

**RECORD OF THE REGULAR MEETING MINUTES FOR THE
BOARD OF DIRECTORS OF THE HIGH VALLEYS WATER DISTRICT
AND THE PUBLIC HEARING FOR THE PROPOSED RATE ADJUSTMENT
January 17th, 2024**

1. Call to Order & Pledge of Allegiance

President Hughes called the meeting to order at 6:00 p.m. and then proceeded to lead everyone in the Pledge of Allegiance.

2. Board of Directors Roll Call

Secretary/Office Administrator Thornton called the roll. President Hughes, Vice President Roberts, Director Kalani, Director Belwish, Director Williams. General Manager Houghton was absent due to illness. Also present was High Valleys Water District's lead field technician Alberto Jimenez, High Valleys Water District's legal representative Richard Wall of Best, Best and Krieger and project manager analyst Anthony Elowsky representing the rate study company RDN Inc. Several members of the public were also in attendance and the following names were obtained from the sign-in sheet: Devorah Kalani, Patricia Brown, Sheila Fitzgerald, Emily Kelley, Walt Kelley, Lisa Nakazaki, Steve Cooke, Kevin Welcome, Bricelda Welcome, Dennis Cox, Michael Gray, Cindy Gray, Kelley McQueen, Steve Kimball, Ann Moore, David Ruiz, Andy Graham, Glenda Wristen, Ron Duncan, Bob Hughes and Carey Lederer. The following two additional names were obtained from the submitted request to speak forms: Edward Parker and Clifton Jackson.

3. Adoption and Adjustment of Agenda (additions and/or deletions)

Secretary/ Office Administrator Thornton stated that General Manager Houghton contacted her earlier in the day to request that item 5 be tabled due to his absence. He made this request as he would like to provide more information to the Board regarding this beyond the documents that were included in the agenda. No other adjustments were requested.

Motion to approve the Agenda for January 17th, 2024 as adjusted made by Director Belwish and seconded by Vice President Roberts. Directors voted to approve the Agenda for January 17th, 2024 as adjusted as follows;

Belwish – Yes Hughes – Yes Kalani – Yes Roberts—Yes Williams—Yes

**Moved to accept the Agenda for January 17th, 2024 as adjusted.*

4. Adoption of the Regular Meeting Minutes for December 20th, 2023

No corrections were noted.

Motion to approve the Regular Meeting Minutes for December 20th, 2023 as presented made by Vice President Roberts and seconded by Director Kalani. Directors voted to approve the Regular Meeting Minutes for December 20th, 2023 as presented as follows;

Belwish – Yes Hughes – Yes Kalani – Yes Roberts—Yes Williams—Yes

**Moved to approve the Regular Meeting Minutes for December 20th, 2023 as corrected.*

5. Discuss and Vote to Allow Provost & Pritchard to Approve the Grant Management

Item tabled to February's meeting upon General Manager Houghton's request.

6. Discuss and Vote on the Checks Paid Report & Monthly Financial Review

No actions required.

Motion to approve the Checks Paid Report & Monthly Financial Review as presented made by Director Williams and seconded by Director Kalani. Directors voted to approve the Checks Paid Report & Monthly Financial Review as presented as follows;

Belwish – Yes Hughes – Yes Kalani – Yes Roberts—Yes Williams—Yes

**Moved to approve the Checks Paid Report & Monthly Financial Review as presented.*

7. General Manager’s Update & Maintenance Report

TEST RESULTS

Babcock: **Good**
System Testing: **Good**

WATER QUALITY COMPLAINTS

Color: **0** Pressure (low): **0** Other: **0**
Taste: **0** Pressure (high): **0** Odor: **0**

WATER CONSUMPTION

Date	Purchased	Consumed	Sold
11/22/23-12/20/23	183,650 cf	181,950 cf	122,328 cf
10/25/23-11/22/23	181,860 cf	181,770 cf	128,508 cf
09/20/23-10/25/23	335,420 cf	341,310 cf	220,899 cf

Transmission Line Loss: 1% (↑ 1.00%)
Distribution Line Loss: 32% (↑ 2.00%) **Leak Adjustment: 28% (↓ 2.00%)*

LOSS BREAKDOWN

	Consumed	Sold	Water Loss
Poppet Flats	74,210 cf	43,448 cf	41.00% (↑ 7.00%)
Twin Pines/Mt. Edna	107,740 cf	78,880 cf	26.00% (no change)

**Leak Adjustment for Water Loss: 37.00% for Poppet Flats (↑ 3.00%)*

OPERATIONS & MAINTENANCE – work completed by the crew

- Took and Delivered Water Samples
- Delivered Customer Notices
- Read Meters
- Routine Maintenance
- Shop Maintenance
- Repair and Replace Line at Corner of Woodcliff Drive and Twin Pines Road
- Road Work in Twin Pines.

LEAKS

- 1 in Twin Pines
- 1 in Mount Edna
- 1 in Poppet Flats

Due to General Manager Houghton's absence, Lead Field Technician Jimenez briefly updated the Board on the following:

- *The Twin Pines Line Extension project is moving along as expected. The two technicians completed the potholing in order to locate the ends of the lines where they will need to tie in together; took a couple of days to complete.*

8. Old and New Business

- Form 700 for 2023 Reporting Year:** Secretary/Office Administrator Thornton informed the Board that the annual filing for form 700 was due by April 1st, 2024 and requested that all Directors submit their forms to her by March 15th to allow her to submit the batch to the County on time.
- San Gorgonio Pass Water Agency Update:** Ron Duncan provided a brief update regarding the Agency's election results and stated there was not much to report as it was the first meeting of the year. All agendas and meeting minutes for the San Gorgonio Pass Water Agency can be viewed on their website at <http://www.sgpwa.com>.
- San Gorgonio Pass Water Alliance Update:** There was no meeting in December and the meeting for this month will take place next week. All agendas and meeting minutes for the San Gorgonio Pass Water Alliance can be viewed on their website at <http://www.passwateralliance.com>.

