



Minutes of February 18, 2022 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 18, 2022. President Green called the meeting to order at 7:55 AM. Directors present: Robert Zappia, Benjamin Kelly, Duane Burk, Armando De La Paz; General Manager Mark Iverson, Office Manager Debbie Patrick.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the January 21, 2021 Board Meeting were reviewed and approved unanimously. Motion by Director De La Paz and seconded by Director Burk.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported the water allocation is up to 15 percent and likely to increase with the rainy season in the north. Heather Dyer has been appointed to join the Western San Bernardino Water Board.
4. Board Meeting Schedule – The Annual Shareholder’s Meeting will be Wednesday, March 16 at 6 PM with the Board Meeting immediately.
5. General Manager’s Report
 - a) Discussion Items
 - a. Water Sold – Water sales for January 2022 are 16.4% lower than they were for January 2021.
 - b. Budget Status and Financials – 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.

c. Projects Status Update

- i. 2022 Budget – The 2022 budget was approved at the last meeting. Mr. Iverson went over the new budget application. The sources of the company's revenues and expenses is better represented on the new application. Mr. Iverson will begin working on an application that shows water sold and the company's sources for water, including imported water. There were no questions on the accounts payable register and major projects.
- ii. Yucaipa GSA – The ground water sustainability plan was submitted to the Department of Water Resources (DWR) January 27, 2022, which was the due date. DWR 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. Mr. Iverson was again elected president of the GSA. The next GSA meeting is Wednesday, March 25, 2022. The GSA meetings are now held quarterly.
- iii. 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 total sale price including interest is \$311,720. The monthly payment will be \$1,020 per month.
- iv. New Development – Seventy homes on 17th Street are under construction. Western Heights staff upgraded the line on 17th Street, which was paid by the developer. Connection fees for two pads for the Yucaipa Pointe center have been paid. Mr. Iverson has met with developers for a Circle K on Yucaipa Boulevard and apartments on Avenue E and 18th Street.

Mr. Iverson noted the homes on 17th Street will be in a gated community. The waterlines in the community will not belong to Western Heights. Director Burk suggested having a master meter on the outside of the community and bill each home individually.
- v. Hit Valve – Last week a contractor hit a valve. It wasn't marked because staff didn't know it was there. Customers had very low pressure for a few hours. Changes will be made to prevent the low-pressure situation in the future. The City of Redlands is supposed to notify Western Heights when they are doing road work, which did not happen.

6. Action Items

None

None

7. Directors' Matters

None

The meeting was adjourned at 8:35 AM.



Debbie Patrick, Secretary to the Board