

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

Tuesday, August 14, 2018

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

ROLL CALL:

Directors Present: Hunter, Woody, Duwel, Kaminsky and Roberson.

Absent: None.

Also Present: General Manager Smith and Secretary Patterson.

Public Present: None.

Public Comment: None

MOTIONS:

By Director Kaminsky, to approve the July 10, 2018 Meeting Minutes; second by Vice-President Woody.
Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

By Director Duwel to approve the Payable/Pay Warrants (Bills to be paid); second by Director Kaminsky.
Yes: Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: Hunter. Absent: None.

GENERAL MANAGER REPORT:

1. August 2018 – GM briefed the BOD that all samples collected came back absent. GM briefed the BOD that there was an issue with the braking system on the F-150 AVHCWD vehicle; staff reported the brake pedal was sinking all the way to the floor and stopping was difficult. The vehicle was taken to Brake Masters where the master cylinder was changed and the braking system was bled and filled with appropriate brake fluid. The GM briefed the BOD that all district fire extinguishers were inspected, certified and refilled, as needed, for the 2018-19 year. The GM briefed the BOD that four service lines were installed within the district...two were new installations and two were replacements of service lines with flow/pressure issues due to pipe degradation. The GM briefed the BOD that there were 3 water main leaks over the period of one week and that during the course of these leaks and associated repairs, positive pressure was maintained within the system. The GM briefed the BOD that some light bulbs were replaced in the breaker box panel at the well site and that the light switch inside the booster station pump house was replaced due to the switch being faulty. The GM briefed the BOD that our purchase source for food grade oil has changed due to Goodspeed no longer being at the previous location; the new source is Beck Oil, but the food grade oil needed is not “stocked” and has to be ordered. Director Kaminsky asked how the work performed by Brake Masters was received by staff; GM Smith informed Director Kaminsky that the pedal still seemed a little spongy, but was better than before. Vice-President Woody asked what the charge was for the work performed by Brake Masters; Secretary Patterson informed Vice President Woody that the total charge was \$231.48

2. Efficiency Report – No questions or comments from the BOD. The GM reminded the BOD that once the efficiency will be more accurate once the meter read dates are consistent and the efficiency tests have been conducted by SCE.

3. Well # 3 (Status Update) – The GM briefed the BOD that the assigned state regulator had authorized AVHCWD staff to place well # 3 back “on line” and send production into distribution. Director Duwel asked for clarification on how long well # 3 was down; staff reminded the BOD that well # 3 had been down since February of 2018.

4. Customer Survey Status – Secretary Patterson briefed the BOD that, as of the time of the meeting, staff have received back 21 survey forms; 14 of the 21 request online payment capabilities and 7 state they are not interested.

GRANT FUNDING UPDATE & PROGRESS/DISCUSSION/ACTION ITEMS:

1. Meeting Agenda – NV5/CRWA, Progress Meeting (Teleconference) 8/2/18 – The GM briefed the BOD that he was not in attendance at the most recent teleconference due to a water emergency at AVFCWD. Secretary Patterson briefed the BOD on the highlights of the most recent teleconference; specifically, that there was a new PM assigned from the state.
2. Grant Checking Account Summary Report – No questions, concerns or comments from the BOD.
3. Preliminary Design and CEQA Documentation: NV5 and AVHCWD Agreement – The GM briefed the BOD on the increased sizing of the tanks and the need for authorization from the BOD to approve the agreement. By Director Duwel to authorize the AVHCWD GM to sign and submit the Preliminary Design and CEQA Documentation: NV5 and AVHCWD Agreement as presented; second by Director Roberson. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

DISCUSSION/INFORMATION:

