

REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549

November 21, 2018 - 6:00 P.M.

AGENDA

CLOSED SESSION: (Government Code Section 54957(b)(1): 1 position

Title: General Manager. The Board will be conducting candidate interview(s) at this meeting and may consider all matters authorized by Government Code Section 54957(b)(1) related to the appointment of a new General Manager." [Note here that the District will not be appointing at this meeting but will be interviewing]

NOTE: IT IS ANTICIPATED THAT THIS CLOSED SESSION WILL TAKE A MINIMUM OF 30 MINUTES

CALL TO ORDER:

ROLL CALL:

1. **FISCAL YEAR 2017-2018 AUDIT PRESENTATION** – The Board of Directors will hear a presentation from Rogers, Anderson, Malody & Scott the District's auditor and will consider accepting the audit of Fiscal Year 2017-2018.

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.

2. 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. General Manager Comments (Item D) are verbal and will follow action on the written materials.

A. MINUTES – ___ September 19, 2018 ___
 ___ October 17, 2018 ___

B. FINANCIAL REPORTS October 2018

1. Income statement for the Fourth month ending October 2018

| | | |
|--|---------------|-----------------|
| 2. District warrants for October 2018. | | |
| Check # | 15040 – 15105 | = \$ 225,479.18 |
| Gross Payroll | | = \$ 65,200.00 |
| Federal/State PR taxes | | = \$ 16,500.00 |
| LAIF Transfers | | = \$ 0.00 |
| Transfers/charges | | = \$ 0.00 |

C. OPERATIONS REPORT FOR THE FOURTH MONTH – October 2018

D. GENERAL MANAGER’S COMMENTS:

3. **WATER SHORTAGE CONTINGENCY PLAN AND DROUGHT RATES** – The Board of Directors will hold a Public Hearing in conformance with the requirements of Proposition 218 and may adopt Ordinance No. 66 establishing a Water Shortage Contingency Plan and establishing water rates for use during times of drought.
4. **IDYLLWILD COMMUNITY CENTER** – The Board of Directors will here an update on the interface between the Staff and the ICC project members and may take action related to water infrastructure related to the project.
5. **REVIEW OF WATER SERVICE RULES AND REGULATIONS AND BOARD INVOLVEMENT IN THE PERSONNEL HIRING PROCESS** – The Board of Directors will review these policies and may take action to direct staff to bring back specific changes in the policies.
6. **CONSIDER FILTER REBATES FOR IDYLLWILD WATER DISTRICT CUSTOMERS** – The Board of Directors will discuss the issue and may take action to provide direction to the staff.
7. **WATER QUALITY ISSUES: INCREASED FREQUENCY AND LOCATIONS FOR TESTING** – The board will review the current frequency and location of water test sites. The board may determine to increase frequency and or increase testing locations.

DIRECTORS COMMENTS :

CLOSED SESSION: Public Employee Performance Evaluation, General Manager (Government Code 94957); Public Employment, Job Title, General Manager (Government Code 94957.)

ADJOURNMENT:

To the next Board meeting is a Regular Meeting scheduled for December 19, 2018 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

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. 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: General Manager

Date: November 21, 2018

**Subject: ITEM #1 - CONSIDER ACCEPTANCE OF THE FISCAL YEAR 2017-2018
AUDIT**

Recommendation

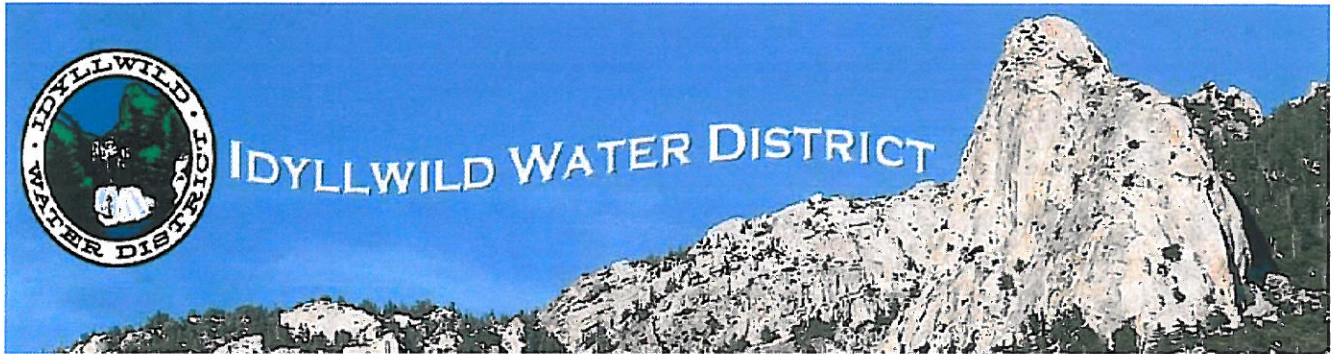
That the Board of Directors accept the Fiscal Year 2017-2018 Audit and make it available to any interested parties.

Background

The District is required by State law to have its financial status audited annually by a certified public accountant. In 2016, the District hired Rogers, Anderson, Malody & Scott, LLP to audit the District for 5-years. FY 2017-18 is the third year of that audit agreement.

Scott Manno, the partner in charge of the District's Audit, will be present to review his firm's findings and opinions regarding the District's financial status and documentation.

Attachment



**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

Idyllwild Water District

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**Idyllwild Water District
List of Principal Officers
As of June 30, 2018**

BOARD OF DIRECTORS

| <u>Title</u> | <u>Name</u> |
|----------------|-----------------|
| President | Charles Schelly |
| Vice-President | Peter Szabadi |
| Director | Les Gin |
| Director | David Hunt |
| Director | Steve Kunkle |

ADMINISTRATION

| | |
|-------------------------|---------------|
| General Manager | Jack Hoagland |
| Chief Financial Officer | Hosny Shouman |

ORGANIZATION

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community.



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS SINCE 1948

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San Bernardino, CA 92408
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Independent Auditor's Report

Board of Directors
Idyllwild Water District
Idyllwild, California

PARTNERS

Branda L. Odle, CPA, MST
Terry P. Shea, CPA
Rick A. Franks, CPA
Scott W. Manno, CPA, CGMA
Leena Shrestha, CPA, MST, CGMA
Bradford A. Welebur, CPA, MBA, CGMA
Jay H. Zorcher, CPA (Partner Emeritus)
Philip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seng-Hyea Lee, CPA, MBA
Charles DeSimone, CPA
Gardenia Goran, CPA
Brianna Schultz, CPA
Lisa Longenecker, CPA, MSA
Samuel Singery, CPA
Jing Wu, CPA



MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

Employee Benefit Plan
Audit Quality Center

California Society of
Certified Public Accountants

Report on the financial statements

We have audited the accompanying financial statements of the Idyllwild Water District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Emphasis of a matter

As discussed in Note 1 of the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the OPEB related schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 14, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the management's discussion and analysis is to provide highlights of the Idyllwild Water District's (the District) operational and financial activities for the fiscal year ended June 30, 2018. Readers are encouraged to review this section in conjunction with the accompanying financial statements and notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District operates under California Irrigation District Law as a utility enterprise. As such, the District presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting, similar to methods used by private sector companies. These financial statements are designed to provide readers with a broad overview of the finances and also present changes in cash balances, and information about both short-term and long-term activities of the District. There are three required components to these statements; the Management's Discussion and Analysis (MD&A), the financial statements, and the notes to the financial statements. As an enterprise fund, the District's financial statements include four components:

- 1) **Statement of Net Position** presents information on all of the District's assets, liabilities and deferred inflows/outflows with the difference between the two reported as net position. The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position is displayed in three categories: net investment in capital assets; restricted; and unrestricted.
- 2) **Statement of Revenues, Expenses and Changes in Net Position** presents information which show how the District's net position changed during the year. All of the current year's revenues and expenses are recorded on an accrual basis, meaning when the underlying transaction occurs, regardless of the timing of the related cash flows. These statements measure the success of the District's operations over the past year and determine whether the District has recovered its costs through water sales, user fees and other charges.
- 3) **Statement of Cash Flows** provides information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in four categories: operating; noncapital financing; capital and related financing; and investing. This statement differs from the statement of revenues, expenses, and changes in net position in that it accounts only for transactions that result from cash receipts and cash disbursements. As in the past, the statement of cash flows continues to reconcile the reasons why cash from operating activities differ from operating income.
- 4) **Notes to the Basic Financial Statements** provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes are located immediately following the financial statements.

THE DISTRICT'S OPERATIONS - AN OVERVIEW

The District operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities, which are classified, as "proprietary". These activities are accounted for much like that of a private business using the full accrual method of accounting for financial transactions. Major activities include production and treatment of groundwater; sale and delivery of water to domestic and commercial accounts; and collection, treatment and disposal of wastewater. The District also owns a small fleet of vehicles and other rolling stock to support the various operating activities for water and wastewater.

FINANCIAL HIGHLIGHTS

WATER SALES:

Water sales decreased for the year by \$13,440 or 1.1% from the prior year's amount and ended the year at \$1,231,303. This is attributed to a changing rate for commercial accounts. Total cubic feet sold for the fiscal year was 10,938,190. The District is in No Stage for water conservation. There were 30 new water connections.

WASTEWATER SALES:

Wastewater service charges decreased by \$22,536 or 3.5% from the prior year and ended the year at \$614,042. The equivalent dwelling units is the same as the prior year at 1,377.01 EDU. There were no new residential or commercial connections added during the year.

CAPITAL ASSETS:

During the year, the water fund decreased capital assets being depreciated by \$161,589. Overall, capital assets in the water fund increased by a net of \$598,723 due to depreciation expense of \$224,509, an increase of \$760,312 related to construction in progress and an increase in general plant of \$62,920.

| | <u>2017/2018</u> <u>Amount</u> |
|---|-----------------------------------|
| Capital assets being depreciated, net: | |
| Beginning Capital Assets Being Depreciated, Net | \$ 8,817,353 |
| Additions: | |
| Toyota Tacoma 2017 | 37,378 |
| Tyler Software | <u>25,542</u> |
| Total Additions | <u>62,920</u> |
| Deletions: | |
| Vehicles | <u>(29,335)</u> |
| Total Deletions | <u>(29,335)</u> |
| Total capital assets being depreciated, net | <u>\$ 8,850,938</u> |

CAPITAL ASSETS, Continued:

During the year, the capital assets of the wastewater fund decreased by a net of \$90,972 from the prior year due to depreciation expense \$116,303 and the following:

| | <u>2017/2018 Amount</u> |
|---|-----------------------------|
| Capital assets being depreciated, net: | |
| Beginning Capital Assets Being Depreciated, Net | \$ 2,932,624 |
| Additions: | |
| Rockwell-Pumps | <u>25,331</u> |
| Total Additions | <u>25,331</u> |
| Total capital assets being depreciated - additions, net | <u><u>\$ 2,957,955</u></u> |

INVESTMENT INCOME:

This past year investment income experienced an increase in earned percentages from the prior year. There are conservative investment policy restrictions on types of investments such as treasury bills, certificates of deposits, savings, money market funds, and local agency investment funds (state and local). Total investment income for the water and wastewater funds was a combined \$37,934.

PROPERTY TAXES:

This past year property tax revenues experienced an increase in revenues from the previous year of \$17,448 or 4.2%. Total property tax revenues for the year ended was \$433,106.

DISTRICT OPERATIONS:

Combined operating expenses, excluding depreciation expense of \$340,812 totaled \$2,198,480 which represents an increase of \$507,140 or an increase of 29.98% from the prior year. Increases occurred in the following expense categories: Engineering Services, Wages.

DEPRECIATION EXPENSE:

The water fund's depreciation expense was \$224,509 and the wastewater fund's was \$116,303 for a total of \$340,812 an increase of \$6,220 or 1.86% from the prior year. This increase is due to typical depreciation expense changes.

Idyllwild Water District
Management's Discussion and Analysis
For the year ended June 30, 2018

TOTAL REVENUES:

Combined revenues for the year totaled \$2,659,411 compared to the prior year of \$2,445,507, an increase of \$213,904 or 8.7%. The increase is primarily due to a capacity fees for selling meters and service fees for their installation. The following table presents a comparison of revenues by category for the two years of 2016/2017 and 2017/2018:

COMBINED REVENUES BY CATEGORY
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018

| <i>Revenue category</i> | 2016/2017 | | 2017/2018 | | Change | |
|-------------------------|---------------------|-------------|---------------------|-------------|-------------------|-------------|
| | Amount | % of total | Amount | % of total | Amount | % |
| Water sales | \$ 1,244,743 | 50.90% | \$ 1,231,303 | 46.30% | \$ (13,440) | -1.1% |
| Wastewater services | 636,578 | 26.03% | 614,042 | 23.09% | (22,536) | -3.5% |
| Service fees and other | 16,603 | 0.68% | 51,298 | 1.93% | 34,695 | 209.0% |
| Investment income | 19,688 | 0.81% | 37,934 | 1.43% | 18,246 | 92.7% |
| Property taxes - 1% | 415,658 | 17.00% | 433,106 | 16.29% | 17,448 | 4.2% |
| Standby charge | 26,902 | 1.10% | 29,214 | 1.10% | 2,312 | 8.6% |
| Capacity fee | - | 0.00% | 172,593 | 6.49% | 172,593 | 100.0% |
| Other income | 85,335 | 3.5% | 89,921 | 3.38% | 4,586 | 5.4% |
| Total revenues | <u>\$ 2,445,507</u> | <u>100%</u> | <u>\$ 2,659,411</u> | <u>100%</u> | <u>\$ 213,904</u> | <u>8.7%</u> |

TOTAL EXPENSES:

Combined expenses for the year totaled \$2,539,952 compared to a prior year of \$2,651,600 a decrease of \$111,648 or 4.2%, which includes total operating expenses of \$2,019,446 (excluding other operating, non-operating and interest) compared to the prior year of \$1,614,864. The primary reason for this increase in operating expenses is due to sewer line cleaning of \$107,040, an increase of \$52,314 in OPEB expense and higher engineering services costs for various studies among other increases in operating costs.

COMBINED EXPENSES BY CATEGORY
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018

| <i>Expense category</i> | 2016/2017 | | 2017/2018 | | Change | |
|-------------------------|---------------------|---------------|---------------------|---------------|---------------------|--------------|
| | Amount | % of total | Amount | % of total | Amount | % |
| Water operations | \$ 545,938 | 20.6% | \$ 634,368 | 25.0% | \$ 88,430 | 16.2% |
| Wastewater operations | 274,443 | 10.4% | 397,688 | 15.7% | 123,245 | 44.9% |
| General and admin | 794,483 | 30.0% | 987,390 | 38.9% | 192,907 | 24.3% |
| Other operating | 411,068 | 15.5% | 519,846 | 20.5% | 108,778 | 26.5% |
| Other non-operating | 323,496 | 12.2% | 660 | 0.0% | (322,836) | -99.8% |
| Special Item | 302,172 | 11.4% | - | 0.0% | (302,172) | 100.0% |
| Total expenses | <u>\$ 2,651,600</u> | <u>100.0%</u> | <u>\$ 2,539,952</u> | <u>100.0%</u> | <u>\$ (111,648)</u> | <u>-4.2%</u> |

Idyllwild Water District
Management's Discussion and Analysis
For the year ended June 30, 2018

STATEMENT OF NET POSITION:

The District's net position decreased by \$264,371 or 2.8%. Of this, \$119,459 was due to current operations and (\$383,830) due to the implementation of a new accounting pronouncement. Net position decreased by \$206,093 in the prior year. The District ended the year with \$9,113,404 in total net position. Following is a summary table of statement of net position comparing the changes from fiscal year 2016/2017 and 2017/2018:

STATEMENT OF NET POSITION:

| | 2016/2017 | 2017/2018 | Change | |
|-----------------------------------|-------------------------|-------------------------|-------------------------|------------------|
| | | | Amount | % |
| Assets: | | | | |
| Current | \$ 4,555,392 | \$ 4,134,690 | \$ (420,702) | -9.2% |
| Non-current: capital | 5,954,377 | 6,462,128 | 507,751 | 8.5% |
| Total assets | 10,509,769 | 10,596,818 | 87,049 | 0.8% |
| Deferred outflow of resources | | | | |
| OPEB related | - | 51,445 | 51,445 | 0.0% |
| Liabilities: | | | | |
| Current | 209,117 | 86,672 | (122,445) | -58.6% |
| Other non-current | 922,877 | 1,370,248 | 447,371 | 48.5% |
| Total liabilities | 1,131,994 | 1,456,920 | 324,926 | 28.7% |
| Deferred inflow of resources | | | | |
| OPEB related | - | 77,939 | 77,939 | 0.0% |
| Net position: | | | | |
| Net investment in capital assets | 5,954,377 | 6,462,128 | 507,751 | 8.5% |
| Unrestricted | 3,423,398 | 2,651,276 | (772,122) | -22.6% |
| Total net position | <u>\$ 9,377,775</u> | <u>\$ 9,113,404</u> | <u>\$ (264,371)</u> | <u>-2.8%</u> |

CHANGES IN FINANCIAL CONDITION OF THE DISTRICT:

The following provides explanations for some of the changes between fiscal years, as reflected in the above balance sheet data:

CURRENT ASSETS:

Current assets decreased by \$420,702 or 9.2% from the prior year. This is due primarily to spending on the meter pipe line project during the current year. Inventory increased by \$5,462. Service receivables increased by \$2,881 or 7.92% and property tax receivable decreased by \$1,614 or 7.62%.

CURRENT LIABILITIES:

Current liabilities decreased by \$122,445 due primarily to a repayment of a prepaid connection fee to a customer held as unearned revenue in the prior year.

Idyllwild Water District
Management's Discussion and Analysis
For the year ended June 30, 2018

LONG-TERM DEBT OUTSTANDING:

The District currently has no long term debt outstanding.

NET OPEB LIABILITY:

The District had an actuarial firm perform calculation of the net OPEB liability for the "Retiree's Health Benefit Plan" in accordance with GASB statement 75. A net increase in the net OPEB liability was recorded in the current fiscal year in the amount of \$447,371 as a result of implementing the new statement. See note 10 for more information.

CAPITAL ASSETS:

The District reported capital assets of \$6,462,128, net of accumulated depreciation, at the end of the fiscal year compared to \$5,954,377 in fiscal year 2016/2017, an increase of \$507,751 or 8.5%. See note 2 for more information. The following is a table comparing the change in capital assets between the two fiscal years:

CAPITAL ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2018

| | 2016/2017 | 2017/2018 | Change | |
|--------------------------------------|---------------------|---------------------|-------------------|-------------|
| | | | Amount | % |
| Construction in progress | \$ 182,195 | \$ 942,507 | \$ 760,312 | 417.3% |
| Land and land improvements | 606,101 | 606,101 | - | 0.0% |
| Source of supply | 1,336,153 | 1,336,153 | - | 0.0% |
| Pumping plant | 97,162 | 97,162 | - | 0.0% |
| Treatment plant | 683,377 | 683,377 | - | 0.0% |
| Transmission and distribution | 5,464,238 | 5,464,238 | - | 0.0% |
| General plant | 1,357,214 | 1,416,130 | 58,916 | 4.3% |
| Subsurface lines | 1,389,330 | 1,389,330 | - | 0.0% |
| Wastewater treatment facilities | 1,109,175 | 1,109,175 | - | 0.0% |
| Wastewater disposal facilities | 313,328 | 313,328 | - | 0.0% |
| Total capital assets | 12,538,273 | 13,357,501 | 819,228 | 6.5% |
| Less accumulated depreciation | (6,583,896) | (6,895,373) | (311,477) | 4.7% |
| Net capital assets, net | \$ 5,954,377 | \$ 6,462,128 | \$ 507,751 | 8.5% |

DISTRICT REVENUES AND EXPENSES ACTUAL VS. BUDGET:

The table below compares actual revenues and expenses of the District to budgeted and/or projected amounts used by the District to monitor performance during the fiscal year. The following is a table of total revenues and expenses comparing the actual results with budgeted projections:

ACTUAL VERSUS BUDGET FOR THE FISCAL YEAR ENDED JUNE 30, 2018

| <i>Revenues</i> | Actual | Budget | Variance |
|---------------------------------------|--------------|--------------|--------------|
| Water base fees and revenue | \$ 1,281,801 | \$ 1,292,470 | \$ (10,669) |
| Wastewater base fees and revenue | 614,842 | 635,268 | (20,426) |
| Interest and other revenues | 308,948 | 4,500 | 304,448 |
| Property taxes - 1% and standby fees | 462,320 | 415,000 | 47,320 |
| Total revenues | 2,667,911 | 2,347,238 | 320,673 |
| <i>Expenses</i> | | | |
| Water operations (including G&A) | \$ 1,538,739 | \$ 1,203,061 | \$ (335,678) |
| Wastewater operations (including G&A) | 659,741 | 563,480 | (96,261) |
| Depreciation | 340,812 | 245,000 | (95,812) |
| Other expense | 660 | - | (660) |
| Total expenses | 2,539,952 | 2,011,541 | (528,411) |
| Change in net position | \$ 127,959 | \$ 335,697 | \$ (207,738) |

The District's capital budget was \$747,000. The District incurred capital costs of \$848,563 during the year.

UPCOMING EVENTS:

The District is currently working on a Pipeline Replacement Project for North Circle and Village Center Drives, financed by IWD for around \$500,000. The expected completion date is the end of June 2019.

The District has updated its Water Service Policies and Procedures and is currently working to update the other Policies and Procedures.

The District is in Stage 1 of Water Conservation and has lifted the restrictions on issuing water meters

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT:

This management's discussion and analysis section is designed to provide Idyllwild Water District elected officials, our customers, and creditors with a general overview of the District's financial activities for fiscal year 2017/2018 for public monies it receives and expends. If you have any questions regarding this section or require additional financial information, please contact the District, at 25945 CA-243, Idyllwild, California 92549 or online at idyllwildwater.com.

| | Water | Improvement District No. 1 - Wastewater | Total |
|---------------------------------------|--------------|---|--------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 2,158,054 | \$ 1,654,706 | \$ 3,812,760 |
| Certificates of deposit | 25,025 | 157,677 | 182,702 |
| Accounts receivable, net: | | | |
| Sales and service | 26,900 | 12,344 | 39,244 |
| Taxes and assessments | 14,259 | 5,295 | 19,554 |
| Accrued interest receivable | 6,800 | 5,361 | 12,161 |
| Inventories | 67,341 | 928 | 68,269 |
| | | | |
| Total current assets | 2,298,379 | 1,836,311 | 4,134,690 |
| | | | |
| Capital assets: | | | |
| Land and land improvements | 580,135 | 25,966 | 606,101 |
| Construction in progress | 942,507 | - | 942,507 |
| Property, plant and equipment, net | 4,114,956 | 798,564 | 4,913,520 |
| | | | |
| Total capital assets | 5,637,598 | 824,530 | 6,462,128 |
| | | | |
| Total assets | 7,935,977 | 2,660,841 | 10,596,818 |
| | | | |
| Deferred Outflows of Resources | | | |
| OPEB related | 38,584 | 12,861 | 51,445 |
| | | | |
| Total deferred outflows of resources | 38,584 | 12,861 | 51,445 |

The notes are an integral part of these financial statements.

| | Water | Improvement District No. 1 - Wastewater | Total |
|--------------------------------------|--------------|---|--------------|
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 49,304 | \$ 5,202 | \$ 54,506 |
| Unearned revenue | - | 6,721 | 6,721 |
| Compensated absences payable | 17,832 | 7,613 | 25,445 |
| Total current liabilities | 67,136 | 19,536 | 86,672 |
| Noncurrent liabilities: | | | |
| Net OPEB liability | 1,027,685 | 342,563 | 1,370,248 |
| Total noncurrent liabilities | 1,027,685 | 342,563 | 1,370,248 |
| Total liabilities | 1,094,821 | 362,099 | 1,456,920 |
| Deferred Inflows of Resources | | | |
| OPEB related | 58,454 | 19,485 | 77,939 |
| Total deferred inflows of resources | 58,454 | 19,485 | 77,939 |
| Net position | | | |
| Net investment in capital assets | 5,637,598 | 824,530 | 6,462,128 |
| Unrestricted | 1,183,688 | 1,467,588 | 2,651,276 |
| Total net position | \$ 6,821,286 | \$ 2,292,118 | \$ 9,113,404 |

The notes are an integral part of these financial statements.

Idyllwild Water District
Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2018

Page 1 of 2

| | Water | Improvement District No. 1 - Wastewater | Total |
|------------------------------------|------------------|---|------------------|
| Operating revenues | | | |
| Water sales: | | | |
| Residential | \$ 819,833 | \$ - | \$ 819,833 |
| Commercial | 411,470 | - | 411,470 |
| Wastewater service fees: | | | |
| Residential | - | 201,845 | 201,845 |
| Commercial | - | 412,197 | 412,197 |
| Service fees and other | 50,498 | 800 | 51,298 |
| Total operating revenues | 1,281,801 | 614,842 | 1,896,643 |
| Operating expenses | | | |
| Source of supply | 229,899 | - | 229,899 |
| Transmission and distribution | 116,949 | - | 116,949 |
| Pumping | 18,071 | - | 18,071 |
| Water treatment | 171,306 | - | 171,306 |
| Customer accounts | 98,143 | - | 98,143 |
| Wastewater collection | - | 114,581 | 114,581 |
| Wastewater treatment | - | 135,286 | 135,286 |
| Wastewater disposal | - | 147,821 | 147,821 |
| Other operating | 368,792 | 151,054 | 519,846 |
| General and administrative | 760,088 | 227,302 | 987,390 |
| Total operating expenses | 1,763,248 | 776,044 | 2,539,292 |
| Operating income (loss) | (481,447) | (161,202) | (642,649) |
| Nonoperating revenues | | | |
| Investment income | 20,474 | 17,460 | 37,934 |
| Property taxes and assessments | 314,817 | 118,289 | 433,106 |
| Other income | 8,236 | 501 | 8,737 |
| Grant revenue | 72,684 | - | 72,684 |
| Gain on disposal of capital assets | 8,500 | - | 8,500 |
| Standby fees | 23,929 | 5,285 | 29,214 |
| Capacity fees | 166,896 | 5,697 | 172,593 |
| Total nonoperating revenues | 615,536 | 147,232 | 762,768 |

The notes are an integral part of these financial statements.

