

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

Wednesday, March 15, 2023

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 6:06 P.M. BOD President Duwel led the Pledge of Allegiance.

ROLL CALL:

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

Absent: Director Roberson.

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

Public Present: S. Smalley.

PUBLIC COMMENT:

None.

DISCUSSION/ACTION ITEMS:

By Director Hunter to move agenda item number H-4 to the beginning of the meeting to allow customer S. Smalley to address the BOD; second by Vice-President Woody. Yes: Duwel, Woody, Kaminsky, Hunter. No: None. Abstain: None. Absent: Roberson.

Customer S. Smalley addressed the BOD and explained his personal situation and asked the BOD for an extended payment plan window; Mr. Smalley asked the BOD for a payment plan that fits within his current financial situation and explained that a severe customer side service line leak caused his water bill to be as high as it is. BOD President Duwel explained to Mr. Smalley that he would need to pay the monthly installments of the payment plan, to address the account past due balance, as well as his current month's water utility invoice; Mr. Smalley stated that he understood.

By Director Kaminsky to approve an 18-month payment plan for the account past due balance; second by Director Hunter. Yes: Duwel, Woody, Kaminsky, Hunter. No: None. Abstain: None. Absent: Roberson.

GENERAL MANAGER REPORT:

1. March 2023 – General Manager Smith informed the BOD that all monthly samples came back absent for contamination. The GM informed the BOD that an oil change, as well as other maintenance and service, was performed on the District F-150. The GM informed the BOD that an isolation valve was leaking at the packing and that the issue had been repaired and appears to be holding. The GM informed the BOD that the Admin laptop battery was replaced due to the old battery not properly holding a charge. The GM informed the BOD that the water meter at 9462 Bella Vista was replaced due to staff discovery of the old meter not properly registering flow and usage. The GM informed the BOD that recent weather was impacting the wellsite security camera signals and that staff was monitoring the situation. The GM informed the BOD that subcontractor efforts had brought fill dirt to Cerra Vista for road grading and maintenance needed for office accessibility.

2. Efficiency Report – General Manager Smith briefed the BOD that, during the month of February 2023, the efficiency, for running both Well # 3 and Well # 4, calculated at 72.78%.

GRANT FUNDING UPDATE & PROGRESS/DISCUSSION/ACTION ITEMS:

1. Meeting Update – Secretary Patterson briefed the BOD on the on the Grant Conference Call that took place on 3/2/23. Secretary Patterson informed the BOD that BOD President Duwel and BOD Vice-President Woody were in attendance on the call. BOD President Duwel informed the BOD that the state was requiring additional considerations to be discussed and reviewed before initiating funding for the construction portion of the grant project. BOD President Duwel asked the BOD if there were any additional questions related to the most recent Grant Conference Call; None.

2. Approve Accounts Payable / Pay Warrants (Bills to be paid).

No Grant related bills to be paid.

3. Letter to State: DRAFT by NV5-BOD to consider instructing GM to sign letter and deliver to state representatives.

By Director Hunter to authorize the GM to sign the DRAFT letter, presented by NV5, and deliver the letter to state representatives; second by Director Kaminsky. Yes: Duwel, Woody, Kaminsky, Hunter. No: None. Abstain: None. Absent: Roberson.

DISCUSSION/INFORMATION:

1. February 2023 Delinquency – 52 Past Due Fees Applied, 2 Door Tangs Hung, 1 Service Turned Off (Verbal) – Secretary Patterson briefed the BOD on the Delinquency Report for the month of February 2023. BOD President Duwel asked the BOD if there were any questions related to the February 2023 Delinquency Report; None.

2. Profit/Loss: February 2023 – Secretary Patterson briefed the BOD on the P&L Report for February 2023. BOD President Duwel asked the BOD if there were any questions related to the February 2023 P&L Report; None.

3. Revenue Report: February 2023 – Secretary Patterson briefed the BOD on the Revenue Report for February 2023. BOD President Duwel asked the BOD if there were any questions related to the February 2023 Revenue Report; None.

