

**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 21, 2017, in the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

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

**ROLL CALL:**

Directors present: President Charles Schelly, Vice President Vic Sirkin, Geoffrey Caine, Steve Kunkle and Peter Szabadi. Interim General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Erica Gonzales were also present.

General public present: (-9-)

**PUBLIC COMMENT:** Although Public Comments were made, they were not noted in detail due to a failure of the recording device 7 minutes and 35 seconds into the meeting.

**TOM PAULEK-** Concerned about transparency. Concerned about Idyllwild Water District having regulations for implementing CEQA.

**STEVE MOULTON** – Concerned about reserves and interest on those reserves. Would like Idyllwild Water District to look into seeking out high interest Cash Deposits.

**JEFF SMITH** – Concerned about Board members mis-reporting on Form 700. Concerned about rate structure and fairness. Believes Commercial is receiving a discounted rate. Concerned about the legality of the new rate structure.

**MARGE MUIR** – Concerned about the different base rates for the different sized meters. Would like them all to be equal. This could help for consolidation of the Water Districts on the hill in future. Also, would like the Water District to stop the use of 5/8” meters and use a minimum of 3/4” meters.

**HENRY NEGRETE** – Concerned by Tier structure of the current rate and the calculations on his bill concerning the pre-paid water. Feels Idyllwild Water District is too expensive.

**SUE NASH** – Concerned about why Director Kunkle recused himself during discussion about the Budget at the June 14, 2017 meeting.

**JACK HOAGLAND** – Director Kunkle has a financial stake in the proposed increase in the medical benefits for Idyllwild Water District employees because he is a retiree that receives this benefit.

**ITEM #1- CONSENT CALENDAR:**

**MINUTES** – May 24, 2017  
June 05, 2017

**FINANCIAL REPORTS MAY 2017**

- A. Income statement for the Eleventh month ending May 2017
- B. District warrants for May 2017.
  - Check # 14120 - 14169 = \$ 132,634.35
  - Gross Payroll = \$ 56,023.11
  - Federal/State PR taxes = \$ 18,780.02
  - LAIF Transfers = \$ 0.00
  - Transfers/charges = \$ 59.31

**OPERATIONS REPORT AND GRAPHS FOR THE ELEVENTH MONTH ENDING MAY, 2017.**

No mainline leaks were reported in May. Foster Lake’s level was full at 18 feet at the end of May. There was 0.0” of precipitation in May and there has been 27.76” of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 0’ below ground level, and the downtown well #23 is currently pumping at 210’ and the downtown well #24 is static at 23’ below ground level respectively. Production for May was 1,039,471 cubic feet. May’s unaccounted for water was 11.24% of water production. Fiscal year to date unaccounted for water average is 4.91% of water production.

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

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Geoffrey Caine</b>			
<b>Peter Szabadi</b>			
<b>Steve Kunkle</b>			

**Charles Schelly  
Victor Sirkin**

**Consent Calendar approved.**

**ITEM 2 – RULES AND REGULATIONS RESOLUTION #740**

Recommendation: That the Idyllwild Water District Board of Directors consider adoption of the attached Resolution #740 establishing revised Rules and Regulations for Water Service.

Background: Rules and Regulations for Water Service (RRWS) were last revised in 1997.

New laws and evolving policies of the Board of Directors have created the need to revise the RRWS. The Board of Directors has had an opportunity to discuss the changes at several Board meetings and workshops all open to the public.

A summary of the significant changes to the 1997 document is as follows:

- Violations are not misdemeanors to facilitate rapid enactment through the Resolution process instead of the Ordinance process;
- The “Meter Equivalent Ratio” is now consistent with the American Water Works Association standards;
- The definition of the Uniform Plumbing Code now also includes any Fire Code requirements;
- New state regulatory mandates prohibiting irrigation within 48-hours of precipitation or the use of potable water for irrigation of ornamental turf on public street medians is added;
- The District restates its strict denial of any liability for any lapses in water service for any reason;

- The District restates the ultimate financial liability of property owners for costs incurred by their tenants;
- The Water Facilities Connection Fee is recalculated and apportioned to the various potential water meter sizes;
- Liability for water use and/or loss is restated as the property owner's financial responsibility but a provision is added to allow a once every four-year provision, at the customer's request, to reduce usage rates to the second lowest tier in the event of an extraordinary loss;
- Customers may no longer suspend their water service;
- Customers requiring a larger water meter will get credit for the size of their existing meter against the Water Facilities Connection Fee of the larger meter;
- Will serve letters will expire 18-months after issuance;
- Payment of water bills through the District's web portal is added as a payment method;
- The late charge application date is reduced to 25 days from 30 days; and
- The District will not determine the size of the water meter for sizes larger than 0.625-inches for the customer, but follow the determination of the appropriate regulatory authorities (County Building and Safety and Fire Departments).

