Minutes of March 20, 2024, 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 Wednesday, March 20, 2024. President Duane Burk called the meeting to order at 6:30 PM. Directors present: Robert Zappia M.D., Benjamin Kelly; General Manager Mark Iverson, Office Manager Debbie Patrick, Engineering Assistant Brooke Shorey. Director Armando De La Paz attended via conference call.

1. Public Comment – None

2. Minutes of Board Meeting – Minutes from the February 16, 2024 Board Meeting were reviewed and approved. Motion made by Director Zappia, seconded by Director Kelly, and approved unanimously.

3. Election of Officers – The Officers of the Board will remain the same. Motion from Director De La Paz, seconded by Director Zappia, and approved unanimously.

4. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported the allocation was increased to 15 percent and is expected to increase.

5. Board Meeting Schedule – The April Board of Directors meeting will be Friday, April 19 at 8:00 AM.

6. General Manager's Report

   a) Discussion Items

      a. Water Sold – Water sales for February 2024 are .6% lower than they were for February 2023, and 3.24% higher than for this time in 2023. The lower water sales are due to the cool temperatures and the amount of rainfall we had.

      b. Budget Status and Financials – Total revenues for 2024 are 54.9 percent higher than year to date in 2023. Expenses are 23.8 percent higher than this time last year. The Accounts Payable Register and Major Projects were reviewed. The Board asked for more detail on vendor payments.

      c. Corporate Insurance – The renewal notice for the company's insurance has been received. This includes vehicle, property, commercial crime, commercial liability, public officials and management liability, and commercial excess liability. While the industry is seeing upwards of 30 percent increases in premiums, Western Heights' premium will increase 19 percent. This is due to our relationship with JPRIMA (Joint Powers Risk and Insurance Management Authority) and their recognition of the way we do business and the efforts we have made to reduce our

liability and protect our funds and investments. The annual premium for 2023-2024 will be $35,278.

Motion 03:24 – To approve the 19 percent increase in the corporate insurance. Motion made by Director Zappia, seconded by Directo Kelly, and approved unanimously.

d. Internship Program – Mr. Iverson has been working with Cal Mutuals, IE Works Skilled Trades Internship Program, and Jewish Vocational and Career Counseling Service (JVS) on an apprenticeship program for the company. This program will allow us to hire an intern to train for potential full-time employment. JVS will pay one-third of the intern's salary in addition to the tuition, training, and exam costs. This is a six-month program with the option to extend to one year. At the end of the internship the company will have the option to hire the intern. Western Heights can terminate the intern during the program if we feel they are not able to do the job.

e. Lead Service Line Replacement – Mr. Iverson is working with Maria Kennedy on some grant opportunities through the State. Mr. Iverson will bring details to the next Board Meeting for approval.

7. Action Items

Mr. Iverson requested a Motion to change the company's checking account from a private to a public account. The advantage is the company's funds will be insured up to the highest balance and there is a discount on fees.

Motion 04:24 – Approval to change the checking account at Citizen's Business Bank from a Private Fund to a Public Fund. Motion made by Director Kelly, seconded by Director Zappia, and approved unanimously.

8. Directors' Matters

None

The meeting was adjourned at 07:06 PM.

_____
Debbie Patrick, Secretary to the Board