

## **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 17, 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.

Director Geoffrey Caine had an excused absence.

General public present: (4)

#### **PUBLIC COMMENT:**

**SUE NASH** – Expressed concern regarding Director Caine's absence and how long Board would allow it to continue without asking for a resignation.

#### **ITEM 1- ELECT OFFICERS OF THE BOARD OF DIRECTORS:**

A MOTION was made by Director Szabadi to nominate Director Schelly for President of the Board for the 2018 calendar year and Director Dearing seconded. The vote was as follows:

#### **AYES**

Peter Szabadi  
Catherine Dearing  
Steve Kunkle  
Charles Schelly

#### **NAYS**

#### **ABSTAIN**

#### **ABSENT**

Geoffrey Caine

Motion approved, Director Schelly was elected President of the Board.

A MOTION was made by Director Dearing to nominate Director Szabadi for Vice President of the Board and Director Kunkle seconded. The vote was as follows:

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

Motion approved. Director Peter Szabadi was elected Vice President of the Board.

**ITEM 2- CONSENT CALENDAR:**

**MINUTES –** December 20, 2017 Regular Meeting Minutes  
January 03, 2018 Special Meeting Minutes

**FINANCIAL REPORTS DECEMBER 2017**

- A. Income statement for the Sixth month ending December 2017
- B. District warrants for December 2017.

Check #	14495 - 14557	= \$	584,929.67
Gross Payroll		= \$	51,015.85
Federal/State PR taxes		= \$	16,610.36
LAIF Transfers		= \$	0.00
Transfers/charges		= \$	215.15

**OPERATIONS REPORT AND GRAPHS FOR THE SIXTH MONTH ENDING DECEMBER, 2017.**

No mainline leaks were reported in December and there were no unmetered leaks. Foster Lake's level was at 5.25 feet at the end of December. There was 0.00" of precipitation in December and there has been 0.83" of precipitation for the fiscal year to date. The static water levels at the Foster Lake Wells were 13' below ground level, the downtown well #23 is currently pumping at 212' and the downtown well #24 is static at 19' below ground level respectively. Production for December was 907,844 cubic feet. December's unaccounted for water was 6.78% of water production. Fiscal year to date unaccounted for water average is 6.29% of water production.

**COMMENTS:**

**TOM PAULEK –** Commented on the minutes of December 20, 2017. Believe that the minutes are not reflecting the tone and what actually goes on at the meetings. Would like Board to reconsider recording and posting the meetings online so that public can have access.

**DIRECTOR KUNKLE** – Inquired about various warrants including the one of SUSP, Inc. Wanted to know if this amount will be reduced now that we have employees with the Grade II Wastewater certifications.

**VICE PRESIDENT SZABADI** – Offered to speak with Aleshire & Wynder if the legal fees continue to be high. He also inquired about balance sheet items and the Operations Report.

**JP CRUMRINE** – Asked for clarification on Warrant to SWRCB for permit for Recycled Wastewater.

A MOTION was made by Vice President Szabadi to approve the Consent Calendar and Director Dearing seconded. 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>Catherine Dearing</b>			
<b>Steve Kunkle</b>			
<b>Charles Schelly</b>			

**Consent Calendar was approved.**

**President Schelly moved Item 2 to the end of the Agenda.**

### **ITEM 3 – LAND SURVEY FOR WATERLINE REPLACEMENT**

#### **Recommendation**

Staff recommends the Board of Directors authorize the General Manager to execute an agreement with ERSC to perform a baseline survey for pipeline replacement on South Circle from Bicknell to Village Center Drive and on Village Center Drive from South Circle to North Circle for a fee of \$18,331.

#### **Background**

As has been discussed with the Board of Directors on several occasions, staff have identified an immediate need to replace about 2,600 feet of early 1950s 8-inch water pipeline on South Circle from the end of the 2017 Pipeline project (Bicknell) to Village Center Drive and on Village Center Drive from South Circle to North Circle (see attachment). The 2017 pipeline project replace portions of this old line, which was observed to have reached the end of its useful life. The line, at 8-inch in diameter, is part of the backbone distribution system of the District.

Early this month (see attachment) the County notified the District of plans to resurface the roadways in the downtown area of Idyllwild including the reaches that contain the aforementioned pipelines in need of replacement. I would be in the best public interest to have the pipelines replaced prior to the County resurfacing project.

