

**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 March 21, 2018, 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 Peter Szabadi, Steve Kunkle and Catherine Dearing. General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Erica Gonzales were also present.

General public present: (8)

President Schelly asked for a moment of silence in honor of Director Caine.

PUBLIC COMMENT:

None.

ITEM 1- CONSIDER FILLING A VACANCY ON THE BOARD OF DIRECTORS:

Recommendation

Appoint a qualified candidate to fill the current vacancy on the Board of Directors.

Background

As a result of the resignation of Geoffrey Caine, the Idyllwild Water District Board of Directors has a vacancy.

State law provides the District with several options for filling the vacancies:

- The remaining Board members may appoint qualified applicants to the position;
- The Board can call a special election to fill the positions; or
- The Board can default to the Board of Supervisors of Riverside County to appoint a qualified applicant to the position.

The Board, at its February 21, 2018 Regular Meeting, chose to appoint a qualified candidate as the most expeditious and fiscally prudent option.

The appointed board member will be required to stand for election at the next regularly scheduled election in August 2020 if they desire to continue on the Board.

Four residents have submitted letters of interest for the vacant position:

David Hunt

Leslie Gin

Susan Nash

Maygen Sandrini

Each interested resident will have a 3-minute opportunity to address the Board of Directors at the meeting prior to the Board decision process.

DISCUSSION:

DAVID HUNT – Born and raised in Idyllwild. Would like to contribute to the community, believe his background in different fields of education would be an asset in decision making.

LESLIE GIN – Recently moved to Idyllwild from Arizona. Has served on a number of Boards in Arizona. Believes his background in finance would help to reduce costs.

SUSAN NASH – Is concerned about the Environment and CEQA. Concerned about how the District is going to address human induced climate change and how the District will be able to survive deeper and extended droughts. Also concerned about the legal fees regarding the Strawberry Creek water rights issue. Should be cooperating with other Water Districts.

MAYGEN SANDRINI – Was unable to attend, President Schelly read her statement of interest that was included in the Board Packet aloud.

DIRECTOR KUNKLE – Asked various questions regarding consolidation of the Districts, water rates, and community growth to all candidates.

A MOTION was made by Vice President Szabadi to appoint Leslie Gin and Director Kunkle seconded. The vote was as follows:

AYES

**Peter Szabadi
Steve Kunkle**

NAYS

Catherine Dearing

ABSTAIN

Charles Schelly

ABSENT

The motion failed.

A MOTION was made by Director Dearing to appoint David Hunt and the motion died for lack of a second.

VICE PRESIDENT SZABADI – Inquired what would happen if the Board failed to make a decision.

DIRECTOR DEARING – Inclined toward Mr. Hunt because he is an Idyllwild native and understands the idiosyncrasies of the community. Thinks Mr. Hunt would be a tremendous asset for this unique community.

VICE PRESIDENT SZABADI – Believes Mr. Gin would be more appropriate for the role due to his background in business and finance because we need someone on the Board that understand how large and small organizations are run.

A MOTION was made by Vice President Szabadi to appoint Leslie Gin and the motion died for lack of a second.

A MOTION was made by Director Kunkle to appoint David Hunt and Director Dearing seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Steve Kunkle			
Catherine Dearing			
Peter Szabadi			
Charles Schelly			

Motion approved.

David Hunt was sworn in by Board Secretary Erica Gonzales.

ITEM 2 - CONSENT CALENDAR:

MINUTES – February 21, 2018

FINANCIAL REPORTS FEBRUARY 2018

- A. Income statement for the Eighth month ending February 2018
- B. District warrants for February 2018.
 - Check # 14608 - 14655 = \$ 211,718.54
 - Gross Payroll = \$ 52,889.10
 - Federal/State PR taxes = \$ 16,681.56
 - LAIF Transfers = \$ 0.00
 - Transfers/charges = \$ 186.02

OPERATIONS REPORT AND GRAPHS FOR THE EIGHTH MONTH ENDING FEBRUARY 2018.

No mainline leaks were reported in February and there were no unmetered leaks. Foster Lake's level was at 3 feet at the end of February. There was 0.03" of precipitation in February and there has been 4.31" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 14' below ground level, the downtown well #23 is currently static at 10' and the downtown well #24 is static at 17' below ground level respectively. Production for February was 739,527 cubic feet. February's unaccounted for water was 4.90% of water production. Fiscal year to date unaccounted for water average is 6.51% of water production.

DISCUSSION:

DIRECTOR KUNKLE – Inquired about various warrants.

VICE PRESIDENT SZABADI – Inquired about the income statement. Also wanted the public comment in the Minutes for February 21, 2018 amended to say "Stated that he was sorry that Ms. Nash was upset because he laughed at a joke made by a member of the public." Rather than "apologized for laughing."