Idyllwild Water District
Statement of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2018

Page 2 of 2

| | Water | Improvement District No. 1 - Wastewater | Total |
|--|---------------------|---|---------------------|
| Nonoperating expenses | | | |
| Agency debt and county services | \$ 660 | \$ - | \$ 660 |
| Total nonoperating expenses | 660 | - | 660 |
| Change in net position | 133,429 | (13,970) | 119,459 |
| Net position, beginning of year, as restated | 6,687,857 | 2,306,088 | 8,993,945 |
| Net position, end of year | <u>\$ 6,821,286</u> | <u>\$ 2,292,118</u> | <u>\$ 9,113,404</u> |

The notes are an integral part of these financial statements.

| | Water | Improvement District No. 1 - Wastewater | Total |
|---|---------------------|---|---------------------|
| Cash flows from operating activities | | | |
| Cash received from customers | \$ 1,141,926 | \$ 614,714 | \$ 1,756,640 |
| Cash payments for services, supplies and employees | (1,443,169) | (656,061) | (2,099,230) |
| Net cash (used for) operating activities | (301,243) | (41,347) | (342,590) |
| Cash flows from noncapital financing activities | | | |
| Property taxes -1% received | 316,503 | 118,217 | 434,720 |
| Other nonoperating income | 52,407 | 5,786 | 58,193 |
| Other nonoperating expenses | (660) | - | (660) |
| Net cash provided by noncapital financing activities | 368,250 | 124,003 | 492,253 |
| Cash flows from capital and related financing activities | | | |
| Acquisition and construction of capital assets | (823,232) | (25,331) | (848,563) |
| Proceeds from disposal of capital assets | 8,500 | - | 8,500 |
| Capacity fees received | 166,896 | 5,697 | 172,593 |
| Proceeds from capital grant | 72,684 | - | 72,684 |
| Net cash (used for) capital and related financing activities | (575,152) | (19,634) | (594,786) |
| Cash flows from investing activities | | | |
| Proceeds from investments | (12) | (1,321) | (1,333) |
| Investment income | 16,936 | 14,671 | 31,607 |
| Net cash provided by investing activities | 16,924 | 13,350 | 30,274 |
| Net increase (decrease) in cash and cash equivalents | (491,221) | 76,372 | (414,849) |
| Cash and cash equivalents, beginning of year | 2,649,275 | 1,578,334 | 4,227,609 |
| Cash and cash equivalents, end of year | <u>\$ 2,158,054</u> | <u>\$ 1,654,706</u> | <u>\$ 3,812,760</u> |

The notes are an integral part of these financial statements.

| | Water | Improvement District No. 1 - Wastewater | Total |
|---|---------------------|---|---------------------|
| Reconciliation of operating income (loss) to cash cash used for operating activities | | | |
| Operating income (loss) | \$ (481,447) | \$ (161,202) | \$ (642,649) |
| Adjustments to reconcile operating income (loss) to net cash used for operating activities: | | | |
| Depreciation | 224,509 | 116,303 | 340,812 |
| Prior period adjustment - change in accounting principle | (287,864) | (95,966) | (383,830) |
| (Increase) decrease in assets: | | | |
| Receivables | (2,753) | (128) | (2,881) |
| Inventories | (5,462) | - | (5,462) |
| Changes in deferred outflows of resources (increase) decrease: | | | |
| OPEB related | (38,584) | (12,861) | (51,445) |
| Increase (decrease) in liabilities: | | | |
| Accounts payable | 31,225 | (19,580) | 11,645 |
| Net OPEB liability | 335,527 | 111,844 | 447,371 |
| Unearned revenue | (137,122) | - | (137,122) |
| Compensated absences payable | 2,274 | 758 | 3,032 |
| Changes in deferred inflows of resources increase (decrease) in liabilities: | | | |
| OPEB related | 58,454 | 19,485 | 77,939 |
| Net cash (used for) operating activities | <u>\$ (301,243)</u> | <u>\$ (41,347)</u> | <u>\$ (342,590)</u> |
| Cash and investments are presented in the statement of net position as follows: | | | |
| Cash and investments | \$ 2,158,054 | \$ 1,654,706 | \$ 3,812,760 |
| Certificates of deposit | 25,025 | 157,677 | 182,702 |
| Total | <u>\$ 2,183,079</u> | <u>\$ 1,812,383</u> | <u>\$ 3,995,462</u> |

The notes are an integral part of these financial statements.

Note 1: Significant accounting policies

Description of reporting entity

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community. The financial statements of the Idyllwild Water District include the financial activities of Improvement District No. 1 as an oversight component of the District. The oversight responsibility of the District arises from the fact that the two operations are related financially and have the same management and governing board.

Measurement focus and basis of accounting

The District utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly, revenue and expenses are recognized on an accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods (water) in connection with the principal ongoing operations.

The District recognizes revenue from water sales, wastewater service fees and water availability fees as it is earned. Taxes and assessments are recognized as revenue based upon amounts reported to the District by the County of Riverside, net of an allowance for delinquencies.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Materials inventory

Inventory consists primarily of supplies used in the maintenance of plant and equipment and is valued at weighted average cost using the first in/first out (FIFO) method.

Net position flow assumption

At various times the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Water receivables

No allowance for doubtful accounts is provided because management believes all receivables are collectible.

Deposits and investments

Investments for the District are reported at fair value as applicable.

Interfund transfers

Transfers represent reimbursement amounts between funds.

Note 1: Significant accounting policies, continued

Capital assets and depreciation

Acquisitions of property, plant and equipment of \$5,000 or more with a useful life of greater than three years are capitalized and depreciated. Contributed assets are recorded at their fair value at the date of contribution. Donated capital assets as recorded at their acquisition value at the date of donation. Self-constructed assets are recorded at the amount of direct labor and materials.

Depreciation is provided on the straight-line method over the following estimated useful lives:

| <u>Water District</u> | <u>Years</u> |
|--------------------------------------|------------------|
| Source of supply | 15 -100 |
| Pumping plant | 7 - 50 |
| Treatment plant | 25 - 40 |
| Transmission and distribution | 40 - 60 |
| General plant | 3 - 40 |
| <u>Improvement District No.1</u> | <u>Years</u> |
| Subsurface lines | 20 - 40 |
| Wastewater treatment facilities | 5 - 40 |
| Wastewater disposal facilities | 12 - 100 |
| General plant | 4 - 20 |

Cash and cash equivalents

For purposes of the statement of cash flows, the District considers all investments purchases with a maturity of three months or less to be cash equivalents.

Budgetary accounting

The District prepares and adopts budgets for both the Water and Improvement District, but does not present budgetary information because it is not legally required to adopt and adhere to a budget. All budgets are adopted on a basis consistent with generally accepted accounting principles.

Use of estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the statements. Actual results could differ from those estimates.

Net position is categorized as follows

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Note 1: Significant accounting policies, continued

The District reports the following enterprise funds:

Water – This fund is used to account for the sale of water to domestic and commercial accounts. It is also used to account for the costs of distributing, new construction and repair and maintenance of various water facilities and other related infrastructure.

Improvement District No. 1 Wastewater – This fund is used to account for the treatment and disposal of wastewater. It is also used to account for the costs of collection, new construction and repair and maintenance of various wastewater facilities and other related infrastructure.

Implementation of New Pronouncement

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. For postemployment benefits other than pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2017

Measurement Date: June 30, 2017

Measurement Period: July 1, 2016 to June 30, 2017

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Idyllwild Water District
Notes to Financial Statements
For the year ended June 30, 2018

Note 2: Capital assets

The investment in capital assets at June 30, 2018 consists of the following:

| <i>Water District</i> | Beginning balance | Additions | Deletions | Ending balance |
|---|----------------------|-------------------|-------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ 182,195 | \$ 760,312 | \$ - | \$ 942,507 |
| Land and land improvements | 580,135 | - | - | 580,135 |
| Total capital assets not being depreciated | 762,330 | 760,312 | - | 1,522,642 |
| Capital assets being depreciated: | | | | |
| Source of supply | 1,336,153 | - | - | 1,336,153 |
| Pumping plant | 97,162 | - | - | 97,162 |
| Treatment plant | 683,377 | - | - | 683,377 |
| Transmission and distribution | 5,464,238 | - | - | 5,464,238 |
| General plant | 1,236,423 | 62,920 | (29,335) | 1,270,008 |
| Total capital assets being depreciated | 8,817,353 | 62,920 | (29,335) | 8,850,938 |
| Less accumulated depreciation | (4,540,808) | (224,509) | 29,335 | (4,735,982) |
| Net capital assets being depreciated | 4,276,545 | (161,589) | - | 4,114,956 |
| Net capital assets | <u>\$ 5,038,875</u> | <u>\$ 598,723</u> | <u>\$ -</u> | <u>\$ 5,637,598</u> |

Idyllwild Water District
Notes to Financial Statements
For the year ended June 30, 2018

Note 2: Capital assets, continued

The investment in capital assets at June 30, 2018 consists of the following:

| <i>Improvement District No. 1</i> | Beginning balance | Additions | Deletions | Ending balance |
|---|----------------------|--------------------|-------------|-------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 25,966 | \$ - | \$ - | \$ 25,966 |
| Total capital assets not being depreciated | 25,966 | - | - | 25,966 |
| Capital assets being depreciated: | | | | |
| Subsurface lines | 1,389,330 | - | - | 1,389,330 |
| Wastewater treatment facilities | 1,109,174 | - | - | 1,109,174 |
| Wastewater disposal facilities | 313,328 | - | - | 313,328 |
| General plant | 120,792 | 25,331 | - | 146,123 |
| Total capital assets being depreciated | 2,932,624 | 25,331 | - | 2,957,955 |
| Less accumulated depreciation | (2,043,088) | (116,303) | - | (2,159,391) |
| Net capital assets being depreciated | 889,536 | (90,972) | - | 798,564 |
| Net capital assets | <u>\$ 915,502</u> | <u>\$ (90,972)</u> | <u>\$ -</u> | <u>\$ 824,530</u> |

Note 3: Cash and investments

Cash and investments are displayed on the financial statements at June 30, 2018 as follows:

| | Water | Improvement District No. 1 |
|---------------------------------|---------------------|-------------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 2,158,054 | \$ 1,654,706 |
| Investments | 25,025 | 157,677 |
| | <u>2,183,079</u> | <u>1,812,383</u> |
| Total cash and cash equivalents | <u>\$ 2,183,079</u> | <u>\$ 1,812,383</u> |

Cash and investments as of June 30, 2018 consisted of the following:

Cash consisted of the following at June 30:

| | | |
|--------------------------------------|---------------------|---------------------|
| Deposits with financial institutions | \$ 174,727 | \$ 164,372 |
| Cash on hand | 275 | - |
| Investments | 2,008,077 | 1,648,011 |
| | <u>2,183,079</u> | <u>1,812,383</u> |
| Total cash and cash equivalents | <u>\$ 2,183,079</u> | <u>\$ 1,812,383</u> |

The District is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each participant may invest up to \$65,000,000. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Also, LAIF is overseen by the Local Agency Investment Advisory Board which consists of five members, in accordance with State statute. LAIF is not currently rated by any rating agency.

Interest rate risk

The District has adopted an investment policy which limits the weighted average maturity of the District's investments to one year as a means of managing their exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk

During the fiscal year, the District did not hold investments in one issuer that represented 5% or more of the District's total investment portfolio. Investments issued or explicitly guaranteed by the U.S. government as well as mutual funds, external investment pools and other pooled assets are exempt from disclosure.

Note 3: Cash and investments, continued

Investments authorized by the California Government Code and the Districts' Investment Policy

The table on the next page identifies the investment types that are authorized by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by trustees that are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the Districts' investment policies.

| Authorized investment type | Maximum percentage of portfolio* | Maximum investment in one issuer |
|---|----------------------------------|----------------------------------|
| United States treasury obligations | 100% | Not applicable |
| US government sponsored enterprise securities | 75% | Not applicable |
| California State warrants/notes/bonds | 100% | Not applicable |
| Local Agency Investment Fund | 67% | \$65,000,000 |
| Money market mutual funds | 20% | 25% |
| Time certificates of deposit | 50% | 50% |
| District bonds | Not applicable | 30% |

Any other investment authorized by the provisions of CGC 5922 and 53601

* = Surplus funds (monies not expected to be expended for at least six months from the date of investment of such monies.)

Investments authorized by debt agreements

Investments of debt proceeds held by trustees (fiscal agents) are governed by provisions of the debt agreements, rather than the provisions of the California Government Code or the Districts' investment policies. The District currently does not have any debt or cash held by trustees.

Investment maturities at June 30, 2018 were as follows:

| Investment type | Fair value | Remaining maturity | |
|--|---------------------|---------------------|-------------------|
| | | 12 months or less | 13 to 60 months |
| <i>Water District</i> | | | |
| Local Agency Investment Fund | \$ 1,433,066 | \$ 1,433,066 | \$ - |
| Certificates of deposit | 25,025 | 25,025 | - |
| Public funds money market | 549,986 | 549,986 | - |
| Total investments - Water District | <u>\$ 2,008,077</u> | <u>\$ 2,008,077</u> | <u>\$ -</u> |
| <i>Improvement District No. 1</i> | | | |
| Local Agency Investment Fund | \$ 1,129,807 | \$ 1,129,807 | \$ - |
| Certificates of deposit | 157,677 | 25,848 | 131,829 |
| Public funds money market | 360,527 | 360,527 | - |
| Total investments - Improvement District No. 1 | <u>\$ 1,648,011</u> | <u>\$ 1,516,182</u> | <u>\$ 131,829</u> |

Note 3: Cash and investments, continued

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institute secure deposits made by state and local governmental units by pledging securities in an individual collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the pool must equal at least 110% of the total amount deposited by public agencies.

California law also allows financial institutions to secure the Districts' deposits by pledging first trust deed mortgage notes, having a value of 150% of the secured public deposits. At June 30, 2018, the District's deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California law.

Fair value measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Non-negotiable certificates of deposit and investments in LAIF are not subject to fair value measurements and are measured at net asset value, which approximates fair value.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in certain investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy further limits investments in Money Market Mutual Funds to funds that carry the highest rating of at least two of the three largest national rating organizations.

| Investment type | Amount | Minimum legal rating | Rating | Not rated |
|---|---------------------|-------------------------|--------|--------------------|
| <i>Water District</i> | | | | |
| Local Agency Investment Fund | \$ 1,433,066 | NA | NA | \$ 1,433,066 |
| Certificates of deposit | 25,025 | None | NA | 25,025 |
| Public funds money market | 549,986 | None | NA | 549,986 |
| Total investments - Water District | <u>\$ 2,008,077</u> | | | <u>\$2,008,077</u> |
| <i>Improvement District No. 1</i> | | | | |
| Local Agency Investment Fund | \$ 1,129,807 | NA | NA | \$ 1,129,807 |
| Certificates of deposit | 157,677 | None | NA | 157,677 |
| Public funds money market | 360,527 | None | NA | 360,527 |
| Total investments - Improvement District No. 1 | <u>\$ 1,648,011</u> | | | <u>\$1,648,011</u> |

Idyllwild Water District
Notes to Financial Statements
For the year ended June 30, 2018

Note 4: Major Customers

During the year ended June 30, 2018, the District has revenues from an unrelated party which amount to more than 10% of net sales. Net sales and accounts receivable to this customer for the year ended were as follows:

| 2018 | | | | |
|-------------|-------------------|--|----------------------------|--|
| | Net Sales | | Accounts Receivable | |
| | Water | Improvement District No. 1 - Wastewater | Water | Improvement District No. 1 - Wastewater |
| Customer A | <u>\$ 166,320</u> | <u>\$ 94,513</u> | <u>\$ 19,222</u> | <u>\$ 7,876</u> |

Note 5: Property tax calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

| | |
|-----------------|--|
| Lien date | March 1 |
| Levy date | July 1 through June 30 |
| Due date | November 1 – First installment March 1 – Second installment |
| Delinquent date | December 10 – First installment April 10 – Second installment |

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to agencies based on complex formulas prescribed by state statutes. The County of Riverside bills, collects and remits to the District property taxes and assessments through the County's property tax billing process.

Idyllwild Water District
Notes to Financial Statements
For the year ended June 30, 2018

Note 6: Net position

The District has adopted net position reserve policies which clearly identify reserve categories and purposes while also setting target levels that are consistent with the District's mission, uniqueness and philosophy. The District believes the reserves are prudent fiscal management tools which provide a cornerstone of long-term financial management. The reserve balances are reviewed annually to ensure they meet the needs, current and long-term, of the District. At June 30, 2018, the District had the following reserves in unrestricted net position:

| <u>Net position reserves</u> | <u>Water</u> | <u>Improvement District No. 1 - Wastewater</u> |
|--------------------------------------|-------------------|--|
| Working capital | \$ 112,500 | \$ 37,500 |
| Emergency | 150,000 | 50,000 |
| Capital improvement and replacement | 150,000 | 50,000 |
| Vehicle and equipment replacement | 75,000 | 25,000 |
| Vacation/sick/annual leave liability | 16,810 | 5,603 |
| OPEB | 486,880 | 162,292 |
| Total reserves | <u>\$ 991,190</u> | <u>\$ 330,395</u> |

Note 7: Compensated absences payable

Vested or accumulated vacation leave is recognized as an expense and liability as the benefits accrue to the employees. Pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*, only the vested portion of sick pay benefits are recognized as a liability.

| | <u>Beginning balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending balance</u> |
|----------------------|------------------------------|------------------|--------------------|---------------------------|
| Compensated absences | <u>\$ 22,413</u> | <u>\$ 39,795</u> | <u>\$ (36,763)</u> | <u>\$ 25,445</u> |

Note 8: Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2018, the District participated in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), which was organized for the purpose of providing liability insurance for the member agencies. The JPIA is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500. The JPIA is governed by a board consisting of a representative from each member agency. The board controls the operations of the JPIA, including selections of management and approval of operating budgets. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The accounts and records of ACWA/JPIA are audited by an independent certified public accounting firm.

Note 8: Risk management, continued

The District has deductibles as follows:

| | |
|---|---------|
| Buildings, fixed equipment and personal property: | \$2,500 |
| Mobile equipment: | \$2,500 |
| Licensed vehicles: | \$1,000 |
| Crime | \$1,000 |
| Boiler and machinery | various |

The District pays annual premiums for the coverages, which are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and there were no instances in the past three years where a settlement exceeded the District's coverage.

Note 9: Employees' retirement plan – defined contribution

All permanent employees hired on or before December 31, 2013 are covered under the Idyllwild Water District Money Purchase Pension Plan (the Plan) 401(a) administered by the District through ING Pension acting as trustee. The Plan is fully funded by a contribution rate of 21.5% of eligible salaries and wages made entirely by the District. The Board of Directors of the District has the authority, in its sole discretion, to amend, reduce contributions or terminate the plan at any time.

The District adopted a new pension plan 457(b) starting January 1, 2014. For new hires on or after January 1, 2014, the District contributes 10% for each new employee and matching up to 5%, if the employee elects to contribute up to 5%. The 457(b) Plan is administered by the District through ING pension acting as trustee.

The 457(b) Plan is also available to all current employees hired before December 31, 2013 however, the District will not provide matching contributions. In addition, District employees are also covered under Social Security, funded equally by the District and the employee, or as prescribed by applicable laws.

Note 10: Postemployment benefits other than pensions

Plan description

The District has established a single-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who reach the following: 1) age 55 and ten years of service (before 1/1/2014, closed to new entrants) or 2) age 65 with ten years of service (after 12/31/2013, open to new entrants). The healthcare coverage provided by the District meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. A separate financial report is not prepared for the HC Plan.

Plan benefits

For the closed plan, the District will pay a varied percentage (50% - 100%) of the retiree and spouses pre-Medicare medical premiums and 100% of the retiree and spouse supplemental Medicare and prescription drug coverage upon reaching Medicare age.

For the open plan, the District will only pay a varied percentage (50% - 100%) of the retiree and spouses Medicare supplement and prescription drug coverage.

Note 10: Postemployment benefits other than pensions, continued

Employees covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

| | |
|--|-----------|
| Active employees | 9 |
| Inactive employees or beneficiaries currently receiving benefits | 6 |
| Total | <u>15</u> |

Contributions

The HC Plan and its contribution requirements are established by the Board of Directors and may be amended by the Board of Directors. For the fiscal year ended June 30, 2018, the District's cash contributions were \$46,790 in payments to for insurance premiums not reimbursed by a trust. Implicit contributions amounted to \$4,655 for total payments of \$51,445.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial assumptions:

| | |
|--|--|
| Discount rate | 3.13% |
| Inflation | 2.75% |
| Salary increases | 3.25% per year, used only to allocate the cost of benefits between service years |
| Investment rate of return | NA |
| Mortality rate(1) | MacLeod Watts Scale 2017 applied generationally |
| Pre-retirement turnover(2) healthcare trend rate | 5.0% per year |

Notes:

(1) The mortality improvement scale was updated from MacLeod Watts Scale 2014 to MacLeod Watts Scale 2017.

(2) Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year

Discount rate

The discount rate used to measure the total OPEB liability was 3.13% percent. The District is currently financing its OPEB liability on a pay-as-you-go basis. The discount rate used in the valuation is based on the S&P Municipal Bond 20 Year High Grade Index.

Note 10: Postemployment benefits other than pensions, continued

Changes in the OPEB Liability

The changes in the net OPEB liability for the HC Plan are as follows:

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (B) | Net OPEB Liability/(Asset) (c) = (a) - (b) |
|---|-------------------------------------|--|---|
| Balance at June 30, 2017 (Measurement Date June 30, 2017) | <u>\$ 1,339,934</u> | <u>\$ -</u> | <u>\$ 1,339,934</u> |
| Changes recognized for the measurement period: | | | |
| Service cost | 114,966 | - | 114,966 |
| Interest | 38,546 | - | 38,546 |
| Changes of assumptions | (89,965) | - | (89,965) |
| Plan experience differences | - | - | - |
| Contributions - employer | - | 32,233 | (32,233) |
| Net investment income | - | - | - |
| Benefit payments | <u>(33,233)</u> | <u>(32,233)</u> | <u>(1,000)</u> |
| Net change | <u>30,314</u> | <u>-</u> | <u>30,314</u> |
| Balance at June 30, 2018 | <u><u>\$ 1,370,248</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,370,248</u></u> |

Sensitivity of the Net OPEB Liability to changes in the Discount Rate

The following presents the net OPEB liability of the Town if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

| | Discount Rate | | |
|--------------------|----------------------|---------------------|---------------------|
| | 1% Decrease | Current rate | 1% Increase |
| | <u>2.13%</u> | <u>3.13%</u> | <u>4.13%</u> |
| Net OPEB Liability | <u>\$ 1,583,432</u> | <u>\$ 1,370,248</u> | <u>\$ 1,199,373</u> |

Sensitivity of the Net OPEB Liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

| | Healthcare Cost Trend Rates | | |
|--------------------|------------------------------------|---------------------|---------------------|
| | 1% Decrease | Current rate | 1% Increase |
| | <u>6.50%</u> | <u>7.50%</u> | <u>8.50%</u> |
| Net OPEB Liability | <u>\$ 1,190,211</u> | <u>\$ 1,370,248</u> | <u>\$ 1,596,606</u> |

Idyllwild Water District
Notes to Financial Statements
For the year ended June 30, 2018

Note 11: Prior year restatement

Change in Accounting Principle

As discussed in Note 1, the District implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. The Agency's net OPEB liability was not previously recorded on the statement of net position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. Restatement of the comparative financial data for the prior period presented is not practical due to the unavailability of actuarial information, therefore the provisions of GASB 75 were not applied to the prior period.

