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QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Jim Boatman
Vacant
Rita Leonard
Enrique Lopez
Richard Sims

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF QUAIL VALLEY WATER DISTRICT Held at 24750 Sand Canyon Road, Tehachapi, CA Saturday, May 26th, 2018 at 8:30 AM.

1. Roll Call.
*Meeting called to order at 8:38 AM. There were present, representing a quorum:
Director Leonard;
Director Lopez;
Director Sims.*
2. Adoption of Agenda.
Director Leonard moved, seconded by Director Sims, to adopt agenda. Motion approved by unanimous assent.
3. Public comments for NON-agenda items.
None.
4. Consent Calendar:
 - 4.1. Approve minutes from Regular Meeting of 4/28/18.
Director Leonard moved, seconded by Director Lopez, to approve consent calendar. Motion approved by unanimous assent.
5. Presentations:
 - 5.1. Update on Prop 84 project. (General Manager Hardenbrook)
General Manager Hardenbrook provided Board with an update on the Proposition 84 Arsenic Remediation project including efforts to count installed appurtenances and reconcile count with AVCC to enable closing out pipeline phase. Also included in update was information on issues with well being drilled and solutions being investigated to complete well. General Manager Hardenbrook also informed Board that bid advertisement for construction of reservoirs and water treatment plant building is scheduled for next week with a bid opening date of 6/29/18.
 - 5.2. Update on Umtali Road project. (General Manager Hardenbrook)
General Manager Hardenbrook advised Board that County Counsel advised QVWD that County would not pay invoices for repairs on Umtali and that instead, QVWD would need to file a claim against the County. General Manger Hardenbrook advised Board that he has filed said claim and that Kern County BOS meeting minutes indicate that the claim has been received and has been referred to County Counsel.



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5.3. Update on wells, reservoirs and system status. (General Manager Hardenbrook)
General Manager Hardenbrook provided Board with a written report of the current status of wells, reservoirs and distribution system. In addition, the preparation and submission of the Annual Electronic Report for Eastside and Westside systems was discussed.

6. Action Items:

6.1. Discussion and possible action accepting resignation of Director Daggett, filling of vacancy, scheduling special meeting to make appointment to fill vacancy on Board of Directors. (General Manager Hardenbrook)

General Manager Hardenbrook informed Board that vacancy on Board was posted at 3 locations within the District (District Office, mailboxes at Tanganda, mailboxes at Umtali) on 5/22/18 and must be posted at least 15 days prior to making appointment. Director Sims moved, seconded by Director Lopez, to accept resignation of Director Daggett and place filling vacancy by appointment on the agenda for the next regular meeting of the Board on 6/30/18. Motion approved by unanimous assent.

6.2. Discussion of monthly financial statements and consideration and possible action to approve payments for March and April. (General Manager Hardenbrook)

General Manager Hardenbrook led Board on a review of the monthly financial statements and paid bills as well as a discussion of our current cash-flow issues and informed Board that the previously approved \$70.00 monthly rate increase would be reflected on the water bills being prepared for mailing in the first week of June. Director Leonard moved, seconded by Director Sims, to approve payment of bills for March and April. Motion approved by unanimous assent.

6.3. Discussion and possible action to revise settlement offer to PVWC. (General Manager Hardenbrook)

General Manager Hardenbrook provided Board with latest email from attorney for Pinion Valley Water Company containing settlement terms and suggested the following settlement agreement to substantially meet PVWC demands:

1. *QVWD will transfer service to Lot 40 and 46 to PVWC and transfer ownership of pipe and appurtenances installed on Equestrian Drive within Tract 3312 to PVWC at such time as PVWC advises QVWD the PVWC is prepared to serve those connections.*

a. *QVWD will consider providing wholesale water service to PVWC, if desired, to assist PVWC in serving Lots 40 and 46.*

b. *QVWD will consider serving Lots 40 and 46 with permission of PVWC.*

2. *QVWD will transfer ownership of Lot 197 inclusive of well, reservoir, piping and appurtenances installed on Lot 197 by Quit Claim Deed. QVWD will transfer to PVWC ownership as-is/where-is all piping and related appurtenances installed on*



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Hackamore, Country Canyon and Halter, in Tract 3312, without warranty of suitability for any purpose.

3. *Except as expressly permitted by PVWC, QVWD will not provide water service to any Lot within Tract 3312.*

Director Sims moved, seconded by Director Lopez, to direct General Manager to submit offer consistent with above stated offer to PVWC through QVWD counsel. Motion approved by unanimous assent.

6.4. Discussion and possible action approving 2016-2017 audit. (General Manager Hardenbrook)

Audit was not received prior to Board meeting. No action taken.

7. Reports of Officers, Board Members and Standing Committees.

None.

8. Report of General Manager.

General Manager Hardenbrook provided Board with a written report.

9. Board Members' Requests for Future Agenda Items.

None.

10. Adjournment.

There being no further business before the Board, Director Sims moved, seconded by Director Leonard, to adjourn the meeting at 10:30 P.M.

I attest this is a true and complete copy of the minutes of a regular meeting of the Board as read and approved by the Board of Directors of the Quail Valley Water District.

A handwritten signature in blue ink, appearing to read "R. Cantrell".

Richard Cantrell, Secretary

