

# IDYLLWILD WATER DISTRICT

P.O. BOX 397 • IDYLLWILD, CALIFORNIA 92549-0397 • 25945 HIGHWAY 243  
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## REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT

February 15, 2017 - 6:00 P.M.

### AGENDA

#### CALL TO ORDER:

#### ROLL CALL:

#### PUBLIC COMMENTS:

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the District. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Board may do at this time. The Board may not take action on the item at this meeting. As to matters on the Agenda, persons will be given an opportunity to address the Board when the matter is considered. If you wish to speak during public comment, please fill out a "Speaker Request Form" and give it to the Board Secretary. When the Board President calls your name, please immediately step to the podium and begin by giving your name and address for the record. Each speaker will be given four (4) minutes to address the Board.

#### 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** – January 18, 2017 Special Meeting  
January 18, 2017 Regular Meeting  
February 08, 2017 Special Meeting

**B. FINANCIAL REPORTS JANUARY 2017**

1. Income statement for the Seventh month ending January 2017
2. District warrants for January 2017.

Check #	13928 - 13957	= \$	79,603.38
Gross Payroll		= \$	46,371.80
Federal/State PR taxes		= \$	16,998.37
LAIF Transfers		= \$	0.00
Transfers/charges		= \$	77.55

**C. OPERATIONS REPORT FOR THE SEVENTH MONTH – JANUARY 2017**

#### 2. FINANCIAL RECOGNITION OF C.F.O.:

The Board will consider financial recognition of the C.F.O. for efforts during the period between General Managers.



# IDYLLWILD WATER DISTRICT

### **3. POLICIES AND PROCEDURES AD HOC COMMITTEE:**

The Board will consider appointment of an Ad Hoc committee to review the District's Policies and Procedures

### **4. "DISTRICT TRANSPARANCY CERTIFICATE OF EXCELLENCE":**

The Board will discuss and consider developing an application for the CSDA "District Transparency Certificate of Excellence."

### **5. KATHY TIEGS FOR THE ACWA/JPIA EXECUTIVE BOARD:**

The Board will consider adopting a resolution concurring in the Candidacy of Kathy Tiegs for the ACWA/JPIA Executive Board.

### **6. ENGAGE A GENERAL COUNSEL FOR DISTRICT:**

The Board will consider a report and recommendation from the Legal Representation ad hoc committee. The Board may take action to approve the engagement of the law firm recommended by the Legal Representation ad hoc committee.

### **DIRECTORS COMMENTS :**

### **GENERAL MANAGER'S COMMENTS:**

### **CLOSED SESSION: Performance Review, Interim General Manager**

### **ADJOURNMENT:**

To the next regular Board meeting scheduled for March 15, 2017 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA.

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#### **Please remember during Public Comments:**

- Comments should be limited to 4 minutes or less
- Comments should be directed to the Board as a whole and not directed to individual Board members.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a District meeting or other services offered by this District, please contact the District office @ 951-659-2143 or email: [admin@idyllwildwater.com](mailto:admin@idyllwildwater.com). Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

# Memo

**To: Board of Directors**

**From: Interim General Manager**

**Date: February 15, 2017**

**Subject: ITEM 1A- MINUTES OF JANUARY 18, 2017 AND FEBRUARY 08, 2017**

Recommendation: That the Board of Directors considers approving the Minutes of the January 18, 2017 Special Board meeting, January 18, 2017 Regular Board Meeting and February 08, 2017 Special Board meeting.



**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 January 18, 2017, at the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

The Special Meeting was called to order by President Charles Schelly at 5:37 pm.

**ROLL CALL:**

Directors present: President Charles Schelly, Vice President Vic Sirkin, Geoffrey Caine and Peter Szabadi. Steve Kunkle was recused from the proceedings due to the subject matter. Also present were General Manager Jack Hoagland and District Special Counsel Jay Ward.

General public present: (- 0 -)

**ADJOURN TO CLOSED SESSION:**

**ITEM #1- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:** (per Government Code Section 54956.9 (d)(1)) - IWD vs. Kunkle, RSC Case No. RIC 1608818

**RECONVENE INTO OPEN SESSION:** The Board reconvened in open session at 6:05pm.

**REPORT ON CLOSED SESSION:** President Schelly reported direction had been provided to District Counsel to resolve the case.

**PUBLIC COMMENT:** None

**ADJOURNMENT:** President Schelly adjourned to the Regular Meeting at 6:09 pm.

**APPROVED:**

IDYLLWILD WATER DISTRICT

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

IDYLLWILD WATER DISTRICT

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



**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 January 18, 2017, in the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

The meeting was called to order by President Schelly at 6:09 p.m.

**ROLL CALL:**

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

General public present: (-4-)

**PUBLIC COMMENT:**

**SUE NASH-** Gave handout to all Board members (attached). Expressed concern about her Public Records Request and about a rumor that PCWD and FVWD along with IWD are in negotiations to connect and supply water to phase 2 to the Community Center. If this is true, public should be made aware and water should not be set aside for Community Center, should be available to all customers.

**PRESIDENT SCHELLY-** We are not aware of any agreement.

**JP CRUMRINE-** This past summer and the previous fall, IWD issued a will serve letter to Community Center for an existing water meter for phase 1. Tom Lynch stated that because we are not issuing will serve letters to IWD customers, IWD will not issue a new will serve for phase 2, 3 and 4. Because of this, PCWD and FVWD said they will provide water to complete the Community Center. Such an arrangement will require no new connections; there are already connections between the water districts.

**GEOFFREY CAINE-** How can water be specifically given to the Community Center Project without going throughout the system?

**JACK HOAGLAND-** It wouldn't. The water would be metered and IWD would probably receive a nominal fee but the FVWD GM didn't mention anything about it when we met to discuss various business topics. It's possible.

**SUE NASH-** If more water coming in from FVWD and PCWD, there needs to be some discussion as to why the water isn't for anybody and only for the Community Center.

**PRESIDENT SCHELLY-** We can't control the other water districts and what they do.

**PETER SZABADI-** Doesn't understand why the water should be for everybody if it is given by PCWD and FVWD for that particular purpose.

**SUE NASH-** As a public entity, is there a problem with not being for everybody else?

**JACK HOAGLAND-** If there were agreements, it would say that the water will be metered at the Community Center and they will reimburse IWD for "this amount of water." They aren't going to give us unlimited amounts of water so we can issue to "350 new homes." If there were an agreement, we would follow the stipulations in that agreement.

**PRESIDENT SCHELLY-** We have directed the General Manager to cooperate fully with the other districts.

**SUE NASH-** Hoping this discussion will engender more cooperation between the districts.

**ITEM #1- CONSENT CALENDAR:**

**MINUTES** – December 21, 2016  
January 11, 2017

**OPERATIONS REPORT AND GRAPHS FOR THE SIXTH MONTH ENDING DECEMBER, 2016.**

No mainline leaks were reported in December. Foster Lake was still dry at the end of December.

IWD did not divert water during December. There was 5.48" of precipitation in December and there has been 10.06" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 32.3' below ground level, and the downtown well #23 is currently static at 8' and the downtown well #24 is static at 18' below ground level respectively. Production for December was 778,718 cubic feet. December's unaccounted for water was 3.75% of water production. Fiscal year to date unaccounted for water average is 4.53% of water production.

**SIGNATURE CARD-** With the changes in the composition of the Board of Directors and district management there is currently only one authorized signatory for District banking business. To facilitate good checks and balances and comply with District policies it necessary to have all of the directors in addition to the Interim General Manager available for authorizing payments of the District.