The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement as follows:

| | Water | Sewer | Total |
|---|---------------------|---------------------|---------------------|
| Beginning net position, as previously reported | \$ 6,975,721 | \$ 2,402,054 | \$ 9,377,775 |
| Restatement due to change in accounting principle | (287,864) | (95,966) | (383,830) |
| Beginning net position, as restated | <u>\$ 6,687,857</u> | <u>\$ 2,306,088</u> | <u>\$ 8,993,945</u> |

Idyllwild Water District
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 years*

| Measurement Period | 2017 |
|---|---------------------|
| Total OPEB Liability | |
| Service Cost | \$ 114,966 |
| Interest on the Total OPEB Liability | 38,546 |
| Actual and expected experience difference | - |
| Changes in assumptions | (89,965) |
| Changes in benefit terms | - |
| Benefit payments | (33,233) |
| Net change in Total OPEB Liability | 30,314 |
| Total OPEB Liability - beginning | 1,339,934 |
| Total OPEB Liability - ending (a) | <u>\$ 1,370,248</u> |
| Plan Fiduciary Net Position | |
| Contribution - employer | \$ 33,233 |
| Net investment income | - |
| Benefit payments | (33,233) |
| Administrative expense | - |
| Net change in Plan Fiduciary Net Position | - |
| Plan Fiduciary Net Position - beginning | - |
| Plan Fiduciary Net Position - ending (b) | <u>\$ -</u> |
| Net OPEB Liability - ending (a) - (b) | \$ 1,370,248 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% |
| Covered employee payroll | \$ 474,999 |
| Net OPEB liability as a percentage of covered employee payroll | 288.47% |

Notes to schedule:

Changes Since the Prior Valuation:

Discount rates: Decreased from 4.00% to 3.13%

Demographic assumptions: Rates of assumed mortality and termination were updated from those provided by CalPERS 2010 experience study to the CalPERS 2014 study. Rates of mortality were updated to the rates in the midpoint year of CalPERS 2014 study, then projected on a generational basis by MacLeod Watts Scale 2017.

Age related premiums: Introduced a methodology for developing age-related medical premiums based on recent research and data sponsored by Society of Actuaries.

Excise tax: Reflected the potential impact of excise tax attributable to retirees for high cost healthcare plans for retirees, as provided by the ACA

Employer contribution: Cap amounts for retirees hired before January 1, 2014 increased from \$705 to \$809 for single party coverage and from \$1,390 to \$2,151 for two party coverage.

*Historical information is required only for measurement periods for which GASBS No. 75 is applicable. GASBS No. 75 was implemented in the fiscal year ended June 30, 2018 with a measurement period of June 30, 2017.

Idyllwild Water District
Required Supplementary Information
Schedule of Contributions - OPEB
Last 10 years*

SCHEDULE OF CONTRIBUTIONS

| Fiscal year ended June 30 | 2018 |
|---|------------|
| Contractually Required Contributions (CRC) | \$ 51,445 |
| Contributions in relation to the CRC | (51,445) |
| Contribution deficiency/(excess) | \$ - |
| Covered employee payroll | \$ 474,999 |
| Contribution as a percentage of covered payroll | 10.83% |

Notes to schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2017 valuation.

Methods and assumptions used to determine contributions:

| | |
|------------------------------|---|
| Actuarial Cost Method | Entry Age Normal Cost, level percent of pay |
| Amortization Period/Method | |
| Asset Valuation Method | Market value of assets |
| Inflation | 2.75% |
| Payroll Growth | 3.0% per year; used to allocate the cost of benefits between service years if developed on a level percent of pay basis |
| Investment Rate of Return | 3.13% |
| Healthcare Costs Trend rates | Medical plan premiums are assumed to increase annually by 5%. |
| Retirement Age | Before 1/1/2014 - 55; after 12/1/2013 - 65 |
| Mortality | MacLeod Watts Scale 2017 applied generationally |

*Historical information is required only for measurement periods for which GASBS No. 75 is applicable. GASBS No. 75 was implemented in the fiscal year ended June 30, 2018 with a measurement period of June 30, 2017

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

**IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549**

Vice President Szabadi will be calling from

**Chemin du Croset 6
1180 Bugnoux sur Rolle, Gimel, Switzerland.**

Phone # 079 217 02 81

or

Phone# 079 342 92 82

September 19, 2018 - 6:00 P.M.

CALL TO ORDER: President Schelly called the meeting to order at 6:00 p.m.

ROLL CALL: : Directors present: Vice President Peter Szabadi, Director Kunkle, Director Hunt, and Director Gin. General Manager Jack Hoagland, Chief Financial Officer Hosny Shouman and Board Secretary Jeannine Olsen were also present.

PUBLIC ATTENDANCE: 49

DIRECTORS COMMENTS: President Schelly told the public there will be a change tonight, he specified if anyone who wants to comment on any item on the Agenda do so at the beginning of the meeting, you will be allowed to speak for 4 minutes. We will not have comments during the items on the Agenda.

PUBLIC COMMENTS: Public concerns are the three meters given in trade to Rustic Rentals without board approval and the strain it would put on the waste water treatment plant. Pine Cove customers were present to emphasize their opposition to any action that would initiate any effort toward consolidating the two water districts. Vic Sirkin requested a letter written by Peter Szabadi be recorded into the minutes. See Attached Letter.

GM COMMENTS: Explained why the minutes were a month behind which is due to long meetings and a new staff member still learning at this time.

DIRECTORS COMMENTS: Director Szabadi questions President Schelly's ruling as far as 4 minutes and no discussion from the public.

"Is this a ruling of the chair"? President Schelly states it's a ruling of the chair according to the Brown Act as it is written. JP, from the Town Crier states that's not correct. Schelly states the chair can follow the Brown Act as it's worded and that's what we are doing tonight. Director Kunkle would like to find options to reduce the cost of Computer Options.

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** – July 18, 2018 Regular Meeting Minutes
 August 8, 2018 Special Meeting Minutes
 August 28, 2018 Minutes of the Consolidation Committee

B. **FINANCIAL REPORTS July 2018**

1. Income statement for the Second month ending August 2018
2. District warrants for August 2018.

| | | |
|------------------------|-------------|-----------------|
| Check # | 14948-14987 | = \$ 135,357.20 |
| Gross Payroll | | = \$ 60,000.00 |
| Federal/State PR taxes | | = \$ 18,260.00 |
| LAIF Transfers | | = \$ 0.00 |
| Transfers/charges | | = \$ 0.00 |

C. **OPERATIONS REPORT FOR THE SECOND MONTH – August 2018**

Vice President Szabadi does not approve the minutes from the July 18, 2018 meeting and wants them withdrawn. Also Szabadi stated that Stage 1 water restrictions should have been an AGENDA Item. We had a MOTION and it was approved to put into effect sometime in the future

Vice President Szabadi made a MOTION to approve the Consent Calendar with the July 18th minutes not included and Director Gin seconded. The vote was as follows:

| | | | |
|-------------|-------------|----------------|---------------|
| AYES | NAYS | ABSTAIN | ABSENT |
|-------------|-------------|----------------|---------------|

Dr. Schelly
Peter Szabadi
Steve Kunkle
David Hunt
Les Gin

2. **WATER QUALITY ISSUES** – Staff will update the Board of Directors regarding the recent public water quality notifications, discuss progress on remediation, provide information for the Board to consider the provision of accessory equipment to customers (upon which they may take action) and discuss intermediate steps to move the distribution system toward compliance.

GM COMMENTS: Explained the current test numbers and how IWD is meeting its standards. IWD is using its city wells, minimizing the water that is coming from Foster Lake and we will continue to do that until we can have our Carbon Filter installed. We have selected Evoqua Water and looking at the end of the year for delivery. The cost

should be about \$103,000.00. Staff will be doing the pad, the extension of the building and the piping for this process.

DIRECTOR COMMENTS: Director Hunt would like to know how long it will take and GM said a couple weeks. Hunt said before we can connect all the way through to IAA he would like an unmetered spigot at the Idyllwild Pines Camp for use of a community orchard organized by Young Idyllwild and the Local Girl Scouts. He feels that would help with our flushing. Kunkle would like to have more information and reviewing to make sure IWD gets the best value. Director Gin would have also liked more information regarding the carbon filter, the cost and would have liked more bids. Hoagland states Evoqua Water offered better design. We are looking into a smaller carbon that was designed to remove smaller molecules from the water. Vice President Szabadi would like to know what does Jack attribute the improvement in the readings. GM says it was due to blending and using almost all city water. Szabadi states that this item was approved on the general budget though would like to know if this item requires competitive bidding whatever statute we were working under and does the purchase contract require board approval? GM states that at the last meeting you gave board approval to me to move on with the process. Director Hunt would like to move forward on this item not try to find a way to save a dollar.

Public wanted to comment on an ITEM and President Schelly reminded the public that all comments were to be made at the beginning of the meeting. Public strongly disapproved, Schelly excused himself and Director Hunt offered to chair the rest of the meeting.

Vice President Szabadi made a MOTION for Director Hunt to chair the rest of the meeting and Director Gin seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|---------------|------|---------|-------------|
| Peter Szabadi | | | Dr. Schelly |
| Steve Kunkle | | | |
| David Hunt | | | |
| Les Gin | | | |

PUBLIC COMMENTS: Members of the public concerned about a Brown Act violation regarding the approval of a carbon filter with no CEQA review of alternatives. And after listening to the recorded meeting they feel the board gave very little consideration of the water quality problem and that members of the public gave many alternatives. Another public comment was the continued use city wells and flushing. Director Hunt stated IWD would check with legal counsel regarding any Brown Act violations on approving the carbon filter.

3. **CONSIDER ANNEXATION OF PROPERTIES TO IMPROVEMENT DISTRICT NO. 1** – The Board of Directors will consider a request to annex properties to

Improvement District No. 1 (Sewer Service Area).

GM COMMENT: The issue is whether to annex the three lots on Marion View Drive into the wastewater system. The properties are within the water district, but not on the sewer system. Adding three more residential properties should have minimal effect on the waste treatment facility, Hoagland said there should be some sort of annexation fee comparable to the property owners who have been paying the sewer district a standby fee for decades. Hoagland recommended a \$4,375 fee for each property, which would need to be approved through a Proposition 218 process. But first, the board must decide whether it is willing to add more properties to the sewer system's capacity.

DIRECTORS COMMENTS: Director Steve Kunkle recommended that the board table this issue and ask for more information about the potential effect on the sewer system from undeveloped lots already within the sewer system.

A MOTION was made by Vice President Szabadi to TABLE the item and Director Kunkle seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|---------------|------|---------|-------------|
| Peter Szabadi | | | Dr. Schelly |
| Steve Kunkle | | | |
| David Hunt | | | |
| Les Gin | | | |

4. **CONSIDER THE PURCHASE OF AN “AUGER-MONSTER” FOR THE WWTP –**
The Board of Directors will consider authorizing the purchase of an “Auger Monster” grinder and screen for the WWTP headworks and installation thereof.

GM COMMENTS: This ITEM is a budget item. The request is for the board to approve the purchase of an Auger Monster which grinds and screens biodegradable material and puts it into a trash bin rather than going through the whole treatment process. Research was done on what type of system that would actually fit into our headworks without modifying the existing channel. We found that JWC Environmental manufactures this Auger Monster which this is the smallest model they make but works up to 250,000 gallons a day. GM has solicited proposals for the installation, with one bid at hand for 17,500.00 and is working hard for a second bid. IWD does not have the expertise in house to do the installation.

PUBLIC COMMENTS: Community would like to know if installation could be done in house with the help of Fern Valley Water District. Also concerned what the danger is to our sewer district if IWD waits to purchase the Auger for six months. Is this an emergency or should you table this ITEM.

DIRECTORS COMMENTS: Director Kunkle states that the grinder is making noises. From this company you can get rebuilt bottom end that can be changed out in about two hours and hopefully someone in water is able to do the work. The Auger has issues such as maintenance issues, smell issues, vector issues and disposal issues. Steve feels we can

get one for less but something has to be done. Director Gin agrees with Kunkle and would like IWD to look into other options. Director Hunt feels environmentally the screening makes a lot of sense.

A MOTION was made by Director Hunt to approve the purchase of the “Auger-Monster” and Vice President Szabadi seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|---------------|--------------|---------|-------------|
| Peter Szabadi | Steve Kunkle | | Dr. Schelly |
| David Hunt | | | |
| Les Gin | | | |

5. **CONSOLIDATION COMMITTEE** – The Board of Directors will hear a report from the Consolidation Committee and may take action to determine if and how to proceed.

DIRECTORS COMMENTS: Vice President Szabadi strongly argued that naming the committee “consolidation” was a mistake, Szabadi merely wants to formalize a committee of the three local water districts, including Fern Valley, for the elected leaders to discuss common issues and, perhaps, joint solutions. Muir indicated that the realtors’ association might be helpful in this pursuit. Szabadi recommended renaming the committee and writing the two districts requesting them to join IWD in these types of talks. Directors Les Gin and Steve Kunkle concurred. Hunt pointed to the strong animosity coming from Pine Cove residents. Hunt urged the committee to dissolve so that IWD was not seen as the instigator and find a citizen group to try to unite residents from the other districts.

A MOTION was made by President Szabadi to make a formal request on behalf of this water district addressed to the two other water districts to form or reform a committee to increase cooperation and improve relations between the districts and to promote a healthy dialog and Director Gin seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|---------------|------|---------|-------------|
| Peter Szabadi | | | Dr. Schelly |
| Steve Kunkle | | | |
| David Hunt | | | |
| Les Gin | | | |

6. **GENERAL MANAGER POSITION** – The Board of Directors will hear a report from the General Manager committee and may take action related to the Committee’s recommendations.

DIRECTORS COMMENTS: Director Kunkle reported that Director Hunt and he had met three times as regards to the General Manager search. We have come up with options to bring to the board. First, run a general add in surrounding newspapers for the General Manager in the Los Angeles Times, San Diego Tribune, Press Enterprise, Desert Sun and waterjobs.com. Second option is to have a Special Meeting next Wednesday night to go over the documents and finalize the job description and advertise. Third option was to have committee members finalize job description and present to the board at the regular board meeting

on Oct 17 to have a board approval and then advertise. Fourth option is to have Director Hunt and myself to finalize job description and finalize. Director Hunt would like the search to stay local to Southern California first then send out a general add without specifics, a general interest adds at first. Vice President Szabadi and Director Gin agree IWD needs a GM who is hands on, a field supervisor out in the field. Essentially Director Hunt feels it would be hard to find one person to be Administrative and Field supervisor. He likes the possibility to hire two people for the position.

A MOTION was made by Director Hunt to send the general information add out as soon as possible and have a special meeting next Wednesday September 28, and Director Gin seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|--|------|---------|-------------|
| Peter Szabadi Steve Kunkle David Hunt Les Gin | | | Dr. Schelly |

7. **WATER SHORTAGE CONTINGENCY PLAN AND DROUGHT RATES-ADOPT RESOLUTION NO. 756 TO SET A PUBLIC HEARING** – The Board of Directors will consider the draft Water Shortage Contingency Plan and proposed Drought Rates and may adopt Resolution 756 to set a public hearing.

The board set a public hearing for Nov. 21 on a new water-shortage contingency plan and related drought rates. Ordinance 64, the current policy for implementing water conservation measures, including conditions during droughts, will be discussed at the Oct. 17 meeting date to consider adoption of the WSC Plan and associated rates.

PUBLIC COMMENT: Would like a ballot on the 218.

A MOTION was made by Vice President Szabadi to set a public hearing on November 21 on a new water shortage contingency plan and Director Hunt seconded. The vote was as follows:

| AYES | NAYS | ABSTAIN | ABSENT |
|--|------|---------|-------------|
| Peter Szabadi Steve Kunkle David Hunt Les Gin | | | Dr. Schelly |

8. **CONSIDER OPTIONS FOR STRUCTURES DESTROYED IN THE CRANSTON FIRE** – The Board of Directors will consider options related to water service for properties with complete destruction of structures.

GM COMMENT: GM recommended relief for the property owners on Deerfoot Lane, who lost their residences from the Cranston Fire. He said the district could remove the

meters until they were ready to rebuild, and then re-install them at no cost. The revenue loss over three years might be \$1,350, Hoagland estimated. The board concurred.

A MOTION was made by Vice President Szabadi give relief of monthly base charges for the 4 homes that burnt down in the Cranston Fire and Director Hunt seconded.

ADJOURNMENT: Director Hunt Adjourned the meeting at 8:50

Idyllwild Water District

By:_____

David Hunt , Board Director

Idyllwild Water District

By:_____

Jeannine Olsen, Board Secretary

Oakwood Project – ICC Project (Notes for the Meeting)

1) How did we get here?

I learned of the Oakwood Project just at the time the work was commenced. I understood that there was going to be some credit given to the developer for putting in the pipes and connecting to our own Oakwood well. I was concerned about the structure of the deal and the relative benefits to our district versus to the developer. I immediately contacted our President and asked that our arrangements for the Oakwood Project be examined in a special meeting of our Board. Chip agreed, and I asked Jack to set up the special meeting. For reasons I still don't know, Jack did not schedule the special meeting and eventually, after discussion between Jack and Chip, Chip decided that this issue would be best handled at our next general meeting which is now set for Oct. 17.

I was concerned that the Board did not have an opportunity to discuss or pass on the project and I questioned the authority of our General Manager to enter into any agreement concerning the Oakwood Project and the eventual credits which would be granted to the developer. I still believe that it would have been better, if we, as a Board, would have been involved from the very beginning and not as now, only after all the work has been completed and the terms of the exchange and credits between the developer and our district is a finalized done deal.

2) The details of the deal.

I still do not understand what is benefit we are receiving under the current arrangement. My confusion may be due to not being fully familiar with the process involved in extending our lines to a new customer.

As I understand, it is the responsibility of the new customer to provide the means of connecting to our existing line. The construction of the connection may be done by our customer meeting our standards, or, alternatively, the connection may be constructed by the District the cost of which is reimbursed by the customer. While I do not know what would have been is the actual cost of us constructing the connection in this case, I'm sure our own staff would have completed the project for less than what was charged to the developer. I need more information to determine what would have been the best choice to pursue in this case, as the choices are completely within the discretion of our District.

I hope that Jack, at the meeting, will be able to explain the mechanics of the deal and how it has benefited our district. Unless I am convinced otherwise at the meeting, the deal was a serious failure of judgement and misevaluation of the motivation and interest of the developer. I understand that the agreement between the district and the developer was drafted by the developer and was not reviewed by our own counsel. Some of the apparent problems of the agreement would have been easily corrected had our counsel been involved. This is especially true with regards to the developer's current claim for extra credits beyond the waiver of the connection fees.

3) The authority of the general manager to enter into an agreement on the Oakwood Project.

Jack quotes sections of the local rules for the proposition that he had full authority to enter into the subject agreement. There is no question, that the DISTRICT has such authority, but the rules do not define the term "DISTRICT" whether it refers to the action by the Board or of the General Manager. It is also true that the regulation specifically provides for the construction of facilities in exchange for waiver of fees. The rules also specifically provide for Board action for the approval of additional credits for the transfer of facilities valued greater than the waved fees.

I understand that there is no history of similar arrangements therefore we cannot look to the past for precedence to answer our question.

Looking at this issue in the broader perspective, given that some Board Members were not happy with the arrangement Jack made on the Oakwood Project, it is curious how Jack did not conclude that this matter should immediately be submitted by Jack to the Board for its views. Given the uncertainties of interpretation and the lack of clear guide lines, I certainly would have erred on the side of caution by bringing this matter to the Board's attention. Similarly, after the special meeting was requested, I would have supported the immediate hearing of all relevant questions and issues by the Board. However, this was not done.

4) What is to be done?

Personally, I do not appreciate Jack's approach on this subject and his disregard for the concerns of at least a certain number of Board Members. To eliminate any future confusion of the General Manager's authority, implied or otherwise, to enter into similar agreements, we should clearly define the scope of that authority on this issue and have the General Manager refer similar issues to our Board for its views. Board action must be a prerequisite before engaging in any similar arrangements. In line with our promise to be transparent, any suggestion or implication that our District favors one customer over another or makes sweetheart deals must never occur.

We should conduct a complete legal review of the Agreement executed by Jack, including any limitations on title, maintenance and use of to the constructed facilities on Oakwood.

Based on the discussions and findings at tonight's meeting, consideration should be given for appropriate disciplinary action, if any, which might be warranted under the circumstances.

5) ICC Project

I do not know of the details of the ongoing connection project, but I hope that Jack has not finalized any agreements and that it will be handled appropriately under the new procedures to be considered by our Board as above.

Submitted by Peter Szabadi, Member of the Board

**IDYLLWILD WATER DISTRICT
WATER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING October 2018**

| CONDENSED CATEGORY | FOR THE MONTH OF | | | October | | 2018 |
|----------------------------------|------------------|----------------|----------------|---------|---------------|------|
| | ACTUAL | BUDGET | VARIANCE | | % | |
| OPERATING REVENUES: | | | | | | |
| BASE-RESIDENTIAL/COMMERCIAL | 56,500 | 56,500 | 0 | | 0.00% | |
| SALES-RESIDENTIAL/COMMERCIAL | 73,926 | 85,000 | -11,074 | | -13.03% | |
| OTHER OPERATING REVENUE | 620 | 500 | 120 | | 24.00% | |
| OTHER NON- OPERATING REVENUE* | 2,000 | 4,000 | -2,000 | | | |
| TOTAL OPERATING REVENUES | 133,046 | 146,000 | -12,954 | | -8.87% | |
| | | | | | | |
| OPERATING REVENUE BY CATEGORY | FOR THE MONTH OF | | | October | | 2018 |
| | ACTUAL | BUDGET | VARIANCE | F (U) | | |
| BASE RATE - RESIDENTIAL | 42,854 | 42,854 | 0 | | 0.00% | |
| BASE RATE - COMMERCIAL | 13,648 | 13,648 | 0 | | 0.00% | |
| SALES-RESIDENTIAL | 33,994 | 45,000 | -11,006 | | -24.46% | |
| SALES-COMMERCIAL | 39,932 | 40,000 | -68 | | -0.17% | |
| SALES-SEWER | 0 | 0 | 0 | | 0.00% | |
| SALES-CONSTRUCTION/OTHER | 470 | 350 | 120 | | 0.00% | |
| TRANSFER FEES | 150 | 150 | 0 | | 0.00% | |
| TURN ON/OFF FEES | 0 | 0 | 0 | | 0.00% | |
| LIEN & LIEN RELEASE FEES | 0 | 0 | 0 | | 0.00% | |
| DELINQUENCY FEES | 0 | 0 | 0 | | 0.00% | |
| WILL SERVE LETTER FEES | 0 | 0 | 0 | | 0.00% | |
| OTHER MISCELLANEOUS | 0 | 0 | 0 | | 0.00% | |
| INSTALLATION FEES | 2,000 | 4,000 | -2,000 | | 0.00% | |
| CAPACITY FEES | 0 | 0 | 0 | | 0.00% | |
| TOTAL OPERATING REVENUES | 133,048 | 146,000 | -12,954 | | -8.87% | |

IDYLLWILD WATER DISTRICT
WATER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING October 2018

FOR THE MONTH OF

CUBIC FEET OF SALES:

| | Residential C.F | Commercial C.F | Total |
|----------------------------------|--------------------|-------------------|------------------|
| R1 5/8 | 544,394 | 71,010 | 615,404 |
| R2 3/4 | 6,600 | 13,660 | 20,260 |
| R3 1" | 2,738 | 73,286 | 76,024 |
| R4 1.1/2" | 0 | 123,050 | 123,050 |
| R5 2" | 0 | 14,060 | 14,060 |
| R6 3" | 0 | 2,600 | 2,600 |
| IA 3" | 0 | 150,220 | 150,220 |
| NC-WWTP | 0 | 9,520 | 9,520 |
| TOTAL CUBIC FEET OF SALES | 553,732 | 457,406 | 1,011,138 |

NUMBER OF CUSTOMER BILLS:

| | R | C | Total |
|---------------------------------------|--------------|------------|--------------|
| R1 | 1,430 | 107 | 1,537 |
| R2 | 13 | 18 | 31 |
| R3 | 31 | 35 | 66 |
| R4 | 0 | 13 | 13 |
| R5 | 0 | 5 | 5 |
| R6 | 0 | 1 | 1 |
| IA | 0 | 1 | 1 |
| NC-WWTP | 0 | 1 | 1 |
| TOTAL NUMBER OF CUSTOMER BILLS | 1,474 | 181 | 1,655 |
| SewerAcct S | 418 | 167 | 585 |
| Fire Services F | 0 | 3 | 3 |

Total Idyllwild Customers

2,243

IDYLLWILD WATER DISTRICT
WATER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING October 2018

FOR THE MONTH OF

2018

October
F (U)

