

Minutes of the Regular Board Meeting
Of the Board of Directors
Apple Valley Heights County Water District

Wednesday, February 21, 2024

The Board of Directors of the Apple Valley Heights County Water District met in regular session and held the regular meeting at the regular meeting place, 9429 Cerra Vista, Apple Valley, California. The meeting was called to order at 6:00 P.M. BOD President Duwel led the Pledge of Allegiance.

ROLL CALL:

Directors Present: Directors Duwel, Woody, Hunter, Kaminsky & Roberson (AVHCWD Office).

Absent: None.

Also Present: General Manager Smith & Secretary Patterson (AVHCWD Office).

Public Present: None.

PUBLIC COMMENT:

None.

PUBLIC HEARING / DISCUSSION / ACTION ITEMS:

By Director Hunter to open the Public Hearing at 6:01 PM; second by Director Kaminsky. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

With no members of the public present, BOD President Duwel asked staff to confirm that no written or electronic comments had been submitted/received regarding the proposed water rate changes; staff confirmed nothing had been received.

By Director Kaminsky to close the Public Hearing at 6:02 PM; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

By Director Kaminsky to adopt the Option # 10 Rate Structure, as proposed in the Water Rate Study and recommended by staff, with an effective date of March 1, 2024; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky. No: Roberson. Abstain: None. Absent: None.

GENERAL MANAGER REPORT:

1. February 2024 – General Manager Smith informed the BOD that all water samples taken in the month of January 2024, came back absent for contamination. The GM briefed the BOD on a variety of topics, to include: service line leaks within the District, main leak at Bella Vista & Horizon, rear window replacement on District F-250, Public Hearing Notice distribution, tire replacement on District F-150 due to blow out, replacement of customer meter due to damage caused by trash truck and the delivery of the roll-up door for new office building.

2. Efficiency Report – General Manager Smith briefed the BOD that, during the month of January 2024, the efficiency, for running both Well # 3 and Well # 4, calculated at 98.59%.

3. Mesa Tank Repairs: "In-house" Repair Plans – GM Smith informed the BOD that staff is awaiting a formalized quote from an additional company and, once received, the GM will determine if a Special Meeting is required for BOD action on needed repairs.

GRANT FUNDING UPDATE & PROGRESS/DISCUSSION/ACTION ITEMS:

1. Meeting Update – Secretary Patterson briefed the BOD on the most recent conference call, which took place on February 1st, 2024; the BOD was reminded that a new agreement was being required by the state and that, as such, the state expected that the new agreement would be routed through the appropriate state departments by August 2024. BOD President Duwel asked the BOD if there were any questions; None.

DISCUSSION/INFORMATION:

1. January 2024 Delinquency: 44 Late Fees Applied, 5 Tags / SB 998 Packets Hung, 0 Services Turned Off (Verbal) – Secretary Patterson briefed the BOD on the Delinquency Report for the month of January 2024. BOD President Duwel asked the BOD if there were any questions related to the January 2024 Delinquency Report; None.

2. Profit/Loss: January 2024 – Secretary Patterson briefed the BOD on the P&L Report for January 2024. BOD President Duwel asked the BOD if there were any questions related to the January 2024 P&L Report; None.

3. Revenue Report: January 2024 – Secretary Patterson briefed the BOD on the Revenue Report for January 2024. BOD President Duwel asked the BOD if there were any questions related to the January 2024 Revenue Report; None.

4. Account Aging Report – Receivables as of 2/21/24 (Account Holder Names Removed) – Secretary Patterson briefed the BOD on the Account Aging Report for the month of January/February 2024. BOD President Duwel asked the BOD if there were any questions related to the Account Aging Report; None.

5. Water Production Snapshot – Secretary Patterson informed the BOD that the District, as of January 31st, 2024, has produced 26.84 AF of water. BOD President Duwel asked the BOD if there were any questions related to the Water Production Snapshot; None.

6. Well # 1 Site Survey – General Manager Smith briefed the BOD on the current status of the Conditional Use Permit application and informed the BOD that staff was waiting on additional feedback from SB County representatives.

7. Water Sales Snapshot: Total Water Sales as of 1/31/24 – Secretary Patterson briefed the BOD on the total water sales, as of 1/31/24, and how that compared to budgeted figures. BOD President Duwel asked the BOD if there were any questions related to the Water Sales Snapshot; None.

8. 2024 Election Filing Deadline (Kaminsky, Roberson): Jul 15, 2024 through August 9, 2024 – Secretary Patterson informed the BOD, specifically Directors Kaminsky and Roberson, that the SB County election filing window would be open from 7/15/24 – 8/9/24. BOD President Duwel asked the BOD if there were any questions; None.

9. Policy Revisions / Additions – DRAFT: 1040 Claims, 1060 Public Complaints, 3030 Fixed-Asset Accounting, 3032 Fixed- Asset Capitalization, 3080 Purchasing, 3085 Surplus Property-SECOND Reading – GM Smith informed the BOD that these are the same policies that were presented to the BOD as a FIRST Reading in January 2024 and that no verbiage had changed. BOD President Duwel asked the BOD if there were any questions; None.

