WESTERN HEIGHTS WATER COMPANY
32352 AVENUE D
YUCAIPA, CA 92399-1899

REGULAR MEETING OF THE BOARD OF DIRECTORS

<u>AGENDA</u>

8:00 a.m. Friday, January 17, 2025

<u>CALL TO ORDER / PERSONS IN ATTENDANCE</u>

1. <u>PUBLIC COMMENT</u>

2. <u>APPROVAL OF MINUTES</u>

   December 13, 2024 Board Meeting

3. <u>SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT</u>

   Report – Ben Kelly

4. <u>BOARD MEETING SCHEDULE</u>

   The February Board Meeting is scheduled for Friday, February 21, 8:00 AM.

5. <u>GENERAL MANAGER'S REPORT</u>:

   a) Discussion Items

      a. Water Sold – Exhibit 1

         Water sales for December 2024 are 5.0% higher than they were for December 2023.   Year to date sales is 11.4% higher than this time in 2023.

      b. Budget Status and Financials – Exhibit 2

         Total Bank Balance $4,519,097

         Total Revenues: $263,341
         Total Expenses $344,601
         Net Income $(81,260)

         Total revenues for 2024 are 20.4% higher than this time last year. Expenses are 14.8% higher than this time last year.

         Accounts Payable Register – Exhibit 3

         Major Projects – Exhibit 4

b) Proposed Budget 2025 – Exhibit 3

    a. 2024 Budget Overview – Total net revenue for 2024 was $1,277,649. The net revenue budget for 2023 was $316,713. The large difference is because of connection and acquisition of service fees. Subtracting the connection and acquisition of service fees leaves $323,462. We completed the year on budget without the new fees.

    Total operating income was $2,548,442 compared to $2,343,034 budgeted. And total expenses for 2024 were $2,893,934 compared to $2,611,574, which is approximately 11% higher than budgeted. This is due to higher-than-expected increases in materials, fuel and insurance costs.

    Interest, late fees and rental income were $324,039 compared to $110,000 budgeted.

    Our budgeting approach has shown itself to be sound. We are proposing a similar approach for 2025.

    b. Proposed 2025 Budget Overview – We are budgeting $3,047,846 for total income which is about 4% higher than for 2024 budget. We are budgeting $2,660,484 for expenses, which is approximately equal to the 2024 budget, We are assuming less inflation in 2025 and there were some expenses in 2024 that we can reduce in 2025. Based on these numbers, net income will be $387,362 which is 21% higher than estimated for 2024.

c) Updates

    a. Weaver Cherry Valley Property – The property closed December 31, 2024. The first quarterly payment is due March 2025.

    b. 0 Tennessee – Grading plan and tract map was approved. County is assigning APN numbers. Mark Weaver is planning to start grading in March or April.

    c. Power Outage – SCE did a PSPS for most of Yucaipa January 8 -12. The Western Heights office and sites ran on generator power during this time. There were no issues with water services.

    d. New Projects

        i. 32598 Oak Glen Road – Invoices in the amount of $241,604 for line improvement and $114,392 for connection fees have been issued. Additional connection fees of $95,483 will be invoiced later when work on the other structures begins.

        ii. Yucaipa Pointe – Grading has begun for Trader Joe's and two additional buildings. Connection fees totaling $194,393 have been invoiced.

        iii. Avenue E & 12th Street – A meeting is scheduled next Tuesday to discuss fees and improvements needed for the proposed project. The project is planned for 127 condo type homes.

        iv. 12204 14th Street – 144 Apartments are proposed. Mark gave a preliminary estimate of $260,000 for connection fees. Developer will be required to upgrade the existing 8-inch line

on 14th St from Avenue to Yucaipa Blvd. We are waiting for water plans from the developer to review so we can determine the exact fees.

    v. 32788 Oak Glen – Line upgrade is complete. Awaiting payment of $45,000 for additional work requested by the developer. Connection fees have not been paid. They are estimated to be $196,000.

    e. Yucaipa GSA – The first GSA meeting of the year is Jan 22, 10:30 am at the City of Yucaipa Community Room.

6. <u>ACTION ITEMS</u>:

    Approval of the 2025 Budget

7. <u>DIRECTORS' MATTERS</u>