BY CATEGORY
WATER OPERATING EXPENSES:

| | ACTUAL | BUDGET | VARIANCE | % |
|--|--------|--------|----------|----------|
| 1- WAGES AND SALARIES EXPENSES | 48,000 | 50,000 | 2,000 | 4.00% |
| 2- RETIREMENT PLAN AND LIFE INSURANCE | 6,720 | 8,000 | 1,280 | 16.00% |
| 3- MEDICAL INSURANCE | 12,000 | 14,000 | 2,000 | 14.29% |
| 4 -UNIFORM EXPENSES | 414 | 438 | 24 | 5.37% |
| 5 -WORKER'S COMP INSURANCE | 0 | 500 | 500 | 100.00% |
| 6 -RETIREMENT MEDICAL INSURANCE | 1,919 | 2,000 | 81 | 4.05% |
| 7 -BOARD REIMBURSEMENT | 0 | 500 | 500 | 100.00% |
| 8 -OFFICE SUPPLIES | 2,200 | 2,000 | -200 | -10.00% |
| 9 -OFFICE CLEANING SERVICE | 210 | 280 | 70 | 25.00% |
| 10 -POSTAGE AND MAILING FEE | 850 | 1,200 | 350 | 29.17% |
| 11 -TRAINING AND EDUCATION | 1,200 | 1,300 | 100 | 7.69% |
| 12 -TRAVELING , MILEAGE, MEALS REIMBURSEMENT | 0 | 629 | 629 | 100.00% |
| 13 -DUES ,FEES , SUBSCRIPTIONS | 17,673 | 5,000 | -12,673 | -253.46% |
| 14 -COMPUTER SERVICES | 2,434 | 1,000 | -1,434 | -143.40% |
| 15 -LEGAL SERVICES | 564 | 7,000 | 6,436 | 91.94% |
| 16-ENGINEERING AND CONSULTING | 11,710 | 5,000 | -6,710 | -134.20% |
| 17 -UTILITIES - ELECTRICITY | 8,688 | 8,000 | -688 | -8.60% |
| 18 -UTILITIES - GAS& FUEL | 762 | 725 | -37 | -5.10% |
| 19-UTILITIES - PROPANE | 12 | 325 | 313 | 96.31% |
| 20 -UTILITIES - TELEPHONE INTERNET | 716 | 761 | 45 | 5.85% |
| 21 -UTILITIES - WASTE MANAGEMENT FEE | 188 | 184 | -4 | -2.09% |
| 22 -AUTO AND PROPERTY INSURANCE | 0 | 1,712 | 1,712 | 100.00% |
| 21 -STATE-COUNTY WATER SYSTEM FEES | 0 | 4,000 | 4,000 | 100.00% |
| 22 -GENERAL PLANT & TREATMENT SERVICES | 21,543 | 18,000 | -3,543 | -19.68% |
| 23 - VEHICLES REPAIRS AND MAINTENANCE | 139 | 1,500 | 1,361 | 90.73% |
| 25-LABORATORY SERVICES | 6,200 | 1,042 | -5,158 | -495.20% |
| 26 -WATER SECURITY SYSTEM | 0 | 771 | 771 | 100.00% |
| 27 -ADVERTISING AND PUBLISHING | 199 | 542 | 343 | 63.26% |
| 28 -PROPERTY TAX EXPENSES | 0 | 233 | 233 | 100.00% |
| 29- COMPENSATED TIME | 1,228 | 1,833 | 605 | 33.02% |
| 30 -BANK FEE CHARGE | 274 | 200 | -74 | -37.00% |
| 31 -WATER MAINTENCE AND SUPPLIES | 0 | 0 | 0 | 0.00% |
| 33 -ACCOUNTING AND AUDITING FEE | 4,875 | 8,000 | 3,125 | 39.06% |

TOTAL OPERATING EXPENSES:

150,718 146,674 -4,044 -2.76%

TOTAL INCOME AND (LOSS)

(17,672) (674)

**IDYLLWILD WATER DISTRICT
SEWER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING October 31, 2018**

FOR THE MONTH OF October 2018

| CONDENSED BY CATEGORY | ACTUAL | BUDGET | VARIANCE | % |
|---|---------------|---------------|--------------|---------------|
| OPERATING REVENUES: | | | | |
| BASE-RESIDENTIAL/COMMERCIAL | 55,230 | 55,230 | 0 | 0.00% |
| OTHER OPERATING | 0 | 100 | -100 | -100.00% |
| TOTAL OPERATING REVENUES | 55,230 | 55,330 | -100 | -0.18% |
| OPERATING EXPENSES: | | | | |
| 1- WAGES AND SALARIES | 17,200 | 18,000 | 800 | 4.44% |
| 2- RETIREMENT AND LIFE INSURANCE | 2,400 | 2,500 | 100 | 4.00% |
| 3- MEDICAL INSURANCE | 3,500 | 5,000 | 1,500 | 30.00% |
| 4- UNIFORM EXPENSE | 88 | 300 | 212 | 70.67% |
| 5-WORKER'S COMPENSATION INSURANCE | 0 | 145 | 145 | 100.00% |
| 6- RETIREMENT MEDICAL INSURANCE | 639 | 917 | 278 | 30.29% |
| 7- BOARD REIMBURSEMENT | 100 | 200 | 100 | 50.00% |
| 8- OFFICE SUPPLIES | 205 | 400 | 195 | 48.75% |
| 9- OFFICE CLEANING SERVICES | 70 | 150 | 80 | 53.33% |
| 10- POSTAGE AND MAIL FEE | 301 | 400 | 99 | 24.75% |
| 11- EDUCATION AND TRAINING | 0 | 200 | 200 | 100.00% |
| 12- TRAVELING, MILAGE, MEAL REIMBURSEMENT | 0 | 292 | 292 | 100.00% |
| 13- DUE AND SUBSCRIPTION FEE | 2,377 | 1,000 | -1,377 | -137.70% |
| 14- COMPUTER SERVICES | 442 | 1,000 | 558 | 55.80% |
| 15- LEGAL SERVICES | 188 | 500 | 312 | 62.40% |
| 16- UTILITIES - ELECTRICITY | 3,179 | 4,000 | 821 | 20.53% |
| 17- UTILITIES - GAS & FUEL | 320 | 437 | 117 | 26.72% |
| 18- UTILITIES - PROPANE | 0 | 25 | 25 | 100.00% |
| 19- UTILITIES - TELEPHONE&INTERNET | 233 | 292 | 59 | 20.11% |
| 20- UTILITIES - WASTE MANAGEMENT FEE | 62 | 125 | 63 | 50.40% |
| 21- VEHICLES REPAIRS AND MAINTENANCE | 700 | 500 | -200 | -40.00% |
| 22- ENGINEERING SERVICES | 0 | 5,000 | 5,000 | 100.00% |
| 22- MAINTENANCE AND SUPPLIES | 1,050 | 200 | -850 | -425.00% |
| 23- GENERAL PLANT SERVICES | 5,915 | 1,500 | -4,415 | -294.33% |
| 24- SEWER PERMIT AND LICENSE(State Fee) | 0 | 500 | 500 | 100.00% |
| 25- MINOR EQUIPMENT AND SUPPLIES | 0 | 42 | 42 | 100.00% |
| 26- SEWER LEASE | 0 | 250 | 250 | 100.00% |
| 27- ADVERTISING AND PUBLISHING | 0 | 125 | 125 | 100.00% |
| 28- LABORATORY SERVICES | 3,106 | 2,000 | -1,106 | -55.30% |
| 29- GENERAL AUTO AND LIABILITY INSURANCE | 0 | 570 | 570 | 100.00% |
| 30- SECURITY SYSTEM (ADT) | 0 | 208 | 208 | 100.00% |
| 31- ACCOUNTING & AUDITING FEE | 1,625 | 2,000 | 375 | 18.75% |
| 32- LINE CLEANING | 0 | 100 | 100 | 100.00% |
| Total Expenses | 43,700 | 48,876 | 5,176 | 10.59% |
| Total INCOME OR (LOSS) | 11,530 | 6,454 | | |

**IDYLLWILD WATER DISTRICT
SEWER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING October 31, 2018**

| | FOR THE MONTH OF October 2018 | | | |
|-------------------------------------|-------------------------------|---------------|---------------|---------------------|
| | SEWER FUND OPERATING REVENUES | ACTUAL | BUDGET | F (U) VARIANCE % |
| BASE RATE-COMMERCIAL | | 37,700 | 37,700 | 0 0.00% |
| BASE RATE- RESIDENTIAL | | 17,480 | 17,480 | 0 0.00% |
| TRANSFER FEE | | 50 | 50 | 0 0.00% |
| FACILITY CHARGE FROM IAF | | 0 | 0 | 0 0.00% |
| INSPECTION FEE | | 0 | 0 | 0 0.00% |
| OTHER MISCE | | 0 | 0 | 0 0.00% |
| TOTAL OPERATING REVENUE | | 55,230 | 55,230 | 0 0.00% |
| EQUIVALENT DWELLING UNITS (E.D.U'S) | | | | |
| RESIDENTIAL | | 456 | 456 | 0.0 0.00% |
| COMMERCIAL | | 937 | 937 | 0.0 0.00% |
| TOTAL E.D.U'S | | 1,393 | 1,393 | 0.0 0.00% |
| TOTAL Customers | | 418 | 167 | 585 |

**IDYLLWILD WATER DISTRICT
DISTRICT WARRANTS AND OTHER DISBURSEMENTS
FOR THE MONTH ENDED OCTOBER 2018**

| DATE | CHECK NUMBER | PAYEE | DESCRIPTION | AMOUNT |
|------------|-----------------|--|----------------------------------|---------------------|
| 10/1/2018 | 15040 | ADT SERVICES | Fee for Alarm System | \$253.22 |
| 10/1/2018 | 15041 | Allen Tire Company | New tires for vehicle #23 | \$653.71 |
| 10/1/2018 | 15042 | Forest Lumber | Supplies for Water | \$1,221.84 |
| 10/1/2018 | 15043 | Kretsinger Plumbing | Oakwood Well installation | \$430.00 |
| 10/1/2018 | 15044 | S.C.E. | Monthly Charge | \$8,342.11 |
| 10/1/2018 | 15045 | Time Warner Cable | Monthly Charge | \$369.36 |
| 10/1/2018 | 15046 | Tyler Technologies | Annual Support | \$5,913.75 |
| 10/1/2018 | 15047 | USA Bluebook | Supplies for Water | \$669.65 |
| 10/3/2018 | 15048 | ACWA/JPIA | Property Insurance | \$19,470.00 |
| 10/3/2018 | 15049 | Arrow Printing | Public Notice | \$185.46 |
| 10/3/2018 | 15050 | California Computer Options | Monthly IT Service | \$695.00 |
| 10/3/2018 | 15051 | Chase Card Services | Monthly Charge (Water Supplies) | \$3,066.42 |
| 10/3/2018 | 15052 | Evoqua Water Technologies | Down Payment For Carbon Filter | \$25,689.06 |
| 10/3/2018 | 15053 | Frontier | Phone and Internet | \$407.21 |
| 10/3/2018 | 15054 | Home Depot Credit | Purchase Tools and Supplies | \$998.79 |
| 10/3/2018 | 15055 | Mission Linen & Uniform | Uniforms | \$352.56 |
| 10/3/2018 | 15056 | S & J Supply CO., Inc. | Purchase CLA-VALVE | \$2,101.13 |
| 10/3/2018 | 15057 | Streamline | Monthly for Website | \$200.00 |
| 10/3/2018 | 15058 | Thomas Lovejoy | Retirement Medical | \$2,559.00 |
| 10/3/2018 | 15059 | Verizon Wireless | Monthly Charge | \$135.96 |
| 10/3/2018 | 15060 | Yale/Chase Equipment | Maintenance For Generatore | \$4,203.80 |
| 10/3/2018 | 15061 | Zener Performance | Purchase of 3 Meters"2" | \$1,199.61 |
| 10/3/2018 | 15062 | Idyllwild Water District | To be Deposit at Hemet Bank | \$30,000.00 |
| 10/3/2018 | 15063 | Jon Christianson Treasurer | Property Tax | \$435.64 |
| 10/3/2018 | 15064 | VOID | VOID | \$0.00 |
| 10/10/2018 | 15065 | A.C. Byers Trucking | Sludge Hauling | \$2,100.00 |
| 10/10/2018 | 15066 | Browning Electric | Service for Water | \$3,273.19 |
| 10/10/2018 | 15067 | California Computer Options | Monthly IT Services | \$776.42 |
| 10/10/2018 | 15068 | Central Communications | Monthly Charge | \$110.50 |
| 10/10/2018 | 15069 | CR&R Incorporated | Monthly Charge | \$251.80 |
| 10/10/2018 | 15070 | Four Seasons Cleaning Service | Monthly Cleaning | \$280.00 |
| 10/10/2018 | 15071 | Napa Auto Parts | Auto Parts | \$185.36 |
| 10/10/2018 | 15072 | One Stop Landscape | Sludge Removal | \$2,899.20 |
| 10/10/2018 | 15073 | S & J Supply Co., Inc. | Purchase Water Supplies | \$3,397.36 |
| 10/10/2018 | 15074 | S.C.E. | Monthly Invoice | \$255.56 |
| 10/10/2018 | 15075 | Village Hardware | Supplies for Water | \$141.89 |
| 10/10/2018 | 15076 | Zener Performance | Purchase 50 meters | \$2,674.50 |
| 10/17/2018 | 15077-80 | VOID | VOID | \$0.00 |
| 10/17/2018 | 15081 | A.C.W.A. | 2019 Annual Fee | \$10,600.00 |
| 10/17/2018 | 15082 | ALESHIRE & WYNDNER | Monthly Legal Fees | \$752.50 |
| 10/17/2018 | 15083 | Allstate Benefits | Monthly Charge | \$304.12 |
| 10/17/2018 | 15084 | Aqua-Metric | Meter Reading and Autogun | \$11,414.16 |
| 10/17/2018 | 15085 | California Special Districts | Renewal Fee | \$2,791.00 |
| 10/17/2018 | 15086 | Comtronix Communications | Installing Radio unit #27 | \$872.27 |
| 10/17/2018 | 15087 | Dillon Pulatie | Boot Allowance | \$150.00 |
| 10/17/2018 | 15088 | Engineering Resources | Inundation Study | \$11,280.87 |
| 10/17/2018 | 15089 | Ferrellgas | Monthly Invoice | \$12.00 |
| 10/17/2018 | 15090 | Idyllwild Town Crier | Newspaper Add | \$13.95 |
| 10/17/2018 | 15091 | INFOSEND, INC | Monthly Billing | \$942.13 |
| 10/17/2018 | 15092 | Inland Water Works | Water Material and Supplies | \$5,309.10 |
| 10/17/2018 | 15093 | Joseph Reyes | Boot Allowance | \$150.00 |
| 10/17/2018 | 15094 | Maximum Gas | Purchase C02 | \$210.98 |
| 10/17/2018 | 15095 | OCC-MED | Pre-Screen Test for New Employee | \$141.00 |
| 10/17/2018 | 15096 | Rogers, Anderson, Malody and Scott | First Payment for the Audit | \$6,500.00 |
| 10/17/2018 | 15097 | The SoCo Group | Purchase Gas | \$3,295.68 |
| 10/17/2018 | 15098 | Idyllwild Water District | To be deposited into Hemet Bank | \$40,000.00 |
| 10/24/2018 | 15099 | ACWA/JPIA | Medical Insurance | \$15,079.65 |
| 10/24/2018 | 15100 | Grainger | Water Supplies | \$218.15 |
| 10/24/2018 | 15101 | S.C.E. | Monthly Charge | \$4,067.06 |
| 10/24/2018 | 15102 | Staples Credit Plan | Monthly Charge | \$820.37 |
| 10/24/2018 | 15103 | T-Mobile | Monthly Charge | \$20.00 |
| 10/24/2018 | 15104 | Time Warner Cable | Monthly Charge | \$369.16 |
| 10/24/2018 | 15105 | Underground Services | Monthly Charge | \$19.90 |
| | | | TOTAL DISTRICT WARRANTS | \$241,233.11 |
| | | OTHER DISBURSEMENTS: | | |
| | | TOTAL PAYROLL | | \$60,000.00 |
| | | L.A.I.F. ELECTRONIC TRANSFERS | | \$0.00 |
| | | BANK SERVICE CHARGES AND FEES | | \$187.00 |
| | | TOTAL DISTRICT WARRANTS & OTHER DISBURSEMENTS | | \$301,420.11 |

Operations Report for October 2018

Currently – Stage 1

Production – October- 1,000,252 C.F 173.19 avg. gpm

Foster Lake level – 0 Feet

Water and Sewer installations: 2 Installation for Meter

Leaks: 5

Mainline -2-/Unmetered -3/Metered -1

October 2018 Water Loss = 17%

Production:

Drinking water storage- 3.367 MG

14 wells available/10 utilized/4 Full Time/6 Part Time

Wastewater Treatment Plant

October 2018-Average daily flow 88,110 gpd/Average weekend flow 100,804 gpd

October 2017-Average daily flow 95,659 gpd/Average weekend flow 108,901 gpd

Precipitation

AUGUST 2018 – 0" Y.T.D. – .01 " – 0.10" Y.T.D. 2017

Diversion -0

STATIC WELL LEVELS

| | September 2018 | October 2018 | October 2017 | October 2016 |
|--|---------------------------|----------------------------|----------------------------|-------------------------|
| Foster Lake (Average 3 wells) | 16' Static | 27' Static | 0' Static | 33' Static |
| Well # 26 (Nature Center) | 41' Static | 51' Static | 95' Static | 111' Static |
| Well # 27 (Nature Center) | 41' Static | 0' Static | 50' Static | 93' Static |
| Well #28 (Rockdale) | 122' Static | 122" Static | 120' Static | 141' Static |
| Downtown Wells* #23 & #24 | 220 Pumping 19' Recov. | 220' Pumping 21' Static | 210' Pumping 15' Static | 12' Static |
| FV1A | 2' Static | 371' Pumping | 327' Pumping | 388' Pumping |
| FV2 | 308' Pumping | 320' Recov. | 309' Pumping | 290' Pumping |

*Downtown Wells Static level is an average for 2016. April 2017 and 2018 both well levels are included

IDYLLWILD WATER DISTRICT
 MONTHLY WATER RE-CAP SUMMARY
 FOR THE MONTH OF:

October

DATE 11/1/2018

| | | | |
|----------------------------|------------------|---|------------------------------------|
| IN DISTRICT STORAGE SUPPLY | 190,484 C.F. | } | 450,179 TOTAL STORAGE SUPPLY |
| FOSTER LAKE STORAGE SUPPLY | 259,695 C.F. | | |
| INCREASE | 0 C.F. | | |
| DECREASE | 0 C.F. | | |
| SUPPLIES TO SYSTEM | 1,000,252 C.F. | | |
| I.W.D. FLUSHING | 0 C.F. | | |
| FOSTER LAKE LEVEL | 0 MAXIMUM OF 18' | | |

STATIC GROUND WATER LEVELS:

| | | | |
|----------------|--------|------|------------|
| F.L. AREA | 30.3' | FEET | |
| F.V. AREA: | | | |
| F.V.1A | 385' | FEET | |
| F.V.#2 | 320' | FEET | |
| CREEK AREA #23 | 236 PL | FEET | |
| WELL #24 | 45' | FEET | RECOVERING |
| WELL #26 | 51' | FEET | |
| WELL #27 | 49' | FEET | |

STORAGE SUPPLIES(MAXIMUM OF
 3.702 MILLION GALLONS 91 %

MAINLINE LEAK REPAIRS 0

STRAWBERRY CREEK DIVERSION 0 C.F. 0 A.F.

FERN VALLEY 1A WELL 224,090 C.F. 5.14 A.F.

STRATTON WELL #23 DRAW 4.58 A.F.

OAKWOOD WELL DRAW(PRIVATE) 0 A.F.

WELL #26 (COUNTY OF RIVERSIDE) 0 A.F.

WELL #27 (COUNTY OF RIVERSIDE) 0 A.F.

COMMENTS:

| | LEVEL | VOLUME |
|------------------------------------|-------|---------|
| SOUTHRIDGE TANKS (3,509 CF/FOOT) | 19.8 | 69,478 |
| GOLDEN ROD TANK (891 CF/FOOT) | 21.5 | 19,156 |
| WILDWOOD TANK (919 CF/FOOT) | 12.5 | 11,487 |
| ROCKDALE TANK (2,718 CF/FOOT) | 23.9 | 64,960 |
| FOSTER LAKE TANKS (11,698 CF/FOOT) | 22.2 | 259,695 |
| SEWER PLANT USAGE | | |
| DELANO TANK (1,337 CF/FOOT) | 19 | 25,403 |
| HYDRANT SALES IN CUBIC FEET | | |

Idyllwild Water District Well Production Data

Month: October Year: 2018 Date: 11/1/2018

| | Well Name | # | Acre Feet | Cubic Feet | PT/FT | Status | GPM |
|----|-------------|----|--------------|------------|-------|--------|------|
| 1 | Horizontal | 1 | .84 | 36,430 | PT | ON | 7.0 |
| 2 | Foster Lake | 2 | .78 | 33,850 | PT | OFF | 90.5 |
| 3 | Foster Lake | 4 | 3.69 | 160,645 | FT | ON | 40.0 |
| 4 | Foster Lake | 5 | | | | | |
| 5 | Foster Lake | 8 | | | | | |
| 6 | Foster Lake | 9 | | | | | |
| 7 | Foster Lake | 10 | .39 | 16,818 | PT | OFF | 6.1 |
| 8 | Foster Lake | 11 | | | | | |
| 9 | Foster Lake | 12 | | | | | |
| 10 | Foster Lake | 13 | 1.81 | 78,920 | PT | OFF | 32.7 |
| 11 | Foster Lake | 15 | | | | | |
| 12 | Foster Lake | 16 | | | | | |
| 13 | Nature Ctr | 26 | | | | OFF | |
| 14 | Nature Ctr | 27 | | | | | |
| 15 | Stratton | 23 | 4.58 | 199,390 | FT | ON | 37.9 |
| 16 | Curtis | 24 | 1.99 | 86,510 | PT | OFF | 40.9 |
| 17 | Donahoo | 25 | | | | | |
| 18 | Golden Rod | | .57 | 24,790 | PT | OFF | 17.4 |
| 19 | Fern Valley | 1A | 5.14 | 224,090 | FT | ON | 39.4 |
| 20 | Fern Valley | 2 | 4.15 | 180,922 | FT | ON | 35.3 |
| 21 | Rockdale | 28 | | | | | |
| 22 | Dutch Flats | 1 | | | | | |
| 23 | Dutch Flats | 2 | | | | | |
| 24 | Dutch Flats | 3 | | | | | |

Total Cubic Feet: 1,042,365

Cedar Glen 4" Meter 284,550 CF 6.53 AF

1,000,252_CF

Supplies to System

In District Production 715,702 CF 16.43 AF

Wells 13-19 22.96 AF

Total AF

Production Days 31

Minutes 43,200 173.19 GPM

MONTHLY RE-CAP

(General Manager Copy)

MONTH October YEAR 2018 DATE 11/01/2018 INIT JJ

Production days 31

Avg. GPM production 173.19

Total number of sources available 14

Total number of sources used 10 Full Time 4 Part Time 6

Sources used, Well No's. HZ1, 2, 4,10,13, 23,24,GR, FV1A, FV2

Total GPM available 333 (\pm) 15 GPM

Total supplies to system 1,000,252 CF 22.96 AF

Hydrant water sales CF

Potable water in storage 3.367 MG (3.7 MG max) 91 %

Foster Lake level 0 Feet

Strawberry Creek diversion draw 0 AF

Fern Valley 1-A pumped to Lake 0 AF

Distribution system flushing including fire dept. use 0

Static water levels:

Foster Lake area 30.3' ST

Fern Valley Area: F.V.1A 385' PL F.V. #2 320 PL

Creek area #23-236 PL #24-45' RECOVERING

Well #26 51' ST

Well #27 49' ST

Notes:

#28-127' ST

Memo

To: Board of Directors

From: General Manager

Date: November 21, 2018

Subject: ITEM #3 – ADOPT ORDINANCE # 66 TO ESTABLISH A WATER SHORTAGE CONTINGENCY PLAN AND A FIVE-YEAR DROUGHT RATE SCHEDULE

Recommendation: That the Idyllwild Water District Board of Directors adopt Ordinance No. 66 establishing a Water Shortage Contingency Plan (WSCP) and a five-year Drought Rate Schedule.

Background: The District's current Drought Plan, Ordinance 64, is no longer viable beyond Stage 1 with the significant changes to the water rate structure in both FY 2017-18 and for FY 2018-19.

The proposed plan is the culmination of the work by several Board members at different times over the last year. The ordinance was prepared by counsel who also reviewed and commented on the WSCP itself.

The Board of Directors scheduled the public hearing for the WSCP and the five-year drought Rate Schedule at the regular Board meeting on September 19, 2018. A proposition 218 Notice was mailed to all ratepayers and developed landowners September 27, 2018, more than 45 days prior to the scheduled hearing on November 21, 2018.

The District included a protest form on the notice and has received some protest votes. The votes have been placed in a sealed box by staff and they will be counted upon the close of the Public Hearing. 835 votes will be required for an effective protest.

The District has also publicized the hearing for the two week prior to the hearing date in the Town Crier.

The five-year Drought Rate Schedule is based on the NBS rate study completed earlier this year, which is available on the District website.

The Ordinance:

- Establishes a formula based on a ratio of demand verses production capacity referred to as the Basic Capacity Ratio (BCR). Monthly computation of the District's actual production capacity is the best gauge of the amount of stress that is on the water production system, as production capacity will decline as water production levels in wells fall. The formula takes into account that demand generally increases during the summer months and provides a buffer for smaller increases so that stages are not changed rapidly unnecessarily. The Stage Criteria formula is Appendix A and is attached for easy reference.
- Defines 5 Stages of conservation, with Stage 1 being the "normal" operating conditions of the District in these times of uncertain long-term weather patterns. See the attached add briefly describing the Stages.
- Adopts Drought Rates to insure the financial stability of the District during times when water use is reduced due to enhanced conservation efforts. See the attached Appendix C.
- Ordinance No. 66 is attached in its entirety.

Attachments

Appendix

A

Stage Criteria

Basic Capacity = $\frac{(\text{Monthly Demand})}{(\text{Monthly Production Capacity})} \times 100 = \text{\% of used production Ratio}$

| <u>Stage</u> | <u>Criteria</u> | <u>Reduction</u> |
|--------------|-----------------|-------------------------|
| Stage 1 | 0-50% | Normal Efficient Use |
| Stage 2 | 51-60% | Voluntary 10% Reduction |
| Stage 3 | 61-70% | Mandatory 20% Reduction |
| Stage 4 | 71-85% | Mandatory 30% reduction |
| Stage 5 | 86+% | Mandatory 50% Reduction |

Would move to a higher stage when the Basic Ratio:

- 1) Has exceeded the lower threshold for a stage for the third (3rd) consecutive month;
 - 2) Exceeds the lower threshold for a stage by at least 8% for two consecutive months;
- or
- 3) Exceeds the lower threshold for a stage by at least 13% for one month.