To comply with **banking** regulations the Board of Directors is required to make the determination through the adoption of a Resolution (attached).



**JACK HOAGLAND-** Would like to pull minutes for December 21, 2016 off for separate consideration.

A MOTION was made by Vice President Sirkin to approve the balance of 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>Victor Sirkin</b>			
<b>Peter Szabadi</b>			
<b>Geoffrey Caine</b>			
<b>Steve Kunkle</b>			
<b>Charles Schelly</b>			

**Consent Calendar approved.**

#### **MINUTES FOR DECEMBER 21, 2016**

JACK HOAGLAND- Erica had a problem, used a template from a previous month and missed a paragraph when deleting. The changes have been provided. Also, Jeff Smith called and expressed concern that what he said was mischaracterized in the minutes. Erica and I listened the recording and agree. We would like to change the minutes to reflect that they should say "If no violation, no notices for upgrading the plant, then the decision should be based on the feasibility of the project."

Director Geoffrey Caine made a MOTION to approve the change to the December 18, 2017 Minutes and Vice President Sirkin seconded. The vote was as follows:

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

**The Motion passed.**

#### **ITEM 2 – APPOINT ACWA/JPIA REPRESENTATIVE:**

**Recommendation:** That the Board of Directors appoint a representative and an alternate to the Association of California Water Agencies/Joint Powers Insurance Authority.

**Background:** Idyllwild Water District has Liability, Property, Worker's Compensation and employee Medical insurance through the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA or JPIA). JPIA is a separate government entity composed of several hundred water agencies in California that have come together in a joint exercise of powers agreement to help manage the costs and risks associated with providing insurance to the members of the joint exercise of powers entity.

Unlike an insurance company, the JPIA is a pool of entities that are self-insured for the first increment of loss (the amount varies depending on the particular program) and then have "stop loss" coverage to protect the members from large claims.

As a joint exercise of powers entity, the governance is through a Board of Directors which then elects an Executive Committee, the principle governing body. Each agency member is entitled to one Director appointed from the governing body of the member agency and an alternate member that can be an "elected" or a staff member. At the general meetings (held twice per year in conjunction with the Association of California Water Agencies bi-annual conferences) each agency in attendance has one vote.

The JPIA offers guidance and resources to its members to minimize risk to the pool of all members. As with all insurance coverage, entities that demonstrate above average risk through claims history incur higher premiums. Likewise entities that demonstrate lower than average claims receive rebates on their premiums. The premiums are set separately for each of the four pools (Liability, Property, Worker's Compensation and Medical Benefits) separately since the membership of each pool or Program is different (an Agency can belong to one, two, three or all of the Programs).

## **DISCUSSION-**

**PRESIDENT SCHELLY-** Can you explain the value of sending someone to these meetings/ conferences?



**JACK HOAGLAND-** You get to participate in the decisions that will affect you and they also offer training that will be a benefit. Could send member to the conference held in Fall in Southern California.

**STEVE MOULTON-** What is the cost?

**JACK HOAGLAND-** The cost is included in the dues that we already pay for membership and the premiums we pay for insurance coverage.

**STEVE MOULTON-** Have we had someone go before?

**DIRECTOR KUNKLE-** Believes Warren Monroe used to go.

**DIRECTOR CAINE-** What is brought back to the Board?

**PRESIDENT SCHELLY-** The member would come back and hand out whatever literature they received and give an oral report about what they voted on and learned.

**DIRECTOR KUNKLE-** Doesn't ACWA also lobby for Special Districts?

**JACK HOAGLAND-** No, ACWA and ACWA/JPIA are two separate entities and the JPIA is the insurance pool. ACWA is a private entity and ACWA/JPIA is a public entity. In order to be a part of the JPIA you have to belong to the private ACWA.

Director Szabadi suggested that he be appointed as the Board member representative for the IWD.

Vice President Vic Sirkin made a MOTION to appoint Peter Szabadi as the ACWA/JPIA representative for IWD 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>Steve Kunkle</b>			
<b>Charles Schelly</b>			
<b>Peter Szabadi</b>			

**The Motion passed.**

Jack Hoagland suggested that he be appointed as alternate representative to ACWA/JPIA for IWD.

Director Szabadi made a MOTION to appoint Jack Hoagland the alternate representative to ACWA/JPIA for IWD and was seconded by Director Caine. The vote was as follows:

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

**The Motion passed.**

**MARGE MUIR-** You may have new Board members by the time of the meetings because they are after the next election. May have to bring back to the Board.

**ITEM #2- Formation of an Ad Hoc Legal Representation Sub-Committee:**

**Recommendation:** That the Board of Directors considers the formation of a Legal Representation ad hoc committee and direct staff to Facilitate the committee with the goal of recommending a firm to act as General Counsel for the District.

**Background:** As a result of various actions, the District is essentially without a General Counsel. The Board believes that it is important to engage a General Counsel at the earliest opportunity. The Board of Directors, at the December 21, 2016 meeting, determined that the time was appropriate to solicit proposals from attorneys to act as General Counsel to the District. The President appointed an ad hoc Legal Representation sub-committee to evaluate District options and make a recommendation to the full Board of Directors.

The Legal Representation ad hoc sub-committee solicited proposals from Best, Best & Krieger and Varner & Brandt, both firms with extensive experience with Special Districts, labor, water rights and municipal law in general. After reviewing the proposals the ad hoc sub-committee interviewed the firms via telephone. Subsequently one of the ad hoc sub-committee members resigned from the Board.

Upon further review of the potential issues facing this District, Best, Best, and Krieger withdrew from consideration due to irreconcilable conflicts with their representation of Fern Valley Water District. Although not withdrawing, Varner & Brandt could have similar conflicts as it represents Pine Cove Water District.

Therefore, the Ad Hoc Legal Representation Sub-Committee would seek a non-conflicted Firm that would have practice areas that could support the District over the range of its activities to recommend to the full Board of Directors.



**DISCUSSION:**

**PRESIDENT SCHELLY-** Currently serving on the ad hoc committee is Director Sirkin and Hosny Shouman.

**VICE PRESIDENT SIRKIN-** Would like to make two recommendations, the first being that Jack Hoagland replace Hosny Shouman, and the second, that Peter Szabadi be the other Board member on this committee.

Director Caine made a MOTION to have Jack Hoagland be the staff person and Peter Szabadi be the second Board member on the Ad Hoc Legal Representation Committee and was seconded by Vice President Sirkin. The vote was as follows:

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

The MOTION passed.

**ITEM #4- RECYCLED WATER PROJECT:**

**Recommendation:** That the Board of Directors directs staff to take all necessary steps to cancel the District's Recycled Water Program.

**Background:** Ten years ago the District initiated a program to develop recycled water (RW) as a water source to supplement the local water supply.

Recycled water programs have been very successful in many jurisdictions but every program is governed by the specific details and criteria of the project. Unfortunately, IWD's program seems to have been one that tried to impose a "one size fits all" process on the unique demographic, geographic and hydrologic conditions of the community.

Two general paths were available to the District for the RW program:

- A. Replace irrigation with potable water with irrigation with RW; or
- B. Use the RW to supplement local groundwater supplies through replenishment via Foster Lake.

Either path would require a substantial upgrade of the Wastewater Treatment Plant processes from the existing secondary treatment to tertiary treatment. (The additional facilities required would include flocculation, filtration and disinfection in addition to the current processes.)

The District prosecuted the program diligently, getting a planning grant from the State Department of Water Resources (DWR), performing engineering studies on the necessary plant improvements, identifying pipeline routes and preparing an environmental assessment. To date the District has spent \$365,000.

