

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

10:00 a.m. Friday, January 21, 2022

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

December 17, 2021 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

January Board Meeting – Friday, February 18 at 8:00 AM
Annual Shareholders Meeting – Wednesday, March 16 at 6:00PM

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for December 2021 are 10.5% lower than they were for December 2020, and 1.2% higher than for this time in 2020.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance \$4,057,071

Total Revenues:	\$ 392,287
Total Expenses	<u>\$ 260,987</u>
Net Income	\$ 131,300

Not including the income for the GAC settlement, total revenues for 2021 are 9.7 percent higher than year to date in 2020. Expenses are 19.7 percent higher from this time last year. The primary reason that expenses are trending higher than last year is the significant increase in the cost of materials this year. The increases have been from 10 to 30 percent.

Accounts Payable Check Register October - December 2021 – Exhibit 3

Major Projects – Exhibit 4

c. Projects Status Update:

2022 Budget – The proposed 2022 budget is shown in Exhibit 5. We have developed a new budget worksheet which is like the old sheet, but with significant enhancements including dashboards graphs to easily see financial performance.

For 2022, we assumed approximately 2% increase overall in revenue which includes a 5% increase in rates in May 2022 and approximately 7% decrease overall in expenses for the year. Overall, we are estimating \$3,052,064 in total income and \$2,159,947 in total expenses for a total net income of \$892,117. This does not include capital projects and special projects.

We are estimating a total of \$600,000 in capital and special projects in 2022 which will include approximately 2,000 of pipeline replacement work on the Outer Highway, pipeline replacement work on 17th Street which is a carryover from 2021 and engineering and planning work on the direct potable recharge project at Wells 3 and 6.

With the capital and special projects included, we project a net income of \$292,117 for 2020 and a total of approximately \$5,000,000 in financial reserves at the end of 2022.

Yucaipa GSA – Comments from the public and member agencies have been received, and Dudek is currently make final revisions to the GSA report. There were no major comments, and only minor edits are required. The next GSA meeting is Wednesday, January 26, 2022. The project is still on schedule and below budget.

Avenue E Central Reservoir Property Sale – Central Reservoir site is in escrow and should by the end of January. The buyer is Pristine Builders. The sale price was \$275,000. We are financing \$204,000 at 6% guaranteed payment for 36 months with a balloon payment at the end of 36 months. The monthly payment will be \$1,020 per month.

6. ACTION ITEMS:

Approve 2022 Budget as presented

7. DIRECTORS' MATTERS