

# MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

December 18, 2019 - 6:02 P.M.

**CALL TO ORDER:** President Schelly called the meeting to order at 6:02 p.m.

**ROLL CALL:** *President Charles Schelly, Vice President Peter Szabadi, Director Steve Kunkle, Director David Hunt, Director Les Gin, Acting General Manager Mitch Freeman, Hosny Shouman, C.F.O. and Jeannine Olsen, Board Secretary was also present.*

## **GENERAL PUBLIC PRESENT: (- 6 -)**

**PUBLIC COMMENTS:** David Haddad PHD resides at 54372 Forest Lake Drive; expressed concerns about “What is going on at IWD” an article in the Idyllwild Town Crier dated December 12, 2019. Referring to the resignation letter from former G.M. Darren Milner, where Milner wrote that “After careful consideration, I have made the decision to resign due to experiencing an unhealthy culture and difficult work environment at the district due to poor communication”. Haddad asked the board, “Do you agree”? President Schelly feels there are different opinions between the board members and we have no reason to doubt what Milner said. David Haddad’s second question “what steps are you taking to correct any kind of communication problem you are referring to”? Schelly plans ongoing programs and training in the district to improve ourselves, referring to the certificates on the wall, and will probably take steps in the next few months to improve the situation. Haddad refers to the newspaper and feels it’s a systemic problem. Vice President Szabadi states that “it’s not a systemic problem, there are some communication problems between certain members of our staff” and we are trying to improve the communication between certain members of the staff.

### **1. CONSENT CALENDAR:**

**A. MINUTES** – November 20, 2019  
November 27, 2019  
December 09, 2019

**Director Gin made a MOTION to approve the Minutes with the amended November 27, 2019 closed session minutes to read, Reconvened to open session where a motion was made and Vice President Szabadi seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly			
Peter Szabadi			
Dave Hunt			
Les Gin			
Steve Kunkle			

### **B. FINANCIAL REPORTS November 2019**

- Income statement for the Fifth Month Ending November
- District warrants for November

Check # 15732-15774	= \$ 151,326.50
Gross Payroll	= \$ 60,822.00
Federal/State PR taxes	= \$ 18,267.00
L.AIF Transfers	= \$ 0
Transfers/charges	= \$ 0

**Director Gin made a MOTION to approve the Financial Reports and Vice President Szabadi seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly Peter Szabadi Dave Hunt Les Gin Steve Kunkle			

**C. OPERATIONS REPORT FOR THE FIFTH MONTH – NOVEMBER 2019**

**Vice President Szabadi made a MOTION to approve the Consent Calendar and Director Gin seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly Peter Szabadi Dave Hunt Les Gin Steve Kunkle			

**D. GENERAL MANAGER’S WORK IN PROGRESS REPORT:**

*Mitch Freeman thanks the IWD board for giving him the opportunity to serve as the Acting General Manager and is committed to working to provide service to the community to the best of my ability. Mitch hopes to earn the board and community’s trust and would like any feedback or ideas to improve operations.*

*I met with Stacy Kelly of Riverside County Emergency Management. She gave us approximately 180 sand bags. I authorized billing staff to implement “estimate billing”, a component of our billing system which estimates usage because meter reading was not feasible due to recent snow. I had a follow-up meeting with FVWD and PCWD Managers to further discuss a possible switch to bulk liquid chlorine to reduce cost. I also spoke to current vender about reducing the current freight cost associated with delivery. I worked with field staff repairing a leak on the Strawberry diversion line.*

*Office staff began working a new schedule that more efficiently staffs the office in an effort to reduce/eliminate the need to close the office during portions of the day when lunch and breaks are taken. I scheduled with SCE and a pipeline contractor to repair sewer main on Toll Gate. (12-12-2019). I was notified that IWD was awarded grant funding for WWTP/sewer improvements. Phone Jacks Unlimited installed a desk phone in my office. Had the District’s stand-by generators inspected and repaired if any were in need of repair. I met with Mike Crabtree (Foreshock) to perform routine maintenance on our SCADA system. I met with a Ridgid tool representative to see a demonstration of a video monitor for our “see snake” push camera.*

2. **IDYLLWILD WATER DISTRICT NEW RETIREMENT PLAN:** Resolution No. 768. The Board will discuss the new Retirement Plan and possibly take action.

**G.M. COMMENTS:** The Recommendation from Carlson/ Quinn for new retirement plan will be distributed for review/ possible action.

**DIRECTORS COMMENTS:** Vice President Szabadi asks for clarification on the New Retirement Plan. CFO explains this is a compliance issue with the IRS that affects the current 457A retirement plan. The new plan will be a 401A with no unfunded liability.

**Vice President Szabadi made a MOTION to approve the Resolution #768 and Director Hunt seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly			
Peter Szabadi			
Dave Hunt			
Les Gin			
Steve Kunkle			

3. **COLLECTION POLICY FOR DELINQUENT ACCOUNT:** Resolution No. 769. The Board will discuss the revised Collection Policy per Senate Bill No. 998 and possibly take action.

