

**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 August 20, 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: (- 5 -)

CONSENT CALENDAR:

MINUTES – July 16, 2014

FINANCIAL REPORTS –

OPERATING STATEMENT FOR THE FIRST MONTH ENDING JULY, 2014.

DISTRICT WARRANTS FOR JULY–

CHECK #9714 - #9758	= \$	111,886.25	OPERATING
PAYROLL	= \$	34,268.77	PAYROLL
FEDERAL/STATE PR TAXES	= \$	17,641.81	TAXES
LAIF TRANSFERS	= \$	-0-	LAIF TRANSFERS
TRANSFERS/CHARGES	= \$	75.53	

OPERATIONS REPORT AND GRAPHS FOR THE FIRST MONTH ENDING JULY 31, 2014. One mainline leak was reported in July. Foster Lake was still dry at the end of July. IWD did not divert water during July. There was .04 precipitation during July. The static water levels at the Foster Lake Wells were 45' below ground level and the downtown wells are currently 18'. Production for July was 1,300,590 cubic feet. July unaccounted for water was 3.75% of production. A MOTION was made by Director Monroe and seconded by Vice-President Cook 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 WASTE WATER 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. We remain concerned that we will see further drops in our wells. Foster Lake is dry, and the wells at the Lake remain critical to watch. We ask for continued cooperation from our customers to be 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. The primary environmental concern of the Forest Service is the one between the sewer plant and the upper drawing beds. We were able to assist the Fire Department with their testing by providing backwash water for their exercise as a substitute in order to preserve our potable water commodity.

SCE UPDATE – We have chosen Well #13 and #15 to test energy consumption/efficiency recommendations from SCE to measure the electricity use at each well.

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These wells have very similar characteristics, so we will operate one as we normally have and the other will be operated with different procedures as recommended by SCE. 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. There should be substantial savings on pumping costs.

TOLLGATE TANK UPDATE – The State Public Health Department inspected the tank on July 22nd. We have received all testing back on the tank, and the results are within acceptable levels. The tank has been filling slowly, at off-peak hours. It was 24' on August 17th and is filling at 3' per day. The ribbon cutting ceremony will be scheduled shortly.

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 received interest from, and have interviewed two potential candidates 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 helps 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 at minimal cost.

Tom met with a representative of the U.S. Forest Service to review our plans for repair and maintenance of our sewer effluent line. We walked to 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. Fortunately, most of the line repair will be within the access road to the ponds which means minimal environmental disturbance.

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 are having a surveyor mark the exact boundaries to see if we can place the proposed security fencing on our land, or whether it would intrude on Forest Service property.

Our annual audit is underway. The firm of RAMS was here August 8th, 11th and 12th to review our books and accounts. They will be back next week for some follow-up items. The auditors have been extremely thorough in their evaluation. We don't anticipate any significant findings. Tom thanked Hosny for his hard work getting the audit information together.

The California Special Districts Association (CSDA), Region 6 has elected Arlene Schafer, from Costa Mesa, to the Board of Directors. She has significant experience as an elected water official serving Costa Mesa and Newport Beach.

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. Tom said the system will be used for the effluent line.

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.

Board training is still required for all Board members to stay compliant with FPFC and JPIA requirements. Yesterday Tom and Vice President Cook surveyed and took samples of the horizontal wells. More details and further testing will be forthcoming. These wells are significant due to no pumping costs.

This month there was a leak on a service line. The line had to be disassembled and replaced entirely.