However, in hind sight, three fatal flaws were present in the program:

1. Regarding substitution of RW for potable irrigation water:

There does not appear to be the identification of a large enough demand nor commitment from potential users. In a December 5, 2011 technical memorandum this fact is noted. With the short "growing season" this program would only be active about six months each year. The proposed use of "green tanks" by residential or commercial users for remote (from the RW main distribution line) use supplied by truck delivery is fraught with regulatory and mitigation complications and costs which don't appear to have been monetized. The amount of water that was identified in several scenarios is not clearly supported by the data. In addition, the drought has demonstrated that the flow to the Wastewater plant can drop significantly through the conservation efforts of the water ratepayers, jeopardizing the "reliability" feature touted of RW.

2. Regarding the use of RW to supplement local groundwater supplies through replenishment via Foster Lake:

This path was likely never credible due to the lack of "residence time" between Foster Lake and the production wells. Other impediments were the concerns expressed regarding the potential degradation of the water quality due to the significantly higher salt content of the RW (the RW is about 280 mg/l Total Dissolved Solids verses about 80 mg/l TDS for local ground water). Whether there is any continuity between Foster Lake and the Pine Cove Water District wells is immaterial because the most impact would have been on IWD. Because the Foster Lake wells are the primary source for the District, use of RW for recharging the groundwater could lead to a degradation spiral as the source water deteriorated causing further deterioration of the RW, etc.

3. The cost of the program was not carefully evaluated:

As is summarized in the attached memo from Tom Lovejoy, due to the small demand base the unit cost for RW would be prohibitive for most potential users (\$0.48/c.f.). Since Wastewater customers gain no identifiable benefit from the additional treatment and distribution to water users, the costs would have to be borne by the Water enterprise. Marketing the RW to irrigation customers at 75% of the potable water rate would, most likely, be necessary to entice them to use the

lower quality water. Such a strategy would then place the remaining financial burden of the program on the water ratepayers. However, that would be contrary to good (even practical) public policy

The RW would replace about 4% of the water demand for which water ratepayers would have to pay a 20+% increase in their rates. Such a disparate financial impact for a minor improvement in water supply would be difficult to justify to the water ratepayers. The comparison that a 10 gallon per minute water well that might cost \$100,000 (capital and \$5,000/year O&M) could provide 6% increase in water supply without any significant pressure on rates, would not be lost on the ratepayers.

Although the District has invested significant resources in the RW program, the difficult truth at this point in time is that there is not an apparent financial path for success of such a program for Idyllwild Water District. Five or ten years in the future with newer technology and a different regulatory climate the “numbers” might change and the District should be prepared to realistically re-evaluate its options at that time.

Cancelling the project will involve some work with several regulatory bodies but may result in clearer opportunities for the District’s path forward in several areas.

**Attachment:** Memorandum; Recycled Water Costs, From Tom Lovejoy, P.E., Dated December 30, 2016.

**COMMENTS:**

**SUE NASH-** How much are we going to have to pay back?

**JACK HOAGLAND-** Don’t think we will have to pay back all of it, will probably have to pay back over \$200,000.

**SUE NASH-** It will be less that the \$365,000 or so that we have received?

**JACK HOAGLAND-** Yes it will be less. It was money that we had already spent and then were reimbursed by the State so it’s not money that we are losing. We already spent it. We will have to pay back something and it will be over \$200,000 but don’t know the exact amount.

**DIRECTOR SZABADI-** Do we have an obligation to finish the project because we picked up the loan?

**JACK HOAGLAND-** Yes but we can get out of it.

**DIRECTOR SZABADI-** We need a report on how complicated the procedure is to get out of the loan and how much exactly we will have to give back.

**JACK HOAGLAND-** Hoping that is what the Board will direct staff to do. Think the State will appreciate us giving the money back because it is a failed project rather than spending more money to complete the project and then saying it’s a failed project.



**DIRECTOR SZABADI-** Would like to know the rational of the previous Board members for starting this project in the first place.

**PRESIDENT SCHELLY-**Spoke with a previous Board member and what he understands from that conversation is that they were thinking of steps to a final solution for water use and a long range plan for potable water.

**VICE PRESIDENT SIRKIN-** The cost of the project outweighs any profit or benefit that we would get. The project does not make sense.

**DIRECTOR CAINE-** Agrees it doesn't make sense and would love to hear more from the previous Board.

**VICE PRESIDENT SIRKIN-** From discussions with Jim Billman, former Board member, the initial plan was to recharge Foster Lake with the recycled water but the State put a stop to that because it is not a good idea to put recycled water into fractured rock because there is not enough time for the water to settle before moving to the well heads and being pumped out as potable water.

Director Caine made a MOTION to direct staff to take all necessary steps to cancel the Recycled Water Project and was seconded by Vice President Sirkin. The vote was as follows:

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

**The Motion passed.**

**ITEM #5- WELL REHAB:**

**Background:** The District secured a Grant through the U. S. Department of Agriculture to rehabilitate the Horizontal wells. The grant requires all work to be complete by August 3, 2017. Prior to 2017, minimal progress has been made on defining and prosecuting the project.

**JACK HOAGLAND-** The rehab is related to our horizontal wells. Met will Tom Lovejoy and Herb Bergstrom because they are familiar with the project. Haven't made it up there yet because of weather conditions. Not sure is meeting the August 3, 2017 deadline is going to be possible. May be able to get some of it rehabilitated. Some of the piping is in too much disrepair to be able to be fixed. Asked for information from Dept. of Water Resource and the representative from the Office of Drinking Water. The wells have had small problems in the

past with bacterial contamination so would like to make sure that Office of Drinking Water will approve their use once finished. The rehab would be in the piping from the rock to Foster Lake. The horizontal wells produce a small amount of our production but it helps.

**PRESIDENT SCHELLY-** If the horizontal wells cannot be fixed, is there anything else the money from the grant can be used for?

**JACK HOAGLAND-** There are 2 vertical wells that are close to the horizontal wells and the grant can be used for these wells.

**DIRECTOR KUNKLE-** Could we apply the grant to any other wells besides the ones on the backside of Foster Lake.

**JACK HOAGLAND-** No we cannot because of the way the application was worded. Can use on the two vertical wells because they are in that area. This is just an update. We are still working on getting this done.

**JP CRUMRINE-** This grant was procured almost 2 years ago. I hope someone can explain why the District was not ready to use it.

**JACK HOAGLAND-** Unfortunately doesn't know because wasn't here.

**DIRECTOR KUNKLE-** About a year ago, the State had us run a Title 22 on the horizontal wells. If the State might have a problem, wouldn't they have told us then?

**JACK HOAGLAND-** We have a new engineer so that might have an effect. Spoke directly with her and haven't gotten a response about my concerns.

**DIRECTOR KUNKLE-** The benefits of these wells are that they are gravity fed and you do not have pumping costs.

**DIRECTOR SIRKIN-** Is grant validated when the work is finished or when the State is finished testing?

**JACK HOAGLAND-** The grant is validated when the construction is completed.

**DIRECTOR CAINE-** What is the cause of the disrepair?

**JACK HOAGLAND-** The logging that was done years ago caused some damage and also just wear and tear.

**PRESIDENT SCHELLY-** Additional report next month?

**JACK HOAGLAND-** Will keep you updated.

**ITEM #6- FUTURE AGENDA ITEMS:**

**Recommendation:** That the Board of Directors considers and discusses future activities and agenda items for the Board members.

