

**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 21, 2020

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

January 17, 2019 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

The annual meeting is scheduled for Wednesday, March 18, 2020 at 6:30 pm with the Board Meeting immediately following.

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for January 2020 are 19 percent below what they were for January 2019.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$1,995,206
Total Revenues:	\$147,637
Total Expenses	<u>\$130,353</u>

Net Income	\$17,284
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Total revenues for 2020 almost equal year to date 2019. Even with water sales down, the higher meter charges are keeping revenue more stable month to month. Interest income is down from 2019 due to the drop in the CD interest rates. Rental income for the house at 32374 Avenue D helps offset the lower interest rates on CDs. There are no unexpected variances in the budget.

- c. Acquisition of Service Charges – We are reviewing the meter charge portion of the acquisition of service charge. The last time this charge was updated was 2007. We took the 2007 report prepared by Engineering Resources and modified it to determine the new updated charge. So far, there is about a 10 percent increase in the charges. We are still reviewing the numbers and plan to bring the revised charges to the Board for review and approval in March 2020. With our updated approach, we will be able to review and update the charges annually.
- d. Water and Sewer System Improvements – Work on the new sewer line in Avenue D, in front of the shop and the office, is complete. We are working to abandon the septic tanks and seepage pits for the shop and the office and connect to the new sewer line. We plan to be connected by the end of March. Work in the 12-inch water line replacement for Avenue D, between 14th and 15th is in progress and should be complete by late March or early April 2020.
- e. New Meter Reading Application – The Android based meter reading application is working well. We have gone through one meter reading cycle, and we are already seeing the benefits. We had two re-reads last month versus an average of 40. We have had a few customers come in the office to ask about their usage and we were able to pull up data to assist them. Staff is taking pictures of each meter for the first cycle to give an exact GPS point for each meter.
- f. 123TCP Equipment – Bids were received January 7 for the GAC equipment. We have reviewed the bids and negotiated with the two lowest vendors. We selected AqueousVets as the vendor. The total bid for the equipment, including delivery, installation assistance and training is \$646,722. Delivery of the equipment will be 15 to 18 weeks from the date of approved shop drawings. Hazen, the consulting engineer, is currently working to prepare a bid package for the installation of the equipment and with the City of Yucaipa for the permit to install the equipment. We expect to begin installation of the equipment before the end of 2020, and complete installation in early 2021.
- g. Property at 0 Tennessee Street – See attached general manager’s report.
- h. Yucaipa GSA Update – The next GSA meeting is Wednesday, February 26, 2020 at 10:00 am at the City of Yucaipa. The main topic of discussion will be developing the water budget for the basin and the status of the groundwater model. These discussions will go on through the next several meetings.

b) Action Items

- a. Approval of Alliance financing for 123TCP project

6. DIRECTORS' MATTERS

7. CLOSED SESSION

- a. 123TCP Project Financing Proposals – Alliance Companies and Holman Capital