

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

Wednesday, November 20, 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 6:02 P.M. BOD President Duwel led the Pledge of Allegiance.

ROLL CALL:

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

Absent: None.

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

Public Present: None.

PUBLIC COMMENT:

None.

GENERAL MANAGER REPORT:

1. GM Smith briefed the BOD on a variety of topics to include: various customer service line issues and responses within the District, various maintenance and services performed on District infrastructure, main leaks within the District and an overall update on the status of the Well # 4 rehabilitation. BOD President Duwel asked the BOD if there were any additional questions; None.

2. October 2024 Efficiency Report – General Manager Smith informed the BOD that the efficiency report for October 2024 was being completed and the efficiency would be presented to the BOD at the December 2024 BOD meeting. BOD President Duwel asked the BOD if there were any additional questions; None.

3. Lead Service Line Inventory: LTRI Update – GM Smith provided the BOD with an overall summary and update of the lead service line inventory efforts within the District and informed the BOD that correlated letters were sent out to all customers within the District. BOD President Duwel asked the BOD if there were any additional questions; None.

4. Project Updates: Well # 4, SCADA, Street Valve at Rancho/Flora Vista, East Mesa Tank Drain Valve (Verbal) – GM Smith provided status updates on all the current projects within the District. BOD President Duwel asked the BOD if there were any questions; None.

5. Director Request: Bookkeeping Options Update (Verbal) – GM Smith informed the BOD that there was not any new and/or relevant information to provide on bookkeeping options.

GRANT FUNDING UPDATE & PROGRESS/DISCUSSION/ACTION ITEMS:

1. Meeting w/ AVFCWD BOD: Update – Secretary Patterson informed the BOD that the meeting with the AVFCWD BOD did not take place, due to a lack of a quorum for the AVFCWD BOD.

2. Meeting Update: Conference Call – Secretary Patterson informed the BOD that the conference call on 11/7/24 did not provide any new information on the Grant Project.

3. Resolution 005-2024: Resolution for Grant Termination – Secretary Patterson presented the BOD with the resolution outlining the District’s intent to terminate the grant project and withdraw for the grant process.

By Vice-President Woody to adopt Resolution 005-2024, as presented by staff; second by Director Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

DISCUSSION/INFORMATION:

1. October 2024 Delinquency: 64 Late Fees Applied, 28 Door Tags Hung, 17 SB 998 Packets Hung, 0 Services Turned Off (Verbal) – Secretary Patterson briefed the BOD on the Delinquency Report for the month of October 2024. BOD President Duwel asked the BOD if there were any questions related to the October 2024 Delinquency Report; None.

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

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

4. Account Aging Report – Receivables as of 11/20/24 (Account Holder Names Removed) – Secretary Patterson briefed the BOD on the Account Aging Report for the month of October/November 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 October 31st, 2024, has produced 8.72 AF of water. BOD President Duwel asked the BOD if there were any questions related to the Water Production Snapshot; None.

6. Water Sales Snapshot: Total Water Sales as of 10/31/24 – Secretary Patterson briefed the BOD on the total water sales, as of 10/31/24, 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.

7. AVHCWD Finance Committee Workshop: Update – BOD President Duwel and Secretary Patterson provided the BOD with a verbal update on the AVHCWD Finance Committee Meeting, on 11/13/24, along with associated recommendations made by the AVHCWD Finance Committee. BOD President Duwel asked the BOD if there were any questions related to the AVHCWD Finance Committee meeting; None.

8. Late Fee Consideration – 10% of Total Balance vs. \$20 Blanket Fee, Interest of 1-3% on >60 Day Accounts: Feedback from Legal – Secretary Patterson briefed the BOD on the option to consider a 10% Late Fee charge rather than a \$20 blanket Late Fee charge, as well as a 3% Interest charge on accounts that have balances > 60 days. Secretary Patterson also provided the BOD with feedback from Legal, where Legal stated that these charges and interest percentage charge are acceptable and within the District’s rights under SB 998. BOD President Duwel asked the BOD if there were any questions; None.

9. New Service Line Connections: Resolution 006-2024: Moratorium on New Service Line Connections, with Annual Review at Public Hearing – Secretary Patterson presented DRAFT Resolution 006-2024 outlining the cessation of new service line connections, within the District, due to continued production beyond FPA, and the recommendation that this Resolution be reviewed annually at the Public Hearing.

By Director Kaminsky to move this item to the "Action Item" section of the current BOD meeting; second by Director Lincoln. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

10. QuickBooks Software Migration / Renewal: Update (Verbal) – Secretary Patterson briefed the BOD on the need to transition the District QuickBooks software to a QuickBooks Online format and briefed the BOD on the cost savings this option would provide the District. BOD President Duwel asked the BOD if there were any questions; None.

CONSENT LIST:

1. Approve October 16, 2024 Regular Meeting Minutes
2. Approve Pay Warrants / Bills to be Paid

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

DISCUSSION/ACTION ITEMS:

1. 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 Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

2. Legend Well & Pump: Change Order for Piping Connection/Correction: \$2,396.00 – Secretary Patterson briefed the BOD on the associated Well # 4 piping connection change order and the justification for the change order. BOD President Duwel asked the BOD if there were any questions; None.

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

3. Tess Electric: Invoice for Labor & Materials to Design/Build Control Panel: \$9,040.51 – Secretary Patterson briefed the BOD on the status of the associated invoice for the assembly of the control panel for the well site. BOD President Duwel asked the BOD if there were any questions; None.

By Vice-President Woody to approve the Tess Electric invoice as presented by staff; second by Director Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

4. Adopt Proposed Fee Structure: Late Fees 10% of Total Balance and Interest of 3% on >60 Day Accounts.

By Director Kaminsky to adopt the new Late Fees, as presented by staff, effective immediately; second by Vice-President Woody. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

5. District Website – DRAFT Resolution 007-2024.

By Vice President Woody to table this item until March 2025; second by Director Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

6. Forshock Invoices – New SCADA System (\$5,900.11, \$5,926.25, \$6,524.27) – Total = \$18, 350.63.

By Director Lincoln to approve the Forshock invoices, as presented by staff, and fund the invoices from CIRF; second by Vice-President Woody. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

7. New Service Line Connections: Resolution 006-2024: Moratorium on New Service Line Connections, with Annual Review at Public Hearing.

By Director Lincoln to adopt Resolution 006-2024, as presented by staff, effective immediately and to be reviewed annually at the Public Hearing; second by Director Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

CLOSED SESSION:

By Director Lincoln to enter closed session at 7:38 PM; second by Director Roberson. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

By Director Lincoln to exit closed session at 7:52 PM; second by Director Kaminsky. Yes: Duwel, Woody, Kaminsky, Lincoln & Roberson. No: None. Abstain: None. Absent: None.

Reportable Action from Closed Session:

BOD President Duwel advised that the District will begin the process necessary to hire a part-time Meter Reader employee and the GM salary would be reduced to cover the costs(s) of the employee's salary.

DIRECTORS COMMENTS:

Director Kaminsky – Happy Thanksgiving!

Meeting adjourned at 8:01 PM

Matthew K. Patterson, Administrative Secretary-Treasurer

APPROVED:

Patricia Duwel, President
Board of Directors