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

AYES	NAYS	ABSTAIN	ABSENT
Peter Szabadi			
Catherine Dearing			
David Hunt			
Steve Kunkle			
Charles Schelly			

Consent Calendar was approved.

ITEM 3 – CONSIDER VOTING FOR LAFCO SPECIAL DISTRICT REPRESENTATIVE

Recommendation

Authorize the President to vote in the election for a representative to the Local Agency Formation Commission (LAFCO) for the Special District-West seat.

Background

LAFCO is the agency that determines the boundaries and powers of agencies within the county. It also periodically reviews the operations and efficiencies of the agencies within the county through Municipal Service Reviews (MSR) every five-years. The MSR for water districts is just beginning and the process will take 9-12 months.

The seven member LAFCO governing board consists of two county supervisors, two representatives from cities (council members), two board members from special districts and a representative of the public. Special districts within the County have agreed to have one representative from the western portion of the County and one from the eastern (or desert) portion of the county. Information on the candidates is attached.

Staff recommends voting in the following order:

Phil Williams - 1

David Hoffman - 2

Angel Garcia – 3

DISCUSSION:

None.

A MOTION was made by Director Dearing to authorize President Schelly to vote in the election for a representative to the Local Agency Formation Commission (LAFCO) for the Special District-West seat and Vice President Szabadi seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Catherine Dearing			
Peter Szabadi			
David Hunt			
Steve Kunkle			
Charles Schelly			

Motion approved.

ITEM 4 – PUBLIC RECORDS ACT POLICY AND RESOLUTION NO. 743

Recommendation: That the Idyllwild Water District Board of Directors adopt Resolution No. 743 Establishing a Public Records Request policy.

Background: Although the Idyllwild Water District endeavors to comply with State requirements regarding requests for Public Records, in an effort to increase transparency, Staff recommends the attached resolution and policy.

DISCUSSION:

SUE NASH – Concerned that Idyllwild Water District is attempting to rewrite the law.

TOM PAULEK – Posting the recordings of the meetings on the website would be the ultimate transparency.

A MOTION was made by Director Dearing to adopt Resolution No. 743 establishing a Public Records Request policy and Vice President Szabadi seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Catherine Dearing			
Peter Szabadi			
David Hunt			
Steve Kunkle			
Charles Schelly			

Motion approved.

ITEM 5 – BROWN ACT POLICY AND RESOLUTION NO. 744

Recommendation: That the Idyllwild Water District Board of Directors adopt Resolution No. 744 Establishing a Brown Act compliance policy.

Background: Although the Idyllwild Water District endeavors to comply with State requirements regarding meetings of the Board of Directors, in an effort to increase transparency and to commit to compliance, Staff recommends the attached resolution and policy.

DISCUSSION:

TOM PAULEK – Asked how many recordings does District have and how far back do they go? District should allow public to come into office and listen to recording on a tape recorder if they request to do so.

JP CRUMRINE – Commended staff for making clear that a member of the public can request an item to be put on the Agenda.

VICE PRESIDENT SZABADI – Concerned about the time constraints for the Directors

to request an item be put on the Agenda. Would like that reduced to 7 days from 14. Would like the word “crippling” removed because that can be interpreted subjectively.

A MOTION was made by Vice President Szabadi to adopt Resolution No. 744 establishing a Brown Act compliance policy and Director Hunt seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Peter Szabadi			
David Hunt			
Catherine Dearing			
Steve Kunkle			
Charles Schelly			

Motion approved.

ITEM 6 – WATER SHORTAGE CONTINGENCY PLAN

Recommendation

That the Board of Directors review the draft Water Shortage Contingency Plan (WSCP) and provide direction to staff

Background

The State has recommended that all water agencies have a WSCP. Idyllwild Water District’s Ordinance No. 64 is currently effectively the District’s WSCP.

An ad hoc committee consisting of Directors Kunkle and Caine provided staff with some initial direction in the production of the attached DRAFT WSCP.

Staff is now seeking further direction related to the restrictions at various stages and the basis for criteria in entering/leaving the various stages. Financial impacts and fee variation will require input from the Rate Study currently being developed by NBS Financial.

DISCUSSION:

JACK HOAGLAND – Would like direction to create some criteria for going into and coming out of conservation stages based on water production and amount of water we are able to produce.

TOM PAULEK – Wants to insure that there will be CEQA compliance in the creation of the Water Shortage Contingency Plan.

DIRECTOR HUNT – Asked various questions and noted a number of typos.

VICE PRESIDENT SZABADI – Would like to reform the Water Shortage Contingency Plan Ad Hoc committee.

President Schelly appointed David Hunt and Peter Szabadi to the Water Shortage Contingency Plan Ad Hoc Committee.

ITEM 7 – CAPITAL IMPROVEMENT PROJECT FOR FY 18/19

Recommendation

Review staff recommendations and provide direction for budget development.