A MOTION was made by Vice President Sirkin to approve the Resolution #740 with the edit on page 5 of the Rules and Regulations for Water Service that there be no requirement for building plans for meters 1" and under, and Director Caine seconded. The vote was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Victor Sirkin</b>			
<b>Geoffrey Caine</b>			
<b>Peter Szabadi</b>			
<b>Steve Kunkle</b>			
<b>Charles Schelly</b>			

**The Motion was approve.**

**ITEM 3 – GENERAL MANAGER TO DECLARE “NO STAGE” UNDER ORDINANCE 64 –**

Information: As a result of weather conditions this year, all of the conditions in Ordinance No. 64, Section 3 have been satisfied to move to “NO STAGE.”

Background: Section 3 of Ordinance No. 64 reads in part:

The General Manager may declare NO STAGE if: Foster Lake is full; Foster Lake Wells are above 50'; Downtown wells are above 15'; average rainfall/precipitation exceeds 26" and storage tanks recharge to 95% tank capacity.

These conditions have been met and NO STAGE was declared effective July 1, 2017.

**ITEM 4 – Public Hearing on Water and Sewer Standby Fees**

Recommendation: That the Idyllwild Water District Board of Directors hold a public hearing to receive public input relative to the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: At the April 19, 2017 Regular Board meeting the Idyllwild Water District Board of Directors set June 21, 2017 at 6:00 pm as the time for a public hearing relative to the continued imposition of standby fees on undeveloped parcels within the Water Service area and Improvement District No. 1 (Sewer Service Area).

**PUBLIC COMMENT:** None

**ITEM 5 – Resolutions #736 and #737 for Water and Sewer Standby Fees in FY 2017-18**

Recommendation: That the Idyllwild Water District Board of Directors consider adoption of Resolutions #736 and #737 for the imposition of water and sewer standby fees for undeveloped parcels within the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: In order to equitably allocate costs for benefits received by having water and/or sewer service available to vacant lots, Idyllwild Water District has for decades imposed a Standby Fee on unimproved lots within the Water Service area or Improvement District No.1 (Sewer Service area).

The fees are not proposed to change and will be collected on the unified property tax bill issued by Riverside County.

A MOTION was made by Vice President Sirkin to approve Resolution #736 and Director Szabadi seconded.

The vote to approve this item was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Victor Sirkin</b>			
<b>Peter Szabadi</b>			
<b>Geoffrey Caine</b>			
<b>Steve Kunkle</b>			
<b>Charles Schelly</b>			

**The Motion was approved.**

A MOTION was made by Vice President Sirkin to approve Resolution #737 and Director Szabadi seconded.

The vote to approve this item was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Victor Sirkin</b>			
<b>Peter Szabadi</b>			
<b>Geoffrey Caine</b>			
<b>Steve Kunkle</b>			
<b>Charles Schelly</b>			

The Motion was approved.

**ITEM 6 – Public Hearing on Water and Sewer Rates, Fees and Charges:**

Recommendation: That the Idyllwild Water District Board of Directors hold a public hearing to receive public input relative to the imposition of water and sewer rates, fees and charges to sustain the operation of the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

Background: At the April 19, 2017 Regular Board meeting the Idyllwild Water District Board of Directors set June 21, 2017 at 6:00 pm as the time for a public hearing relative to the revised rates, fees and charges for services provided within the Water Service area and Improvement District No. 1 (Sewer Service Area).

**DISCUSSION:**

**MARGE MUIR** – There should be the same base rate for all meter sizes.

**ITEM 7 – Adopt Resolution #738 Establishing Revised Water and Sewer Rates, Fees and Charges:**

Recommendation: That the Idyllwild Water District Board of Directors adopt Resolution #738 Establishing revised water and sewer rates, fees and charges to sustain the operation of the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area) in a fair and supportable manner.

Background: At the April 19, 2017 Regular Board meeting the Idyllwild Water District Board of Directors set June 21, 2017 at 6:00 pm as the time for a public hearing relative to the revised rates, fees and charges for services provided within the Water Service area and Improvement District No. 1 (Sewer Service Area).

