

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

August 15, 2018 - 6:00 P.M.

CALL TO ORDER: PRESIDENT SCHELLY called the meeting to order at 6:00 p.m.

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

GENERAL PUBLIC: (19)

PRESIDENTS COMMENTS: Explained how the Agenda procedure works. We do have one change; Item # 3 will be moved to the last item.

PUBLIC COMMENTS:

Kate Sirkin was the spokesperson for, Watershed Watchdogs, and feels that all three districts need to work together to come up with a plan to save our water shed. And hopes that this collaboration will lead to a greater unity, and in the future we have an adequate supply of water that is affordable and potable. Marge Muir is disappointed that Pine Cove doesn't want to work together with the other districts. Roland Geabert appreciates Joe Reye's customer service when on a service call at his property. Mick Lynch feels we are in a water crisis, whether it's from drought or fires. Mick would like a three way meeting with the other water districts.

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 – June 20, 2018 Regular Meeting Minutes
July 18, 2018 Regular Meeting Minutes
July 16, 2018 Consolidation Committee Meeting Minutes

B. FINANCIAL REPORTS July 2018

1. Income statement for the Twelfth month ending June 2018
2. District warrants for June 2018.

Check # 14888 – 14946	= \$ 176,477.04
Gross Payroll	= \$ 57,866.00
Federal/State PR taxes	= \$ 12,980.00
LAIIF Transfers	= \$ 0.00
Transfers/charges	= \$ 0.00

C. OPERATIONS REPORT FOR THE FIRST MONTH – July 2018

Vice President Szabadi questioned check # 14892 for \$3750.00 for a real estate appraisal. GM explains: District had an appraisal to try to acquire the two easements on Oakwood up to Jameson. President Schelly assures the board the appraisal was not unreasonable. GM explains to Vice President Szabadi that he has to go by the appraised value, by the state. IWD will not acquire the properties, which would have been an enhancement to the district. Vice President Szabadi would like to know how much has been spent on the down town pipeline project, are we near the end. GM states we are near the end and the amount is between \$55,000 and \$60,000 dollars. Also check# 14925 for Lee Arnson, who surveyed the easement in the middle of Strawberry Plaza for the community center pipeline, had ideas of tying in to supply water to the new community center development.

A MOTION was made by Vice President Szabadi to approve the Consent Calendar and Director Hunt 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 make a presentation to the Board of Directors regarding the recent public water quality notifications and discuss and update the Board on the options being investigated by staff for remediation.

GM Comment: Jack Hoagland presented two major alternatives to the board. The installation of a GAC filter or the district could modify its disinfection process. This alternative would use ammonia compounds to reduce the level of chlorine in the water, but ammonia can produce its own set of byproducts. WQTS's estimate was a wide range, between \$700,000 and \$1.5 million. Hoagland is confident the staff can install the equipment. He estimated the total cost, if staff did the work, would likely be between \$300,000 and \$400,000 depending upon materials.

PUBLIC COMMENT: Several individuals and board members suggested that the DBP high levels may be concentrated in the lower Pine Crest area because the pipeline dead-ends there. In the past, IWD was known to have flushed this pipeline more frequently and the DBP levels never exceeded the maximum contaminant levels. Dwight "Buzz" Holmes was a strong advocate for greater use of this step until the GAC filter is installed. He also recommended the district investigate whether this pipe could be connected to another, thus forming a loop, which creates consistent water flow rather than stagnating. Hoagland replied that the volume of the Idyllwild Arts use limits the amount of time the water sits. He added that he has studied the possibility of extending the pipeline at the end of Pine Crest.

BOARD DISCUSSION: The board unanimously agreed to pursue the GAC filter option. Most of the discussion among the directors concerned the cost of the project. Director's Kunkle, Gin and Hunt urged more flushing of the pipeline in the Pine Crest area. Szabadi, Kunkle and Gin also are supporters for exploring and drilling more wells to relieve the dependency on the Foster Lake wells where the organic material has accumulated. All the board members were in favor of some sort of subsidy for customers who need water filters until the DBP concentrations are reduced to acceptable levels. President Schelly agrees the longer the water sits in the system the higher the levels of contaminants, so flushing is a great idea.

A MOTION was made by Director Hunt approve the expenditure up to \$150,000.00 for the Carbon Filter, not for installation.

MOTION DIES FOR A LACK OF SECOND.

A MOTION was made by Director Szabadi set a limit up to \$200,000. to resolve the issue and for GM to report his progress back to the Board, Director Kunkle 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 Director Hunt set a limit of \$50.00 REBATE in the form of a credit per customer for the purchase of a water filter.

MOTION DIES FOR A LACK OF SECOND

Board directs the GM and Staff to research this further and bring it back at one of IWD'S next meetings.

3. CONSOLIDATION COMMITTEE – The Board of Directors will hear a report from the Consolidation Committee and determine if and how to proceed.

PUBLIC COMMENT: Marge Muir feels good information needs to go out to the public and find ways to work together. Trudy Levy supports the committee's name change and will continue to reach out and educate the people.

DIRECTORS COMMENTS: Director Szabadi finds there is resistance from Pine Cove Water since Fern Valley Water District hasn't taken any position. The committee was only to discuss consolidation. President Schelly would like to see alliances built and thanks Vice-President Szabadi and looks forward to the next report. Director Hunt feels it is a mistake to have this committee its causing tension between IWD and PCWD and that the Watchdogs should be the one to get the community together and then come to the districts with their ideas.

4. GENERAL MANAGER POSITION – The Board of Directors will consider and provide direction related to the General Manager Position.

