



MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549

February 15, 2023 – 6:00 P.M.

Pursuant to AB 361 and action taken by the Board pursuant to such, this meeting will be held in person and virtually.

AGENDA

CALL TO ORDER

President Schelly called the meeting to order at 6:01 p.m.

ROLL CALL

President Schelly, Vice President Szabadi, and Directors Olson, Kunkle, and Schneider were physically present. Chief Financial Officer Shouman were physically present. General Manager Havener and General Counsel Frias was present via Zoom.

PUBLIC COMMENTS

None

1. CONSENT CALENDAR

A. MINUTES

Special Board Meeting: January 18, 2023

B. FINANCIAL REPORTS

1. Income statement for the seventh month ending January 31, 2023
2. District warrants for January 2023

Check #17540 – 17586	= \$ 240,743.01
Gross Payroll	= \$ 68,085.00
Federal/State PR taxes	= \$ 5,325.00
LAIF Transfers	= \$ 0.00
Transfers/charges	= \$ 330.80

C. OPERATIONS REPORT

D. CONSIDER CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

Board of Directors will consider continuing remote meetings pursuant to AB



361.

DIRECTOR COMMENTS

None

PUBLIC COMMENTS

None

A **MOTION** was made by Director Olson to approve Consent Calendar. Vice President Szabadi seconded.

The vote was as follows:

AYES

Director Schneider
Director Olson
Director Kunkle
Vice President Szabadi
President Schelly

NAYS

ABSTAIN

ABSENT

Motion approved.

INFORMATION

2. GENERAL MANAGER REPORT

General Manager Havener presented his report and addressed questions.

DIRECTORS COMMENTS

None

PUBLIC COMMENTS

None

DISCUSSION ITEMS

3. RATES STUDY UPDATE

Doug Dove, Bartle Wells Associates, gave an overview of the rate study. Michael DeGroot, Bartle Wells Associates, explained the rates model and how the rates were calculated.

DIRECTORS COMMENTS



Water Rates

Director Olson inquired about various tables and the use of actual revenues and expenses compared to projected revenues and expenses.

Director Kunkle inquired about the tiers for water usage and the consideration of a single tier.

Director Schneider inquired about the annual escalators being uniformed for five years compared to various escalators each year.

Vice President Szabadi inquired about reducing to two tiers, and the covering of projected annual deficits that reduces reserve funds.

President Schelly inquired to raising the water fixed base rate 49% to 65% over the five years. Also, to include drought stages into the rates. Additionally, reserves are to be use for capital improvement projects (CIP).

President Schelly stated that rate study tables and information must be submitted appropriately and will not be accepted the day of a meeting.

PUBLIC COMMENTS

Dave Hunt inquired about Table 3 and drought rates, and that commercial rate is too low.

Marge Muir inquired to meter charges.

Steve Molten stated that he does not like large increases.

Sewer Rates

Director Olson inquired about various tables and the use of actual revenues and expenses compared to projected revenues and expenses.

Director Kunkle suggested that sewer audits be preformed to obtain an accurate Equivalent Dwelling Units (EDUs) for billing purposes.

Vice President Szabadi inquired about covering of projected annual deficits that reduces reserve funds.

President Schelly stated his frustration over the length of time it is taking to move the WWTP Project forward.

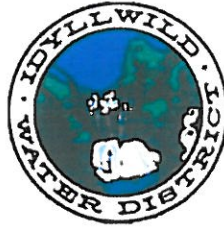
PUBLIC COMMENTS

Steve Molten inquired about the total cost for the WWTP Project, and the possibility to reduce the length of the rate study to two years.

Dave Hunt inquired if the district has applied for grants to fund the WWTP Project. Also, Mr. Hunt inquired about rehabbing the existing WWTP and forgo the new WWTP Project.

4. EMPLOYEE MANUAL, SECTION 2

President Schelly requested this item be on the agenda for review and discussion.



DIRECTORS COMMENTS

President Schelly inquired about 2.1.3 Anti-Harassment, Anti-Discrimination, and Anti-Retaliation; 2.1.4 Drug Free Workplace; 2.1.6 Whistle-blower Protection; 2.2.1 For-Cause Employees; 2.3.2 At-Will Employment; 2.6.2.1 Promotion; 2.7.3 Medical Information; and 2.8.3 Exit Procedures.