**Background:** To facilitate transparency and to assist in planning the Board desires to discuss potential future activities and agenda items including:

- January 19, 2017 – Brown Act and Ethics Training Sponsored by Pine Cove Water District
- February 27 to March 1, 2017 – CSDA Board Member Training San Diego
- Update the Water Availability Study – May Meeting
- Budget and Rate Recommendations – April Meeting
- 90-day review of the Interim General Manager – April Meeting
- Nomination period for Board of Directors (4 positions) - Late June
- Board of Directors Election – August
- Election of Board of Directors officers - December

**COMMENT:**

**DIRECTOR KUNKLE-** Would like a few items on future agendas, these include: review current water shortage emergency plan, includes issuing meters, how to attract and retain employees, have workshops where Board can meet and be educated on the status of IWD, also use workshops as opportunity for Board members to share what their vision of IWD is, long term planning session, the pledge of allegiance at the beginning of the meeting and a moment of silence at the end of meetings.

**DIRECTOR SIRKIN-** Keep Board posted on progress staff is making on developing new water sources. More formal study on water availability in short term and long term.

**DIRECTOR CAINE-** Policy of issuing new meters.

**PRESIDENT SCHELLY-** Next month would like the District Transparency Certificate of Excellence.

**SUE NASH-** Would like to make sure IWD is in Prop 218 compliance.

**JACK HOAGLAND-** If a rate change is recommended, then we will be in compliance and make sure the public is noticed appropriately.

**JP CRUMRINE-** Board By- Laws on future Agenda, possibly next month.

**DIRECTOR SZABADI-** Suggest at next meeting the creation of ad hoc committee for this purpose, possible after selecting new counsel.

**MARGE MUIR-** Why do you have to have plans to build to get a water meter? This needs to be addressed. How many building permits have been issued in the 3 water districts in the last 10 years?



**PRESIDENT SCHELLY-** Would like to put a By Laws Ad Hoc Committee on next month's Agenda.

**STEVE MOULTON-** Currently in Stage 2, when are we going to go to Stage 1 or No Stage? Where does water in Strawberry Creek end up? Does IWD get any of it?

**JACK HOAGLAND-** We have a diversion that goes to Foster Lake.

**ADJOURN TO CLOSED SESSION: Performance Review, Chief Financial Officer**

President Schelly adjourned to CLOSED SESSION at 7:35 pm.

**RECONVENE INTO OPEN SESSION:** The Board reconvened in open session at 7:55 pm.

**REPORT ON CLOSED SESSION:** General Manager Hoagland reported that there was no reportable action.

**DIRECTORS COMMENTS:** None

**ADJOURNMENT:** At 8:00 pm President Schelly adjourned the meeting to the next regular meeting on February 15, 2017 at 6:00 pm.

**APPROVED:**  
IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

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

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

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[snash22@earthlink.net](mailto:snash22@earthlink.net)

Idyllwild Water District  
P.O. Box 4036  
Idyllwild CA 92549

RE: Comments on agenda for Special Board Meeting of January 18, 2017.

Public Comments on items not on the Agenda but within the jurisdiction:

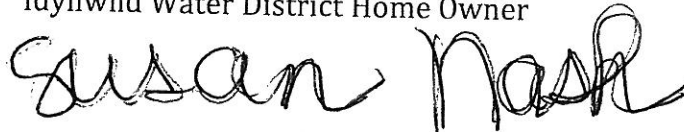
1. Please give me an update on locating these records:

I made a public Records Request for the Will Serve letter, the MOU and the Consultant's report regarding the Idyllwild Brew Pub's agreement with the Idyllwild Water District that will regulate the Brewpub's discharge of effluent into IWD's wastewater collection system. The IWD indicates they do not have any of these documents. Does that mean the Brewpub is discharging wastewater into the Districts wastewater collection system without having paid for a sewer connection and an MOU based on the engineer's study including the requirement that the Brewpub's wastewater will be treated and that such wastewater may legally be used to irrigate landscaping adjacent to Strawberry Creek? Attached is the September 8, 2016, article from the Town Crier implying that all of these documents are in the possession of the Idyllwild Water District. I have renewed my Public Records Request to include the Riverside County Planning Department, the Office of Supervisor Washington, the Santa Ana Regional Water Quality Control Board and the Idyllwild Water District. I hope that by the January 18, 2017 Board meeting, the public will be shown all these documents and be assured that the Brew Pub is operating legally with all required permits.

2. Connecting all three water districts for Community Center (ICC) "will serve water and sewer letters" for Phases 2, 3, and 4?

I have heard unsubstantiated rumors that all three water districts are negotiating with the ICC to connect the three systems in such a way as to provide credible will serve letters for all phases of the Idyllwild Community Center. If these rumors are true, the public should be aware of this consolidation plan and whether it includes a LAFCO consolidation. The consolidation must include all those seeking water/sewer hook-ups, not just the ICC, and will require public and CEQA (California Environmental Quality Act) review at the earliest possible time in the planning process.

Susan Nash  
Idyllwild Water District Home Owner



**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 February 08, 2017, at the Idyllwild Water District Board Room.*

**CALL TO ORDER:**

The Special Meeting was called to order by President Charles Schelly at 1:34 pm.

**ROLL CALL:**

Directors present: President Charles Schelly, Vice President Vic Sirkin, Geoffrey Caine and Peter Szabadi. Steve Kunkle was recused from the proceedings due to the subject matter. Also present was General Manager Jack Hoagland.

General public present: (- 0 -)

**ADJOURN TO CLOSED SESSION:**

**ITEM #1- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:** (per Government Code Section 54956.9 (d)(1)) - IWD vs. Kunkle, RSC Case No. RIC 1608818

**RECONVENE INTO OPEN SESSION:** The Board reconvened in open session at 2:15 pm.

**REPORT ON CLOSED SESSION:** General Manager Jack Hoagland reported that the Board directed legal counsel to settle the matter.

**PUBLIC COMMENT:** None

**ADJOURNMENT:** President Schelly adjourned to the Regular Meeting at 2:20 pm.

**APPROVED:**

IDYLLWILD WATER DISTRICT

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

IDYLLWILD WATER DISTRICT

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



# Memo

To: **Board of Directors**

From: **Interim General Manager**

Date: **February 15, 2017**

Subject: **ITEM 1B – FEBRUARY 2017 FINANCIAL REPORTS AND WARRANTS**

Recommendation: That the Board of Directors considers an action to Receive and File the February, 2017 Income Statement and ratify the Warrants covering the seventh month of FY 2016-17.

Background: Attached is the Income Statement and Warrants List for the seventh month of FY 2016-2017 for the Board's information.

