



Western Heights Water Company

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Minutes of January 22, 2021 Board of Directors Meeting

A Regular Meeting of the Board of Directors was held at the office of Western Heights Water Company, 32352 Ave D, Yucaipa, CA, on Friday, January 22, 2021. President Green called the meeting to order at 8:00 am. Directors present: Duane Burk, Ben Kelly, Armando De La Paz; General Manager Mark Iverson, Office Manager Debbie Patrick, Dr. Robert Zappia attended via teleconference.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the December 16, 2020 were reviewed and approved unanimously. Motion by Director Burk and seconded by Director Kelly.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported new officers were elected for Valley District. Table A is still at 10 percent.
4. Board Meeting Schedule – The next Board Meeting is scheduled for Wednesday, February 17 at 8:00 AM. The Annual Shareholders Meeting is scheduled for Wednesday, March 24 at 6:00 PM, with the Board Meeting following. The annual meeting will be held in the tent to allow for social distancing. A Zoom call-in option will be offered to shareholders if they choose not to attend in person.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for December 2020 are 20.9% higher than they were for December 2019. Overall, for 2020, water sales are 5.7% higher than the total for 2019.
 - b. Budget Status and Financials – Total revenues for 2020 are 17.7 percent higher than 2019. Expenses are 4.8 percent higher from last year. There were no unexpected variances in the budget.
 - c. 2020 Budget Year-End Summary – Budget performance for 2020 was excellent. Revenues were up \$427,000 over December 2019, and \$302,000 over what was budgeted for 2020. Expenses were down \$61,000 from what was budgeted for 2020 and Net Income was \$364,000 over what was budgeted for 2020. Net cash on hand is \$865,000 over December 2019, but \$351,000 below what was budgeted for 2020. The difference was due primarily to the change orders for the pipeline replacement work on Avenue D and the additional pipeline work on Avenue D done ahead of unplanned street paving by the City of Yucaipa on Avenue D.

- d. 2021 Proposed Budget Summary – Mr. Iverson presented the 2021 budget. Projected income for 2021 is 3.6 percent higher than 2020, expenses are 9 percent lower. Additional connections due to growth is projected at 2 percent. Expenses for payroll, health insurance are projected higher. An upgrade to the billing software is planned for 2021. Reservoir and well maintenance are projected higher than 2020. Even with these projections, expenses are expected to be lower for 2021.

Motion 01:21 – To approve the 2021 budget and projected budget for 2022-2026 as recommended by the General Manager. Motion made by Director Burk, seconded by Director Kelly, and passed unanimously

- e. Projects Status Update – Well 2A GAC Treatment –The GAC equipment and below grade piping is complete. Don Peterson is waiting on delivery of the above-ground piping, which has been delayed due to COVID-19. We are also still waiting on the permit from the Department of Drinking Water (DDW). The GAC system should be ready for operation by mid-February 2021.
- f. Draft Cross Connection Ordinance – Mr. Iverson presented an updated Cross Connection Ordinance. Adoption of this ordinance will allow WHWC to move forward with taking over recycled water deliveries in our service area. Mr. Iverson plans to present the final version of this ordinance to the Board for approval in February.

6. Action Items

Nothing to report.

Directors' Matters

Director Kelly asked to clear up an item from the December Board Meeting. He misunderstood the motion to elect Director De La Paz to the Board and voted against it. He intended to vote in favor of electing Director De La Paz to the Board.

The meeting was adjourned at 8:50 AM.



Debbie Patrick, Secretary to the Board