Director Olson inquired about 2.1.6 Whistle-blower Protection associated with the General Manager.

PUBLIC COMMENTS

None

5. WATER CONSERVATION DROUGHT STAGES

President Schelly requested this item be on the agenda for review and discussion.

DIRECTORS COMMENTS

Director Olson stated he would like an alternative to the existing stages.

Director Schneider inquired as to how the existing stages work.

Vice President Szabadi request to review the Water Policy format that staff is currently developing at the March Board meeting.

President Schelly stated the existing Stage 2 is hard to defend with the current rainfall and snowpack.

PUBLIC COMMENTS

Dave Hunt stated that he likes the existing drought stages format.

6. WATER EDUCATION SCHOLARSHIP

DIRECTORS COMMENTS

President Schelly gave an overview of the potential Water Education Scholarship and stated that the school appears to be willing to develop a partnership for the scholarship.

Director Schneider inquired as to how the scholarship would be administered.

PUBLIC COMMENTS

None

7. ADMINISTRATION OFFICE CONCERNS

General Manager Havener provided an overview of the situation with the lower administration building and its mold issues.



DIRECTORS COMMENTS

Director Kunkle provided various office options for General Manager Havener and Chief Financial Officer Shouman.

Director Schneider inquired about the use of portable offices.

Vice President Szabadi suggested renting office space in town to house General Manager Havener, and Chief Financial Officer Shouman occupy the existing office of the Chief Water Operator.

President Schelly mentioned that the mold in the lower administration building is an unanticipated emergency, and that there needs to be a temporary solution.

The Board directed staff to obtain cost estimates for the purchase and installation of all required utilities for a manufactured building to be located at Foster Lake as a temporary solution that could last from one (1) to five (5) years to be presented at a Special Board Meeting to be held on Wednesday, March 1, 2023.

PUBLIC COMMENTS

None

ACTION ITEMS

8. AD HOC BUDGET COMMITTEE APPOINTMENTS – 10 minutes

Board of Directors will consider appointing an Ad Hoc Budget Committee.

DIRECTORS COMMENTS

President Schelly appointed Directors Kunkle and Olson to the Ad Hoc Budget Committee.

PUBLIC COMMENTS

None

9. RIVERSIDE LAFCO CALL FOR NOMINATIONS – 10 minutes

Board of Directors will consider call for nominations for LAFCO.

DIRECTORS COMMENTS

President

A MOTION was made by President Schelly to nominate Vice President Szabadi for LAFCO. Director Olson seconded.

The vote was as follows:



AYES

Director Schneider
Director Olson
Director Kunkle
Vice President Szabadi
President Schelly

NAYS

ABSTAIN

ABSENT

Motion approved.

PUBLIC COMMENTS

None

CLOSED SESSION

Board entered Closed Session at 8:48 p.m.

10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOV'T CODE

SECTION 54956.8

Property Description: Assessor's Parcel Number (APN) 906-040-021

Agency: Idyllwild Water District

District Negotiator: Leo Havener, General Manager

Negotiating Parties: Malek Alqudi

Under Negotiation: Price and Terms

11. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – GOV'T CODE

SECTION 54956.8

Property Description: Assessor's Parcel Number (APN) 557-120-002

Agency: Idyllwild Water District

District Negotiator: Leo Havener, General Manager

Negotiating Parties: Idyllwild Arts School

Under Negotiation: Price and Terms

The Board resumed Open Session at 9:00 p.m.

REPORT FROM CLOSED SESSION

No reportable action.

DIRECTORS COMMENTS

President Schelly requested that Section 3 of the Employee Manual be placed on the March Regular Board meeting agenda as a discussion item.



ADJOURNMENT

Board adjourned at 9:01 p.m.

The next Board meeting is a Special Meeting scheduled for Wednesday, March 1, 2023, at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: *Leo Havener*

BY: *Charles Schelly*

Leo Havener
BOARD SECRETARY

Dr. Charles Schelly
BOARD PRESIDENT