

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 a.m. Friday, February 18, 2022

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CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

January 21, 2022 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

Annual Shareholders Meeting – Wednesday, March 16 at 6:00 PM  
March Board Meeting – Following the Annual Shareholders Meeting

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for January 2022 are 16.4% lower than they were for January 2021.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance                      \$4,620,855

Total Revenues:	\$ 172,748
Total Expenses	<u>\$ 173,550</u>
Net Income	\$ (802)

Total revenues for 2022 are 9.8 percent lower than year to date in 2021. Expenses are 24.3 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. Another reason for the higher expenses is the timing of the Edison bill. The December and January bills were paid in January, resulting in double the normal amount of the payment.

Accounts Payable Check Register January 2022 – Exhibit 3

## Major Projects – Exhibit 4

### c. Projects Status Update:

2022 Budget – The approved 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 17<sup>th</sup> 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 – The ground water sustainability plan was submitted to the Department of Water Resources (DRW) January 27, 2022, which was the due date. DRW now has five years to review and approve the plan. We are now into the implementation and monitoring phase of the GSP, and the first annual report is due by the end of March 2022.

Preparation of the GSP was completed on schedule and approximately 5 percent under budget. Mark Iverson was again elected president of the GSA. The next GSA meeting is Wednesday, January 23, 2022. The GSA meetings are now held quarterly.

Avenue E Central Reservoir Property Sale – Sale of the Central Reservoir site was completed February 4, 2022. The buyer was 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:

## 7. DIRECTORS' MATTERS