9. Public Hearing for the Proposed Rate Adjustment for Residential and Commercial Customers

At 6:15 p.m., President Hughes announced that the regular meeting would be closing and now going into the Public Hearing portion. Before opening the public input, he asked the District's legal counsel, who would be governing over the hearing and proposed adoption of the rates and charges, to explain the legal requirements of Proposition 218.

Richard Wall of Best, Best and Krieger confirmed that the public hearing was set in compliance with Proposition 218. He also read the Board of Director's staff report summarizing the background, process and Board recommended action regarding the proposed rate adjustment.

Anthony Elowsky, who is the project manager and analyst for Robert D. Niehaus Inc. ("RDN, Inc."), then presented the rate study report to the public. Printed copies of the Financial Planning, Revenue Requirements and Rate Setting Analysis, as well as the Water Rate Study Report, were available to the public upon entering the public hearing.

President Hughes opened the public input at 6:40 p.m. He reminded the attendees that this section of the public hearing would allow any person who submitted a Request to Speak form to address the Board, however, the Board of Directors were prohibited by law from discussing or taking immediate action on items during this public comment period. He made a last call to submit any Request to Speak forms and

after confirmation that no new forms existed, he began to call upon speakers. The order in which people were called upon was based upon the order that their Request to Speak form was submitted to the Board Secretary.

Patricia Brown – Spoke in opposition of the proposed rate adjustment; Spoke about balancing revenue, managing water loss expenditures and suggested a lower water allotment for a lower proposed rate.

Dennis Cox – Spoke in opposition of the proposed rate adjustment; Spoke about lowering the variable rate/unit cost and how the proposed variable rate would affect customers who go over the allotment due to leaks.

Annie Moore – Spoke in opposition of the proposed rate adjustment; Agreed with Patricia Brown and also requested lowering the monthly allotment for a lower proposed base rate.

Glenda Wristen – Spoke in opposition of the proposed rate adjustment; Spoke about the validation of mailing and that people who do not live here or have meters on their properties should not count towards the deciding vote. Also questioned if the proposed rate increase included the water loss.

Bob Hughes – Spoke in opposition of the proposed rate adjustment; Wanted to know the cost of the rate study (the Board responded that the exact cost was unknown as it was fully covered by a grant and there was no out-of-pocket cost to the District).

Edward Parker – Spoke in opposition of the proposed rate adjustment; Wanted to know what happens to the water a customer doesn't use (for example, customer only uses 500 cubic feet but is allowed 1,000 cubic feet).

Kelley McQueen – Spoke in opposition of the proposed rate adjustment; Spoke about her low water usage and suggested a tier of 0 to 500 cubic feet of usage for a lower proposed rate with an additional cost to those who go over.

President Hughes thanked the speakers for their input and was going to close the public input, however, an additional person stated that he wished to speak. After consulting with legal counsel, the Board allowed him to complete and submit a form and addressed the Board with the following:

Clifton Jackson – Spoke in opposition of the proposed rate adjustment; Spoke about how most people were on fixed incomes and couldn't afford the current rate as is, wanted to know why meters were put on lots with sheds and that he couldn't allow bad behavior. He also stated that he tasted chlorine in his water.

President Hughes again thanked the speakers and confirmed that no other speakers wished to address the Board at this time. He called to close the public hearing at 7:05 p.m. and requested a brief break to allow Board Secretary/Office Administrator Thornton to tabulate the results for all written protests submitted prior to the close of the public hearing.

President Hughes called everyone back into order at 7:16 p.m. and asked Secretary/Office Administrator Thornton to provide the tabulation results.

Secretary/Office Administrator Thornton stated that prior to the close of the public hearing, the High

Valleys Water District received a total of 54 written protest letters regarding the rates for the water service charges. She confirmed that this included any written protest letters that were also mailed into or dropped off at the District office. She stated that for the proposed rates for the District's water service charges, a majority of the owners of the identified parcels or tenants directly liable for such charges would equal 138 and at this time, a majority protest does not exist.

President Hughes announced that since a majority protest for the proposed rate adjustment does not exist, the Board of Directors would now consider the proposed Resolution to adopt the increases to the District's water service charges. He reminded all attendees that the time for public comment had ended and the Board of Directors would not engage directly with any individual customer or member of the public. He then asked if any member of the Board wished to speak or call upon any staff for clarification with respect to the proposed rate increase.

Director Belwish stated that she wanted to remind everyone that the Board is aware of the issues of water loss and leaks throughout the District, however, the solution to these issues required money to fix them. She also stated that although the staff is always looking for grants and new ways to save, the District needed money sooner than what possibly could be available as any obtainable grants could take years to approve.

President Hughes confirmed that no other Director wished to speak at this time and stated that the Board would now move forward with voting on the proposed Resolution to adopt the new water service charges.

10. Discuss and Vote on Resolution #290 for the Proposed Rate Adjustment

President Hughes called for a motion and second. Secretary/Office Administrator called the vote after which it was confirmed that a quorum existed.

Motion to approve Resolution #290 for the Proposed Rate Adjustment as presented made by Director Williams and seconded by Vice President Roberts. Directors voted to approve Resolution #290 for the Proposed Rate Adjustment as presented as follows;

Belwish – Abstain Hughes – Yes Kalani – No Roberts—Yes Williams—Yes

**Moved to approve Resolution #290 for the Proposed Rate Adjustment as presented.*

11. Adjournment

President Hughes adjourned the meeting at 7:23 p.m.