

**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 June 11, 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: (- 1 -)

CONSENT CALENDAR:
MINUTES – May 21, 2014

FINANCIAL REPORTS –

**OPERATING STATEMENT FOR THE ELEVENTH MONTH ENDING MAY, 2014.
DISTRICT WARRANTS FOR MAY –**

CHECK #9616 - #9660	= \$	154,552.80	OPERATING
PAYROLL	= \$	34,268.77	PAYROLL
FEDERAL/STATE PR TAXES	= \$	17,173.43	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	97.93	

OPERATIONS REPORT AND GRAPHS FOR THE TENTH MONTH ENDING APRIL 30, 2014. No main line leaks were reported in May. Foster Lake was still dry at the end of May. IWD did not divert water during May. There was .35” precipitation and no flow at the Tahquitz Bridge during May. The static water levels at the Foster Lake Wells were 42.5’ below ground level and the downtown wells are currently 18’. Production is 172 gpm. May unaccounted for water was 4.2% of production and the yearly average is 6.97%. Tom said there will be minor changes to the Operations Report next month. Sewer flows will be shown. Tom is also constructing a map noting leaks and zones where leaks are occurring. President Billman asked if shut down valves could be installed at interties to isolate areas. Tom said yes. Some of our pipes are 40 years old. Discussion was held regarding IFPD water usage for their training. JP Crumrine asked how much they use. It averages 15,000 cubic feet a month. Tom has a call in to Chief Reitz regarding their usage. A MOTION was made by Vice President Cook and seconded by Director Freitas to approve the Consent Calendar. The Motion was approved and duly carried with a unanimous vote of all Directors present.

4. UNFINISHED BUSINESS –

WORK IN PROGRESS –

WATER AND WASTE WATER ISSUES – We are still in Stage II, but given our persistent dry conditions, we may be moving closer to Stage III. Foster Lake is dry. We are keeping a careful observation on all of our water well levels. Stage III would mean mandatory emergency restrictions impacting outdoor irrigation, filling pools, or pulling water from hydrants.

IWD Board Meeting, 6/11/14, cont.

We are asking for the continued cooperation from our customers to be frugal with their water use. Director Freitas asked when Stage 3 may occur. Tom said staff is checking well levels daily and keeping him informed. Tom said he would like to postpone Stage 3 as long as feasible. Staff is looking at the deterioration of some of our infrastructure. In the past three weeks we have held meetings with various consultants that have been helping us with an assessment of our solar system, energy consumption and pipe conditions. Our budget will be proposing several capital improvements we will need to address over the next few fiscal years.

SCE UPDATE – Staff has been working with SCE to undertake an energy efficiency audit of all the District's facilities. SCE personnel have been on site to measure the efficiency of the well pumps. They are about halfway through this evaluation. They will help us prepare protocols for running our pumps in an efficient way to maximize our energy use efficiency. This is especially important since SCE has informed us that their rates will be going up 10% this next fiscal year, and we want to look into finding ways to minimize our energy usage. SCE has a current program where they will provide monetary incentives to change out inefficient pumps and provide reimbursement for one-half of the cost for new efficient equipment.

TOLLGATE TANK UPDATE - The painting of the Tollgate Tank is now complete. The paint has cured adequately both inside and out. Staff has ordered the valves to complete the connection to our system, and the pipe and valves should be installed over the next three weeks. The valves will be about \$7,500. Dave Jones is installing the pipe for the tank. After the chlorination process is concluded the tank will be brought on-line. Our hope is to complete all the work by the end of the fiscal year. There are also two tanks that need repainting at the Lake.

RECORDS RETENTION POLICY- At the last Board meeting we circulated a draft records retention policy. We are still awaiting comments on the documents. Tom has gotten a couple of comments, but will need more input. Staff will compile and incorporate all comments and bring this back to the Board for adoption.

SAMPLE POLICIES- Staff also provided a compilation of draft Board policies. The proposed policies are general in nature. Please take some time to review the draft and note any comments. Staff will compile and incorporate all comments and bring this back to the Board for adoption.

OTHER PROJECTS & MATTERS- This year's proposed 2014 – 2015 FY budget includes a close look at critical capital improvements. There are a few projects for both the water and sewer systems that need prompt attention. The costs for the items are included in the budget document. Where, at all possible, larger projects will be proposed to occur incrementally to help avoid cost impacts occurring all at once.

We will be proposing a Public Hearing before the Board to discuss modifications for water and sewer rates to meet the needs for increased operational, maintenance and capital costs.

Staff is actively pursuing grant assistance. Our submittal for the water recycling with the State and our grant application for Homeland security through the County are both going through review. We will also be preparing a grant for the 2014 IRWM Drought Grant funded by Proposition 84.

The Consumer Confidence Report has been sent to customers. Tom has invited bids from two companies to evaluate our solar array and offer suggestions for upgrading. He is also acquiring bids to videotape the sewer lines.

Our website is currently being updated. It should be done by the end of the month.

Tom said paint on two tanks at the Lake are chipping. These tanks were painted in 2009/2010, and are fairly new, however the paint was a different formula, per AQMD, and doesn't last as long. Tom said the undercoatings were ok.

IWD Board Meeting, 6/11/14, cont.

5. **NEW BUSINESS – RATE INCREASE** - Staff recommended the 5-year automatic 6% rate increase be enacted for the fiscal year 2014/2015, which was approved by the public in 2009/2010, Resolutions #628-water and #629-sewer. Director Monroe made a **MOTION** to approve the automatic 6% rate increase as written, which was seconded by Vice-President Cook and approved with a unanimous vote. Mr. Lynch said he will be preparing a business plan.

6. **RESOLUTION #690 - 2014/2015 BUDGET** – The Finance Committee comprised of Director Lattin and Vice-President Cook, has reviewed the budget prepared by Chief Financial Officer, Hosny Shouman. He has worked very hard to reduce our costs. There is a \$36,000 annual savings with this budget. Hosny addressed the water and wastewater capital improvement projects and answered questions from the board members. Tom Lynch stated his concern regarding the aging sewer lines. Director Freitas asked if there were grants available to replace the sewer line. Tom said possibly. Tom said in time there will be environmental concerns regarding septic tanks. He is anticipating that regulatory agencies will be looking at them in the future. Tom also said we may look at new meters since ours are over 20 years old and slowing down. Director Freitas asked if efficiency tests could be performed on the meters. Tom said yes. He said the meters will be replaced incrementally. Director Monroe suggested that some projects could be deferred and be handled as multi-year projects. Director Monroe made a **MOTION** to adopt Resolution #690, the 2014, 2015 budget. Director Freitas seconded the Motion, which was approved with a unanimous vote.

7. **SET PUBLIC HEARING DATE** – Vice-President Cook made a **MOTION** to direct the District Manager to have a letter sent to customers alerting them to a Public Hearing on August 20th regarding the water rate. Director Lattin seconded the Motion, which was approved with a unanimous vote. There will also be a notice in the local newspaper and notices placed in three public places. This item will continue at a workshop which will be held on Wednesday, July 9th at 9:30 a.m.

CORRESPONDENCE: None

DIRECTOR’S COMMENTS: Director Monroe spoke about the ACWA/JPIA conference he attended. He had a handout for the board members regarding the conference. Mr. Lynch and the Board offered condolences to President Billman on the death of his mother and gave him a rose bush in memoriam.

PUBLIC COMMENT: None

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 7:45 p.m.

IDYLLWILD WATER DISTRICT

BY:

KELLY CLARK - BOARD SECRETARY

APPROVED:
IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN – PRESIDENT