Tom Lynch, confirmed that staff is collecting further information.

Director Kunkle gave a synopsis of an email exchange between himself and the General Manager discussing Director Kunkle's request to attend the pre-agenda meeting with the Board President and the General Manger. Director Cook stated that he believes our current process of the Board President and the General Manager to meet is an excellent process that has been beneficial. A member of the audience suggested that if the District wants additional Board members to attend the pre-agenda meeting the District can form an Ad hoc or a standing committee.

PUBLIC COMMENTS:

A Member of the public questioned why an Idyllwild Water District customer is restricted from transferring a meter to another parcel owned by the same customer. This question was further discussed and President Billman commented that the item was not on the agenda and suggested discontinuing the conversation for the time being.

A member of the audience thanked the board for allowing her to comment throughout the meeting.

ADJOURNMENT:

Vice-President Cook made a MOTION to adjourn the regular meeting which was seconded by Director Kunkle. With a unanimous vote of all Directors, the regular meeting was adjourned at 8:10 p.m.

APPROVED:

IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: _____

JIM BILLMAN- PRESIDENT

BY: _____

- BOARD SECRETARY