**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING JANUARY 31, 2017**

FOR THE MONTH OF

JANUARY 2017

BY CATEGORY

**WATER OPERATING EXPENSES:**

	ACTUAL	BUDGET	JANUARY F (U) VARIANCE	%
1- WAGES AND SALARIES EXPENSES	39,588	40,000	412	1.03%
2- RETIREMENT PLAN AND LIFE INSURANCE	4,515	6,667	2,152	32.27%
3 -MEDICAL INSURANCE	8,578	11,500	2,922	25.41%
4 -UNIFORM EXPENSES	190	438	248	56.63%
5 -WORKER'S COMP INSURANCE	0	1,042	1,042	100.00%
6 -RETIREMENT MEDICAL INSURANCE	1,547	2,000	453	22.65%
7 -BOARD REIMBURSEMENT	263	1,000	738	73.75%
8 -OFFICE SUPPLIES	303	1,500	1,197	79.83%
9 -OFFICE CLEANING SERVICE	0	280	280	100.00%
10 -POSTAGE AND MAILING FEE	53	973	920	94.59%
11 -TRAINING AND EDUCATION	100	604	504	83.45%
12 -TRAVELING , MILEAGE, MEALS REIMBURSEMENT	36	629	593	94.32%
13 -DUES ,FEES , SUBSCRIPTIONS	430	771	341	44.22%
14 -COMPUTER SERVICES	700	1,000	300	30.02%
15 -LEGAL SERVICES	436	869	433	49.85%
16 -UTILITIES - ELECTRICITY	243	8,292	8,049	97.07%
17 -UTILITIES - GAS& FUEL	0	717	717	100.00%
18 -UTILITIES - PROPANE	1,196	325	-871	-267.96%
19 -UTILITIES - TELEPHONE INTERNET	463	761	297	39.10%
20 -UTILITIES - WASTE MANAGEMENT FEE	179	184	5	2.95%
32 -AUTO AND PROPERTY INSURANCE	0	1,712	1,712	100.00%
21 -STATE-COUNTY WATER SYSTEM FEES	0	1,583	1,583	100.00%
22 -GENERAL PLANT SERVICES	6,546	4,109	-2,437	-59.31%
23 - VEHICLES REPAIRS AND MAINTENANCE	1,256	521	-735	-141.06%
24 -WATER ENGINEERING AND CONSULTING	0	875	875	100.00%
25 -LABORATORY SERVICES	3,126	1,042	-2,084	-200.05%
26 -WATER SECURITY SYSTEM	0	771	771	100.00%
27 -ADVERTISING AND PUBLISHING	54	542	488	90.03%
28 -PROPERTY TAX EXPENSES	0	233	233	100.00%
29- COMPENSATED TIME	0	1,833	1,833	100.00%
30 -BANK FEE CHARGE	0	78	78	100.00%
31 -WATER MAINTENANCE AND SUPPLIES	0	1,042	1,042	100.00%
33 -ACCOUNTING AND AUDITING FEE	0	2,000	2,000	100.00%
<b>TOTAL OPERATING EXPENSES:</b>	<b>69,799</b>	<b>95,890</b>	<b>26,092</b>	<b>27.21%</b>
<b>TOTAL INCOME AND (LOSS)</b>	<b>30,700</b>	<b>20,743</b>		

**IDYLLWILD WATER DISTRICT  
 WATER FUND CONDENSED INCOME STATEMENT  
 FOR FISCAL MONTH ENDING JANUARY 31, 2017**

FOR THE MONTH OF JANUARY 2017

	ACTUAL	BUDGET	VARIANCE	%
<b>CUBIC FEET OF SALES:</b>				
R1	501,450	535,000	-33,550	-6.27%
R2	23,340	25,000	-1,660	-6.64%
R3	90,510	68,000	22,510	33.10%
R4	62,660	65,000	-2,340	-3.60%
R5	20,270	22,000	-1,730	-7.86%
RP	28,690	26,000	2,690	10.35%
IA	105,870	100,000	5,870	5.87%
<b>TOTAL CUBIC FEET OF SALES</b>	<b>832,790</b>	<b>841,000</b>	<b>-8,210</b>	<b>-0.98%</b>

**NUMBER OF CUSTOMER BILLS:**

R1	1,525	1,524	1	0.07%
R2	31	31	0	0.00%
R3	45	47	-2	-4.26%
R4	20	20	0	0.00%
R5	6	5	1	20.00%
RP	1	1	0	0.00%
IA	1	1	0	0.00%
S	10	10	0	0.00%
<b>TOTAL NUMBER OF CUSTOMER BILLS</b>	<b>1,639</b>	<b>1,639</b>	<b>0</b>	<b>0.00%</b>

\* s : Sewer Only Account

**IDYLLWILD WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING JANUARY 31, 2017**

FOR THE MONTH OF

JANUARY

2017

BY CATEGORY

**WATER OPERATING EXPENSES:**

	ACTUAL	BUDGET	JANUARY F (U)	VARIANCE	%
1- WAGES AND SALARIES EXPENSES	39,588	40,000	412	412	1.03%
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6 -RETIREMENT MEDICAL INSURANCE	1,547	2,000	453	453	22.65%
7 -BOARD REIMBURSEMENT	263	1,000	738	738	73.75%
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14 -COMPUTER SERVICES	700	1,000	300	300	30.02%
15 -LEGAL SERVICES	436	869	433	433	49.85%
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17 -UTILITIES - GAS& FUEL	0	717	717	717	100.00%
18 -UTILITIES - PROPANE	1,196	325	-871	-871	-267.96%
19 -UTILITIES - TELEPHONE INTERNET	463	761	297	297	39.10%
20 -UTILITIES - WASTE MANAGEMENT FEE	179	184	5	5	2.95%
32 -AUTO AND PROPERTY INSURANCE	0	1,712	1,712	1,712	100.00%
21 -STATE-COUNTY WATER SYSTEM FEES	0	1,583	1,583	1,583	100.00%
22 -GENERAL PLANT SERVICES	6,546	4,109	-2,437	-2,437	-59.31%
23 - VEHICLES REPAIRS AND MAINTENANCE	1,256	521	-735	-735	-141.06%
24 -WATER ENGINEERING AND CONSULTING	0	875	875	875	100.00%
25 -LABORATORY SERVICES	3,126	1,042	-2,084	-2,084	-200.05%
26 -WATER SECURITY SYSTEM	0	771	771	771	100.00%
27 -ADVERTISING AND PUBLISHING	54	542	488	488	90.03%
28 -PROPERTY TAX EXPENSES	0	233	233	233	100.00%
29- COMPENSATED TIME	0	1,833	1,833	1,833	100.00%
30 -BANK FEE CHARGE	0	78	78	78	100.00%
31 -WATER MAINTENANCE AND SUPPLIES	0	1,042	1,042	1,042	100.00%
33 -ACCOUNTING AND AUDITING FEE	0	2,000	2,000	2,000	100.00%
<b>TOTAL OPERATING EXPENSES:</b>	<b>69,799</b>	<b>95,890</b>	<b>26,092</b>	<b>26,092</b>	<b>27.21%</b>
<b>TOTAL INCOME AND (LOSS)</b>	<b>30,700</b>	<b>20,743</b>			





**IDYLLWILD WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING JANUARY 31, 2017**

FOR THE MONTH OF JANUARY, 2017

SEWER FUND OPERATING REVENUES

	ACTUAL	BUDGET	F (U) VARIANCE	%
BASE RATE-COMMERCIAL	35,434	35,472	-37	-0.11%
BASE RATE- RESIDENTIAL	17,213	17,213	0	0.00%
TRANSFER FEE	200	25	175	700.00%
FACILITY CHARGE FROM IAF	0	0	0	0.00%
INSPECTION FEE	0	0	0	0.00%
OTHER MISCE	0	0	0	0.00%
<b>TOTAL OPERATING REVENUE</b>	<b>52,847</b>	<b>52,709</b>	<b>138</b>	<b>0.26%</b>

EQUIVALENT DWELLING UNITS (E.D.U'S)

RESIDENTIAL	450	450	0.0	0.00%
COMMERCIAL	887	887	0.0	0.00%
<b>TOTAL E.D.U'S</b>	<b>1,337</b>	<b>1,337</b>	<b>0.0</b>	<b>0.00%</b>