This year, with the advent of different management, staff recommends changes in the water rate structure that will fairly allocate costs to the particular rate classes of the District (Resolution Attachments 1 & 2). The structure proposed complies with State constitutional requirements, American Water Works Association (AWWA) principals of developing water rates (i.e., industry standards and best practices) and with water industry norms in Southern California. The wastewater rate structure has no changes proposed for FY 2017-18. The updated Miscellaneous Fees reflect current costs (Resolution Attachment 3).

The proposed revised water rate structure does not significantly increase overall revenues but strives to allocate fairly charges to the various rate classes. The primary change for new accounts (new meters) is to rely on the land-use and building regulatory agencies of Riverside county to determine the appropriate size for the water meter at any new water meter location, based on the appropriate plumbing, building or fire code. The revised rates are intended to apply to the normal operating strategy of the District. Staff plan to present a Water Shortage Contingency Plan to the Board of Directors in the near future that would contain alternative rates for use as tools to generate additional water conservation during times the Board of Directors might declare the need for reduced water use by rate payers reflecting the higher costs associated with providing water in supply shortage situations. Those rates will be considered in the future in conjunction with the Water Shortage Contingency Plan.



Finally, Staff updated the Water meter connection fee to reflect the current costs associated with “buying-in” to the existing infrastructure and to reflect the different demands placed on the water system infrastructure by water meters of differing sizes, in keeping with the expected practices of the industry.

### All Meters

The base rate monthly fee for all meters is the same regardless of class (C&I or Residential) but changes with the size of meter based on the AWWA water meter size ratio (i.e., a 1-inch meter is 1.5 time as much as a 0.75-inch meter, etc.).

### Commercial and Institutional (C&I)

The rate structure modifications eliminate “pre-paid water” from C&I accounts and lowers the “base rate” for all commercial meter sizes. Since C&I users will pay for each unit of water used, this structure encourages efficient water use at every tier as these customers are typically “bottom line” oriented.

### Residential

Residential customers all received the same quantity of “pre-paid” water, 300 units per month (for which \$9 is added to the base meter rate) reflecting sanitary and hygienic domestic uses. Higher tiers reflect the District desire to discourage extensive exterior landscape irrigation and the higher cost of providing those additional supplies.

A MOTION was made by Director Szabadi to approve Resolution #738 and Vice President Sirkin seconded.

The vote to approve this item was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Peter Szabadi</b>		<b>Geoffrey Caine</b>	
<b>Victor Sirkin</b>			

**Steve Kunkle  
Charles Schelly**

**The Motion was approved.**

Director Kunkle recused himself due to a Conflict of Interest for Item #8.

**ITEM 8 – Consider Resolution #739 to Adopt a Budget for FY2017-18:**

**Recommendation:** That the Idyllwild Water District Board of Directors adopt the attached Resolution #739 and Budget for FY 2017-18 for the sustainable operation of the Idyllwild Water District (water service area) and Improvement District No. 1 (sewer service area).

**Background:** The attached budget has been presented to the Idyllwild Water District Board of Directors for consideration and discussion on several occasions, including public sessions for discussion. The Budget will provide for operation of the District in a sustainable manner for the upcoming Fiscal Year.

A MOTION was made by Vice President Sirkin to approve Resolution #739 and Director Caine seconded.

The vote to approve this item was as follows:

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Victor Sirkin Geoffrey Caine Charles Schelly Peter Szabadi</b>			<b>Steve Kunkle</b>

**The Motion was approved.**

**DIRECTOR'S COMMENT:**

**GENERAL MANAGER'S COMMENTS:**

**JACK HOAGLAND** – Will need to schedule a meeting with in the next 10 days for a couple of items that cannot wait until July 19, 2017. Pumps at WWTP and a new Operations Manager job description and salary.

**ADJOURNMENT:**

Director Caine made a MOTION to Adjourn the meeting and Vice President Sirkin seconded.

The vote to Adjourn was as follows:

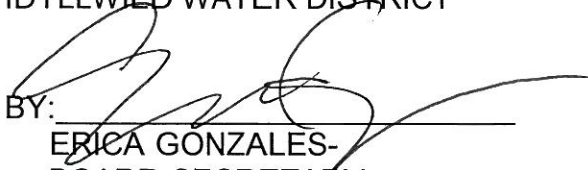
<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>Geoffrey Caine</b>			<b>Steve Kunkle</b>
<b>Charles Schelly</b>			
<b>Victor Sirkin</b>			
<b>Peter Szabadi</b>			

The meeting was Adjourned at 8:45 pm

IDYLLWILD WATER DISTRICT

BY:   
\_\_\_\_\_  
DR. CHARLES SCHELLY-  
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY:   
\_\_\_\_\_  
ERICA GONZALES-  
BOARD SECRETARY