

**RECORD OF THE REGULAR
MEETING MINUTES FOR THE
BOARD OF DIRECTORS OF THE
HIGH VALLEYS WATER DISTRICT
November 18th, 2023**

1. Call to Order & Pledge of Allegiance

President Hughes called the meeting to order at 3:00 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 and General Manager Houghton were all present. Anthony Elowsky of RDN Inc. attended the meeting via zoom that he hosted in order to be available to answer questions from the Board and better clarify the rate study findings report.

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

Due to Mr. Elowsky's time availability, it was requested that item 6 be moved down to item 8. No other changes were noted.

Motion to approve the Agenda for November 18th, 2023 as adjusted made by Director Belwish and seconded by Director Kalani. Directors voted to approve the Agenda for November 18th, 2023 as adjusted as follows;

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

**Moved to accept the Agenda for November 18th, 2023 as adjusted.*

4. Public Input

No members of the public were present at this meeting.

5. Adoption of the Regular Meeting Minutes for October 18th, 2023

It was noted that in the last sentence of item 9 on page 5, the word "cause" needed to be corrected to the word "caused". No other corrections were noted.

Motion to approve the Regular Meeting Minutes for October 18th, 2023 as corrected made by Director Belwish and seconded by Vice President Roberts. Directors voted to approve the Regular Meeting Minutes for October 18th, 2023 as corrected as follows;

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

**Moved to approve the Regular Meeting Minutes for October 18th, 2023 as corrected.*

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

President Hughes asked General Manager Houghton about the blue paint purchase to which he replied that is what the technicians use to mark the area of the water lines when dig alerts are submitted.

Secretary/Office Administrator Thornton noted that the higher than normal monthly charge from Babcock Laboratories was due to the additional tests needed annually for Haloacidic Acid and

Trihalomethane testing every September. No other questions were asked and no actions were 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
09/20/23-10/25/23	335,420 cf	341,310 cf	220,899 cf
08/23/23-09/20/23	289,173 cf	267,360 cf	204,369 cf
07/26/23-08/23/23	244,031 cf	266,810 cf	214,568 cf

Transmission Line Loss: 0% (↓ 8.00%)
Distribution Line Loss: 34% (↑ 10.00%) **Leak Adjustment: 30% (↑ 5.00%)*

LOSS BREAKDOWN

	Consumed	Sold	Water Loss
Poppet Flats	135,610 cf	83,679 cf	39.00% (↑ 18.00%)
Twin Pines/Mt. Edna	205,710 cf	138,460 cf	32.00% (↑ 7.00%)

**Leak Adjustment for Water Loss: 31% for Poppet Flats (↑10%) & 30% for Twin Pines (↑5%)*

OPERATIONS & MAINTENANCE – work completed by the crew

- Took and Delivered Water Samples
- Delivered Customer Notices
- Read Meters
- Routine Maintenance
- Road Work
- Repaired Leaf Springs on 2018 Chevy Colorado

- Shop Maintenance
- Repaired 4" Line on Lower Raccoon Road (Poppet Flats)
- Prepped 2005 Chevy Colorado for Sale

LEAKS

- 1 on Mount Edna
- 2 on Main Line
- 1 on Gorgonio View
- 1 on Raccoon
- 1 Poppet Flats Service

General Manager Houghton briefly updated the Board on the following:

- *Seeing more leaks as we enter winter; two times a year for increased of leaks due to weather*
- *Purchased a 2016 Chevy Colorado for \$27,003 (after fees) from Simpson Chevrolet of Irvine; Great condition with 80k miles on it. Originally was going to purchase a truck from Moss Bros in Riverside but decided to drop the sale due to a lot of hassle on seller's side.*
- *Customer on Woodcliff Drive decided to drop his project due to exceeding his budget; line will not be extended; customer agreed to pay the costs to correct the section of the line that was altered in order to prep for the extension.*
- *Will need to meet with legal counsel to confirm all of the District's easements and right-of-ways recorded with the County for the Twin Pines Line Extension Project.*
- *Currently working with Legend Pump and Wells on backup pumps for the tanks*