Examples

- A. Three (3) months at 52%, 54%, and 52% would go to Stage 2 in the 4th month
- B. Two (2) months at 59% and 58% would go to Stage 2 in the 3rd month
- C. One (1) month at 63% would go to Stage 2 in the second month

Would move to a lower stage when the Basic Ratio:

- 1) Has been 5% or more below the threshold for the Stage for two consecutive months

Example

- A. In Stage 2; Month 1 at 44%, Month 2 at 43%, go to Stage 1 in the 3rd month



IDYLLWILD WATER DISTRICT

To All Interested Parties

This is official notice that the Idyllwild Water District Board of Directors will consider an Ordinance adopting a Water Shortage Contingency Plan (WSCP) and corresponding Drought Water Rates on Wednesday, November 21, 2018 at 6:00 pm, at the Idyllwild Water District Board Room, 25945 Highway 243, Idyllwild, California.

A formal notice (Proposition 218 Notice) of the proposed Drought Water Rates was mailed to all ratepayers. The proposed Water Shortage Contingency Plan and the Proposition 218 Notice can be found on the District website (www.idyllwildwater.com) or viewed at the District Office.

Summary of the Water Shortage Contingency Plan

The Proposed Ordinance rescinds Ordinance No. 64, establishes a WSCP consisting of five stages, and establishes an objective criteria based on the District's available water supplies verses the water demand to change stages.

Stage 1-Water Supply Watch, is the normal operation of the District reminding all customers to be careful and efficient in their use of water due to the limited, potentially uncertain, resources available to the District, without back-up supply.

Stage 2-Water Supply Alert, requests voluntary reductions in water use by all customers of 10% and imposes Stage 2 Drought Water Rates to keep the District financially sound.

Stage 3-Water Supply Warning, sets a goal of at least a 20% overall reduction in water use, mandates the elimination of certain outdoor water uses by all customers, imposes fines and/or assessments for non-compliance and imposes Stage 3 Drought Water Rates to keep the District financially sound. No additional water meters will be installed.

Stage 4-Extreme Water Supply Warning, establishes the need for more than 35% reduction in water use, mandates the elimination of all non-essential outdoor water use, imposes significant fines and/or assessments for non-compliance and imposes Stage 4 Drought Water Rates to keep the District financially sound. No additional water meters will be installed.

Stage 5-Water Supply Emergency, establishes the need for more than 50% reduction in water use, mandates the elimination of all non-essential outdoor and indoor water use, imposes significant fines and/or assessments for non-compliance and imposes Stage 5 Drought Water Rates to keep the District financially sound. No additional water meters will be installed.

APPENDIX C

Water Shortage Contingency Plan

Drought Rates

| Proposed Rates - Transition 50% Fixed to 60% Fixed | | | | | |
|---|-----------------|-----------------------|-------------------|-------------------|-------------------|
| Water Shortage Rate Schedule | | Proposed Rates | | | |
| | | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 |
| Stage 2 - 10% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.0829 | \$0.0826 | \$0.0820 | \$0.0811 |
| Tiered Rate (SFR Customers) | | | | | |
| | <u>Proposed</u> | | | | |
| Tier 1 | 450 cf | \$0.0200 | \$0.0210 | \$0.0220 | \$0.0231 |
| Tier 2 | 900 cf | \$0.1559 | \$0.1539 | \$0.1514 | \$0.1482 |
| Tier 3 | 900+ cf | \$0.2005 | \$0.1976 | \$0.1938 | \$0.1893 |
| Stage 3 - 20% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.0917 | \$0.0912 | \$0.0904 | \$0.0894 |
| Tiered Rate (SFR Customers) | | | | | |
| | <u>Proposed</u> | | | | |
| Tier 1 | 450 cf | \$0.0209 | \$0.0219 | \$0.0230 | \$0.0241 |
| Tier 2 | 900 cf | \$0.1930 | \$0.1903 | \$0.1869 | \$0.1826 |
| Tier 3 | 900+ cf | \$0.2606 | \$0.2564 | \$0.2512 | \$0.2448 |
| Stage 4 - 35% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.1099 | \$0.1092 | \$0.1081 | \$0.1066 |
| Tiered Rate (SFR Customers) | | | | | |
| | <u>Proposed</u> | | | | |
| Tier 1 | 450 cf | \$0.0227 | \$0.0239 | \$0.0251 | \$0.0263 |
| Tier 2 | 900 cf | \$0.2904 | \$0.2857 | \$0.2799 | \$0.2727 |
| Tier 3 | 900+ cf | \$0.4204 | \$0.4129 | \$0.4036 | \$0.3923 |
| Stage 5 - 50% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.1391 | \$0.1379 | \$0.1362 | \$0.1341 |
| Tiered Rate (SFR Customers) | | | | | |
| | <u>Proposed</u> | | | | |
| Tier 1 | 450 cf | \$0.0257 | \$0.0270 | \$0.0283 | \$0.0298 |
| Tier 2 | 900 cf | \$0.5107 | \$0.5015 | \$0.4900 | \$0.4762 |
| Tier 3 | 900+ cf | \$0.7805 | \$0.7654 | \$0.7468 | \$0.7245 |

ORDINANCE NO. 66

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
IDYLLWILD WATER DISTRICT ADOPTING A WATER
SHORTAGE CONTINGENCY PLAN AND RESCINDING AND
REPLACING ORDINANCE NO. 64 AND ALL AMENDMENTS
THERETO**

RECITALS

WHEREAS, the total water supply available to the Idyllwild Water District ("District") is dependent upon local rainfall and snowmelt from the higher elevations of the San Jacinto Mountains and there is no source of imported water available to the District to supplement its local water supplies; and

WHEREAS, the District periodically experiences years in which the amount of precipitation is insufficient to fully replenish the District's water supplies and the District's ability to meet minimum water supply requirements is necessary to protect the public's health, safety and general welfare; and

WHEREAS, the Board of Directors of the District has been informed and advised that to ensure sufficient water supplies to meet basic needs of human consumption, sanitation and fire protection, the District must adopt and enforce water conservation measures in order to mitigate the effects of drought or water shortage on the community; and

WHEREAS, the District wishes to adopt a Water Shortage Contingency Plan (WSCP) to provide for the implementation and enforcement of such conservation measures; and

WHEREAS, a 2018 NBS cost of service rate study was performed, which established proposed drought or water shortage stage water rates that do not exceed the cost of providing the service for which the fees and charges are imposed; under the NBS study, tiered water rates during conservation stages 2 through 5, correspond to higher costs to the District at those tiers, as further set forth in the 2018 NBS study, incorporated herein by reference; and

WHEREAS, such NBS cost of service rate study was adopted by the board and notice of the proposed rates and hearing have been mailed to affected property owners at least 45 days prior to the hearing date; and

WHEREAS, on November 21, 2018 a public hearing was conducted as required under the Proposition 218 rate-setting protest procedure to amend the potable water rates to establish drought/water shortage rates which will take effect during declared conservation stages 2, 3, 4 and 5 under the WSCP; and

WHEREAS, written protests were received and counted and a majority protest against the proposed rate increases did not occur; and

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE IDYLLWILD WATER DISTRICT DOES ORDAIN AS FOLLOWS:

Section 1. Adoption of Recitals and Findings

The District hereby adopts the recitals and findings set forth above and in the staff report and 2018 NBS cost of service rate study prepared in connection with this Ordinance.

Section 2. Purpose and Scope

The purpose of this Ordinance is to establish a Water Shortage Contingency Plan to minimize the effect of a drought/water shortage on the customers of the District and thereby:

- A. Protect the health, safety and welfare of the residents and customers of the District; and
- B. Assure the maximum beneficial use of the water supplies of the District; and
- C. Ensure sufficient water supplies to meet the basic needs of human consumption, sanitation and fire protection.

Section 3. Authority

California law allows the District to recover the full cost of providing water service to customers, including the cost of sources of water, treatment facilities, pipelines, and other infrastructure, through the establishment of water rates; in addition, the District has the power and authority to enact this WSCP Ordinance pursuant to the following state laws:

- A. Water Code Section 31026, which authorizes the District to (i) restrict the use of District water during any emergency caused by drought or other threatened or existing water shortage, (ii) to prohibit the waste of District water or the use of District water during such periods, and (iii) to prohibit the use of such water during such periods for specific uses which the District may from time to time find to be nonessential; and
- B. Water Code Section 375, which authorizes the District to adopt and enforce a water conservation program to reduce the quantity of water used by the inhabitants of the District for the purpose of conserving the water supplies of the District ; and
- C. Water Code Section 350, which gives the Board of Directors the authority to declare a water shortage emergency whenever the Board finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting District water supplies to the extent that there would be insufficient water for human consumption, sanitation and fire protection.

Section 4. Adoption of Five-Stage Water Shortage Contingency Plan

The District hereby adopts the Idyllwild Water District Water Shortage Contingency Plan, incorporated herein by reference and attached as **Exhibit "A"**, and enacts regulations and restrictions on outdoor water use consisting of five (5) stages as follows:

- A. Stage 1 – Water Supply Watch: The term Water Supply Watch acknowledges that while near term supply and storage conditions may from time to time improve due to wet weather, there are continued long-term challenges that warrant continued wise and efficient use of water. The District's alpine climate, average rainfall of 26-inches in our service area, the uncertain characteristics of the fractured granite mountainous groundwater supply and the absence of any potential supplemental water supply sources, make ongoing efficient water use imperative. Under Stage 1 conditions, the District's Basic Capacity Ratio ("BCR") is 0-50%. Customers are requested to continue to use water efficiently and practice sensible voluntary water conservation.
- B. Stage 2 – Water Supply Alert: There is a possibility that the District may not be able to reliably meet all of the water demands of its customers and the District's BCR is 51-60%. This may mean local groundwater levels are lower than normal, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use. Additional voluntary water use reduction measures will be called upon during this stage whereby customers are asked to reduce water usage by an additional 10%. To reduce the financial impact to the District of the designated 10% reduction in water use, Stage 2 Water rates as described in Appendix C of the Water Shortage Contingency Plan will be implemented for the commodity (variable) portion of water bills.
- C. Stage 3 – Water Supply Warning: At Stage 3, water supply shortages for the District are evident through a BCR of 61-70%, expected to continue and possibly worsen, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by 20% to 35%. Some restrictions on certain non-essential outdoor Residential, Commercial, and Institutional water use will be implemented, and drought rates described in Stage 3 of Appendix C of the Water Shortage Contingency Plan will be passed through to customers. Monetary assessments and/or fines for non-compliance with restrictions will be imposed as described in Section 4 of the Water Shortage Contingency Plan.
- D. Stage 4 – Extreme Water Supply Warning: At Stage 4, water supply shortages exist and are expected to worsen as indicated by a BCR of 71% - 85%, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by 36% to 50%. Complete restriction of non-essential outdoor water use will be implemented. The District will work to achieve an appropriate balance of water use decreases to all customer classes including residential, institutional, and commercial. The District will implement drought rates described in Stage 4 of Appendix C of the Water Shortage

Contingency Plan. Significant monetary assessments and/or fines for non-compliance of such restrictions will be imposed as described in Section 4 of the Water Shortage Contingency Plan.

- E. Stage 5 – Water Supply Emergency: At Stage 5, water supply shortages are expected to worsen as indicated by a BCR of more than 86%, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by more than 50%. This may be because of an emergency resulting in the inability of the District's water distribution system to deliver all of the District's supply. Restrictions on all non-essential outdoor and indoor water use will be implemented. The District will implement drought rates described in Stage 5 of Appendix C of the Water Shortage Contingency Plan and monetary assessments and/or fines for non-compliance of such restrictions will be imposed as described in Section 4 of the Water Shortage Contingency Plan.

Section 5. Enforcement and Fines

Measures called for in the stages of the District's Water Shortage Contingency Plan will be primarily enforced through fines and monetary assessments. In extreme cases, certain types of outdoor water service may be discontinued until the emergency situation is over. Water users who violate any of the general provisions or additional measures required as part of an applicable Water Shortage Contingency Plan stage are subject to the enforcement of the District's Water Conservation Policy.

- A. Malfunction of Water Conveying Hardware. Violations which are related to the malfunction of water conveying hardware or devices are subject to the following enforcement:
- i. First Violation: For a first violation, the District shall issue a written notice of fact of such violation to the customer. The customer shall then be allowed a period of 5 days following issuance of the written notice to correct the violation described therein before a second violation will be issued. The customer will be provided a copy of the Section 4 of the Water Shortage Contingency Plan governing enforcement.
 - ii. Second Violation: For a second violation within the prior 12-month period, including but not limited to a failure to correct an initial violation within the time stated in the notice, the District shall issue a fine in the amount of \$50.00, which shall be added to the customer's water bill. The customer shall be allowed a period of 5 days following delivery of the written notice to correct the second violation before a third violation will be issued. The customer will be provided a copy of the Section 4 of the Water Shortage Contingency Plan governing enforcement.
 - iii. Third Violation: For a third violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a second violation has not been corrected within a period of 5 days following delivery of the

second violation notice. A fine in the amount of \$100.00 shall be added to the customer's water bill upon issuance of a third violation. The customer shall be allowed 5 days following issuance of the written notice to correct the third violation before a fourth violation will be issued. The customer will be provided a copy of the Section 4 of the Water Shortage Contingency Plan governing enforcement.

- iv. Fourth Violation: For a fourth violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a third violation has not been corrected within a period of 5 days following delivery of the third violation notice. A fine in the amount of \$250.00 shall be added to the customer's water bill upon issuance of a fourth violation. The customer shall be allowed 5 days following issuance of the written notice to correct the fourth violation before a fifth violation will be issued. The customer will be provided a copy of the Section 4 of the Water Shortage Contingency Plan governing enforcement. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation and removal shall be as set forth in the District's rules. A flow-restricting device may be reinstalled for repeated violations.
 - v. Fifth Violation: For a fifth violation, the District shall issue a written notice of fact of such violation to the customer when the fourth violation has not been corrected within a period of 5 days following issuance of the fourth violation notice. A fine of \$500.00 shall be added to the customer's water bill following the issuance of the fifth violation notice until the violation is corrected. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation and removal shall be as set forth in the District's rules. A flow-restricting device may be reinstalled for repeated violations.
- B. Other Violations. Violations that are not related to the malfunction of water conveying hardware or devices, but are related to actions taken by a water user including, but not limited to, (a) applying (e.g., hosing or spraying) potable water to outdoor landscapes in a manner that causes runoff that flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures; (b) using a hose to wash an automobile with potable water, except where the hose has a shut-off nozzle or device attached to it that causes it to immediately cease dispensing water when not in use; (c) applying potable water to driveways and sidewalks; and (d) using potable water in a fountain

or other decorative water feature, except where the water is part of a recirculating system, are subject to the same enforcement procedures outlined above with the exception that the expected timeframe for correction of the violation is immediate, and a violation of such types (a), (b), (c) or (d) on a subsequent day may be considered a separate violation.

Customers shall pay all water bills and fines in accordance with the due dates stated on their bills. An Appeals Process is offered to customers that disagree with the fines assessed. If the appeal is upheld in favor of the customer, appropriate monies will be refunded. Details of the Appeals Process are included in the District's Water Conservation Policy (See Water Shortage Contingency Plan, Appendix B).

Section 6. Water Conservation Stage 2 through 5 Drought Rates

The District hereby incorporates and adopts the drought rates as described in Appendix C of the Water Shortage Contingency Plan and the cost of service study in support thereof. The drought rates are to be implemented concurrently with a determination of any drought/water shortage stage greater than 1, thereby increasing the various commodity rates inversely to the predicted reduction percentage of water use in the designated stage in order to maintain the District's financial stability and sustainability.

Section 7. CEQA Exemption

Adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines (14CCR 15061(b)(3)). CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. It is therefore found and declared that the adoption of the WSCP water rate schedule in this ordinance will not have a significant effect on the environment, as the consumption-based water rates herein adopted will encourage water conservation; and the WSCP encourages conservation.

Section 8. Rescission; Incompatible Provisions

District Ordinance No. 64 and all amendments thereto, are hereby rescinded in their entirety. In addition, to the extent any provision of this Ordinance is incompatible or at variance with any prior-adopted ordinance or resolution, the provisions of this Ordinance shall take precedence and all prior ordinances and resolutions shall be interpreted to harmonize with and not change the provisions of this Ordinance.

Section 9. Judicial Review

Any judicial action or proceeding to attack, review, set aside, void or annul this Ordinance or any determination made pursuant thereto shall be commenced within 90 days after the date of adoption of this Ordinance or the date of any determination made pursuant thereto. California Code

of Civil Procedure, Section 1094.6 is hereby adopted and made applicable to any judicial review of any decision made by the Board of Directors, the General Manager, or agents, representatives or employees of the District.

Section 10. Severability

If any section, subsection, sentence, clause or phrase is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions. The Board of Directors hereby declares that it would have passed those sections, subsections, clauses and phrases irrespective that one or more may be declared invalid or unconstitutional.

Section 11. Publication; Effective Date

This Ordinance shall be published in an adjudicated publication within 10 days after its adoption; in addition a copy shall be posted in three public places, with the votes for and against it; it shall become effective 30 days after it is adopted.

PASSED AND ADOPTED on this November 21, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED AS TO FORM:

CERTIFICATION

I am Secretary to the Board of Directors of the Idyllwild Water District, and I hereby certify that the foregoing Ordinance was duly adopted by the Board of Directors at its regular meeting of November 21, 2018 and that the foregoing copy of the Ordinance is a true and correct copy of the original Ordinance adopted by the Board of Directors and maintained in the DISTRICT's office.

IDYLLWILD WATER DISTRICT

Jeannine Copelin, Board Secretary

Idyllwild Water District **Water Shortage Contingency Plan**

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Section 1: Purpose and Principles of Plan

1.1 Water Code Sections 10632

The Idyllwild Water District (IWD/District) has developed a Water Shortage Contingency Plan (WSC Plan) in accordance with California Water Code Section 10632. Section 10632 sets forth the contents of an urban water shortage contingency plan in the event of drought, water supply reductions, failure of a water distribution system, other emergencies, or regulatory statutes, rules, regulations or policies reducing water supplies by state and federal agencies with jurisdiction over the District. The contingency plan must demonstrate the ability of an agency to meet demands under a supply shortage of up to 50 percent. Emphasis is placed on protection of public health, sanitation, fire protection, and the general public welfare.

As such, this WSC Plan adopts regulations and restrictions on outdoor water use through Water Shortage Stage 4 and on indoor water use in Water Shortage Stage 5, including residential, commercial, and institutional customers.

1.2 Principles of District's Water Shortage Contingency Plan

The overall principle of the District's WSC Plan is to reliably meet water demands during shortages caused by droughts, supply reductions, and emergency conditions. The WSC Plan recognizes the following priorities for potable water:

- Public safety, health and welfare
- Economic sustainability
- Quality of life for the District's customers
- Statutory and regulatory requirements

The potable water use regulated and/or prohibited under this WSC Plan is considered non-essential use. Continued use of such water during times of water shortage or other emergency supply conditions are deemed to constitute a waste of water and will be subject to appropriate monetary assessments and fines as described in Section 4 of this WSC Plan.

To compensate for the reduction in water sales and revenue as a result of implementation of the WSC Plan, the District will implement WSC Plan rates to offset any such revenue losses (see Section 5 of this WSC Plan).

1.3 Public Notice and Coordination with Other Water Agencies

The District will periodically provide the public with information about the WSC Plan, including its implementation. Such information will include, but not be limited to, stages of action, restrictions on water use, water use reductions, water-saving tips, and potential Allocation Surcharges, monetary assessments and fines for noncompliance of prohibited activities for water conservation, water use efficiency, and failure to achieve water use reductions defined in the WSC Plan and the Water Conservation Policy. The District may use the local newspaper, the Town Crier, the District website and direct mail notice to provide the information.

Section 2: Authorization and Application of WSC Plan

2.1 Authorization of WSC Plan

The water shortage contingency measures of this WSC Plan shall apply to all persons, customers, and property using water provided by the District. The terms "persons" and "customers" used in this WSC Plan include individuals, home and property owners, corporations, businesses, agencies, associations, and all other legal entities

A declaration of a water shortage condition as outlined below shall become effective immediately, and shall be made by public announcement and published in a newspaper of general circulation.

While Stage 1 "Water Supply Watch" measures remain in effect at all times, three basic conditions can trigger the declaration of further Water Shortage Stages of the WSC Plan. At the time a water shortage condition is identified, the General Manager shall recommend the appropriate Shortage Stage and corresponding water usage decrease based on an analysis of current and available water supplies and anticipated demands. Except as provided below, the Board shall consider and adopt a resolution declaring the appropriate Shortage Stage and measures to be implemented thereto.

Condition No. 1: Long- and Short-Term Water Supply Deficiencies

The District's General Manager shall request the Board of Directors (Board) to authorize and implement provisions of the WSC Plan when the demand for District water is anticipated to be in excess of the District's established ratios for the available water supply. The determination shall be made based on the Board adopted criteria shown in Appendix A and upon consideration of other factors relative to the water supply and use of the District, if any, to implement the additional measures of the WSC Plan. The Board will have the authority to adopt a resolution to initiate, modify or terminate the appropriate shortage stage and any of the measures described in the WSC Plan based on the criteria without holding additional meetings or hearings, consistent with the criteria in Appendix A.

Condition No. 2: Immediate Emergency Water Shortage Response

An immediate emergency water shortage is defined as an unexpected or catastrophic event including, but not limited to, a regional power outage, earthquake or other disaster, or major other event that prevents or interrupts adequate water to be delivered to customers. By adopting this WSC Plan, the Board authorizes the General Manager to declare the extent of the immediate water shortage emergency and to indicate which measures of the WSC Plan are needed.

Condition No. 3: Emergency Declaration of State or Federal Agency

Upon the declaration of a water shortage emergency by resolution or other appropriate authoritative process of a state or federal agency with jurisdiction over the District, the District shall respond to the requirements set forth in the governing statutes, rules, regulations, or documents.

2.2 Criteria for Water Shortage Stages

The District staff will continue to monitor water demands and supplies on a regular basis, including but not limited to, availability and reliability of supply production facilities, and daily demand, and shall determine, based on the criteria in Appendix A, when conditions warrant an

initiation or termination of each shortage stage and water conservation measures to be implemented thereto of the WSC Plan as follows:

Stage 1 – Water Supply Watch Criteria: The term Water Watch acknowledges that while near term supply and storage conditions may from time to time improve due to wet weather, there are continued long-term challenges that warrant continued wise and efficient use of water. In addition, our alpine climate, average rainfall of 26-inches in our service area, the uncertain characteristics of the fractured granite mountainous groundwater supply and the absence of any potential supplemental water supply sources, make ongoing efficient water use imperative. Under Stage 1 conditions, i.e., the Basic Capacity Ratio (BCR) is 0-50%, customers are requested to continue to use water efficiently and practice sensible voluntary water conservation. It should also be noted that water waste is in violation of California Law and District's Water Conservation Policy at any Stage.

Stage 2 – Water Supply Alert Criteria: There is a possibility that the District may not be able to reliably meet all of the water demands of its customers and the BCR is 51-60%. This may mean local groundwater levels are lower than normal, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use. Additional voluntary water use reduction measures will be called upon during this stage. To reduce the financial impact to the District of the designated 10% reduction in water use, Stage 2 Water rates as described in Appendix C will be implemented for the commodity (variable) portion of water bills.

Stage 3 – Water Supply Warning Criteria: Water supply shortages for the District are evident through a BCR of 61-70%, expected to continue and possibly worsen, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by 20% to 35%. Some restrictions on certain non-essential outdoor Residential, Commercial, and Institutional water use will be implemented, and drought rates described in Stage 3 of Appendix C will be passed through to customers. Monetary assessments and/or fines for non-compliance with restrictions will be imposed as described in Section 4 of this WSC Plan.

Stage 4 – Extreme Water Supply Warning Criteria: Water supply shortages exist and are expected to worsen as indicated by a BCR of 71% - 85%, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by 36% to 50%. Complete restriction of non-essential outdoor water use will be implemented. The District will work to achieve an appropriate balance of water use decreases to all customer classes including residential, institutional, and commercial. The District will implement drought rates described in Stage 4 of Appendix C. Significant monetary assessments and/or fines for non-compliance of such restrictions will be imposed as described in Section 4 of this WSC Plan.

Stage 5 – Water Supply Emergency Criteria: Water supply shortages are expected to worsen as indicated by a BCR of more than 86%, or the District is mandated by a state or federal regulatory agency with jurisdiction over the District to reduce water use by more than 50%. This may be because of an emergency resulting in the inability of the District's water distribution system to deliver all of the District's supply. Restrictions on all non-essential outdoor and indoor water use will be implemented. The District will implement drought rates described in Stage 5 of Appendix C.. Monetary assessments and/or fines for non-compliance of such restrictions will be imposed as described in Section 4 of this WSC Plan.

Section 3: Supply Shortage Contingency Measures

Section 3 presents the shortage contingency measures the District may impose during each Shortage Stage for its residential, commercial and institutional customers.

Through timely communication, using various local media outlets and the monthly bill, the District will provide updates regarding supply conditions and WSC Plan Stages. The District is not responsible for any customer issues that may arise from the implementation of the WSC Plan or adjustment in timing of the WSC Plan's Stages.