4. Account Aging Report – Receivables as of 3/15/23 (Account Holder Names Removed) – Secretary Patterson briefed the BOD on the Account Aging Report for the month of February/March 2023. 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 February 28th, 2023, has produced 35.34 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 recent conference call that took place between AVHCWD Staff/Directors and SB County staff. The GM reminded the BOD that the AV Fire Protection District has asked for a full set of structural plans, which the AVHCWD cannot receive until the next payment is made to General Steel.

7. Water Sales Snapshot: Total Water Sales of 2/28/23 – Secretary Patterson briefed the BOD on the total water sales, as of 2/28/23, 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. Internal Audit Report: G.A. Hunter October 2 – Secretary Patterson briefed the BOD on the Internal Audit Report for October 2022. BOD President Duwel asked the BOD if there were any questions; None.

CONSENT LIST:

1. Approve February 15, 2023 Regular Meeting Minutes.

By Vice-President Woody to approve the February 15, 2023 Regular Meeting Minutes; second by Director Kaminsky. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

2. Approve Accounts Payable/Pay Warrants (Bills to be Paid).

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

-NOTE: BOD President Duwel waived the payment for attendance on the SB County/AVHCWD Well # 1 Conference Call Meeting

By Director Kaminsky to approve BOD President Duwel's waiver of the Conference Call meeting Director payment; second by Director Hunter. Yes: Woody, Hunter, Kaminsky. No: None. Abstain: Duwel. Absent: Roberson.

DISCUSSION/ACTION ITEMS:

1. Approve March 2023 Office Rent Payment.

By Vice-President Woody to approve the March 2023 Office Rent Payment; second by Director Kaminsky. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: Hunter. Absent: Roberson.

2. Approve G.A. Hunter Transparency / Internal Audit Payment: October 2022.

By Director Kaminsky to approve the Internal Audit Payment for October 2022; second by Vice-President Woody. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: Hunter. Absent: Roberson.

3. Request Authorization to Send Lien Letter and Apply Lien / SB 998 Shut-off (if no response in 30 days)

By Director Hunter to approve the Lien Letter List and SB 998 Shut-off list, as presented by staff; second by Director Kaminsky. Yes: Duwel, Woody, Hunter & Kaminsky. No: None. Abstain: None. Absent: Roberson.

5. ACCT # 197B: Request for Waiver of Fees – GM Smith explained the current property situation, for ACCT # 197B, to the BOD and helped to explain the email sent by the customer in question.

By Vice-President Woody to retroactively change the customer rate to "Inactive Article 12 Status" from May 2022 to present and waive \$100 in late fees; second by Director Hunter. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

6. BOD and GM Workshop: Date Selection of 3/25/23, 4/8/23 or 4/15/23

By Vice-President Woody to establish the BOD and GM workshop date for 4/8/23; second by Director Hunter. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

7. Establish Make-up Water Sale Price (Centro): Recommendation of \$35.00 / AF

By Director Hunter to set the Make-up Water Sales Price at \$35.00 / AF; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

CLOSED SESSION:

1. Section 54956: Potential Litigation

By Director Hunter to enter Closed Session at 7:02 PM; second by Vice-President Woody. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

By Director Hunter to exit Closed Session at 7:24 PM; second by Director Kaminsky. Yes: Duwel, Woody, Hunter, Kaminsky. No: None. Abstain: None. Absent: Roberson.

No reportable action taken during closed session

DIRECTORS COMMENTS:

None.

ADJOURNMENT MOTION:

On motion of Director Hunter that there being no further business to discuss, the regular meeting be adjourned; second by Director Kaminsky and carried. Meeting adjourned at 7:26 PM. Yes: Duwel, Woody, Hunter & Kaminsky. No: None. Abstain: None. Absent: Roberson.

Matthew K. Patterson, Administrative Secretary-Treasurer

APPROVED:

Patricia Duwel, President
Board of Directors