

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 a.m. Friday, January 19, 2024

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CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

December 15, 2023, Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

February Board Meeting – Friday, February 16 at 8:00 AM.

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for December 2023 are 14% higher than they were for December 2022, and 15.9 lower than for this time in 2022. Overall water deliveries for 2023 were 1568 AF compared to 1864 AF in 2022 which is 16% percent less.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$5,341,755
Total Revenues:	\$246,291
Total Expenses	<u>\$228,367</u>
Net Income	\$ 17,924

Total revenues for 2023 are 14.6 percent higher than this time last year. Expenses are 4.3 percent lower than this time last year. The table below shows the actuals verses budgeted amount for total income, total expense, and net income.

Total Expenses were \$136,085 less than budgeted. Total income was \$510,903 more than budgeted. The higher than budgeted income was primarily from the water supply reliability fees and acquisition for service fees, which total \$624,032.

The total income budget for these line items was \$245,683. Subtracting this from the actual amount leaves \$396,349 of additional income for these line items. Other income items that were substantially above the budgeted amount were interest income, miscellaneous income, and rental income.

The total capital expenses for 2023 (1825 account) were \$323,877 compared to \$350,000 budgeted. The special expenditures for 2023 (1830 account) were -\$39,816. We made more than we spent. This is due to work we did for the City of Yucaipa where the actual costs were less than the agreed upon price.

The company ended the year very well overall, and this shows our budgeting strategy is good.

	<b>Actual</b>	<b>Budget</b>
Total Income	\$3,464,890	\$2,953,987
Total Expenses	\$2,521,524	\$2,657,609
Net Income	\$943,366	\$296,378

Accounts Payable Register – Exhibit 3

Major Projects – Exhibit 4

c. Proposed Budget for 2024 – Exhibit 5

The proposed budget for 2024 is presented at Exhibit 5. The 2023 actuals and the 2024 budget for each line item.

We have taken the same budget approach as with previous years. We slightly increased the income and include only the income that we feel certain about, which is primarily basic meter charges, water consumption charges, assessments, and rental income. For expenses, we try to be reasonable and include expected increases in all categories. We also try to anticipate areas where we can reduce expenditure for the year.

The table below shows 2023 actual income, expenditures and net income compared to the budgeted amounts for 2024.

	<b>2023 Actual</b>	<b>2024 Budget</b>
Total Income	\$3,464,890	\$3,067,857
Total Expense	\$2,521,524	\$2,629,266
Net Income	\$943,366	\$438,591

We are proposing \$350,000 for 1825 Capital Projects, which includes annual pipeline replacement work, solar improvement, etc., and \$50,000 for 1830 Special Expenditures, which includes Yucaipa GSA expenses, outside services for the lead services line inventory, and other similar tasks.

6. ACTION ITEMS:

Approve the 2024 budget as presented.

7. DIRECTORS' MATTERS