1 Stage 1: Water Supply Watch – Basic Capacity Ratio = 0 – 50%

Under Stage 1 conditions, customers are requested to continue to use water efficiently and practice sensible voluntary water conservation. Water waste violates California Law and the District's Water Conservation Policy at this and any other Shortage Stage.

In order to comply with requirements of state legislation and Water Conservation Best Management Practices, it shall be a violation of the District's Water Conservation Policy at any time to make, cause, or permit the use of water for residential, commercial, institutional or any other purpose in a manner constituting water waste.

All Customer Classes

Customers shall abide by the following **water conservation requirements at all times** in all water Shortage Stages:

1. Refrain from hosing down driveways and other hard surfaces, except for health or sanitary reasons.
2. Repair faucets, toilets, pipes and other potential sources of water leaks as soon as practical.
3. Irrigate landscape between 6 p.m. and 9 a.m. This provision does not apply when:
 - a. Manually watering during the establishment period of a new landscape;
 - b. Manual spot watering is done to address landscape issues;
 - c. Temperatures are predicted to fall below freezing;
 - d. Testing/repairing an irrigation system;
 - e. Using drip irrigation systems; and
 - f. A longer watering window is needed due to system constraints.
4. Adjust and operate all landscape irrigation systems in a manner that will maximize irrigation efficiency and avoid over watering or watering of hardscape and resulting runoff.
5. Prevent excessively irrigating any lawn or landscape area that would cause the sheeting of water to flow; eliminate water runoff from lawns or landscape areas into any drainage courses, streets, or streams.
6. Do not use decorative fountains unless they are equipped with a re-circulating water system.
7. When installing plumbing fixtures, use low-flow devices, except for those that require high-flow fixtures for health and/or sanitary reasons. Where possible, install pool and spa covers to minimize water loss due to evaporation during non-operating days.
8. Do not allow water to run while washing vehicles, including autos, trucks, trailers, motor homes, boats or others. Use a hose with an automatic shutoff valve to avoid runoff into drainage courses, streets or streams. Use a hose equipped with an automatic shutoff valve or other device that causes it to cease dispensing water immediately when not in use.

9. When installing new landscaping, refer to the Water Use Classification of Landscape Species (WUCOLS) or the Idyllwild Garden Club list of local and drought tolerant plants suitable for the area. Plant low water California Friendly® Native Landscapes. Non-functional turf areas are not recommended. Turf lined channels are only permitted when justified by environmental regulations.
10. Refrain from watering during rain, or high winds by turning off irrigation timers.
11. Refrain from irrigation for two (2) days following a measurable rainfall.
12. No irrigation of turf or highwater use plants within public street medians and parkways.

All existing and future District customers in violation of these water conservation requirements, or with excessive runoff that would cause water to flow from property into any drainage courses, streets, or streams are subject to fines. Fines are detailed in Section 4 and in the Water Conservation Policy in Appendix B.

3.2 Stage 2: Water Supply Alert – Basic Capacity Ratio 51% - 60%

- Stage 1 water conservation requirements remain in effect for all customer classes
- Additional 10 % voluntary water use reduction measures for all customer classes
- Water use rates described in Stage 2 of Appendix C are implemented

All Customer Classes

Additional **voluntary water use reduction measures** are requested of **all customer classes** to reduce water use by an additional 10% as follows:

Outdoor Voluntary Water Use Reduction Measures

1. Eliminate sprinkler overspray from driveways and sidewalks. Divide irrigation runtimes into multiple cycles to eliminate runoff water that leaves the landscaped area.
3. Tune-up your irrigation system by checking for and repairing leaks and damaged sprinklers.
4. Use a broom instead of a hose to clean driveways, sidewalks and other hardscape surfaces, except for California Department of Health Services prescribed health or sanitary reasons.
5. Install pool and spa covers to minimize evaporative water loss.
6. Customers, including but not limited to, parks, school grounds, and commercial landscaping are restricted to irrigation applications between 6 p.m. and 9 a.m. These irrigators are advised to adjust automatic irrigation timers according to changing weather patterns and landscape requirements.

Indoor Voluntary Water Use Reduction Measures

7. Wash only full loads of laundry and/or dishes.
8. Shorten showers and turn off faucets while brushing teeth or shaving.

No monetary assessments (see Section 4) or mandatory restrictions will be imposed during Stage 2. However, The District will implement drought rates described in Stage 2 of Appendix C. All existing and future District customers in violation of the Stage 1 water conservation requirements in effect at all times, or with excessive runoff that would cause water to flow from property into any drainage courses, streets, or streams are subject to fines. Fines are detailed in Section 4 and in the Water Conservation Policy in Appendix B.

3.3 Stage 3: Water Supply Warning – Mandatory Water Waste Reduction – Basic Capacity Ratio 61% - 70%

- Stage 1 water conservation requirements remain in effect for all customer classes.
- Stage 2 indoor voluntary water use reduction measures remain in effect

- Mandatory outdoor water use reduction measures for all customer classes
- The District will implement drought rates described in Stage 3 of Appendix C.
- Fines for non-compliance are imposed

Stage 3: The District will implement drought rates described in Stage 3 of Appendix C.

All Customer Classes

Stage 3 mandatory outdoor water use reduction measures for all customer classes are as follows:

Outdoor Mandatory Water Use Reduction Measures

1. Irrigate lawns and landscape only between 6:00 p.m. and 9:00 a.m.
2. No application of potable water to outdoor landscapes (turf and ornamental landscapes) during a rainfall event and up to 48 hours after measurable rainfall. Measurable rainfall for the region is defined as greater than or equal to 0.5 inches.
3. Do not allow irrigation water to leave the landscaped area.
4. No significant landscaping shall be installed or renovated.
5. Use a broom instead of a hose to clean driveways, sidewalks and other hardscape surfaces, except for California Department of Health Services prescribed health or sanitary reasons.
6. Eliminate sprinkler overspray from driveways and sidewalks. Divide irrigation runtimes into multiple cycles to eliminate runoff water that leaves the landscaped area.
7. Tune-up irrigation system by checking for and repairing leaks and damaged sprinklers.
8. Do not allow hoses to run while washing motor vehicles (including autos, trucks, trailers, motor homes, boats or others). Use a hose equipped with an automatic shutoff valve or other device that causes it to cease dispensing water immediately when not in use.
9. No new water meters allowed, except for health and safety.

Commercial and Institutional Customers

Stage 3 mandatory water use reduction measures for all C&I customers are as follows:

10. Commercial and Industrial users are to adjust automatic irrigation timers according to changing weather patterns and landscape requirements.
11. Drinking water shall not be served other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food and drink are served and/or purchased.
12. Operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each bathroom using clear and easily understood language.

Fines for non-compliance will be imposed for flagrant or repeat violations, in addition to other monetary assessments for excessive use (see Section 4). All existing and future District customers in violation of the Stage 1 water conservation requirements in effect at all times, consistent with Section 2 General Provisions of the District's Water Conservation Policy, or with excessive runoff that would cause water to flow from property into any drainage courses, streets, or streams, are subject to fines. Fines are detailed in Section 4 and in the Water Conservation Policy in Appendix B.

3.4 Stage 4: Extreme Water Supply Warning – Mandatory Outdoor Water Elimination

- Stage 1 and 2 water conservation requirements remain in effect for all customer classes

- Stage 3 mandatory water use reduction measures remain in effect for all customer classes
- Stage 2 Indoor voluntary water use reduction measures remain in effect
- Outdoor watering and/or irrigation is prohibited
- The District will implement drought rates described in Stage 4 of Appendix C
- Variances for health and safety only
- No new water meters allowed, except for health and safety.
- Fines for non-compliance are imposed, in addition to other monetary assessments for excessive use

Stage 4: The District will implement drought rates described in Stage 4 of Appendix C.

All Customer Classes

Stage 4 additional mandatory water use reduction measures for all customer classes are as follows:

Outdoor Mandatory Water Use Elimination

1. Washing of personal vehicles at home (including autos, trucks, trailers, motor homes, boats or others) is prohibited.
2. Outdoor watering and/or irrigation is prohibited at all times
3. No water for decorative fountains may be used, even if it has a recirculating system.
4. No filling or water level maintenance of outdoor pools.
5. The district shall not install new water meters , except for health and safety.
6. No new will serve letters will be issued by the District

Commercial and Institutional

Stage 4 additional mandatory water use reduction measures for all C&I are as follows:

7. No new hydrant-construction or temporary construction meter permits will be issued by the District.

Fines for non-compliance will be imposed for flagrant or repeat violations, in addition to other monetary assessments for excessive use (see Section 4). All existing and future District customers in violation of the water conservation requirements in effect at all times, consistent with Section 2 General Provisions of the District's Water Conservation Policy are subject to fines. Fines are detailed in Section 4 and in the Water Conservation Policy in Appendix B.

3.5 Stage 5: Water Supply Emergency – Mandatory Outdoor Water Elimination and Indoor Water Reduction

- Stage 1 and 2 water conservation requirements remain in effect for all customer classes.
- Stages 3 and 4 mandatory water use reduction measures remain in effect for all customer classes
- Additional mandatory water use reduction measures for all customer classes
- The District will implement drought rates described in Stage 5 of Appendix C
- Variances for health and safety only
- The District recommends the installation of pool and spa covers to minimize evaporative water loss.
- No new water meters allowed, except for health and safety
- Fines for non-compliance are imposed

All Customer Classes

Stage 5 additional mandatory measures for all customers are as follows:

Outdoor Mandatory Water Use Reduction Measures

1. No irrigation of lawns, landscapes and/or ornamental gardens.
3. Water for refilling recreational swimming pools and spas is prohibited.
4. No replacement water may be provided for ponds or lakes. Aeration equipment should be managed in such a way as to eliminate evaporative loss of water.
5. Turn off all decorative fountains, even if it has a recycling (recirculating) system, and consider using any remaining water to irrigate landscape. Make sure to empty completely so standing water does not attract insects.
6. Eliminate use of misting devices.
7. All previously issued will serve letters to District customers who have not installed water meters shall be suspended during the existence of a Stage 5 emergency
8. All temporary construction permits will be rescinded by the District.

Indoor Mandatory Water Use Reduction Measures

7. Wash only full loads of laundry and/or dishes.
8. Fix leaky faucets, toilets, showerheads, pipes and other water plumbing immediately
9. Shorten showers and turn off faucets while brushing teeth or shaving.

Commercial & Institutional Customers

Stage 5 additional mandatory water use reduction measures for all C&I customers are as follows:

10. No water for commercial car washes.
11. All hydrant construction and temporary construction meter permits will be rescinded by the District.
12. No planting of new landscaping (seed, sod, or other plant materials).

Fines for non-compliance will be imposed for flagrant or repeat violations, in addition to other monetary assessments for excessive use (see Section 4). All existing and future District customers in violation of the water conservation requirements in effect at all times, consistent with Section 2 General Provisions of the District's Water Conservation Policy are subject to fines. Fines are detailed in Section 4 and in the Water Conservation Policy in Appendix B

Section 4: Enforcement and Variances

Measures called for in the stages of the District's WSC Plan will be primarily enforced through fines and monetary assessments. In extreme cases, certain types of outdoor water service may be discontinued until the emergency situation is over.

4.1 Fines

The District's Water Conservation Policy (Policy) (Appendix B) declares that because of the prevailing conditions in the State, it is necessary and appropriate for the District to adopt, implement and enforce a water conservation program to ensure sufficient water for human consumption, sanitation, and fire protection. The District further finds that waste or unreasonable use or unreasonable method of use of water shall be prevented and that water conservation practices shall be encouraged at all times.

Water Waste Provisions

The Policy establishes general provisions of conservation and water use efficiency that are in effect at all times. These general provisions are consistent with the WSC Plan and include the following:

1. Refrain from hosing down driveways and other hard surfaces, except for health and sanitary reasons.
2. Repair faucets, toilets, pipes and other potential sources of water leaks.
3. Irrigate landscape only between 6 p.m. and 9 a.m.
4. Adjust and operate all landscape irrigation systems in a manner that will maximize irrigation efficiency and avoid over watering or watering of hardscape and resulting runoff.
5. Prevent excessively irrigating any lawn or landscape area that would cause the sheeting of water to flow; eliminate water runoff from lawns or landscape areas into any drainage courses, streets, or streams.
6. Do not use decorative fountains unless they are equipped with a recirculating system.
7. When installing plumbing fixtures, use low-flow devices, except for those that require high-flow fixtures for health and/or sanitary reasons.
8. Where possible, install pool and spa covers to minimize water loss due to evaporation during non-operating days.
9. Do not allow water to run while washing vehicles. Use a hose with an automatic shutoff valve to avoid runoff into drainage courses, streets or streams.

It is important to note that conservation measures in addition to these general provisions are required to be taken by customers as part of higher WSC Plan Stages.

Enforcement

Water users who violate of any of the general provisions or additional measures required as part of the applicable WSC Plan Stage are subject to the enforcement of this Water Conservation Policy.

Violations which are related to the malfunction of water conveying hardware or devices are subject to the following enforcement:

- a. For a first violation, the District shall issue a written notice of fact of such violation to the customer. The customer shall then be allowed a period of 5 days following issuance of the written notice to correct the violation described therein before a second violation will be issued, and the customer will be provided a copy of this Section of the Water Shortage Contingency Plan.

- b. For a second violation within the prior 12-month period, including but not limited to a failure to correct an initial violation within the time stated in the notice, the District shall issue a fine in the amount of \$50.00, which shall be added to the customer's water bill. The customer shall be allowed a period of 5 days following delivery of the written notice to correct the second violation before a third violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan.
- c. For a third violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a second violation has not been corrected within a period of 5 days following delivery of the second violation notice. A fine in the amount of \$100.00 shall be added to the customer's water bill upon issuance of a third violation. The customer shall be allowed 5 days following issuance of the written notice to correct the third violation before a fourth violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan.
- d. For a fourth violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a third violation has not been corrected within a period of 5 days following delivery of the third violation notice. A fine in the amount of \$250.00 shall be added to the customer's water bill upon issuance of a fourth violation. The customer shall be allowed 5 days following issuance of the written notice to correct the fourth violation before a fifth violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation and removal shall be as set forth in the District's rules. It may be reinstalled for repeated violations.
- e. For a fifth violation, the District shall issue a written notice of fact of such violation to the customer when the fourth violation has not been corrected within a period of 5 days following issuance of the fourth violation notice. A fine of \$500.00 shall be added to the customer's water bill following the issuance of the fifth violation notice until the violation is corrected. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation

and removal shall be as set forth in the District's rules. It may be reinstalled for repeated violations.

Violations that are **not** related to the malfunction of water conveying hardware or devices, but are related to actions taken by a water user including, but not limited to, (a) applying (e.g., hosing or spraying) potable water to outdoor landscapes in a manner that causes runoff that flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures; (b) using a hose to wash an automobile with potable water, except where the hose has a shut-off nozzle or device attached to it that causes it to immediately cease dispensing water when not in use; (c) applying potable water to driveways and sidewalks; and (d) using potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system. are subject to the same enforcement procedures outlined above with the exception that the expected timeframe for correction of the violation is immediate, and a violation of such types (a), (b), (c) or (d) on a subsequent day may be considered a separate violation.

Customers shall pay all water bills and fines in accordance with the due dates stated on their bills. An Appeals Process is offered to customers that disagree with the fines assessed. If the appeal is upheld in favor of the customer, appropriate monies will be refunded. Details of the Appeals Process are included in the Policy (Appendix B).

4.2 Variances

The District may, in writing, grant a temporary variance from any fines, Allocation Surcharges and monetary assessments, or restrictions imposed by the WSC Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance, and under the following conditions, which are consistent with Section 5 of the District's Water Conservation Policy (see Appendix B):.

1. Compliance with the WSC Plan cannot be technically accomplished during the duration of a water supply shortage or other condition for which the WSC Plan Shortage Stage is in effect.
2. Alternative methods or technology used as part of a District-sanctioned trial or test study can be implemented which will achieve the same level of reduction in water use.
3. Doctor-approved health circumstances, illness or injury will be considered on a case-by- case basis.
4. No variances will be issued, beginning in Shortage Stage 3 of the WSC Plan, for filling swimming pools, establishing or expanding a landscape area, or leaks not repaired within 48 hours.
5. During Shortage Stages 4 and 5, variances requests must be due to health and safety issues only.

A written request for a variance may be accepted by the District, or may be denied at the sole discretion of the District.

All variances must be requested in writing any time after WSC Plan's staged implementation. The following information must be provided:

1. Name, contact phone number, service address and customer account number of petitioner;
2. Purpose of water use (e.g., domestic, commercial, institutional);

3. Specific provision(s) of the WSC Plan from which the petitioner is requesting relief;
4. Detailed statement as to how the provision of the WSC Plan adversely affects the petitioner or what damage or harm will occur;
5. Description of the relief requested;
6. Period of time for which the variance is sought; and
7. Any alternative water use restrictions (e.g., indoor use) that the petitioner is taking or proposes to take to meet the intent of the WSC Plan.

Section 5: Revenue and Rate Impacts

The District has an Emergency Cash Reserve Policy to deal with catastrophic events. Short of a catastrophic event, Appendix C establishes rates to be implemented concurrently with a determination of any drought Stage greater than 1 which will increase the various commodity rates inversely to the predicted reduction percentage of water use in the designated stage to maintain the District's financial stability and sustainability.

Section 6: District's Emergency Actions

The Water Code Section 10632 requires actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

The District operates in an area where the probability of an earthquake is high. Depending on the severity, an earthquake may damage the water system. The District's Emergency Response Plan provides a framework for an organized response to an earthquake emergency. The primary objectives of the WSC Plan are to maintain the functionality of the water distribution system, assess the system and, if necessary, make rapid repair to any damage, and prevent any further damage. The District's response to an earthquake will be directed by the General Manager.

The following are the District Response Phases in the event of an Earthquake:

- Phase I – Inspection: A rapid inspection to determine injuries and any damage which might affect the distribution system.
- Phase II – Report Back: Emergency communications flow: additional inspection procedures.
- Phase III – Repair: Coordination of maintenance forces.
- Phase IV – Management Procedures: Key Management responsibilities for the emergency.
- Phase V – Operating/Maintenance/Engineering: Outlines procedures for division staff.

Prior to Phase I inspections, system operators and inspectors report to the Emergency Operations Center to receive assigned inspection routes. The Emergency Operations Center creates a communications hub for the District to efficiently manage their available resources. For example, personnel inspecting Foster Lake Dam, wastewater treatment facilities, and wells receive their assignments from and report their findings to the Emergency Operations Center. The Emergency Response Plan contains the areas that are inspected with driving directions for specific inspection routes. If inspections reveal damage to any of the areas, the necessary repairs are made. Communications are ongoing at all phases of the response to an earthquake. The District has a radio system to insure communications will be available during an emergency. The Emergency Response Plan also includes an analysis of the potential of an electrical power outage. The District depends on electricity to boost water to higher elevations via pumping stations. In an emergency involving a power outage, the District will utilize emergency generators to provide customers with a reliable source of water.

Appendix

A

Stage Criteria

$$\text{Basic Capacity} = \frac{(\text{Monthly Demand})}{(\text{Monthly Production Capacity})} \times 100 = \% \text{ of used production Ratio}$$

| <u>Stage</u> | <u>Criteria</u> | <u>Reduction</u> |
|--------------|-----------------|-------------------------|
| Stage 1 | 0-50% | Normal Efficient Use |
| Stage 2 | 51-60% | Voluntary 10% Reduction |
| Stage 3 | 61-70% | Mandatory 20% Reduction |
| Stage 4 | 71-85% | Mandatory 30% reduction |
| Stage 5 | 86+% | Mandatory 50% Reduction |

Would move to a higher stage when the Basic Ratio:

- 1) Has exceeded the lower threshold for a stage for the third (3rd) consecutive month;
 - 2) Exceeds the lower threshold for a stage by at least 8% for two consecutive months;
- or
- 3) Exceeds the lower threshold for a stage by at least 13% for one month.

Examples

- A. Three (3) months at 52%, 54%, and 52% would go to Stage 2 in the 4th month
- B. Two (2) months at 59% and 58% would go to Stage 2 in the 3rd month
- C. One (1) month at 63% would go to Stage 2 in the second month

Would move to a lower stage when the Basic Ratio:

- 1) Has been 5% or more below the threshold for the Stage for two consecutive months

Example

- A. In Stage 2; Month 1 at 44%, Month 2 at 43%, go to Stage 1 in the 3rd month

Idyllwild Water District
Appendix B
WATER CONSERVATION POLICY
Adopted September 19, 2018

TABLE OF CONTENTS

Section

1. Findings and Declaration of Policy
2. General Provision
3. Penalties and Restitutions
4. Appeals and Process
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6. Definitions of Terms

Section 1. Findings and Declaration of Policy

The Idyllwild Water District (District) finds and determines that because of the prevailing conditions in the State it is necessary and appropriate for the District to adopt, implement, and enforce a Water Conservation Policy to ensure sufficient water for human consumption, sanitation, and fire protection. The District further finds the waste or unreasonable use, or unreasonable method of use of water shall be prevented and that water conservation practices shall be encouraged at all times.

In times of drought or water supply cutbacks, provisions of this Policy may be modified in accordance with State of California Regulations, as well as Idyllwild Water District's Water Shortage Contingency Plan (WSC Plan). This Policy is in effect at all times and defers updates and implementation strategies, regarding water conditions and supplies to the WSC Plan for timely communications and media outreach when stage alerts are executed.

Section 2. General Provisions

In order to comply with requirements of state legislation and Best Management Practices, it shall be a violation of this Policy at any time to make, cause, or permit the use of water for residential, commercial, industrial, agricultural, institutional, or any other purpose in a manner constituting waste. Customers shall abide by all requirements outlined in the applicable Shortage Stage of the WSC Plan including, but not limited to the following requirements at all times:

1. Refrain from hosing down driveways and other hard surfaces, except for health or sanitary reasons.
2. Repair faucets, toilets, pipes and other potential sources of water leaks.
3. Irrigate landscape only between 6 p.m. and 9 a.m. This provision does not apply when:
 - a. Manually watering during the establishment period of a new landscape;
 - b. Supervised spot watering is done to address landscape issues;
 - c. Temperatures are predicted to fall below freezing;
 - d. Testing/repairing an irrigation system;
 - e. Using drip and point-to-point irrigation systems; and
 - f. A longer watering window is needed due to system constants.
4. Adjust and operate all landscape irrigation systems in a manner that will maximize irrigation efficiency and avoid over watering or watering of hardscape and the resulting runoff.
5. Prevent excessively irrigating any lawn or landscape area that would cause the sheeting of water to flow; eliminate water runoff from lawns or landscape areas into any drainage courses, streets, or streams.
6. Do not use decorative fountains unless they are equipped with a re-circulating system.
7. When installing plumbing fixtures, use low-flow devices, except for those that require high-flow fixtures for health and/or sanitary reasons.
8. Where possible, install pool and spa covers to minimize water loss due to evaporation during non-operating days.
9. Do not allow water to run while washing vehicles. Use a hose with an automatic shutoff valve to avoid runoff into drainage courses, streets or streams.
10. When installing new landscaping, refer to the Water Use Classification of Landscape Species (WUCOLS). Plant low-water California Friendly® Landscapes and/or the Idyllwild Garden Club list of local and drought tolerant plants suitable for the area. Non-functional turf areas are not recommended. Turf lined channels are only permitted when justified by environmental regulations.
11. Refrain from watering during rain, or high winds by turning off irrigation timer.

Section 3. Administrative Fines

All persons in violation of Section 2 General Provisions of this Policy or with excessive runoff that causes water to flow from property into any drainage courses, streets, or streams are subject to the following:

- a. For a first violation, the District shall issue a written notice of fact of such violation to the customer. The customer shall then be allowed a period of 5 days following issuance of the written notice to correct the violation described therein before a second violation will be issued, and the customer will be provided a copy of this Section of the Water Shortage Contingency Plan.
- b. For a second violation within the prior 12-month period, including but not limited to a failure to correct an initial violation within the time stated in the notice, the District shall issue a fine in the amount of \$50.00, which shall be added to the customer's water bill. The customer shall be allowed a period of 5 days following delivery of the written notice to correct the second violation before a third violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan.
- c. For a third violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a second violation has not been corrected within a period of 5 days following delivery of the second violation notice. A fine in the amount of \$100.00 shall be added to the customer's water bill upon issuance of a third violation. The customer shall be allowed 5 days following issuance of the written notice to correct the third violation before a fourth violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan.
- d. For a fourth violation in the prior 12-month period, the District shall issue a written notice of fact of such violation to the customer when a third violation has not been corrected within a period of 5 days following delivery of the third violation notice. A fine in the amount of \$250.00 shall be added to the customer's water bill upon issuance of a fourth violation. The customer shall be allowed 5 days following issuance of the written notice to correct the fourth violation before a fifth violation will be issued. The customer will be provided a copy of this Section of the Water Shortage Contingency Plan. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation and removal shall be as set forth in the District's rules. It may be reinstalled for repeated violations.

- e. For a fifth violation, the District shall issue a written notice of fact of such violation to the customer when the fourth violation has not been corrected within a period of 5 days following issuance of the fourth violation notice. A fine of \$500.00 shall be added to the customer's water bill following the issuance of the fifth violation notice until the violation is corrected. In addition, the District may install a flow-restricting device at such meter with a one-inch orifice for services up to one and one-half inch size, and comparatively sized restrictors for larger services, on the service of the customer at the premises in which the violation occurred for a period of not less than 48 hours. The charge to the customer for installing a flow-restricting device shall be based on the size of the meter and actual cost of installation. The charge for installation and removal shall be as set forth in the District's rules. It may be reinstalled for repeated violations.

