

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

Wednesday, May 15, 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, & Kaminsky (AVHCWD Office).

Absent: Director Roberson.

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

Public Present: None.

NOTIC OF VACANCY:

Secretary Patterson informed the BOD that Director Hunter had resigned from his position as an AVHCWD Director, effective immediately.

PUBLIC COMMENT:

None.

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1. Annual Budget: 2024-25 – DRAFT (First Reading).
2. Standby Assessments: 2024-25 – DRAFT (First Reading).
3. Office Rental Contract: 2024-25 – DRAFT (First Reading).

Secretary Patterson briefed the BOD on the DRAFT version so the Annual Budget, Standby Assessments and Office Rental Contract. BOD President Duwel asked the BOD if there were any questions; None.

By Vice-President Woody to move the DRAFT versions of the Annual Budget, Standby Assessments and Office Rental Contract to the Regularly Scheduled BOD Meeting June 2024 for a Second Reading; second by Director Kaminsky. Yes: Duwel, Woody, & Kaminsky. No: None. Abstain: None. Absent: Roberson.

GENERAL MANAGER REPORT:

1. May 2024 – General Manager Smith informed the BOD that all water samples taken in the month of April 2024, came back absent for contamination. The GM briefed the BOD on a variety of topics, to include: the lock at the well site being vandalized, a water leak at 22433 Rancho Street, repair/replacement of the vent tube on Well # 4, delivery of remaining insulation for new District office, a sustained power loss at the Mesa Vista Tank site, repair/replacement of the overflow piping at the Mesa Vista Tank site, a leak on the customer side at Flora Vista and Laramie Street, a “no flow” situation observed while operating Well # 3 due to the tripping of the GFCI breaker, the purchase of a gas powered weed eater for system infrastructure maintenance and the incident involving the District F-150 where another vehicle dumped a load of lumber in the F-150.

2. Efficiency Report – General Manager Smith briefed the BOD that, during the month of April 2024, the efficiency, for running both Well # 3 and Well # 4, calculated at 82.18%.
3. Mesa Tank Repairs: “In-house” Repair Plans – GM Smith informed the BOD that the crew from MIT had completed all tank repairs and that the GM was satisfied with the overall condition of the Mesa Tank site.
4. Well # 4 Update: Decrease in Yield (Lowered GPM) – GM Smith advised the BOD that staff had observed a significant decrease in the GPM of the effluent of Well # 4; the GM showed the BOD samples taken from the effluent where the samples were very turbid and sand/silt had settled in the bottom of the sample jars (sand and silt was originally suspended in the water sample when taken). The GM informed the BOD that staff had taken Well # 4 offline and that staff was working on getting quotes and more information on well condition to present to the BOD at a future date.

GRANT FUNDING UPDATE & PROGRESS/DISCUSSION/ACTION ITEMS:

1. Meeting Update – Secretary Patterson briefed the BOD that most recent conference call with the ste had informed staff that there was another delay due to a significant change in contracts and “client status” at the state level. At this point, Secretary Patterson turned the conversation over to James Owens from NV5.
2. NV5 – James Owens: Verbal Update for BOD – James Owens briefed the BOD on the fact that the state had determined that NV5 would be the client for the Grant Project, moving forward, and that all contractual related issues would be handled by NV5. James Owens stated that while NV5 does not have any issues with this change, NV5 would prefer a formal response form AVHCWD authorizing NV5 to accept this role change.

DISCUSSION/INFORMATION:

1. March 2024 Delinquency: 0 Late Fees Applied, 3 Tags / SB 998 Packets Hung, 0 Services Turned Off (Verbal) – Secretary Patterson briefed the BOD on the Delinquency Report for the month of April 2024. BOD President Duwel asked the BOD if there were any questions related to the April 2024 Delinquency Report; None.
2. Profit/Loss: April 2024 – Secretary Patterson briefed the BOD on the P&L Report for April 2024. BOD President Duwel asked the BOD if there were any questions related to the April 2024 P&L Report; None.
3. Revenue Report: April 2024 – Secretary Paterson briefed the BOD on the Revenue Report for April 2024. BOD President Duwel asked the BOD if there were any questions related to the April 2024 Revenue Report; None.
4. Account Aging Report – Receivables as of 5/15/24 (Account Holder Names Removed) – Secretary Patterson briefed the BOD on the Account Aging Report for the month of April/Mayl 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 April 30th, 2024, has produced 48.29 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 – Secretary Patterson briefed the BOD on the current status of the Conditional Use Permit application and informed the BOD that staff would be resubmitting the CUP application via the EZOP county portal.
7. Water Sales Snapshot: Total Water Sales as of 4/30/24 – Secretary Patterson briefed the BOD on the total water sales, as of 4/30/24, 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 – BOD President Duwel reminded 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. Emergency Power Source: District Purchase of Mobile Generator/Gen Set Update: Verbal – Secretary Patterson briefed the BOD on the change in price for the original generator, previously approved by the BOD; the change is due to the addition of shipping costs and taxes. Additionally, Secretary Patterson briefed the BOD on the financing terms for the District and how the percentage rate and financing fees added over \$40,000 to the purchase price of the generator. Secretary Patterson informed the BOD that this topic was also an Action Item on this agenda with a staff recommendation to “Cancel/Dissolve” Resolution 002-2024.
10. Internal Audit Report: G.A. Hunter: March 2024 – Secretary Patterson briefed the BOD on the Internal Audit Report for March 2024. BOD President Duwel asked the BOD if there were any questions; None.
11. FY 2022-23 Annual Audit: DRAFT – Secretary Patterson briefed the BOD on the DRAFT Annual Audit, performed by Messner & Hadley, and advised the BOD that this topic was also an Action Item on this agenda. BOD President Duwel asked the BOD if there were any questions; None.

CONSENT LIST:

1. Approve April 17, 2024 Regular Meeting Minutes

By Director Kaminsky that, due to a lack of quorum for this Consent List item, the item be tabled until the next Regularly Scheduled BOD Meeting; second by Vice-President Woody. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

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

By Vice-President Woody to approve the Bills to be Paid, as presented by staff; second by Director Kaminsky. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

DISCUSSION/ACTION ITEMS:

1. Approve May 2024 Office Rent Payment.

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

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

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

3. Resolution 002-2024: Cancel/Dissolve/Amend.

By Vice-President Woody that, due to the extreme costs and financial terms/fees, the District dissolve/cancel Resolution 002-2024 and not proceed forward with the purchase of a mobile generator at this time; second by Director Kaminsky. Yes: Duwel, Woody, & Kaminsky. No: None. Abstain: None. Absent: Roberson.

4. Adopt FY 2022-23 Annual Audit and Pay for Audit Services

By Director Kaminsky to adopt the DRAFT 2022023 Annual Audit, as presented by Messner & Hadley, and pay for the \$8000.00 invoice to be funded out of General Savings; second by Vice-President Woody. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

5. Internal Audit Report Payment – G.A. Hunter: March 2024

By Vice-President Woody to pay for the Internal Audit Services for the month of March 2024; second by Director Kaminsky. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

6. Legend Pump & Well Services Quote - \$6,050.00 (Pull Pump, Video Well, Inspect Equipment)

By Director Kaminsky to approve the quote for Legend Pump & Well Service, for \$6,050.00, to Pull, Video and Inspect Well # 4; second by Vice-President Woody. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

7. Tess Electric Quote – Well # 3 & 4 Pump Control Breaker Panel

By Vice-President Woody to approve the quote for Tess Electric to address the issues with the Pump Control Breaker panel at Well # 3 & 4; second by Director Kaminsky. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

8. MIT Final Invoice – Revised Total (+ \$10,000.00 more than BOD approval)

By Director Kaminsky to approve the original second half of the total invoice, but not pay any additional amounts until MIT delivers a detailed justification for the additional costs and fees; second by Vice-President Woody. Yes: Duwel, Woody & Kaminsky. No: None. Abstain: None. Absent: Roberson.

DIRECTORS COMMENTS:

None.

Meeting adjourned at 7:12 PM

Matthew K. Patterson, Administrative Secretary-Treasurer

APPROVED:

Patricia Duwel, President
Board of Directors