**GENERAL MANAGERS COMMENTS:** Regarding SB 998 The new legislation requires the water district to have a written policy on discontinuation of residential services for nonpayment. It also may not discontinue services for non-payment unless the account is late for over 60 days, and outlines several circumstances in which water services cannot be shut off for non-payment. IWD created Collection Policy which will be apart from water regulation. However the policy we have does not allow for a lot of forgiveness. Amy has written a memo that has given background, current explanation of the forgiveness plan. There have been several high bills with no explanation.

**DIRECTORS COMMENTS:** President Schelly would like the policy approved tonight and amend at a later date. Director Kunkle feels the SB998 and the Forgiveness policy go hand and hand. Vice President Szabadi feels the some of the policy relate to a very cumbersome appeal process where any dispute would go to the G.M. and then the board. Szabadi would like to table until we can address it fully and include Amy's suggestion and send his memo to Christine for her consideration.

**PUBLIC COMMENTS:** Steve Moulton raises the question whether IWD refers customers to the Help Center. Amy Hawley feels SB 998 and the forgiveness policy overlap is Bill 998 addresses customers having a difficult time paying their bills or has an unexpected high usage. Our current policy does not support any help. Modern technology in the office could catch those leaks in real time and help customers avoid thousand dollar leaks. Amy asks that the General Manager the authority to address these customers on a case by case basis, the ones we have on the table. My other concern is with Christine's outline # 16, disputed bills. Our first concern is that the first contact is with the CFO when instead of the Administrative Assistant. When you look at the Administrative Assistant and The CFO job description there is only one that mentions billing or customer service, Administrative Assistant, so feels the proper outlet would be the Administrative Assistant who knows the billing process. Vicky Keating explains that when left their cabin they did everything they were supposed to do. When her daughter came up they found the water running from all the taps in the house. She believes someone came onto their property and turned the customer equipment on.

**Vice President Szabadi made a MOTION to Table to the next meeting and consult with District Counsel and Director Kunkle seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly Peter Szabadi Dave Hunt Les Gin Steve Kunkle			

4. **FORM A COMMITTEE TO FOLLOW UP WITH LEGAL COUNCIL TO UPDATE EMPLOYEE MANUAL:** The board will appoint 2 board members to form a committee to follow up with Legal Counsel concerning all the new updates for the Employee Manual.

**G.M. COMMENTS:** The Employee Manual has not been updated since 2013. There has been a lot of changes in the laws and it's time for an update.

**DIRECTORS COMMENTS:** All board members were in agreement said there are certain policy considerations and new laws.

5. **ORGANIZATIONAL CHART:** Discussion and possible action to approve districts organizational chart.

**DIRECTORS COMMENTS:** With the recent addition of the position of Field Supervisor, as well as the addition of an Acting General Manager, there is a need to establish a clear and easily understood chain of command within the organization.

**Vice President Szabadi made a MOTION to approve the Amended ORGANIZATIONAL CHART and Director Gin seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Dr. Schelly Peter Szabadi Dave Hunt Les Gin Steve Kunkle			

6. **ELECTION OF OFFICERS:** Staff recommends the Board of Directors elect a President and Vice President for the 2020 calendar year.

**Director Hunt made a MOTION to nominate Dr. Schelly to be the Board President and Vice President Szabadi seconded. The vote was as follows:**

<b>AYES</b>	<b>NAYS</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Peter Szabadi Dave Hunt Les Gin Steve Kunkle		Dr. Schelly	

Director Gin made a MOTION to nominate Peter Szabadi and Director Hunt seconded. The vote was as follows:

AYES	NAYS	ABSTAIN	ABSENT
Dr. Schelly Dave Hunt Les Gin Steve Kunkle		Peter Szabadi	

**ADJOURN TO CLOSED SESSION:** The Board adjourned to closed session at 6:50 p.m. to discuss anticipated litigation, two potential cases.

1. CLOSED SESSION: Adjourn to closed session, “conference with Legal Counsel-A pending Litigation- significant exposure to litigation to 549556.9(a)-(b)-(d)-(2).”
2. CLOSED SESSION: Conference with Legal Counsel – Existing Litigation (Govt. Code § 54956.9) Name of Case: (Jeff Smith v. Idyllwild Water District., Complaint No. 33-05-03, CID 1146, water rights proceeding before State Water Resources Control Board, In Re: Strawberry Creek Diversion in Riverside County)


**RECONVENED TO OPEN SESSION:** The Board reconvened to Open Session at 8:55 p.m. The Acting General Manager reported he had been given direction and had nothing to report.

**DIRECTOR’S COMMENTS:** None

**PUBLIC COMMENT:** None

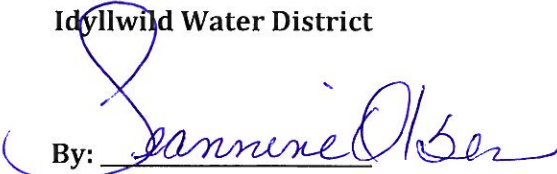
**ADJOURNMENT:**

Idyllwild Water District

By: 

Charles Schelly, Board President

Idyllwild Water District

By: 

Jeannine Olsen, Board Secretary