



Western Heights Water Company

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Minutes of February 15, 2019 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, February 15, 2019. President Green called the meeting to order at 8:45 am. Directors present: Dr. Robert Zappia, Ben Kelly, John Dahlke, Duane Burk; General Manager Mark Iverson, and Office Manager Debbie Patrick. Others present: Adan Ortega – Ortega Strategies, Gabriel Dima-Smith – Ortega Strategies, Paul Kielhold – San Bernardino Valley Municipal Water District

1. Public Comment – No public comment.
2. Minutes of Board Meeting – Minutes from the January 18, 2019 meeting were reviewed and approved. Motion by Director Burk and seconded by Director Zappia.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported MUNI will receive Fifteen percent of their Table A request. This is up from ten percent.
4. Board Meeting Schedule – The Annual Shareholders' Meeting will be held on Wednesday, March 13 at 7:00 pm, with the Board Meeting following.
5. General Manager's Report
 - a) Discussion Items
 - a. Budget Status and Financials – Mr. Iverson reported the revenue and expenses are in-line for this time of the year. One of the capital projects for the year, Well 10 Rehabilitation, is complete. The project was budgeted at \$75k and was completed for \$69k. The well is back in service. The company saved ten percent last year in fuel costs by switching from Valero to ARCO.
 - i. Mr. Iverson gave an update on the new investment strategy. Interest income for 2017 was \$5,000. The company has made over \$13,000 in interest from August 2018 through December 2018 by investing in a ladder portfolio of FDIC insured CDs.
 - b. Proxy Revision – Mr. Iverson would like the Board to consider updating the proxies next year to be valid for three years. The shareholders can elect to change their proxy. If they choose not to send the proxy, their last one will be good for three years. This is common practice. Mr. Iverson will bring the revised proxy to the next Board meeting for consideration.

b) Action Items

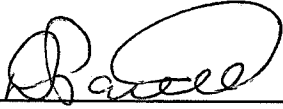
- a. Approval of New 4 Tier Rate Structure – The new rate structure will go into effect May 2019. This will be discussed at the annual shareholder’s meeting in March. Customers will have one billing cycle to evaluate their usage and make any changes to reduce consumption or purchase more water stock before the changes are effective.

Motion 03:19 – To approve the new rate structure and that it will go into effect May 2019. Motion was moved by Director Burk, seconded by Director Kelly, and approved unanimously

6. Directors’ Matters

Nothing to be discussed

The meeting was adjourned at 9:05 AM.



Debbie Patrick, Secretary to the Board