**IDYLLWILD WATER DISTRICT  
DISTRICT WARRANTS AND OTHER DISBURSEMENTS  
FOR THE MONTH ENDED JANUARY 31, 2017**

<b>DATE</b>	<b>CHECK NUMBER</b>	<b>PAYEE</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1/3/2017	13928	Home Depot	Tools and Supplies for Water	1,041.45
1/11/2017	13929	Central Communications	Answering Service Monthly Charge	102.00
1/11/2017	13930	Chase Card Services	Automatic Gate \$2387.94, Tools \$235.23, Misc. Office Supplies \$149.30, Training \$100.00	3,352.51
1/11/2017	13931	Verizon Wireless	Monthly Charge for GM and On call phone	171.41
1/24/2017	13932	ACWA/JPIA	Worker's Comp Insurance	2,104.00
1/24/2017	13933	Allen Tire Company	New Tires for Toyota 4 Runner	871.24
1/24/2017	13934	Allstate Benefits	Monthly Charge for Life Insurance	358.21
1/24/2017	13935	Arrow Printing	Business Cards for Jack	70.19
1/24/2017	13936	Babcock and Sons	Labs for Water and Sewer	3,318.25
1/24/2017	13937	Browning Electric	Diversion Pump	1,533.84
1/24/2017	13938	CR&R	Monthly Trash Charge	238.29
1/24/2017	13939	David Wysocki	Legal Fees	581.25
1/24/2017	13940	Employee Relations	Pre Employment Background check	49.50
1/24/2017	13941	Ferrellgas	Propane for office and Foster Lake Shop	1,195.86
1/24/2017	13942	Forrest Lumber	Supplies for Water and Sewer	410.57
1/24/2017	13943	Gallade Chemical	Chemical Supplies for Water and Sewer	1,715.68
1/24/2017	13944	Hemet Oil Company	Fuel	2,369.79
1/24/2017	13945	Idyllwild Garage	Smog check for 2 trucks	123.50
1/24/2017	13946	Idyllwild Town Crier	Legal Ads for Vacant Board Seats	72.00
1/24/2017	13947	John Mayths	Computer Support	933.09
1/24/2017	13948	Mission Linen & Uniform Service	Monthly Uniform and Laundering Charge	253.00
1/24/2017	13949	NAPA Auto Parts	Headlight, Seat covers, Battery	347.67
1/24/2017	13950	SCE	Monthly Electric Charge	243.06
1/24/2017	13951	Staples Credit Plan	Office Supplies	147.73
1/24/2017	13952	SUSP, Inc	Sewer Consulting Services	9,372.00
1/24/2017	13953	T- Mobile	Monthly Service Charge for Solar Panels	29.99
1/24/2017	13954	Tom Lovejoy	Engineering Services for Grant Funding Projects	2,062.50
1/24/2017	13955	Time Warner	Monthly Charge for Phone and Internet at Office	406.08
1/24/2017	13956	USA Bluebook	Supplies for Water and Sewer	128.72
1/24/2017	13957	Idyllwild Water District	Deposited at Bank of Hemet for Payroll	46,000.00
<b>TOTAL DISTRICT WARRANTS</b>				<b>\$79,603.38</b>
<b>OTHER DISBURSEMENTS:</b>				
Total Payroll				46,371.80
NET PAYROLL CHECKS-DIRECT DEPOSIT				34992.35
FEDERAL PAYROLL TAXES-ELECTRONIC TRANSFERS				10,438.89
STATE PAYROLL TAXES-ELECTRONIC TRANSFERS				6,559.48
L.A.I.F. ELECTRONIC TRANSFERS				0.00
BANK SERVICE CHARGES AND FEES				77.55
<b>TOTAL DISTRICT WARRANTS &amp; OTHER DISBURSEMENTS</b>				<b>\$126,052.73</b>

# Memo

**To:** Board of Directors

**From:** Interim General Manager

**Date:** February 15, 2017

**Subject:** ITEM 1C – FEBRUARY 2017 OPERATIONS REPORT

Recommendation: That the Board of Directors considers an action to Receive and File the February, 2017 Operations Report covering the seventh month of FY 2016-17.

Background: Attached is the Operations Report for the seventh month of FY 2016-2017 for the Board's information.



## Operations Report for January 2017

Currently – Stage 2 (Stage 3 triggers-Static water levels-FL Wells @50'/Downtown Wells @20'

Production – January 863,629 c.f. / 135.9 gpm

Foster Lake level -9.5'-

Water and Sewer installations -0-

Leaks -0-

Mainline -0-/Unmetered -0 /Metered -0

January Water Loss = 2.80%-- 4.29% Y.T.D.

Production

Drinking water storage- 3.1 MG

14 wells available/ 9 utilized/ 3 Full Time/ 6 Part Time

Wastewater Treatment Plant

January 2017-Average daily flow 120,354 gpd/Average weekend flow 123,035 gpd

January 2016-Average daily flow 89,252 gpd/Average weekend flow 101,810 gpd

Precipitation

January 2017 – 12.67” Y.T.D – 22.73” January 2016 – 2.62” Y.T.D. 2016 – 18.04”

Diversion -0-

### STATIC WELL LEVELS

	<b>JANUARY 2017</b>	<b>JANUARY 2016</b>	<b>JANUARY 2015</b>
<b>Foster Lake (Average 3 wells)</b>	26' Static	41' Static	50.0' Static
<b>Well # 26 (Nature Center)</b>	282' Pumping	290' Pumping	353' Pumping
<b>Well # 27 (Nature Center)</b>	103' Static	111' Static	131' Static
<b>Well #28 (Rockdale)</b>	19.4' Static	140' Static	129' Static
<b>Downtown Wells* #23 &amp; #24</b>	8' Static 16' Static	13' Static	24' Static
<b>FV1A</b>	372' Pumping	388' Pumping	383' Pumping
<b>FV2</b>	301' Pumping	286' Pumping	216' Pumping

\*Downtown Wells Static level is an average for 2016 and 2015. January 2017 both well levels are included

# Memo

**To: Board of Directors**  
**From: Interim General Manager**  
**Date: February 15, 2017**

**Subject: ITEM #2 FINANCIAL RECOGNITION OF C.F.O.:**

The Board will consider financial recognition for the IWD CFO for efforts during the period between General Managers

Recommendation:

That the Idyllwild Water District Board of Directors consider financial recognition of the Chief Financial Officer for his assumption of additional responsibilities during the four-month period when the District did not have a General Manager in the amount of \$7,500.

Background:

Upon resignation of the District's General Manager in September 2016, the Chief Financial Officer (CFO), Hosny Shouman, assumed the responsibilities of managing the District's general business and field operations in addition to his existing duties of Chief Financial Officer, in an effort to provide seamless service continuity to the customers and ratepayers of Idyllwild Water District.

During the period of September 2016 through December 2016 his work was further complicated by loss of key staff and dynamic changes to the composition of the Board of Directors.

Mr. Shouman demonstrated outstanding professional demeanor and skills during this period and the Board of Directors may want to offer him some additional compensation for the additional duties performed during the four-month period. \$7,500 represents an eight percent bonus for Mr. Shouman.

# Memo

**To: Board of Directors**  
**From: Interim General Manager**  
**Date: February 15, 2017**

**Subject: ITEM # 3 POLICIES AND PROCEDURES AD HOC COMMITTEE:** The Board will consider appointment of an Ad Hoc committee to review the District's Policies and Procedure

Recommendation:

That the Board of Directors of the Idyllwild Water District consider the appointment of an ad hoc sub-committee to review the District's policies and procedures and make recommendations for any modifications to the full Board of Directors.

Background:

It has been quite some time since the Board has reviewed many of the District's policies and procedures. Staff suggests that the initial focus be on the District/customer relationship rules and regulations for the provision of the various District services.

Staff will be reviewing the current water supply conditions in the next few weeks and will be making separate recommendations for Board consideration in conjunction with the Budget and rate recommendation for FY 2017-18.

