



Western Heights Water Company

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Minutes of February 21, 2025 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 21, 2025. President Duane Burk called the meeting to order at 8:02 AM. Directors present: Robert Zappia M.D, Benjamin Kelly, Chris Venable; General Manager Mark Iverson, Assistant Engineer Brooke Shorey. Director Armando De La Paz attended telephonically.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the January 17, 2025 Board of Directors Meeting were reviewed and approved. Motion made by Director Kelly, seconded by Director Zappia, and approved unanimously.
3. San Bernardino Valley Municipal (MUNI) Report – MUNI has established a 20% allocation as a beginning point. They expect to increase it later. An update on the Citrus reservoir rhomboid spill was provided.
4. Board Meeting Schedule – The Annual Shareholders' Meeting is scheduled for Wednesday, March 19 at 6:00 PM. The March Board Meeting will immediately follow.
5. General Manager's Report

a) Discussion Items

- a. Water Sold – Water sales for January 2025 are 21.2% higher than they were for January 2024. The higher sales are due to drier weather.
- b. Budget Status and Financials – Total revenues for 2025 are 43.9% higher than this time last year. Expenses are 9.4% higher than this time last year. Revenue for January 2024 was high due to \$248,200 in new service fees. January 2024 revenue without the new connection fees was \$219,408, which is 19.8% less than January 2025.

The Accounts Payable Register for January and Major Projects were reviewed.

b) Updates

- a. Avenue E Property Sale – The balance of the sale in the amount of \$204,000 is due March 1, 2025. The buyer requested an extension of the terms. Mr. Iverson agreed to a one-year extension with a 4% increase in the interest rate and increasing the late fee from \$50 to \$200. The monthly interest only payment will be \$1,700, an increase of \$680 per month.

- b. Yucaipa GSA – The first meeting of 2025 was held January 22. Mr. Iverson has been re-elected President.
- c. New Projects – There hasn't been any activity on new projects during January.
- d. Asset Replacement Model – Mr. Iverson gave a presentation to the Board on how the asset replacement model works.
- e. Annual Meeting Proxy – The Proxy/Ballot has been updated to include amending the By-laws requiring Board members to be residents of the service area.

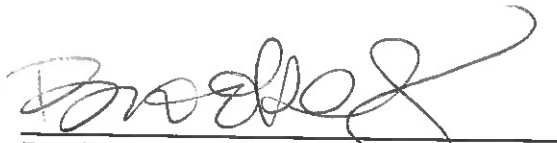
Action Items

No Action Items

Directors' Matters

Directors discussed a request received from a shareholder. Correspondence was distributed by Ms. Shorey to all board members. This will be reviewed and discussed at the next meeting.

The meeting was adjourned at 9:06 AM.



Brooke Shorey, Engineering Assistant