



## Western Heights Water Company

32352 Avenue D • Yucaipa, CA 92399-1899

Office (909) 790-1901 • Fax (909) 797-2619 • [www.westernheightswater.org](http://www.westernheightswater.org)

---

The Annual Meeting of Western Heights Water Company's (WHWC) Shareholders was held on Wednesday, March 13, 2019 in the company shop located at 32352 Ave D, Yucaipa, California, in accordance with the by-laws of the company. Announcement was made by the mailing of proxies to all shareholders on February 8, 2019. The Yucaipa News-Mirror published the Notice of Meeting March 1 and March 8, 2019 and included an article about the meeting.

President Green called the meeting to order at 7:00 p.m.

Directors present were: Robert Zappia, John Dahlke, Benjamin Kelly, Duane Burk, and Timothy Green. President Green thanked the shareholders present for attending and explained that the main purpose of the meeting was "for the election of Directors and for any such business that may properly come before the meeting."

He introduced himself, the Directors, Patricia Caskey, CPA, Bill Brown, Superintendent, Debbie Patrick, Office Manager, and Mark Iverson, General Manager.

Patricia Caskey, CPA, the official auditor of the proxy vote count, stated that a quorum had not been met: Shares represented by proxies were 1,236 with 9 shares present for a total of 1,245 proxy shares (or a total of 6,225 votes).

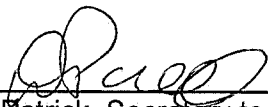
President Green announced that the quorum of 20% was not fulfilled (2,068 shares required) so there would not be an election, but the Board would like to answer any questions the shareholders may have.

General Manager Iverson showed a presentation highlighting the activities and capital improvements completed in 2018 and capital improvements scheduled for 2019:

- Mr. Iverson gave a high-level look at the company's financials. The company is in good shape financially.
- The stock split that was discussed at last year's annual meeting was completed in July. The stock certificates are being tracked electronically. There is only one share per certificate. Previously there were multiple shares on each certificate. Mr. Iverson and the Board answered questions regarding the split.
- Approximately \$883 thousand of projects were completed in 2018, most of them on Yucaipa Boulevard. About 4,000 feet of 12-inch pipeline was installed. Flush lines were installed from Wells 2A and 11.
- Approximately \$865 thousand of projects are planned for 2019. These projects include the pipeline at Outer Highway Bridge Crossing, 1,200-feet of pipeline replacement, rehabilitation of Wells 9 and 10, coating repairs to the Central Reservoir, and North Booster Station upgrade.
- Mr. Iverson explained how we get our water and showed the aquifers in the Yucaipa Basin. He explained the company's participation in the Yucaipa Ground Water Sustainability Management Act (GSA). By 2024 all the basins in the state must have a plan on how we are sharing the basin and not pumping it all down. Mr. Iverson and the Board answered questions regarding the GSA.

- The company has developed a new four-tiered rate structure that will take effect May 1, 2019. This will encourage water conservation and customers who use excessive amounts of water will pay a higher cost. Customers can set their water budget by managing the number of shares they have and monitoring their water usage. Mr. Iverson and the Board answered questions regarding the new rate structure.
- Mr. Iverson and the Board answered questions regarding recycle water use and water quality testing.

With all questions or comments being addressed, President Green adjourned the meeting at 7:54 PM.



---

Debbie Patrick, Secretary to the Board