Over the last several weeks the issue of "by-laws" has been raised by the public and some Board members. The District is, however, a "public" corporation and created based



on specific legislation (Water Code Division 12, Section 30000, et al). This portion of California Law represents the “by-laws” of the District. By-laws are defined as follows:

Bylaws

*The rules and regulations enacted by an association or a corporation to provide a framework for its operation and management.*

*Bylaws may specify the qualifications, rights, and liabilities of membership, and the powers, duties, and grounds for the dissolution of an organization.*

*West's Encyclopedia of American Law, edition 2. Copyright 2008 The Gale Group, Inc. All rights reserved.*

Bylaws

*n. the written rules for conduct of a corporation, association, partnership or any organization. They should not be confused with the Articles of Corporation which only state the basic outline of the company, including stock structure. Bylaws generally provide for meetings, elections of a board of directors and officers, filling vacancies, notices, types and duties of officers, committees, assessments and other routine conduct. Bylaws are, in effect a contract among members, and must be formally adopted and/or amended.*

*Copyright © 1981-2005 by Gerald N. Hill and Kathleen T. Hill. All Right reserved.*

The index of the District’s enabling legislation is attached so that it can be seen that it does in fact represent the “By-laws” of the organization.

Discussion of what areas the Board would like the sub-committee to review would be helpful in directing the efforts.

Attached: County Water District California Code Index



[Home](#)  
 [Bill Information](#)  
 [California Law](#)  
 [Publications](#)  
 [Other Resources](#)  
 [My Subscriptions](#)  
 [My Favorites](#)

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# Memo

**To:** Board of Directors  
**From:** Interim General Manager  
**Date:** February 15, 2017

**Subject:** ITEM #4 “DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE”:  
The Board will discuss and consider developing an application for the CSDA “District Transparency Certificate of Excellence.”

Recommendation: That the Board of Directors of the Idyllwild Water District consider directing staff to prepare an application to the California Special Districts Association for consideration to receive a District Transparency Certificate of Excellence.

Background: The California Special Districts Association (CSDA) advocates for and supports special districts in California. In response to criticism over the years about the “hidden government” of California, CSDA has developed a program which when implemented can assist special districts by enumerating steps to provide the public with information about the activities, operations and financial condition of the District. The “Checklist” is attached for reference.

IWD does many of the items on the check list. Several others will require some additional effort, including modifying the way reports are prepared and some will probably require an upgrade to the District Website to handle all of the information suggested.

Staff believes the additional effort is important to ratepayer confidence in IWD.

**Attached:** District Transparency Certificate of Excellence Checklist

# District Transparency Certificate of Excellence *checklist*

Showcase your district's commitment to transparency

## BASIC REQUIREMENTS

- Current Ethics Training for all Board Members**  
(Government Code Section 53235)
  - Provide copies of training certificates along with date completed
- Compliance with the Ralph M. Brown Act**  
(Government Code Section 54950 et. al)
  - Provide copy of current policy related to Brown Act compliance
  - Provide copy of a current meeting agenda (including opportunity for public comment)
- Adoption of policy related to handling Public Records Act requests**
  - Provide copy of current policy
- Adoption of Reimbursement Policy, if district provides any reimbursement of actual and necessary expenses**  
(Government Code Section 53232.2 (b))
  - Provide copy of current policy
- Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation.** (Government Code Section 53065.5)
  - Provide copy of the most recent document and how it is accessible
- Timely filing of State Controller's Special Districts Financial Transactions Report - includes compensation disclosure.** (Government Code Section 53891)
  - Provide copy of most recent filing  
*SDLF staff will verify that district is not listed on the State Controller's 'non-compliance list'*
- Conduct Annual Audits**  
(Government Code Section 26909 and 12410.6)
  - Provide copy of most recent audit and management letter and a description of how/where documents were made available to the public
- Other Policies – have current policies addressing the following areas** (provide copies of each):
  - Conflict of Interest
  - Code of Ethics/Values/Norms or Board Conduct
  - Financial Reserves Policy

## WEBSITE REQUIREMENTS

- Maintain a district website with the following items**  
(provide website link; all are required)
  - Names of Board Members and their terms of office
  - Name of general manager and key staff along with contact information
  - Election procedure and deadlines
  - Board meeting schedule (Regular meeting agendas must be posted 72 hours in advance pursuant to Government Code Section 54954.2 (a) (1) and Government Code Section 54956 (a))
  - District's mission statement
  - Description of district's services/functions and service area
  - Authorizing statute/enabling act (Principle Act or Special Act)
  - Current district budget
  - Most recent financial audit
  - Archive of Board meeting minutes for at least the last 6 months
  - List of compensation of Board Members and staff and/or link to State Controller's webpage with the data
- Website also must include at least 4 of the following items:**
  - Post Board Member ethics training certificates
  - Picture, biography and email address of board members
  - Last 3 years of audits
  - Reimbursement and Compensation Policy
  - Financial Reserves Policy
  - Online/downloadable Public Records Act request form
  - Audio or video recordings of board meetings
  - Map of district boundaries/service area
  - Link to California Special Districts Association mapping program
  - Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)

Continued on reverse



# checklist continued

## OUTREACH/BEST PRACTICES REQUIREMENTS

Must complete at least 2 of the following items:

- Regular district newsletter or communication (*printed and/or electronic*) that keeps the public, constituents and elected officials up-to-date on district activities (*at least twice annually*)
  - Provide copy of most recent communication and short description on the frequency of the communication, how it's distributed and to whom
- Community notification through press release to local media outlet announcing upcoming filing deadline for election and process for seeking a position on the district board, prior to that election (*or prior to the most recent deadline for consideration of new appointments for those districts with board members appointed to fixed-terms*)
  - Provide copy of the press release (*and the printed article if available*)
- Complete salary comparison/benchmarking for district staff positions using a reputable salary survey (*at least every 5 years*)
  - Provide brief description of the survey and process used as well as the general results
- Special Community Engagement Project  
Designed and completed a special project promoting community engagement with the district (potential projects may be broad in nature or focus on specific issues such as rate-setting, recycled water, identifying community needs, etc.)
  - Submit an overview of the community engagement project, reviewing the process undertaken and results achieved

- Hold annual informational public budget hearings that engage the public (*outreach, workshops, etc.*) prior to adopting the budget
  - Provide copy of most recent public budget hearing notice and agenda
- Community Transparency Review  
The district would be required to obtain a completed overview checklist from at least 2 of the following individuals\* (*the district may choose to conduct the overview with these individuals simultaneously or separately*):
  - Chair of the County Civil Grand Jury
  - Editor of a reputable local print newspaper (only one may count toward requirement)
  - LAFCo Executive Officer
  - County Auditor-Controller
  - Local Legislator (only one may count toward requirement)
  - Executive Director or President of local Chamber of Commerce
  - General Manager of a peer agency (special district, city or county)

\* Provide proof of completion signed by individuals completing Community Transparency Review

### How do I proceed?

- Step 1: Complete the requirement checklist
- Step 2: Send checklist and all supporting materials or contact the SDLF staff on how to submit all materials electronically:
  - SDLF
  - 1112 I Street, Suite 200
  - Sacramento, CA 95814
- Step 3: Approval process review performed by SDLF staff
- Step 4: Receive your certificate and recognition

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SDLF is supported by



The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. SDLF is supported through the California Special Districts Association and Special District Risk Management Authority.

# Memo

**To: Board of Directors**

**From: Interim General Manager**

**Date: February 15, 2017**

**Subject: ITEM #5 KATHY TEIGS FOR THE ACWA/JPIA EXECUTIVE BOARD:**  
The Board will consider adopting a resolution concurring in the Candidacy of Kathy Tiegs for the ACWA/JPIA Executive Board

Recommendation:

That the Board of Directors of the Idyllwild Water District adopt Resolution 729 concurring in the candidacy of Kathy Tiegs for the Association of California Water Agencies/Joint Powers Insurance Authority Executive Board.