8. Discuss and Vote on the Rate Study Results

After the last meeting and reviewing the drafted rate study report, the Director's instructed General Manager Houghton to ask the following questions regarding the rate adjustments; 1) Could the Board do one or two fixed rate adjustments for the next five years as opposed to a small, increased rate per year for the next five years? 2) Could the Board raise the monthly allotment above the suggested 700 cubic feet per month? 3) By changing these rates, would the District still meet the cash balance and Capital Improvement Plan (CIP) goal within five years? Anthony Elowsky responded by showing that a single fixed rate adjustment for the next five years would be \$76.24 for residential customers and \$106.78 per month for commercial customers, both allowing up to 700 cubic feet of water with a residential charge of \$0.1124 and commercial charge of \$0.1847 per additional cubic foot of usage. If the Board wanted to raise the allotment to 800 cubic feet of water usage per month, the adjustments would be \$78.76 for residential customers and \$116.02 for commercial customers. The additional charge per cubic foot would be the same. This change would mean the cash balance would not reach the target of \$800k but the District would maintain their current balance while accomplishing the stated CIP goals. He also provided a chart showing two rate adjustments for the next five years for both 700 cubic feet of usage per month and 800 cubic feet of usage per month. For 700 cubic feet option, the adjustment would be \$65.61 per month for residential customers for fiscal years 2024 and 2025 and \$82.01 per month for fiscal years 2026, 2027 and 2028. The additional charge per cubic foot for residential customers would be \$0.0967 for years 2024-2025 and \$0.1209 for years 2026-2028. For

commercial customers, the adjustments would be \$91.88 per month for residential customers for fiscal years 2024 and 2025 and \$114.85 per month for fiscal years 2026, 2027 and 2028. The additional charge per cubic foot for residential customers would be \$0.1589 for years 2024-2025 and \$0.1986 for years 2026-2028. For the 800 cubic feet option, , the adjustment would be \$67.77 per month for residential customers for fiscal years 2024 and 2025 and \$84.71 per month for fiscal years 2026, 2027 and 2028. The additional charge per cubic foot for residential customers would be \$0.0967 for all five years. For commercial customers, the adjustments would be \$99.82 per month for all five years with an additional charge per cubic foot of \$0.1589 for all five years. These last two options would take the District ten years to reach the reserve target. It was noted that the fixed rate would need to be adjusted to a higher amount if the allotments were also adjusted to a higher amount. It was also noted that 75% of customers used 700 cubic feet of water per month, 78.7% of customer’s use 800 cubic feet of water per month and 83.8% of customers used 1,000 cubic feet of water per month. When discussing the different rate adjustments and water usage allotment, Mr. Elowsky stated that an adjustment increase of approximately \$6.00 is equal to every 100 cubic foot increase, but a final report would show the exact numbers once the Board decided on which they want to do. President Hughes suggested the Board chooses the 800 cubic feet per month option, however, Vice President Roberts stated that he does not think the customers should take a “double hit” by increasing the rates and lowering the monthly usage from the current 1,000 cubic feet per month. After more discussion, the Board decided on choosing a proposed increased rate adjustment of approximately \$26.00 from the current rate, or a total fixed rate of \$82.00 pending the final report, for up to 1,000 cubic feet of water usage per month. Once the final report is given, a public hearing notice will be mailed out to all the customers to the addresses on file. In addition to the mailed out notices, Secretary/Office Administrator Thornton was instructed to post notices at the community mail boxes, the Rancho Encino Mountain Club, the District’s website and the District’s Facebook page in order to reach as many effected customers as possible ahead of time. It was noted that the notices must be mailed out 45 days prior to the Public Hearing, which is expected to be held on January 17th, 2024 unless otherwise stated at a later date in the notice. With this date in mind, notices will need to be mailed out no later than December 3rd, 2023.

Motion to Approve Moving Forward with Prop 218 and Mail Notice of January 2024 Public Hearing for the Proposed Rate Adjustment as presented made by Vice President Roberts and seconded by Director Williams. Directors voted to Approve Moving Forward with Prop 218 and Mail Notice of January 2024 Public Hearing for the Proposed Rate Adjustment as presented as follows;

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

**Moved to Approve Moving Forward with Prop 218 and Mail Notice of January 2024 Public Hearing for the Proposed Rate Adjustment as presented.*

9. Old and New Business

- a. **San Gorgonio Pass Water Agency Update:** No new updates as the Agency will not meet again until January 2024. Agendas and meeting minutes for the San Gorgonio Pass Water Agency can be viewed on their website at <http://www.sgpwa.com>.

- b. **San Gorgonio Pass Water Alliance Update:** No new updates as the Alliance will not meet again until January 2024. Agendas and meeting minutes for the San Gorgonio Pass Water Alliance can be viewed on their website at <http://www.passwateralliance.com>.

10. Closed Session (Pursuant to Gov. Code §54957(b)(1).) – Public Employee Evaluations

Office Administrator, Lead Licensed Field Technician and Entry Level Field Technician

President Hughes called the regular meeting into closed session at 4:02 p.m.

President Hughes called the regular meeting back to order from closed session at 4:14 p.m. and announced the following:

- *The Board voted to approve the proposed wage increases from General Manager Houghton for Office Administrator Thornton, Lead Licensed Field Technician Jimenez and Entry Level Field Technician Wallace.*
- *Going forward, wage increases will be performance based and not annually, within reason.*
- *The General Manager has the approval of the Board to provide wage increases to all employees*

11. Adjournment

President Hughes adjourned the meeting at 4:15 p.m.