5. **NEW BUSINESS – PUBLIC HEARING – RESOLUTION #693 – USAGE ADJUSTMENT** – Staff has recommended reducing the first tier of 500 cubic feet of water that has had no charge to 250 cubic feet, effective September 1st. This would result in an additional charge to residential customers of \$13.27 if they use 500 cubic feet. A slideshow was presented, showing why this adjustment is necessary, including financials, our dry Lake and pictures of dead and dying trees due to the drought. Also shown were aged and deteriorating pipelines, infrastructure deteriorating, and aging vehicles. Also discussed were tanks that needed fencing and upgrades to the solar array at Foster Lake, including a new inverter. Director Monroe asked what the payback time would be for the inverter. Tom said about 3 years. Director Freitas asked if the security fencing was just around the tanks. Tom said yes, but the cost is high because foundations are also included. Tom gave an explanation of Resolution #693 as an incentive to conserve. Following the slideshow, President Billman opened the Public Hearing. Steve Holldber said he has been a customer since 1976 and this is the first meeting he has attended. He said he was opposed to the increase, but the charts were helpful. He explained that this last month he had had a high reading and has a problem with the touch reading system the District uses. Although the meter was sent to a laboratory and tested 99.7% accurate, he believes he got a false reading. Director Freitas asked what the pressure at Idyllwild Heating was. Director Monroe said the meter is tested at various pressures. Tom said we can test the pressure at Mr. Holldber’s business. Mr. Holldber said he didn’t use the water and no one had stolen the water. He said the aging meters, for the most part, read slow, an advantage to the customers. He thinks it’s time for the meters to be replaced. Director Monroe said that a meter replacement cost of \$70,000 is part of the upcoming budget. Steve Moulton, from Bubba’s Books, asked if property taxes were part of the revenue shown in the slideshow. Hosny said it was. He asked how many customers we have. Hosny said 1628 with 578 being on sewer. Shane Stewart from Idyllwild Realty asked what the District has done to scale back its expenses. President Billman said the 401a retirement plan for employees was discontinued in 2014. New employees will have a 457b plan with the District contributing half of the amount that had previously been given. Hosny said most dues and subscriptions have been discontinued. Tom said we have cut back on many items and paid off all bond debt last year. Director Monroe said we have no long term liability. Vice-President Cook said all benefit packages have been reviewed and cut where necessary. We are currently working with SCE to cut our electric pumping costs. SCE is evaluating our efficiency and we are pumping off peak now. He asked the audience to give us some ideas for change. Steve Holldber said changing to LED light bulbs has saved him \$100 per month. Shane asked if IWD seeks grants. President Billman said we are looking for grants all the time, but they are difficult to obtain. We have applied for, and submit for, grants for the recycled water project. They have rejected our application this year, but it is on the table for next year’s funding. We also recently applied for security grants for SCADA and security fencing, but were denied. Shane asked what the situation was for upgrading meters for remodels that require 1” meters for fire sprinklers. Tom said even though we are not issuing meters at this time, we are allowing 1” meters for remodels. Vice-President Cook wanted to wait to pass the Resolution following setting a 5-year business plan and a review of the Stage 3 conservation ordinance. Vice-President Cook was concerned regarding the increase in the second tier in Stage 3. Hosny said the second tier in Stage 3 could stay at .0533 as an option. Director Monroe said the structure change can take place when Stage 3 occurs. Following further discussion, Director Monroe made a MOTION to adopt Resolution #693, with modifications to Exhibit A when Stage 3 is declared, which was seconded by Director Freitas and approved with the following vote.

AYES:

Jim Billman
Warren Monroe
Dean Lattin
Mike Freitas

NAYS:

John Cook

ABSENT:

ABSTAIN:

IWD Board Meeting, 08/20/14, cont.

6. SET PUBLIC HEARING DATE – The Board set a Public Hearing date of September 10th to discuss a sewer rate adjustment. IWD is in the red \$60,000 every year with funds coming out of reserves. If we didn't get tax assessment monies we would be short for operations. This sewer rate should have been addressed much sooner since we are underfunded. A letter was sent to customers alerting them to the Public Hearing and also notices placed in the local newspaper and in three public places. Director Cook made a MOTION to set a Public Hearing date of September 10, 2014 to discuss a sewer rate adjustment, which was seconded by Director Monroe and approved with a unanimous vote.

CORRESPONDENCE: None

DIRECTOR'S COMMENTS:

PUBLIC COMMENT:

ADJOURNMENT: Director 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 8:05 p.m.

IDYLLWILD WATER DISTRICT

BY:

KELLY CLARK - BOARD SECRETARY

APPROVED:

IDYLLWILD WATER DISTRICT

BY: _____
JIM BILLMAN – PRESIDENT