

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
IDYLLWILD WATER DISTRICT

The Board of Directors of the Idyllwild Water District met in special session on September 22, 2016.

CALL TO ORDER:

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

ROLL CALL:

Directors present: John Cook, June Rockwell, and Steve Kunkle. Hosny Shouman, CFO and Board Secretary Erica Gonzales were also present.

General public present: (- 23 -)

President Cook stated he is going to allow public comment to include all topics, not just the Special Agenda Items.

Director Kunkle would like to amend the Special Agenda to include an Item to adopt or oppose the legal opinion of Dave Wysocki, counsel for the Idyllwild Water District.

President Cook advised that an Item cannot be added to a Special Agenda.

PUBLIC COMMENT:

JEFF SMITH- Addressed President Cook's comment about not changing the water policy and his use of the phrase "over drafting." After studying well logs, he sees reduced use for years by the public and not all wells are in use, "How can we be over drafting?"

VIC SIRKIN- Nominated himself to fill a vacancy on the Board of Directors. Said it would be better if a full Board selected the next General Manager. Stated he would like to change his position on selling water meters and will serve letters. He would like a study done to ensure there is adequate water available before issuing will serve letters. If there is sufficient water then IWD should start selling water meters, if there is not sufficient water then IWD should stop the stand by fees assessed on vacant property. Board should act quickly to appoint new directors and not wait for an election. John Cook asked if Vic would still give meters in a Stage 3 drought. Vic replied that he would evaluate the District's capabilities before entering Stage 3.

SUE NASH- Expressed that an election should be held to fill the Board Vacancies. The remaining Board members should not appoint to fill the vacancies. Shoe does not understand why the Districts want to do a Mutual Aid Agreement, now is the perfect time to consolidate the 3 water districts.

JACK CLARK- Stated that Wysocki is using an opinion of the Attorney General that was written for a 5 member Board, not the situation our Board is currently in. A passing vote to take action should be 2 to 1.

GEOFFREY CAINE- Agrees that now is the time to consolidate the 3 water Districts in the area. The Board of Directors should delay the selection of a General Manager until there is a full Board. The Board should look for an Interim General Manager for now. The Board should not rush into any action and should capitalize on what Pine Cove and Fern Valley have to offer.

MARGE MUIR- Agrees that the 3 water districts should be combined. Marge stated that the Board should appoint members to fill the vacancies within the 60 days so that the decision stays local. A water study to know how much the district can produce and how much is used is critical. Most urgent issue is to appoint Board members.

TOM POLLOCK- Tom stated he is very pleased with the Idyllwild Water District. He is concerned about selling new water meters and jeopardizing existing customers' water supply. The Board's primary duty should be to existing customers. He

stated it is important to have elections for the empty Board seats in order to vet the issues and candidates. He is concerned that the Real Estate interest is driving the appointment stance in order to sell meters and land. He said "Please have an election."

STEVE THOMPSON- He feels he is paying too much for his water bill. He has a 1" meter and does not use the water included in his \$80.00 water bill. He would like to pay the 5/8" meter rate. He wants to know when these issues will be addresses, when will the District get back to normal. President Cook stated that he would like to see Mr. Thompson be able to waive his rights to the free water included in the 1" meter rate in order to pay the 5/8" meter rate. Also, President Cook said he would like to see an Interim Manager in place by October or November in order to address issues and get the District running normally. President Cook also stated that the IWD supports consolidation of the 3 water districts.

VIC SIRKIN- Wanted to address comments made by Tom Pollok. Vic restated that he would like to have production reports on the water supply before selling new water meters. Current customers will not be in jeopardy. He also stated that the Board's quorum is dictated by actual members not the number of Board seats so the majority vote should be 2 to 1. Expecting the current Board to unanimously agree is unreasonable.

JACK CLARK- The Authority for a 2 to 1 majority is a Supreme Court Case Nesda v. Bolz.

JEFF SMITH- Section 1780 states that the remaining Board members shall make an appointment within 60 days to fill the vacancies. "Remaining members"

GEOFFRY CANE- The Board does not have to accept the letter from Wysocki. It is appropriate to consider Director Kunkle's suggestion to amend the Agenda and vote on the opinion of the Counsel for the District.

SUE NASH- What is the opinion of the Board about hiring an attorney, soliciting for advice, and then ignoring the opinion of their hired attorney. "Are you going to hire another attorney to get another opinion? Aren't you bound, if you hire an attorney to give you an opinion, can you just ignore them as a Board or are you bound to follow that opinion unless you get a contrary opinion?" Seems not rational.

PRESIDENT COOK- If Mr. Wysocki is correct and by law, there needs to be a unanimous vote to take action and the Board decides a vote of 2 to 1 is enough to take action, this may not be legal. If a 2 to 1 vote is not legal and the Board takes action anyway, those actions could be invalid and subject to litigation.

DIRECTOR ROCKWELL- The District should solicit a different attorney.

PRESIDENT COOK- Stated that we can address seeking a new attorney at a future meeting.

JP CRUMRINE- "Ms. Nash. Ms. Nash"

SUE NASH- "Don't yell at me"

JP CRUMRINE- "I'm just pointing out that you are an attorney and you respect legal opinion. The attorney for the District is a member of a firm whose principal is being indicted for cheating the City of Banning. Should Banning have listened to every opinion from their attorney? Well they did and they got cheated." The Board does not have to accept every opinion the attorney gives.

SUE NASH- "Those are the questions I asked"

PETER SZABADI- IWD staff should request for an opinion from the Attorney General on the matter.