In mid-December 2017, staff solicited a proposal from ERSC to do the base line survey for a pipeline project (2018 Pipeline Replacement Project) consisting of the aforementioned reaches. The attached proposal would complete this work in a timely manner for a fee of \$18,331. The Staff at ERSC have worked for the District for many years on multiple projects and are familiar with the unique aspects of Idyllwild Water District.

**COMMENTS:**

**DIRECTOR KUNKLE** – Not ready to go ahead with this. Would like to have a more detailed CIP and would like Board to be more educated on what needs to be priority.

**VICE PRESIDENT SZABADI** – Wanted clarification on reason for making this project priority.

A MOTION was made by Vice President Szabadi to authorize the General Manager to execute a contract with ERSC to perform a baseline survey for pipeline replacement on South Circle from Bicknell to Village Center Drive and on Village Center Drive from South Circle to North Circle for a fee of \$18,331 and Director Dearing seconded. The vote was as follows:

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

**Motion approved.**

**ITEM 4 – CIP STRATEGIES**

**Recommendation**

Staff recommends the Board of Directors continue its discussion of strategies for funding Capital Improvement Projects (CIP) in order to provide productive direction to NBS for the Revenue Strategy study

### Background

The Board of Directors has had a workshop and board meeting at which it has discussed concepts for CIP enhancement of District infrastructure. Although specific projects can be identified as part of the budget development in the next couple of months it would be productive to offer NBS an annual dollar amount of an initial CIP expenditure to get the rate models started. Once the models are developed, the Board of Directors can evaluate the sensitivity of the rates to CIP expenditures prior to making specific decisions for the long-term commitment to a level of CIP expenditures. (Note that even after making a decision the Board of Directors can change direction at any time and the model will assist in evaluating the impact of those decisions.)

### **DISCUSSION:**

**TOM PAULEK** – Concerned about the cost of the Capital Improvements needed in the District and how it will be justified to the rate payers.

**VICE PRESIDENT SZABADI** – Would like a more detailed CIP before agreeing on a Budget amount.

**DIRECTOR DEARING** – Also would like a more detailed CIP.

**DIRECTOR KUNKLE** – Would like to be more educated on the subject and what the priorities should be. Would like to be as cost effective as possible.

### **ITEM 5 – DISTRICT WATER RESOURCES**

#### Recommendation

Staff recommends the Board of Directors consider and discuss the current status of Idyllwild Water District's water resources and provide direction to staff if appropriate.

#### Background

Director Kunkle requested this item appear on the agenda.

### **DISCUSSION:**

**DIRECTOR KUNKLE** – Would like all sources repaired and/or ready to use. Thinks that this should be a priority over replacing pipeline. Would also like an accurate reading of total capacity.

**JACK HOAGLAND** – Have made progress and are making headway in repairs. Will continue to work on wells.

**PRESIDENT SCHELLY** – Would like to see an updated version of the report with increased confidence in the level of accuracy.

**JP CRUMRINE** – Inquired if Idyllwild Water District is nearing going to a “Stage” in the Drought Contingency plan.

**DIRECTOR’S COMMENTS:**

**VICE PRESIDENT SZABADI** – Would like the Water Shortage Contingency Plan on the next Agenda.

**DIRECTOR KUNKLE** – Would like to make sure that Idyllwild Water District decals are put on the new truck.

**PRESIDENT SCHELLY** – Inquired about anything else that the Directors can do toward the Certificate of Transparency.

**GENERAL MANAGER’S COMMENTS:**

**JACK HOAGLAND** – Would like to remind Board that Form 700s are due by April 1, 2018.

**ADJOURN TO CLOSED SESSION:**

President Schelly Adjourned to Closed Session at 8:00 pm.

1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code § 54956.8)** – APN: 563-26-012 North Circle Drive, Idyllwild, CA 92549 owned by William Seffel. The Board of Directors will give direction to the Idyllwild Water District designated negotiator, Jack Hoagland.

**RECONVENE INTO OPEN SESSION:**

The Board reconvened into Open Session at 8:20pm.

**REPORT ON CLOSED SESSION:**

General Manager Jack Hoagland reported that there was no reportable action.

**ADJOURNMENT:** President Schelly Adjourned the meeting at 8:22 pm.

BY:

A handwritten signature in black ink, appearing to read "Charles Schelly", written over a horizontal line.

DR. CHARLES SCHELLY-  
BOARD PRESIDENT

BY:

A handwritten signature in black ink, appearing to read "Erica Gonzales", written over a horizontal line.

ERICA GONZALES-  
BOARD SECRETARY