By Director Hunter to move the Action Item for the Adoption of Policies # 1040 Claims, 1060 Public Complaints, 3030 Fixed-Asset Accounting, 3032 Fixed-Asset Capitalization, 3080 Purchasing, 3085 Surplus Property to this point in the meeting; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

By Vice-President Woody to Approve/Adopt Policies # 1040 Claims, 1060 Public Complaints, 3030 Fixed-Asset Accounting, 3032 Fixed-Asset Capitalization, 3080 Purchasing, 3085 Surplus Property; second by Director Kaminsky. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

10. Policy Revision Review: DRAFT- 3038 Second Lien Criteria: Additional \$400.00 or Six (6) Months: SECOND Reading – Secretary Patterson informed the BOD that this is the same second lien criteria policy that was presented to the BOD as a FIRST Reading in January 2024 and that no verbiage had changed. BOD President Duwel asked the BOD if there were any questions; None.

By Director Hunter to move the Action Item for the Adoption of Policy # 3038 to this point in the meeting; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

By Director Hunter to Approve/Adopt Policy # 3038 Second Lien Criteria; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

11. Internal Audit Report: G.A Hunter: October & November 2023 – Secretary Patterson briefed the BOD on the Internal Audit memorandum for October & November 2023. BOD President Duwel asked the BOD if there were any questions; None.

By Vice-President Woody to move the Action Item for the Internal Audit Report Payment for October & November 2023 to this point in the meeting; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

By Vice-President Woody to Approve the Payments for the Internal Audits for October & November 2023; second by Director Roberson. Yes: Duwel, Woody, Kaminsky & Roberson. No: None. Abstain: Hunter. Absent: None.

12. Flowmeter Reading Software – Hydro Pro Solutions: Office, Customer Interface – GM Smith briefed the BOD on one of the options available for infrastructure and remote reading capabilities, for customer usage meters, as well as the billing software that would incorporate the changes needed to interface with the infrastructure required. Additionally, GM Smith reminded the BOD that it appears that the current billing software the District uses is no longer supported and/or maintained by the software developer and that, at some point, the District may need to purchase an alternative billing software program.

13. BAP Purchase Opportunity – 2 AF in Alto: \$7,250.00 / AF – Secretary Patterson briefed the BOD on the opportunity to purchase 2 AF of BAP in the Alto Subarea. BOD President Duwel asked the BOD if there were any questions; None.

By Director Hunter to move the Action Item for the BAP Purchase Opportunity to this point in the meeting; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

By Vice-President Woody to Approve the BAP Purchase Opportunity of 2 AF in the Alto Subarea at a cost of \$7,250.00 / AF and to be funded out of Restricted Funds; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

CONSENT LIST:

1. Approve January 17, 2024 Regular Meeting Minutes
2. Approve Accounts Payable/Pay Warrants (Bills to be Paid).

By Director Hunter to approve the Consent List, as presented by staff; second by Director Roberson. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

DISCUSSION/ACTION ITEMS:

1. Approve February 2024 Office Rent Payment.

By Vice-President Woody to approve the February 2024 Office Rent payment; second by Director Kaminsky. Yes: Duwel, Woody, Kaminsky & Roberson. No: None. Abstain: Hunter. Absent: None.

2. Request Authorization to Begin SB 998 Postings and Apply Liens / Shut-off Services, if needed.

By Director Hunter to approve the SB 998 Postings / Shut-off list, as presented by staff; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

3. Internal Audit Report Payment: G.A. Hunter – October / November 2023: Action Item Moved (See Above)
4. BAP Purchase Opportunity – 2 AF in Alto: \$7,250.00 / AF: Action Item Moved (See Above)
5. Policy Adoption – 1040 Claims, 1060 Public Complaints, 3030 Fixed-Asset Accounting, 3032 Fixed-Asset Capitalization, 3080 Purchasing, 3085 Surplus Property: Action Item Moved (See Above)
6. Policy Adoption – 3038 Second Lien Criteria: Additional \$400.00 or Six (6) Months: Action Item Moved (See Above)
7. Resolution 001-2024: Water Rates & Charges

By Vice-President Woody to approve Resolution # 001-2024: Water Rates and Charges, as presented by staff; second by Director Kaminsky. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

DIRECTORS COMMENTS:

None.

ADJOURNMENT MOTION:

On motion of Vice-President Woody that there being no further business to discuss, the regular meeting be adjourned; second by Director Roberson. Meeting adjourned at 6:45 PM. Yes: Duwel, Woody, Hunter, Kaminsky & Roberson. No: None. Abstain: None. Absent: None.

Matthew K. Patterson, Administrative Secretary-Treasurer

APPROVED:

Patricia Duwel, President
Board of Directors