Violations that are **not** related to the malfunction of water conveying hardware or devices, but are related to actions taken by a water user including, but not limited to, (a) applying (e.g., hosing or spraying) potable water to outdoor landscapes in a manner that causes runoff that flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures; (b) using a hose to wash an automobile with potable water, except where the hose has a shut-off nozzle or device attached to it that causes it to immediately cease dispensing water when not in use; (c) applying potable water to driveways and sidewalks; and (d) using potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system. are subject to the same enforcement procedures outlined above with the exception that the expected timeframe for correction of the violation is immediate, and a violation of such types (a), (b), (c) or (d) on a subsequent day may be considered a separate violation.

Customers shall pay all water bills and fines in accordance with the due dates on their water bills. An Appeals Process is offered to customers that disagree with fines outlined in this section of the Policy. If the appeal is upheld in favor of the customer, appropriate monies will be refunded. Details of the appeals process are included in Section of this Policy. The District shall use the revenues derived from the implementation of this section of the Policy for water use efficiency programs.

Section 4. Appeals Process

Any customer may appeal the imposition of fines of this Policy, by filing a written request with the District Planning Department for an appeal hearing. The District must receive the request within 30 days of the date of the fine notice. A request for a hearing shall set forth, in detail, all facts supporting the request.

The District shall, within 15 days of receiving a request for an appeal hearing provide written notice to the customer of the hearing date, time, and place. The hearing date shall not be more than 30 days from the mailing of such notice by certified mail, unless a later date is agreed to by the customer.

At the hearing, a District staff member will represent the District. The customer will have the opportunity to present information supporting his or her position concerning the required irrigation evaluation or penalty charges. After the hearing, the District staff shall deliver a written report to the General Manager setting forth findings of fact, conclusions, and a recommendation on whether to uphold, modify, or reverse the original fines. Upon receipt of the written report, the General Manager shall issue his decision within 15 calendar days of the hearing. The written decision of the General Manager shall be sent to the customer by certified mail. The General Manager's decision shall be final on the 16th day after it is mailed, unless a request for a hearing is filed with the Board of Directors no later than 5:00 p.m. on the 15th day following such mailing.

Any customer may appeal a decision made by the General Manager, prior to the date that the General Manager's order becomes final, by filing a written request for a hearing with the Board of Directors. The request for the Board of Directors' hearing shall set forth in detail all the issues in dispute and all facts supporting the request. No later than 30 days after receipt of the request for a hearing, the Board of Directors shall either set the matter for a hearing, or deny the request for the hearing. Whether to grant or deny a request for a hearing on an appeal to the General Manager's decision shall be within the sole discretion of the Board of Directors.

If required, a hearing shall be held by the Board of Directors within 30 days of the date the request for a hearing was granted, unless a later date is agreed to by the customer and the Board of Directors. The Board of Directors shall make a determination whether to uphold, modify, or reverse the General Manager's decision. The order of the Board of Directors shall be final upon its adoption. The written decision and order of the Board of Directors shall be sent to the customer by certified mail within 15 days after the close of the hearing.

If the matter is not heard within the required time, due to actions or inactions of the customer or the Board of Director's decision to deny the request for the hearing, the General Manager's decision shall be final.

The customers of the District authorize the District to deliver and/or mail all Notices to the them current address listed for each customer in the records of the District. Each customer of the

District agrees that any and all Notices addressed to such addresses of the customer is sufficient Notice for all purposes. The District may, at its election, deliver all Notices to such address in lieu of mailing by certified mail.

Section 5. Variance Conditions

A variance may be issued by the District, in writing, to grant a temporary variance for water uses otherwise prohibited under this Policy if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance, and under the following conditions:

1. Compliance with this Policy cannot be technically accomplished during the duration of a water supply shortage or other condition for which the Policy is in effect.
2. Alternative methods or technology used as part of District sanctioned trial or test study can be implemented which will achieve the same level of reduction in water use.
3. Doctor-approved health circumstances, illness or injury will be considered on a case-by-case basis.
4. No variances will be issued, beginning in Stage 4 of the WSCP, for filling swimming pools, establishing or expanding a landscape area, leaks not repaired within 48 hours, and existing outdoor water budgets.
5. During Shortage States 4 and 5, variances will be considered for health and safety issues only.

A written variance may be accepted by the Planning Department, and may be denied in full or in part at the sole discretion of the District.

Section 6. Definitions of Terms

Appellant - means the customer appealing a decision of the District for relief from the requirements of this Policy.

Appeal Process - refers to a set of procedures allowing an appellant the opportunity to present facts and details, supporting his or her position concerning fines of this policy.

Best Management Practices – defines the best and most proven water conservation methods for urban water users in California.

Board of Directors - means the Board of Directors of the Idyllwild Water District.

California Friendly® Landscapes – refers to landscape that features low-water using plants, state-of-the-art irrigation and controllers, sustainable landscaping techniques/ maintenance plan.

Customer - means any person, firm, partnership, association, corporation, or local political entity using water obtained from the water system of Idyllwild Water District.

District – refers to Idyllwild Water District.

Excessive Runoff - over irrigation of landscaped areas, leaks, or any other type of action that would cause water to flow into any drainage courses, streets, or streams.

Non-Functional Turf Areas – (not recommended) a landscape turf area used for aesthetic purposes.

Variance Conditions – refers to a conflict requesting a temporary variation for water use.

Waste - means any unreasonable or non-beneficial use of water, or any unreasonable method of use of water, including, but not limited to, the specific uses prohibited and restricted by this policy as hereinafter set forth.

Water Use Classification of Landscape Species (WUCOLS) – is a guide to help landscape professionals identify irrigation water needs of landscape species. It can be used either for the selection of species or to assist in developing irrigation schedules. It is not intended to be used as a required or approved list by IWD for selection of plant.

In times of drought or water supply cutbacks, provisions of this Policy may be modified in accordance with the Idyllwild Water District's Water Shortage Contingency Plan, or action taken by the Board of Directors.

APPENDIX C

Water Shortage Contingency Plan

Drought Rates

| Proposed Rates - Transition 50% Fixed to 60% Fixed | | | | | |
|---|---------|-----------------------|-------------------|-------------------|-------------------|
| Water Shortage Rate Schedule | | Proposed Rates | | | |
| | | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 |
| Stage 2 - 10% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.0829 | \$0.0826 | \$0.0820 | \$0.0811 |
| Tiered Rate (SFR Customers) | | | | | \$0.0799 |
| <i>Proposed</i> | | | | | |
| Tier 1 | 450 cf | \$0.0200 | \$0.0210 | \$0.0220 | \$0.0231 |
| Tier 2 | 900 cf | \$0.1559 | \$0.1539 | \$0.1514 | \$0.1482 |
| Tier 3 | 900+ cf | \$0.2005 | \$0.1976 | \$0.1938 | \$0.1893 |
| Stage 3 - 20% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.0917 | \$0.0912 | \$0.0904 | \$0.0894 |
| Tiered Rate (SFR Customers) | | | | | \$0.0879 |
| <i>Proposed</i> | | | | | |
| Tier 1 | 450 cf | \$0.0209 | \$0.0219 | \$0.0230 | \$0.0241 |
| Tier 2 | 900 cf | \$0.1930 | \$0.1903 | \$0.1869 | \$0.1826 |
| Tier 3 | 900+ cf | \$0.2606 | \$0.2564 | \$0.2512 | \$0.2448 |
| Stage 4 - 35% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.1099 | \$0.1092 | \$0.1081 | \$0.1066 |
| Tiered Rate (SFR Customers) | | | | | \$0.1047 |
| <i>Proposed</i> | | | | | |
| Tier 1 | 450 cf | \$0.0227 | \$0.0239 | \$0.0251 | \$0.0263 |
| Tier 2 | 900 cf | \$0.2904 | \$0.2857 | \$0.2799 | \$0.2727 |
| Tier 3 | 900+ cf | \$0.4204 | \$0.4129 | \$0.4036 | \$0.3923 |
| Stage 5 - 50% Conservation | | | | | |
| Uniform Potable Rate (Commercial Customers) | | \$0.1391 | \$0.1379 | \$0.1362 | \$0.1341 |
| Tiered Rate (SFR Customers) | | | | | \$0.1314 |
| <i>Proposed</i> | | | | | |
| Tier 1 | 450 cf | \$0.0257 | \$0.0270 | \$0.0283 | \$0.0298 |
| Tier 2 | 900 cf | \$0.5107 | \$0.5015 | \$0.4900 | \$0.4762 |
| Tier 3 | 900+ cf | \$0.7805 | \$0.7654 | \$0.7468 | \$0.7245 |

Memo

To: Board of Directors

From: General Manager

Date: November 21, 2018

Subject: ITEM #4 – IDYLLWILD COMMUNITY CENTER

Recommendation: That the Idyllwild Water District Board of Directors receive a report, from staff regarding the Interface with ICC project members.

Background: This item is on the agenda at the request of Board members

Memo

To: Board of Directors

From: General Manager

Date: November 21, 2018

**Subject: ITEM #5 – REVIEW OF WATER SERVICE RULES AND REGULATIONS
AND BOARD INVOLVEMENT IN THE PERSONNEL HIRING PROCESS**

Recommendation: That the Idyllwild Water District Board of Directors review the noted policies, discuss and provide direction to staff if any changes are desired.

Background: Board members requested this item be placed on the agenda

Attachments:

Rules and Regulations for Water Service (June 2017) Sections 1.10, 5.3.04 to 5.3.11,
and 12.2

Resolution No. 714 (October 21, 2015)

Suggested changes by Vice President Szabadi to the Rules and Regulations

Water Service Rules and Regulations Resolution # 760

A Portion Thereof

1.10 GENERAL MANAGER'S AUTHORITY AND RIGHT OF APPEAL - The General Manager of DISTRICT is responsible for implementation of rules and regulations, and for making all decisions and determinations regarding application of these rules and regulations. In the event of special circumstances which are not specifically addressed in these rules and regulations, the General Manager shall make each decision and determination as are required and appropriate for the circumstances. All such decisions and determinations shall be rendered in writing, if feasible, and shall be final; provided, however, affected person shall have the right to appeal decision of General Manager to BOARD, in writing. Writing must be received by DISTRICT within 10 business days after final decision of General Manager is rendered. A hearing on appeal shall be set within 30 days thereafter, and BOARD'S decision on appeal shall be final and conclusive for all purposes.

5.3.04 The water system identified, is in compliance with Standard Waterworks Practice.

5.3.05 A water facilities connection fee in the amount shown in Appendix A attached hereto and adjusted from time to time by the Board of Directors, will be charged for all new single family residential connections. Fire Protection users shall pay a fee based on the Meter Equivalent Ratio (MER) shown in Section 2.14 based on the meter size required by the applicant as determined by calculations from the CODE. Said fee shall be determined from time-to-time by action of the BOARD.

5.3.06 Where water service is to be provided to new structures on a parcel where metered service is already provided, DISTRICT will require payment of a water facilities connection fee if the existing meter is to be replaced with a larger size meter to accommodate the increased demand. The water facilities connection fee shall be the difference between the current fee for the exiting meter size and the current fee for the proposed meter size.

5.3.07 DISTRICT may, at its sole discretion, accept facilities in lieu of a facilities connection fee. For purposes of this section, "Facilities" means public water facilities infrastructure required, or anticipated to be required, to properly support development within Idyllwild area and does not include any facility, structure or improvement to be constructed or installed on private property.

5.3.08 The value of facilities to be credited toward connection fees shall be documented and shall be the reasonable cost of constructing facilities. Credit allowed shall not include incidental costs of financing or legal costs. Acceptance by DISTRICT of facilities in lieu of connection fees shall be effectuated only pursuant to a written agreement entered into between DISTRICT and owner or developer in advance of acceptance and/or construction of facilities.

12.2 WILL SERVE LETTER - A water will serve letter will be furnished to applicants upon request, unless the DISTRICT is in a Stage of its Water Shortage Contingency Plan the limits the issuance of meters due to water supply shortage conditions. Said letter will state that applicant's parcel is within DISTRICT boundaries and regular water service will be provided subject to terms and conditions contained therein and subject to these Rules and Regulations for Water Service. The Will Serve Letter will be valid for 12-months from the _____ date _____ of _____ issuance.

5.3.09 In the event the allowable value of facilities to be accepted exceeds connection fee due from owner or developer, the connection fee may be waived. Credit for allowable value of facilities to be accepted by DISTRICT in lieu of connection fees may not be carried over to other projects by owner or developer except by specific written agreement as approved by BOARD and entered into in advance of acceptance and/or construction of such facilities. Any such agreement shall specify particular property to which the credit will apply.

5.3.10 Any excess allowable value over connection fees, whether or not future credit is allowed therefore, may not be sold, assigned or otherwise conveyed.

5.3.11 Future credit for allowable value in excess of connection fees then due is not reimbursable to owner or developer except as credit toward connection fees due DISTRICT. Such credit will be automatically cancelled and extinguished unless used within five years of the date upon which DISTRICT has approved the credit.

RESOLUTION NO. 714

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IDYLLWILD WATER DISTRICT
ADOPTING THE BOARD MEMBER AND MEETING DECORUM

THE BOARD OF DIRECTORS OF THE IDYLLWILD WATER DISTRICT HEREBY RESOLVES
AS FOLLOWS:

Section 1. To adopt the "Board Member and Meeting Decorum", as the official Board policies handbook for use by Board Members. A true and correct copy of the Board Member and Meeting Decorum is attached hereto and made a part hereof.

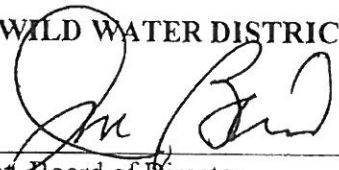
Section 2. The Board President is hereby authorized and directed to implement the Board Policy Resolution.

MOVED, PASSED AND ADOPTED at the regular meeting of the Board of Directors on October 21, 2015.

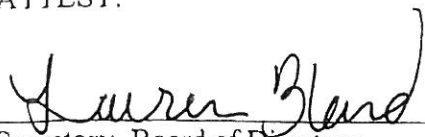
PASSED AND ADOPTED by the Board of Directors of the Idyllwild Water District at a regular meeting of the Board held on the 21th of October, 2015, by the following vote:

| AYES | NAYS | ABSTAIN | ABSENT |
|---------------|------|---------|--------|
| Jim Billman | | | |
| John Cook | | | |
| Warren Monroe | | | |
| Dean Lattin | | | |
| Mike Freitas | | | |

IDYLLWILD WATER DISTRICT

By 
President, Board of Director

ATTEST:


Secretary, Board of Directors

1.10 **GENERAL MANAGER'S AUTHORITY AND RIGHT OF APPEAL** - The General Manager of DISTRICT is responsible for implementation of rules and regulations, and for making all decisions and determinations regarding application of these rules and regulations. In the event of special circumstances which are not specifically addressed in these rules and regulations, the General Manager shall make each decision and determination as are required and appropriate for the circumstances. In case of such special circumstances, the General Manager shall make a reasonable effort to obtain the views of the Board. All such decisions and determinations shall be rendered in writing, if feasible, and shall be final; provided, however, affected person shall have the right to appeal decision of General Manager to BOARD, in writing. Writing must be received by DISTRICT within 10 business days after final decision of General Manager is rendered. A hearing on appeal shall be set within 30 days thereafter, and BOARD'S decision on appeal shall be final and conclusive for all purposes.

5.3.07 DISTRICT may, at its sole discretion, accept facilities in lieu of a facilities connection fee. For purposes of this section, "Facilities" means public water facilities infrastructure required, or anticipated to be required, to properly support development within Idyllwild area and does not include any facility, structure or improvement to be constructed or installed on private property.?? Any agreements and/or arrangements made under this Section shall be made pursuant to a written agreement(s) which must be specifically approved by the Board in order to be binding on the DISTRICT.

5.3.08 The value of facilities to be credited toward connection fees shall be documented and shall be the reasonable cost of constructing facilities. Credit allowed shall not include incidental costs of financing or legal costs. Acceptance by DISTRICT of facilities in lieu of connection fees shall be effectuated only pursuant to a written agreement entered into between DISTRICT and owner or developer in advance of acceptance and/or construction of facilities and specifically approved by the Board.

12.2 **WILL SERVE LETTER** - A water will serve letter will be furnished to applicants upon request, unless the DISTRICT is in a Stage of its Water Shortage Contingency Plan the limits the issuance of meters due to water supply shortage conditions. Said letter will state that applicant's parcel is within DISTRICT boundaries and regular water service will be provided subject to terms and conditions contained therein and subject to these Rules and Regulations for Water Service. The Will Serve Letter will be valid for 12-months from the date of issuance unless rescinded under the terms of the current Water Shortage Contingency Plan.



IDYLLWILD WATER DISTRICT

BOARD MEMBER AND MEETING DECORUM

Board Policy Resolution #714

This policy is intended to provide Board members attending IWD Board and Committee meetings with general guidelines for appropriate and effective meeting behavior, and to clarify decorum expectations. Board members are required to act in an objective, responsive, and fair manner, and to demonstrate proper conduct as they promote open public processes at meetings. The Board has two overall responsibilities. To represent customers and to reasonably conduct the District's affairs. The Board is legally responsible, both as part of a Board and as an individual, to exercise good faith, undivided loyalty, reasonable care and complete integrity as duties are performed. Elected officials as a legislative body are required to make frequent decisions and the Board is legally accountable for those decisions. Your decisions are governed by the "business judgment rule", which requires that the following elements be present in every one of your decisions:

- That each decision be made in good faith;
- That each decision demonstrates undivided loyalty to the District;
- That each decision be made with complete integrity; and
- That each decision be made with reasonable care.

Elected officials need to understand and be well informed about the agency's goals, physical facilities, policies and programs. Become thoroughly familiar with the District's departments and their respective areas of responsibility.

This is necessary because it is the legislative body's responsibility to protect the assets of the District.

In order to lead the agency, the Board needs to establish long and short range goals and objectives. Goals and objectives for the Board include:

- Developing and maintaining a sound financial footing for the District;
- Attracting and keeping good employees; compensate them in accordance with their abilities and give them opportunities for advancement;
- Operating and maintaining the most efficient public services;
- Establishing a long range management plans program that takes into account (for example) natural and man-made disasters, power failures and other catastrophes;
- Encouraging customers to make wise use of District services and resources;
- Developing plans and programs that increase the efficiency and delivery of public services;
- Setting rates, fees and charges in an amount that will ensure sufficient revenue to meet the Board's obligation to deliver services to the District's customers as needed and in appropriate quantities.

Board Policy #1 RESPONSIBILITIES

Guidelines for meeting behaviors

Decorum Expectations

Deciding whether you have a conflict of interest regarding a particular item of business on the Board's agenda is a very difficult question, and is the subject of a huge body of complicated statutory and regulatory law. Oftentimes, the determination of whether you have a conflict of interest can be readily resolved by common sense. If common sense doesn't work, however, then it is the role of legal counsel to assist you in making the determination.

Legal Responsibility

Numerous legal cases have held that members of a legislative body are personally liable for involving themselves in the day-to-day activities of the District. Rather, it is the responsibility of the Board (and that of each member) to guide the direction of the District by means of policies established during the course of its public meetings. Those policies are then carried out by the Manager.

Ethics

If a constituent or employee comes to you with a complaint or request for action, you should listen with a friendly attitude without committing yourself or the District. You should then refer the matter to the Manager who can handle it if it is a matter already covered by agency policy. If it requires action by the legislative body, then the Manager will bring it to the attention of the legislative body by including it on the agenda.

Employee Relations

You must be attentive to customer's complaints about employees, but should refrain from snap judgments. Report such complaints to the Manager for action.

Attendance and Preparation

Board members are asked to prepare in advance of meetings, so that the time spent in session is productive and action-oriented.

1. Board members should review the agenda and packet of materials before each Board meeting.
2. If Board Members have questions or concerns about an agenda item, they should contact the General Manager and/or the Board President in advance of the meeting so that the General Manager may be fully prepared to respond to these questions at the meeting or have information to distribute as handouts.
3. Board members are asked to be on time to meetings. If a board member will not be attending, he/she should communicate this to the General Manager or Board President as soon as possible.
4. If a Board member misses three consecutive regular monthly meetings pursuant to State guidelines, a letter will be prepared by the Board President and sent to the Director asking for his/her resignation.

Policy During Board Meetings

While at meetings, the Directors' main duties are to consider problems to be solved, hear facts and points-of-view, make decisions and take action, and to receive and consider reports. To do this effectively, Directors are asked to:

1. Conduct themselves with dignity and respect.
2. Listen attentively and respond as appropriate.
3. Avoid hidden agendas, gossip, and other forms of negative interaction.
4. Focus on issues rather than personalities.
5. Show respect for the decisions that the Board majority makes.
6. Be cautious and careful with criticism.
7. Make every effort to protect the integrity of the District, and of one another.
8. Be careful not to make unsubstantiated accusations, allegations, or verbal attacks on citizens, or fellow board members. Do not criticize or denigrate staff in public or at meetings. Instead, board members should direct any comments regarding staff to the General Manager. Should the comments refer to the General Manager, they should be shared in closed session during the General Manager's performance evaluation.
9. Board members and staff should not be surprised with new materials presented for the first time at the meeting. Handouts should be distributed to board members and staff as defined in section 3, and any verbal information should be provided to the President and/or General Manager well in advance. Where a board members receives relevant information on an agenda item at a time when he/she cannot give advance notice to the Board President or General Manager, he/she should provide the information to the Board President and/or General Manager prior to the commencement of the meeting or ask for a short break prior to the discussion of the relevant Agenda item in order to advise the Board President and/or General Manager of the information.
10. Board members should neither use District resources for his/her personal use nor request personal favors from staff members.

Policy After Board Meetings

1. Directors should communicate any concerns they have with the General Manager. Questions to be posed to District staff should be as specific as possible, through the General Manager.
2. Board members do not directly discuss matters with the District's Counsel. Matters that need to be brought before the District's attorney should first be discussed with the General Manager.
3. Matters of conflict of interest should be presented to the General Manager before one seeks correspondence with Agency Counsel.
4. When speaking to the press or otherwise publicly sharing personal opinions, board members will respect the decisions of the Board and will not undermine its decisions. Board members seek to make every reasonable effort to protect the integrity and promote the positive image of the District and of one another. The General Manager and/or the President are the official representatives of the Agency when speaking to the public.
5. Board members shall maintain confidentiality in matters dealing with private or sensitive issues, particularly those matters addressed in closed session. Confidential materials distributed in closed session should not be retained by Directors, and should be handed back to staff at the close of the meeting.

Board Policy #2

COMPENSATION POLICY FOR DISTRICT OFFICIALS MEETING STIPENDS

1. General

Board members receive a meeting stipend for each attendance at meetings, as defined in this policy. Such compensation is in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

2. Stipend Amount

Directors who attend meetings and/or events as defined in Section 3 shall receive \$100 as their stipend. Should the Board of Directors raise the \$100 stipend in the future, this amount shall be adjusted per the adjustment made by Board Resolution without the need to amend this policy.

3. Pre-Agenda or Meetings Subject to Daily Stipend

For a board member or committee to be entitled to daily stipend under this policy, the event in question must constitute one of the following:

(A) A meeting of the District board or committee within the meaning of Government Code Section 54952.2(a).

(B) A conference or organized educational activity conducted in compliance with Government Code Section 54952.2(c), including ethics training required by Government Code Sections 53234 and following.

(C) A meeting of any multi-jurisdictional governmental body on which the Board member serves as the District's designated representative.

(D) Any meeting attended, including ad hoc committee meetings, or service provided on a given day at the formal request of the Board and for which the Board approves payment of a daily meeting.

(E) A pre-agenda meeting by the President of the Board and the General Manager.

4. Aggregate Limits

The number of days for which a Board Member receives a daily stipend will not exceed ten days in a calendar month consistent with current Ordinances, however, may not exceed State law. The stipend amount is for all meetings in a given day. Multiple meetings in one day do not justify multiple stipend payments.

Board Policy #3

BOARD MEETING NOTICING AND RECORDING

A. Purpose

This policy is intended to provide IWD staff, board members, and the public with the general requirements and guidelines for noticing and recording the IWD Board meetings consistent with the Brown Act. Recording includes meeting minutes and the audio recording of meetings.

B. Board Meeting Noticing

Board meeting agendas are posted outside the IWD office at 25945 State Hwy 243-Idyllwild, CA. The agenda is also posted on the District website (idyllwildwater.com). The agenda is available in the IWD administrative office for review 72 hours prior to the meeting. Posting for regular, special, and emergency meetings shall comply with Brown Act requirements.

C. Board Meeting Minutes

1. General

The Agency's Administrative Assistant or other staff member as designated by the General Manager shall take and maintain minutes for each regular and/or emergency meeting of the IWD Board. Special meeting minutes will be taken at the General Manager's discretion. The minutes are an official record of the Board meeting. Formal minutes will not be taken for Board Committee meetings.

2. Minutes - Form and Content

Meeting minutes shall be in an action/summary format and shall contain the following information:

- a. Meeting location
- b. Meeting: commencement time and adjournment time
- c. Board Members in attendance and absent
- d. Public in attendance
- e. Brief staff overview of each agenda item
- f. Board action and vote for each agenda item, if applicable.
- g. Board direction to staff for each agenda item, if applicable.