Background:

IWD is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (JPIA). Each agency is represented by a Director. The Directors elect an executive board to provide the immediate direction and oversight to the JPIA staff and the operations of the organization. To be eligible for the executive board election a JPIA Director:

1. Must be from an agency that participates in all of the JPIA insurance programs (4);
2. Must get a nomination resolution from their agency; and

3. Must get concurring resolutions from other JPIA member agencies.

Ms. Tiegs meets all of these requirements and, as you can see from her attached biography, has extensive participation history in ACWA, currently serving as President of the Organization. During her time as Vice President of ACWA she was a member of the JPIA Executive Board.

To promote IWD participation in the Water Industry, Staff recommends adopting a concurring resolution for Ms. Tiegs. The adoption of a concurring resolution does not obligate the agency to vote for Ms. Tiegs in the May election.

Attached:

1. Letter from Cucamonga Valley Water District
2. Candidate Statement
3. Resolution No. 729



**Martin E. Zvirbulis**  
Secretary/General Manager/CEO

January 25, 2017

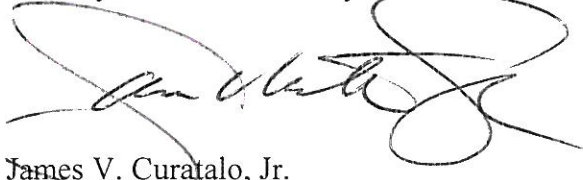
Dear Fellow ACWA/JPIA Member:

On January 24, 2017 the Cucamonga Valley Water District Board of Directors adopted Resolution No. 2017-1-1 nominating Director Kathleen J. Tieg for the position of ACWA/JPIA Executive Committee. We are formally requesting your support of Director Tieg's nomination through the adoption of a concurring resolution from your agency.

Director Tieg has been actively involved in ACWA/JPIA having served the past 10 years on the board, as well as having experience as the ex-officio member on the Executive Committee. Director Tieg is committed to continuing the great work of providing quality insurance and employee benefit services that ensure our agencies and ratepayers are receiving the most cost-effective service possible.

I have attached a sample concurring resolution in support of Director Tieg's nomination, as well as her candidate statement. The elections for ACWA/JPIA Executive Committee will be held May 8, 2017, should you desire to adopt a resolution or if you have questions please contact our Executive Assistant to the Board, Taya Victorino at 909.987.2591 or [tavav@cvwdwater.com](mailto:tavav@cvwdwater.com).

Thank you in advance for your consideration.



James V. Curatalo, Jr.  
President

Attachments:  
Sample Concurring Resolution  
Candidate Statement – Director Tieg



**Kathleen J. Tiegs**  
**Candidate Statement for**  
**Association of California Water Agencies**  
**Joint Powers Insurance Authority (ACWA/JPIA) Executive Committee**

Dear ACWA/JPIA Board Members:

I am pleased to share with you my interest in serving on the Executive Committee for ACWA/JPIA. I believe I am prepared and ready for the challenge to help lead the organization as we continue to grapple with providing the best and most cost-effective insurance and employee benefit services to our members.

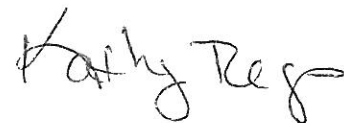
My experience with the ACWA/JPIA began over 10 years ago when I was appointed by the Cucamonga Valley Water District (CVWD) to serve as their ACWA/JPIA representative. I have also served as the ex-officio member of the Executive Committee in 2015-2016. As part of the Executive Committee I was able to provide the leadership and feedback to staff to ensure they were continuing to uphold the mission of the ACWA/JPIA: *“to consistently and cost effectively provide the broadest possible affordable insurance coverage and related services to its member agencies”*.

I have served on the CVWD board of directors for approximately 12 years, and have served in the role as both president and vice-president of the board of directors. I am currently a member of the Legislative/Outreach and the Human Resources/Risk Management committees. The Human Resources/Risk Management Committee is responsible for overseeing employee benefits, risk management and safety programs for the organization. At CVWD, we have taken full advantage of all the programs the ACWA/JPIA has to offer to ensure our employees are working in the safest environment possible. Our board of directors has also adopted the *Commitment to Excellence* Program pledge putting into place best management practices which bolsters our effectiveness for loss prevention and safety.

I currently serve as the President for the Association of California Agencies (ACWA). In my role as president I have focused on increasing my understanding of our members needs so that I may know how to better serve and lead the ACWA organization. I will use this same approach if elected to serve on the ACWA/JPIA Executive Committee.

The election for ACWA/JPIA is scheduled for May 8, 2017 at the conference. Thank you for allowing me to share my experience, leadership and knowledge. I look forward to the opportunity to represent you and your agency. Please feel free to contact me directly at (909) 635-4177 should you have questions or if you would like to support my candidacy.

Thank you in advance for your consideration,



RESOLUTION NO. 729

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
IDYLLWILD WATER DISTRICT  
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA  
WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY ("ACWA JPIA")

**WHEREAS**, this district is a member district of the ACWA JPIA; and

**WHEREAS**, the Bylaws of the ACWA JPIA provide that in order for a nomination to be made to ACWA JPIA's **Executive Committee**, three member districts must concur with the nominating district, and

**WHEREAS**, another ACWA JPIA member district, the Cucamonga Valley Water District has requested that this district concur its nomination of its member of the ACWA JPIA Board of Directors the **Executive Committee** of the ACWA JPIA;

**NOW, THEREFORE, BE IT RESOVED** by the Board of Directors of the Idyllwild Water District that this district concur with the nomination of Kathleen J. Tieg of Cucamonga Valley Water District to the Executive Committee of the ACWA JPIA.

**BE IT FURTHER RESOLVED** that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

**ADOPTED** this 15<sup>th</sup> day of February, 2017.

ATTEST:

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Dr. Charles Schelly  
President, Board of Directors

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Erica Gonzales  
Secretary, Board of Directors

# Memo

**To: Board of Directors**

**From: Interim General Manager**

**Date: February 15, 2017**

**Subject: ITEM #6 Engage a General Counsel for the District**

Recommendation:

That the Board of Directors of the Idyllwild Water District accept the Recommendation of the Ad Hoc Legal Representation Sub-committee and vote to engage Aleshire & Wynder, LLP, as General Counsel for the District.

Background:

The Board of Directors at its January 18, 2017 Regular Meeting appointed an Ad Hoc Legal Representation Sub-committee consisting of Vice President Sirkin, Director Szabadi, the General Manager and CFO.

The Board members of the sub-committee had an opportunity to speak with the representative of Varner & Brandt, LLP, at the Ethics Training seminar hosted by Pine Cove Water District on January 19, 2017.

The sub-committee requested and received an additional proposal for services from Aleshire & Wynder, LLP, and reviewed the proposal from Varner & Brandt, LLP previously submitted in December, 2016.

On February 6, 2017, the sub-committee interviewed Aleshire & Wynder, LLP, primary representatives (note the General Counsel proposed for IWD, Ms. Christine Carson, Esq., attended in person and the Assistant General Counsel proposed for IWD, Mr. Eric Dunn, Esq., attended via teleconference).

Based on the backgrounds and strengths of the firms and the speculative future needs of the District, the Ad Hoc Legal Representation Sub-committee recommends to the Board of Directors Aleshire & Wynder, LLP, for General Counsel to the District.