1. July 2018 Delinquency. (Verbal) – Secretary Patterson informed the BOD that in July 2018, 30 Tag Notices were mailed to customers; this resulted in 0 Turn-off tags being hung at resident locations and 0 services were turned off due to lack of payment and/or payment arrangements.
2. Profit/Loss – July 2018. President Hunter asked if any Directors had questions; Director Kaminsky asked about charges for chlorine; staff explained that the chlorine is purchased to maintain potability of the water storage tanks. No further questions.
3. Revenue Report – July 2018. President Hunter asked if any Directors had questions; None.
4. CoBank Funding / Line of Credit: Bella Vista Main Replacement – The GM briefed the BOD on the potential source of CoBank as an option for a line of credit; the GM briefed the BOD that staff approached B of A, but B of A wanted a “guarantor” to assign to the loan. Director Hunter asked what the associated rates were with CoBank and the GM informed the BOD that the initial rates quoted were 4%. The BOD advised the GM to confirm the APR and get more information back to the BOD for decision making purposes.

CONSENT LIST:

1. Approve July 10, 2018 Regular Meeting Minutes.
2. Approve Accounts Payable/Pay Warrants (Bills to be paid).

By Director Kaminsky, to approve the July 10, 2018 Meeting Minutes; second by Vice-President Woody. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

By Director Duwel to approve the Payable/Pay Warrants (Bills to be paid); second by Director Kaminsky. Yes: Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: Hunter. Absent: None.

DISCUSSION/ACTION ITEMS:

1. Change in Internet Service Provider (Verbal) – The GM briefed the BOD on the vast amount of internet connectivity problems that AVHCWD staff has been experiencing; the GM also briefed the BOD on the options of three different service providers (Wisprenn, AT&T and Verizon). The BOD asked the GM to determine if AT&T would buy out any existing contract obligations for the current Frontier contract. By Director Duwel to table the issue until the September BOD meeting; second by Vice-President Woody. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

2. Resolution # 202-2018: Restricted Fund Replacement Plan for Well # 3 Repairs (First Reading) – Secretary Patterson briefed the BOD on the need to repay the Restricted account for the funds utilized to pay for repair services to Well # 3 components; \$13,993.66 was utilized from the Restricted Fund, per BOD instruction on July 10th, 2018. The staff recommendation is to transfer \$1,166.14 from General Checking to Restricted Savings, on a monthly basis, for a period of twelve months. By Director Duwel to approve the first reading of Resolution # 202-2018 and move to a second reading at the regularly scheduled BOD meeting in September of 2018; second by Director Kaminsky. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.
3. Resolution 201-2018: Water Rates and Charges for Water Services and Other Related Fees (Final Reading) – No questions from the BOD. By Director Duwel to approve Resolution # 201-2018 as written; second by Director Roberson. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.
4. Resolution # 200-2018: Standby Assessments for FY 2018-19 (Final Reading) – No questions from the BOD. By Vice-President Woody to approve Resolution # 200-2018 as presented; second by Director Duwel. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.
5. Permanent Water Rights Purchase Opportunity: 42 AF – Secretary Patterson briefed the BOD on the current amount of Permanent Water Rights and associated FPA for AVHCWD, as well as briefing the BOD on how the purchase of permanent rights would change FPA for anticipated production. Secretary Patterson briefed the BOD on how much money the district has spent, over the last three years, in Temporary Water Rights needed to satisfy replacement obligation. After considerable discussion, the BOD instructed staff to table the issue until further information could be determined on funding sources available for the purchase of the permanent water rights. By Director Duwel to table the issue, for a potential special meeting TBD; second by Vice-President Woody. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

DIRECTORS COMMENTS:

Vice-President Woody asked about the elevation of the meter boxes at the new service connections near the intersection of Ocotillo and Central; the GM advised the BOD that the owner has yet to complete the property grading and the finished elevation of the boxes will be consistent with other boxes within the district.

ADJOURNMENT MOTION:

On motion of Director Duwel that there being no further business to discuss, the regular meeting be adjourned, second by Vice-President Woody, and carried. Meeting adjourned at 1902 hours. Yes: Hunter, Woody, Duwel, Kaminsky, Roberson. No: None. Abstain: None. Absent: None.

Matthew K. Patterson, Administrative Secretary-Treasurer

APPROVED:

Larry Hunter, President
Board of Directors