JACK CLARK- The District would only end up in litigation about action take in an illegal manner if Director Cook brings it. Asking the Attorney General is an excellent idea.

DIRECTOR KUNKLE- The opinion of the Attorney General that Wysocki is referencing was a situation where 2 Board members had excused themselves but not resigned, not the situation we are currently in.

PRESIDENT COOK- Section 30525, the Section we operate under, requires action by the affirmative votes of a majority of a whole Board. The majority of a quorum is not enough.

GEOFFREY CAINE- He stated that the Board can solve the voting issue by unanimously voting that 2 to 1 is sufficient. President Cook replied that this would work if we were a private corporation but the IWD operates under a certain statute.

STEVE THOMPSON- Steve stated that he sat on a Board that observed strict Parliamentary procedure. They were in this situation once and majority vote was 2 to 1.

PRESIDENT COOK- Stated that he spoke with Jerry Hollber, General Manager for Pine Cove Water District, and he agreed that the majority vote would be a unanimous vote of 3.

JEFF SMITH- IWD should change attorney firms.

ITEM #1- ACKNOWLEDGING RESIGNATIONS: The Board of Directors acknowledged the resignations of General Manager Tom Lynch, Board member James Billman and Board Member Michael Freitas. The Board of Directors issued Proclamations in appreciation of service to the resigned Board members. Director Kunkle made a motion to accept the resignations of Tom Lynch, James Billman and Michael Freitas. Director Rockwell seconded and the motion was passed with a majority vote.

ITEM #2- BOARD VACANCIES: The procedure is to notify the Registrar of Voters of the vacancies within 15 days of the resignations. The Board must appoint someone to fill the seats or decide to hold a special election to fill the vacancies within 60 or the Riverside County Board of Supervisors will have that power.

Director Kunkle stated that a special election cannot be held until March of 2017 and would cost the District \$4,000- \$7,000. Mr. Shouman stated that a regular election costs \$650 per vacancy but it would cost more for a special election. Members of the community asked to speak and President Cook stated that Public Comment is over. Director Kunkle stated that two of the Board members would like to hear the public. President Cook stated that we had plenty of time for Public Comment. Director Kunkle stated that we need discussion during the item, John Cook was appointed initially and now the current Board needs to appoint and appointing members would solve the 2 to 1 voting problem. Director Kunkle added that the District needs direction and there are projects at a stand still. Director Kunkle stated that the Board should solicit for potential Board members and plan a Special Meeting to appoint Board members. Director Kunkle stated that if it comes down to the Board of Supervisors making the decision for them, at least they will have applicants. Director Rockwell stated that the Board should fill the vacancies as soon as possible in order to move forward.

A member of the public, Kristin Kirschbaum, asked how long the term would be for appointed members. Director Kunkle replied that staff would find out for her. President Cook stated that he doesn't understand why there is so much controversy over such small issues, that it almost brought the District to its knees. President Cook stated that we need to and can move forward, the issues we are facing are very important. President Cook stated that we need to hold elections so that the issues and candidates can be vetted and discussed and the constituents can vote on who they want to represent them. Director Kunkle stated again that he would like to appoint Directors. Director Rockwell stated that this is an emergency. President Cook stated he would like to hold out for elections.

A member of the Public, Marge Muir, stated that there are pending issues and loan that need payment. Ms. Muir stated that the Board needs to appoint in order to hire a General Manager. Another member of the Public, Tom Pollock, stated that the Recycled Water Project is an important issue that the public needs to be informed about, all the more reason to hold elections.

Director Kunkle stated that for 9 months he and Director Rockwell have not been included or given any information, probably because of the polarization of the Board. Director Kunkle stated the Board should appoint members in case something happens to one of them.

A member of the public, Tom Pollok, stated that the Board should be voting for what is good for the community, this should not be a hard task. JP Crumrine stated that there would be an election in August, why have two in one year, the Board should appoint. Director Kunkle stated that the community members elected he and Director Rockwell, therefore they should be able to vet potential Board members for appointment. Steve Thompson stated that the Board should not wait for an election and should appoint. Director Kunkle stated that at present, 1 member can hold the Board hostage and the Board should vote to appoint or have an election.

Director Kunkle mad a motion to solicit names for applicants for potential Board members and advertise the vacancies starting September 23, 2016 for 18 days. Director Rockwell seconded and the vote was as follows:

AYES:	NAYS:	ABSTAIN:	ABSENT:
Steve Kunkle	John Cook		
June Rockwell			

The motion did not pass.

Jerry Hollber stated that President Cook should be optimistic in that there may be an applicant that all the Board could agree on.

Director Rockwell made a motion to Adjourn the Meeting and Director Kunkle seconded. The vote was as follows:

AYES:	NAYS:	ABSTAIN:	ABSENT:
June Rockwell	John Cook		
Steve Kunkle			

The motion was not passed.

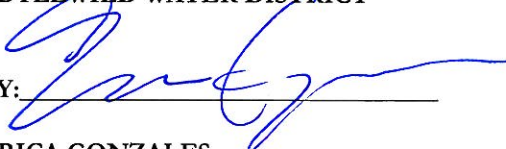
After the vote Director Rockwell stood, gathered her things and left the Meeting.

APPROVED:
IDYLLWILD WATER DISTRICT

BY: 

DR. CHARLES SCHELLY
-NEW BOARD PRESIDENT

IDYLLWILD WATER DISTRICT

BY: 

ERICA GONZALES
- BOARD SECRETARY