The minutes are not verbal accounts of discussion and need not contain a narrative advanced by each Board member during the meeting, unless expressly requested by a Director. Staff will summarize Board comments and questions, and staff responses to Board questions for each agenda item that influence Board direction or action. The minutes shall note the general nature of public comments and questions.

3. Approval of Minutes

Staff shall prepare minutes for each regular, special, and/or emergency Board meeting and place the minutes on the consent calendar for approval at the next Board meeting.

Any Board member who has comments on the minutes shall provide his/her comments to the Board during the Board meeting where the minutes are set to be approved. The Board will either accept the member's comments/clarifications into the minutes, or direct staff to review the audio recording of the subject meeting and make any necessary corrections. Revised minutes will be brought back to the Board at the subsequent meeting for approval if requested.

4. Maintenance of Minutes

Staff will place and store a hard copy of the approved minutes of each Board meeting in the District's administrative building vault. An electronic copy shall be in the District's backup.

5. Public Access to Minutes

Meeting minutes are public records and shall be accessible for public viewing and provided to the public upon request. If a copy of the minutes is requested by a member of the public, staff will either email or fax the minutes, or prepare a hard copy for public pickup at the Agency's office.

6. Audio and Video Recording of Board Meetings

Staff intends to record each regular, special, and/or emergency meeting of the IWD Board using a digital audio recorder. The audio recording is not considered an official record of the meeting proceedings. The recording will be retained for 30 days, per the Brown Act, or until such time as the draft minutes are approved by the Board, whichever is greater.

a. Recording Protocol

The recording devices shall be started at the beginning of the Board meeting when the Board President calls the meeting to order, and shall be turned off when the meeting is adjourned by the Board President. The devices shall also be turned off during meeting breaks, during presentations and during closed session discussions. Any accidental audio recording of discussions before, after, or during a break or during a closed session shall be deleted.

b. Public Access to Audio Recordings

Meeting recordings are public records and will be consistent with the Brown Act upon public request. Staff will provide members of the public with a copy of a requested recording for the cost of reproduction. The minimum fee for providing a physical copy of the recording is to be set by staff based on DVD cost plus staff time per the Brown Act.

D. Public Comment

1. The IWD Board encourages the public's presence and participation at their meetings, and promotes fair and open public processes. The opinions and input shared by members of the public are valued and considered in the decisions made by the Board. Comments posed by members of the public are noted and a brief synopsis identifying the topic related to the comments is included in the minutes.
2. The public will be allowed to comment on any item on the agenda at the beginning of the meeting. Each speaker addressing agenda items will be limited to three minutes. At the end of the meeting the public will be allowed to comment on any non-agenda matter within the jurisdiction of the District. Each speaker on non-agenda items shall be limited to three minutes. Persons wishing to address the Board of Directors are invited to complete a speaker card and hand it to the Secretary. The President of the Board will individually invite by name those who have completed a speaker card to address the Board. Persons who have not completed a speaker card will be invited to speak prior to the conclusion of the public comment period.
3. Questions posed by the members of the public are noted by the District President and the General Manager. At the close of the public comment period, the President may direct staff to either address the questions or issues that have been posed, or ask the member of the public to contact staff following the meeting to obtain the required information. The nature of the questions posed are recorded in the minutes, as noted above. Policy on Noticing and Recording Board Meetings for the Public Record.

Board Policy #4

REIMBURSEMENT FOR TRAVEL/EXPENSES FOR BOARD MEMBERS

A. AUTHORIZED EXPENSES

1. District funds, equipment, supplies, and staff time must only be used for authorized agency business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:
 - a. Communicating with representatives of regional, state and national government on agency adopted policy positions;
 - b. Attending educational seminars designed to improve officials' skill and information levels;
 - c. Participating in regional, state and national organizations whose activities affect the District's interests;
 - d. Attending local events or meetings on behalf of the District;
 - e. Meetings such as those listed above for which a meeting stipend is expressly authorized under this policy. All other expenditures require prior approval by the District's governing body.
2. Directors must receive prior approval by the District's governing body for attendance at conferences, trainings, or meetings that require overnight travel.
3. Examples of personal expenses that the Agency will not reimburse include, but are not limited to:
 - a. The personal portion of any trip;
 - b. Political or charitable contributions or events;

- c. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children-or pet-related expenses;
- d. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
- e. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
- f. Personal losses incurred while on District business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

B. COST CONTROL

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the District will be limited to the cost that fall within the guidelines. It is necessary to provide receipts for all expenses incurred, whenever possible.

1. Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed where renting a vehicle is the most efficient manner of transportation considering both the issue of the expense and the time involved in utilizing alternate methods of transportation. For example, even if an alternate means of transportation is more economical, a rental vehicle is still authorized where the time expenditure in the alternate method of transportation is infeasible. Government and group rates must be used when available.

2. Airfare

Airfares that are equal or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities, the California State Association of Counties and the State of California are presumed to be the most economical and reasonable for purposes of reimbursement under this policy.

3. Automobile

Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (see www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

4. Car Rental

Rental rates that are equal or less than those available through the State of California's website shall be considered the most economical and reasonable for purposes of reimbursement under this policy. Where rental rates are more expensive than those available through the State's website, the most economical rate available shall be utilized.

5. Taxis/Shuttles

Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time efficiency.

6. Lodging

A. Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay. Generally, overnight stay is allowable where the District business is over 75 miles from Idyllwild. However, the Board may waive the 75 mile rule where the circumstances warrant an overnight stay (e.g. evening meeting, special conference).

1. **Conferences/Meetings.** If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

2. **Other Lodging.** Travelers must request government rates, when available. Lodging rates that are equal or less than government rates are presumed to be reasonable and hence reimbursable for purposes of this policy.

(a) *(Median Hotel Cost)* In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed the median retail price for lodging for that area listed on websites or an equivalent service shall be considered reasonable and hence reimbursable.

7. Meals

Reimbursable meal expenses and associated gratuities will not exceed the adopted Per Diem rate.

Generally, these reimbursements will cover meal allocations where officials or Board Members attend daily conferences, seminars or other related District business where no overnight stay is required and the meal is not provided by the registration fee. Such amounts will be annually adjusted to reflect changes in the cost of living in accordance with statistics published by the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, all urban consumers for the Riverside Area. The annual adjustment will be based on this area whether travel is within the area or not. *The Agency will not pay for alcohol/personal bar expenses.*

8. Per Diem Rate

1. Overnight Travel

The Agency will provide a Per Diem amount to cover meals (exclusive of meals provided by the event), gratuities, and incidental expenses as established below.

(The following rates may be adjusted from time to time pursuant to inflation.

- a. 24 hour Per Diem: The amount of \$100.00 will be provided for each 24-hour period the Director is away from home on District business.
- b. Partial day Per Diem: The per diem rate will be prorated (50 %) for partial days (between 12 and 24 hours), for an amount of \$ 50.00.
- c. Per Diem Advance Payments: Per diem may be advanced upon request.

2. The value of meals provided by the conference, in which the official participates, will be subtracted from the per diem rate by the applicable meal allowance detailed in Section 7 above.

9. Telephone/Fax/Cellular

Officials will be reimbursed for actual telephone and fax expenses incurred on District business. Telephone bills should identify which calls were made on District business. For cellular calls when the official has a particular number of minutes included in the official's plan, the official can identify the percentage of calls made on public business.

10. Internet

Officials will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for Agency related business.

11. Airport Parking

Long-term parking must be used for travel exceeding 24-hours.

C. PER DIEM ADVANCE POLICY

1. From time to time, it may be necessary for an official to request a per diem advance to cover anticipated expenses while traveling or doing business on the District's behalf. Such request for an advance should be submitted to the General Manager on the Agency's Per Diem Advance Request Form prior to the need for the advance with the following information:

- a. The purpose of the expenditure(s);
- b. The benefits of such expenditure to the residents of the Agency;
- c. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
- d. The dates of the expenditure(s).

2. In the event the General Manager is uncertain as to whether a request complies with this policy, such individual must seek resolution from the Board.

D. CREDIT CARD USE POLICY

IWD Board Members do not have a District credit card. Agency officials may use their own credit card or the IWD credit card for such purposes as airline tickets and hotel reservations by following the same procedures for per diem advances. Receipts documenting expenses incurred on their personal credit card in compliance with this policy must be submitted within thirty business days of use pursuant to Section E. 3. below.

E. EXPENSE REPORT CONTENT AND SUBMISSION DEADLINE

1. All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the District. *This form shall include the following advisory: All expenses reported on this form must comply with the District's policies relating to expenses and use of public resources. The information submitted on this form is a public record.*

Penalties for misusing public resources and violating the District's policies include loss of reimbursement privileges, restitution, civil and criminal penalties, possible discipline, as well as additional income tax liability.

2. Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate to the District's legislative positions and priorities.

3. Officials must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

4. Inability to provide such documentation in a timely fashion may result in the expense being borne by the official.

F. AUDITS OF EXPENSE REPORTS

All expenses are subject to verification that they comply with this policy.

G. REPORTS TO GOVERNING BOARD

Following attendance at a meeting/conference at Agency expense, each official shall briefly report on the meeting/conference at the next regular meeting of the IWD Board. If multiple officials attended, a joint report may be made.

H. COMPLIANCE WITH LAWS

Agency officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act, *and other laws*.

I. VIOLATION OF THIS POLICY

Use of public resources or falsifying expense reports in violations of this policy may result in any or all of the following: (1) loss of reimbursement privileges, (2) a demand for restitution to the Agency, (3) the agency's reporting the expenses as income of the elected official to state and federal tax authorities, (4) civil penalties of up to \$1,000.00 per day and three times the value of the resources used, and (5) prosecution for misuse of public resources.

Board Policy #5

ACCESS TO PUBLIC DOCUMENTS

General

The Agency has an administrative procedure, *#10 Public Records Act Requests*, which provides clear guidance to staff and Board regarding providing the public with access and copies of public documents. It is the District's intention to provide the public with available information and records, except those that are related to legally-protected confidential, personnel, or medical matters.

Special Consideration

Directors often have access to materials that are provided in closed session. These materials are not part of the public record and are considered confidential.

Directors will not disclose information that legally qualifies as confidential to unauthorized persons without approval of the Board. This includes information that (1) has been received for, or during, a closed session Board meeting, as compliant with the Brown Act, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or as compliant with the Brown Act, or (3) is not disclosable under the California Public Records Act.

Board Policy #6

ESTABLISHING AND USING COMMITTEES

A. General

This policy is intended to provide IWD staff, Directors, and the public with information regarding the general practice of establishing and utilizing committees. All committees must be comprised of less than a quorum of the Board. This Policy shall establish that the IWD Board shall form standing and ad hoc committees on an as-needed basis. The composition of the committees shall be normally established at the beginning of the calendar year. Both standing and ad hoc committees are advisory in nature. They present their findings on a subject matter with a recommendation to the full Board for consideration. Standing and ad hoc committees shall adhere to Board policies while conducting their business.

B. Negotiating Team

A Negotiating Team shall be established. The purpose of the Negotiating Team is to meet with the General Manager at the direction of the Board and discuss salary, benefits, terms and conditions of employment and other provisions of the General Manager's contract with the Agency. The negotiating team shall bring back recommendations to the Board and receive direction from the Board as to the aforementioned contract with the General Manager. The composition of the Negotiating Team shall be the President and Vice-President of the District's Board. Such composition will be determined at the commencement of each fiscal year with the election of the Board's officers.

C. Board Elections

Board Elections will be held at the regular December meeting of the Board of Directors and placed on the Board Agenda. Nominations for the Board President and Vice President will first be made by Board members. After nominations, the Board President and Vice President will be appointed by a majority vote. The President and Vice-President shall be selected to serve a one year term, which occurs annually.

Standing Committees

A Standing Committee is a committee established by the Board that has a continuing subject matter jurisdiction or a meeting schedule fixed by Ordinance, Resolution, or other formal action by the IWD Board. A Standing Committee is a legislative body for purposes of compliance with the Brown Act. The Board shall have a Standing Committee established at the request of the General Manager. The Standing Committee does not contain more than a quorum of the Board, does not have a regular schedule and meets irregularly on an as needed basis. The composition of this committee shall be determined by the appointing of members by the Board President after consultation with the General Manager.

The meetings of the Standing Committee shall be open to the public in compliance with the Brown Act and shall comply with the provisions of the Brown Act.

Ad Hoc Committees

From time to time, the IWD Board will determine the need for the establishment of ad hoc committees. These committees are formed for the specific purpose of addressing special issues or items that will come under consideration of the Board in the future. An ad hoc committee is formed by either the election or voluntary assignment of members to the committee. The group shall be comprised of two members, representing the board, and at least one District staff person. Ad hoc committees do not have a regular schedule and meet irregularly only on an as-needed basis. Upon the establishment of an ad hoc committee, the Board's counsel will determine whether the committee is subject to the requirements of the Brown Act.

Memo

To: Board of Directors

From: General Manager

Date: November 21, 2018

Subject: ITEM #6 – CONSIDER CUSTOMER REBATES FOR CARBON WATER FILTERS

Recommendation: That the Idyllwild Water District Board of Directors consider a customer rebate program for qualifying carbon filters and take action to provide direction to staff.

Background: Consideration of this item was requested by Director Hunt.

Memo

To: Board of Directors

From: General Manager

Date: November 21, 2018

Subject: ITEM #7 – WATER QUALITY ISSUES: INCREASED FREQUENCY AND LOCATIONS FOR TESTING

Recommendation: That the Idyllwild Water District Board of Directors discuss the issue and if appropriate, take action to direct staff.

Background: This item was placed on the agenda at the request of Director Hunt.

Currently the Idyllwild Water District complies with all sampling and testing requirements mandated by regulatory agencies. Attached are the District's current sampling requirements. In addition to the attached noted sampling and testing: Fern Valley 1A treated water is tested monthly for bacteriological presence, uranium and gross alpha radiation; and the Foster Lake Treatment Plant is sampled and tested monthly for bacteriological presence, iron and manganese.

Testing costs have been budgeted at \$18,000 - \$20,000 per year for the Water Enterprise in past fiscal years. Through the first quarter of FY 2018-19 the District has spent almost \$15,000.

Attachment

IDYLLWILD WATER DISTRICT
 WEEKLY BAC-T SAMPLING SCHEDULE
 FOR CALENDAR YEAR _____

03/24/2008

| MONTH | DAY | ZONE | STATION | LOCATION | SAMPLE TAKEN BY (INIT.) |
|-------|-----|------|---------|-----------------------------------|-------------------------------|
| JAN | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 3 | 25765 TAHQUITZ DRIVE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| FEB | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 4 | 25945 HIGHWAY 243-DISTRICT OFFICE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| MAR | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 5 | 53910 LOWER PINE CREST AVENUE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| APR | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 6 | 26504 CREST VIEW DRIVE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| MAY | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 7 | 52675 DOUBLE VIEW DRIVE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| JUN | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 5 | 53910 LOWER PINE CREST AVENUE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |

IDYLLWILD WATER DISTRICT
 WEEKLY BAC-T SAMPLING SCHEDULE
 FOR CALENDAR YEAR _____

03/24/2008

| MONTH | DAY | ZONE | STATION | LOCATION | SAMPLE TAKEN BY (INIT.) |
|-------|-----|------|---------|-----------------------------------|-------------------------------|
| JUL | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 4 | 25945 HIGHWAY 243-DISTRICT OFFICE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| AUG | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 5 | 53910 LOWER PINE CREST AVENUE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| SEP | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 6 | 26504 CREST VIEW DRIVE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| OCT | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 7 | 52675 DOUBLE VIEW DRIVE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| NOV | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 3 | 25765 TAHQUITZ DRIVE | |
| | | 4 | 8 | 26750 SAUNDERS MEADOW DRIVE | |
| | | 5 | 10 | 53421 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |
| DEC | | 1 | 1 | 25504 CEDAR GLEN DRIVE | |
| | | 2 | 2 | 25320 CREE LANE | |
| | | 3 | 4 | 25945 HIGHWAY 243-DISTRICT OFFICE | |
| | | 4 | 9 | 27799 SAUNDERS MEADOW DRIVE | |
| | | 5 | 11 | 53825 TOLL GATE ROAD | |
| | | 6 | 12 | 54441 VILLAGE VIEW DRIVE | |

BACTI MONITORING QUARTERLY

YEAR:

QUARTER:

| SOURCE | PS CODE | DATE |
|----------------|-------------|------|
| Fern Valley 1A | 3310019-004 | |
| Fern Valley 2 | 3310019-005 | |
| HZ #1 | 3310019-021 | |
| FL #2 | 3310019-008 | |
| FL #4 | 3310019-010 | |
| FL #5 | 331019-011 | |
| FL #10 | 3310019-016 | |
| FL #12 | 3310019-017 | |
| FL #13 | 3310019-018 | |
| FL #15 | 3310019-019 | |
| FL #16 | 3310019-032 | |
| Well #23 | 3310019-024 | |
| Well #24 | 3310019-001 | |
| Well #25 | 3310019-002 | |
| Well #26 | 3310019-041 | |
| Well #27 | 3310019-045 | |
| Well #28 | 3310019-046 | |
| Golden Rod | 3310019-020 | |
| Oak Wood | 3310019-036 | |
| DF #4 | 3310019-028 | |
| DF #5 | 3310019-029 | |
| FL #8 no pump | 3310019-014 | os |
| FL #9 no pump | 3310019-015 | os |
| DF #1 no pump | -3310019 | os |

• IDYLLWILD WATER DISTRICT • SOURCE SAMPLING SCHEDULE •

SYS. NO. 3310019

YEAR 2017

| SOURCE | GENERAL MINERAL 3 YEARS | GENERAL PHYSICAL 3 YEARS | INORGANICS 3 YEARS | NITRATES OR WITH INORG. YEARLY | VOC 6 YEARS | ATRAZINE 9 YEARS | SIMAZINE 9 YEARS | GROSS ALPHA 4-QUARTERS EVERY-4-YEARS. | | | |
|---------------------|-----------------------------------|--------------------------|--------------------|--------------------------------|-------------|------------------|------------------|---------------------------------------|-----------|-------------|----------|
| | | | | | | | | 1 | 2 | 3 | 4 |
| 1 F.L. HORIZA | 2018 | 2018 | 2018 | 2017 | 2019 | 2019 | 2019 | 2019 | -1 Sample | Gross Alpha | Physical |
| 2 F.L. 2 | 2019 | 2019 | 2019 | 2017 | 2019 | 2025 | 2025 | 2019 | -1 Sample | Gross Alpha | Physical |
| 3 F.L. 4 | 2019 | 2019 | 2019 | 2017 | 2019 | 2025 | 2025 | 2019 | -1 Sample | Gross Alpha | Physical |
| 4 F.L. 5 | 2019 | 2019 | 2019 | 2017 | 2019 | 2018 | 2018 | 2020 | | | |
| 5 F.L. 8 | WELL NOT WORKING AS OF 10-12-2011 | | | | | | | | | | |
| 6 F.L. 9 | WELL NOT WORKING AS OF 2009 | | | | | | | | | | |
| 7 F.L. 10 | 2019 | 2019 | 2019 | 2017 | 2019 | 2019 | 2019 | 2020 | | | |
| 8 F.L. 11 | WELL NOT WORKING AS OF 2007 | | | | | | | | | | |
| 9 F.L. 12 | 2017 | 2017 | 2017 | — | 2020 | 2018 | 2018 | 2020 | -1 Sample | Gross Alpha | Physical |
| 10 F.L. 13 | 2019 | 2019 | 2019 | 2017 | 2020 | 2025 | 2025 | 2019 | -1 Sample | Gross Alpha | Physical |
| 11 F.L. 15 | 2017 | 2017 | 2017 | — | 2020 | 2020 | 2020 | 2019 | -1 Sample | Gross Alpha | Physical |
| 12 F.L. 16 | 2018 | 2018 | 2018 | 2017 | 2019 | 2018 | 2018 | 2020 | | | |
| 13 F.V. 1-A | 2017 | 2017 | 2017 | — | 2020 | 2020 | 2020 | 2019 | -1 Sample | Quarterly | |
| 14 F.V. 2 | 2019 | 2019 | 2019 | 2017 | 2019 | 2020 | 2020 | 2019 | -1 Sample | Gross Alpha | Physical |
| 15 STRAT. 23 | 2019 | 2019 | 2019 | 2017 | 2019 | 2022 | 2022 | 2020 | | | |
| 16 CURT. 24 | 2018 | 2018 | 2018 | 2017 | 2019 | 2020 | 2020 | 2019 | | | |
| 17 D-HOO. 25 | 2017 | 2017 | 2017 | — | 2019 | 2020 | 2020 | 2020 | | | |
| 18 Nature Center 26 | 2017 | 2017 | 2017 | — | 2017 | 2023 | 2023 | 2020 | | | |
| 19 Nature Center 27 | 2018 | 2018 | 2018 | 2017 | 2018 | 2024 | 2024 | 2017 | | | |
| 20 Rockdale 28 | 2018 | 2018 | 2018 | 2017 | 2018 | 2024 | 2024 | 2017 | | | |
| 21 Golden Rod | 2019 | 2019 | 2019 | 2017 | 2020 | 2020 | 2020 | 2020 | | | |
| 22 OAKWOOD | 2017 | 2017 | 2017 | | | | | | | | |
| 23 D.F. 1 | MUDDIED UP - OUT OF SERVICE 2011 | | | | | | | | | | |
| 24 D.F. 4 | 2017 | 2017 | 2017 | — | 2020 | 2020 | 2020 | 2020 | | | |
| 25 D.F. 5 | 2017 | 2017 | 2017 | — | 2020 | 2020 | 2020 | 2020 | | | |

NOTES

ENTER SAMPLE "DATE" IN APPLICABLE BLOCK

ADDITIONAL SAMPLING - SEE SHEET NO. 2

☐ SAMPLING DUE

LEAD & COPPER 6/1/2016 to 9/30/2016 10 Samples

DBPR (TTHM & HAA5) Stage 2 (Schedule 4) 2 Sources Sampled 1 Time in The Third Quarter

OAKWOOD WELL - After initial Title 22 Sampling done. Submitting State Health what else needs done 12-18-16

~~PH & Alkalinity~~ Lead & Copper

PH & Alkalinity 2 locations w/ Lead & Copper (WQPS)

SHEET NO. 1

IWD Source Sampling Schedule

System # :3310019

Year:

| # | Source | General Min, Phys, Inorg 3 years | Nitrates yearly or/w gen min | Voc 6 years | Atrazine & Simazine 9 years | Gross Alpha 4 years |
|----|------------|--|------------------------------------|----------------|-----------------------------------|------------------------|
| 1 | HZ#1 | | | | | 1 sample |
| 2 | FL#2 | | | | | 1 sample |
| 3 | FL#4 | | | | | 1 sample |
| 4 | FL#5 | | | | | |
| 5 | | - | - | - | - | - |
| 6 | | - | - | - | - | - |
| 7 | FL#10 | | | | | |
| 8 | | - | - | - | - | - |
| 9 | FL#12 | | | | | 1 sample |
| 10 | FL#13 | | | | | 1 sample |
| 11 | FL#15 | | | | | 1 sample |
| 12 | FL#16 | | | | | |
| 13 | FV#1A | Annually | Quarterly | | | Quarterly |
| 14 | FV#2 | | | | | 1 sample |
| 15 | Strat #23 | | | | | |
| 16 | Curtis #24 | | | | | |
| 17 | D-Hoo #25 | | | | | |
| 18 | Nature #26 | | | | | |
| 19 | Nature #27 | | | | | |
| 20 | R-Dale #28 | | | | | |
| 21 | Golden Rod | | | | | |
| 22 | Oak Wood | | | | | |
| 23 | DF#1 | - | - | - | - | - |
| 24 | DF#4 | | | | | |
| 25 | DF#5 | | | | | |

Lead & Copper 3rd Qtr 10 samples / WQPS Ph & Alkalinity 2 locations w/ lead & copper

DBPR TTHM's & HAA5 - ~~2 samples in August~~ zone 3 station 5 & 7

Quarterly

Year:

QUARTERLY SAMPLES

1st Qtr

Jan - Mar

| | |
|--------------------------------|------|
| Oak wood Aluminum & Iron | Date |
| FV1A Uranium & Gross Alpha Raw | Date |
| FV1A Nitrate Raw | Date |

2nd Qtr

Apr - Jun

| | |
|----------------------------|------|
| Oak wood Aluminum & Iron | Date |
| FV1A Uranium & Gross Alpha | Date |
| FV1A Nitrate Raw | Date |

3rd Qtr

Jul - Sep

| | |
|--|------|
| Oak wood Aluminum & Iron | Date |
| FV1A Uranium & Gross Alpha | Date |
| FV1A Nitrate | Date |
| FV1A Gen. Min, Phys, Inorganics (annually) | Date |
| DBPR Zone 3 Stations 5&7 By End OF Aug. | Date |

4th Qtr

Oct - Dec

| | |
|----------------------------|------|
| Oak wood Aluminum & Iron | Date |
| FV1A Uranium & Gross Alpha | Date |
| FV1A Nitrate | Date |

Oakwood Well Sample Sheet

Month.

Year.

PH weekly (field test)

Date

Initial

INF PH

EFF PH

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Bi weekly

Alkalinity (LAB)

Sample Date

Initial

INF

EFF

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Monthly

Total Hardness

Sample Date

Initial

INF

EFF

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Coliform (Bacti) (LAB)

Sample Date

Initial

INF

EFF

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Quarterly : Iron/ Aluminum