Background

To facilitate development of the Fiscal Year (FY) 2018-19 Budget, staff is providing the attached proposed Capital Projects and expenditures for the Board of Directors review, comment and direction

DISCUSSION:

JP CRUMRINE – Would like staff to be mindful of the time constraints on Pipeline replacement because there will be a “Wine Walk” in the area proposed in October.

KRIS KIRSCHBAUM – Wanted to comment that this plan is very forward thinking and all are good ideas.

DIRECTOR HUNT – Asked various questions about the proposed projects.

DIRECTOR KUNKLE – Does not believe all of these projects are priority. Would like to repair line at a different site than proposed for the pipeline replacement.

DIRECTOR DEARING – Asked for more clarification on the radio transmitters for the meters.

VICE PRESIDENT SZABADI – Concerned about the accuracy of the estimated cost of the 2600 ft of pipeline replacement.

PRESIDENT SCHELLY - Inquired as to how much labor cost is related to reading meters per month. Asked various questions about the proposed projects. Advised of a “wet spot” to right of the Strawberry Plaza exit. Asked various questions about the current reserves and policy.

The Board directed staff to bring CIP budget for water down to \$700,000 and the CIP budget for Sewer is acceptable at \$175,000.

ITEM 8 – RESOLUTIONS NO. 745 & 746 WATER AND SEWER STAND-BY

ASSESSMENTS

Recommendation: That the Idyllwild Water District Board of Directors approve Resolutions No. 745 and 746 setting Public Hearings for May 16, 2018 to consider imposing stand-by fees for undeveloped properties in the Water Service area (\$30/acre or portion thereof) and unimproved properties in Improvement District No. 1 (sewer service area) (\$30/acre or portion thereof) for fiscal year 2018-19.

Background: Undeveloped parcels with access to water and/or sewer service receive a benefit provided by the prior development by neighboring parcels of the infrastructure necessary for future connection to the available utilities. The stand-by fee assessment of \$30 per acre or portion thereof assists in fairly apportioning the costs of maintenance of the existing infrastructure. The District is not proposing to change the fee amount from that imposed in prior years. The fee amounts to \$2.50 per month for most undeveloped parcels (\$5 for undeveloped parcels in Improvement District No. 1).

The adoption of these Resolutions will only establish the date for the Public Hearings for the Board of Directors to consider imposing the fees.

DISCUSSION:

None.

A MOTION was made by Vice President Szabadi to approve Resolutions No. 745 and 746 setting Public Hearings for May 16, 2018 to consider imposing stand-by fees for undeveloped properties in the Water Service area and unimproved properties in the Improvement District No. 1 for fiscal year 2018-2019 and Director Dearing seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Peter Szabadi			
Catherine Dearing			
David Hunt			
Steve Kunkle			
Charles Schelly			

Motion approved.

ITEM 9 – RESOLUTION NO. 747 OPPOSING SENATE BILL 623

Recommendation: That the Idyllwild Water District Board of Directors approve Resolution No. 747 noting the Idyllwild Water District's opposition to SB623 and authorizing the staff to take the ACWA recommended actions to indicate the District's position.

Background: Senate Bill 623 was introduced in the 2017 legislative session, was strongly opposed, became a two-year bill. SB623 (current draft attached) calls for the imposition of a tax of various amounts each month (\$0.95 on 1-inch and smaller water meters) throughout the State. The proceeds of the tax would be used to provide safe and reliable water supplies to disadvantaged communities.

DISCUSSION:

JP CRUMRINE – Fern Valley and Pine Cove are also opposing this Bill.

A MOTION was made by Director Hunt to adopt Resolutions No. 747 noting the Idyllwild Water District's opposition to SB623 and authorizing the staff to take the ACWA recommended actions to indicate the District's position and Director Dearing seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
David Hunt	Peter Szabadi		
Catherine Dearing			
Steve Kunkle			
Charles Schelly			

Motion approved.

DIRECTOR'S COMMENTS:

VICE PRESIDENT SZABADI – Very concerned about the legal fees regarding the water rights issue. Would like to form a committee to address alternatives to diverting from Strawberry Creek.

President Schelly appointed Director Kunkle and Vice President Szabadi to an Ad Hoc committee to seek alternatives to diverting from Strawberry Creek.

GENERAL MANAGER'S COMMENTS:

None.

ADJOURNMENT:

A MOTION was made by Vice President Szabadi to ADJOURN and Director Hunt seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Peter Szabadi			
David Hunt			
Catherine Dearing			
Steve Kunkle			
Charles Schelly			

Motion approved.

The meeting was adjourned at 8:55 pm.

IDYLLWILD WATER DISTRICT

BY: 
DR. CHARLES SCHELLY-
BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: 
ERICA GONZALES-
BOARD SECRETARY