DIRECTORS COMMENTS: Director Kunkle feels it's time to solicit for a permanent full time General Manger so we are ready by the end of the year. Kunkle would like to hire someone who lives up here with the people they serve. Kunkle would like to form a committee for the hire of a GM, which he would like to be on. Szabadi feels the GM needs to be more involved with the staff. The board needs to look at all the possibilities There all a lot of considerations. Director Hunt sees that the community wants a fulltime GM and someone who live on the hill, he would like to see that also. Director Hunt would also like to be on the committee.

PUBLIC COMMENTS: Members of the public would like to have a General Manger who resides in Idyllwild and works full time.

President Schelly appoints Director Kunkle and Director Hunt to form the General Manager Recruitment Committee and report back.

5. **WATER SUPPLY STATUS** – Staff will update the Board of Directors at the meeting on the current water supply status and seek direction relative to Ordinance No. 64 options.

GM COMMENTS: The horizontal_wells have been on line for a month producing 8.5 gallons a minute IWD and is working to get wells 8, 9 and 11 online at 40-45 gallons a minute so we now have the backbone where we can transport the water and keep it clean. IWD is in the process of getting the Oakwood well running, there will be more to report when we talk about the Water Shortage Contingency Plan. We are currently in stage zero based on this information.

DIRECTORS COMMENTS: Director Kunkle objects to restricting water meters unless it's for commercial or a large meter. Steve feels if someone wants to build a house they should be able to. Vice President Szabadi would like to go into stage 1 and would that on the next AGENDA to decide.

A MOTION was made by Vice President Szabadi to set up a public hearing to move to Stage 1 under Ordinance 64 and Director Gin seconded. The vote was as follows:

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

6. **WATER SHORTAGE CONTINGENCY PLAN AND DROUGHT RATES** – The Board of Directors will consider the draft Water Shortage Contingency Plan and proposed Drought Rates and may set a hearing date to consider adoption of the WSC Plan.

DIRECTORS COMMENTS: Vice President Szabadi explains the WSCP provides for different rates for different stages the general principal is if you reduce your usage in accordance of which IWD desires than you are going to pay more for your water.

Public Comment: Customers would like to know in advance when the rates will change. There is a need to balance the needs of the customers.

GM COMMENTS: Going from stage 1 to stage 2 was designed to moderate so that we wouldn't be unnecessarily asking customers to reduce their usage unless we are really cutting in to our supply. So as long as we are using less than 55% of our supply for less than 4 months we wouldn't go to stage 2.

Vice President Szabadi made a motion to submit to the Board the New Water Shortage Contingency Plan

and Drought Rates, be set for Public Hearing and Director Hunt seconded. The vote was as follows:

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

7. STAND-BY GENERATOR FOR FOSTER LAKE SHOP – The Board of Directors will consider authorizing purchase of a permanent stand-by generator for the Foster Lake Shop.

GM COMMENTS: Staff proposes the purchase of a 25kW propane powered generator to provide emergency power the shop facility so that the portable generator can be used for its intended purpose. IWD would like to go with Yale and Chase who is our generator provider. Staff will solicit more quotes.

DIRECTORS COMMENTS: Director Hunt is in agreement to purchase a stand-by generator. Director Kunkle researched different types of generators and feels the price is too much and why do we need Yale and Chase to maintain when our staff can do that under normal operations. Director Kunkle would like another quote until we make a decision. Vice President Szabadi would like more bids to get the generator at the best price.

A MOTION was made by Vice President Szabadi to authorize Jack to purchase the Stand-By Generator for Foster Lake Shop for not more than \$16,000.00 with instructions he would make every effort to find the best price possible and get additional bids and Director Hunt seconded. The vote was as follows:

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

GM COMMENTS: We have been working closely with the community center project, to have the best effective, efficient long term solution to their water supply. IWD is working to acquire the line in Strawberry Plaza which will be a good thing for the community. We are working with a developer on Oakwood to replace that line were we could tie in the Oakwood well with that line. The inundation study has been sent to the state. We are behind on the pipeline project. IWD is looking into consideration of the owners of the home that we destroyed in the Cranston Fire. Idyllwild Arts bill was adjusted for water consumption due to Cranston Fire.

ADJOURNMENT:

A MOTION was made by Director Gin to adjourn the meeting and Director Szabadi seconded. The vote was as follows:

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

applicants. The district could buy a property and lease it to the general manager and it would be a good investment for the district. Trudy Levy encouraged the board to find a general manager who will be more responsive to the whole community. She also urged the board to include a community member on the hiring committee.

The concern over salary and benefits should be considered, agreed Vic Sirkin.

However, if one or two new managers can find ways to reduce IWD's costs for pipelines and wastewater treatment, the savings may be much greater than the salary and benefits package. He encouraged the board to be open-minded when it started the recruitment process and not eliminate options before evaluating possible alternatives.

DIRECTORS COMMENTS:

President Schelly noted that the contract with Hoagland expires Dec. 31. "I don't want to hurry the process, but my concern would be to be without a general manager. To do something before the first of the year would alleviate my anxiety."

The committee was asked to bring a completed job description and recruitment plan to the Regular Board Meeting on October 17, 2018.

ADJOURNMENT:

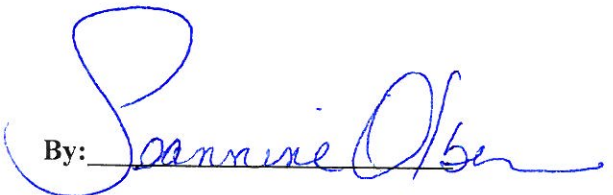
President Schelly adjourned the meeting at 7:31 p.m.

IDYLLWILD WATER DISTRICT

By: 

Dr. Charles Schelly, Board President

IDYLLWILD WATER DISTRICT

By: 

Jeannine Olsen, Board Secretary