

**WESTERN HEIGHTS WATER COMPANY
32352 AVENUE D
YUCAIPA, CA 92399-1899**

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 p.m. Friday, April 16, 2021

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

March 24, 2021 Annual Meeting
March 24, 2021 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

May Board Meeting – Friday, May 14, 2021

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for March 2021 are 28.5% lower than they were for March 2020, and 1.2% higher than for this time in 2020. Water sales are typically lower in March.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$1,397,671
Total Revenues:	\$154,208
Total Expenses	<u>\$233,367</u>
Net Income	\$(79,157)

Total revenues for 2021 are 9.3 percent higher than year to date in 2020. Expenses are 25.9 percent higher from this time last year. Expenses are higher due to purchase of the used stand-by generator and additional permits dues which include \$12,000 for CalMutuals charter membership dues.

Major Projects – Exhibit 3

Accounts Payable Check Register March 2021 – Exhibit 4

c. Projects Status Update

Well 2A GAC Treatment – The GAC equipment is installed and ready for startup. Startup has been postponed three times. The GAC media is on a container ship at San Pedro, which has not been able to dock for unloading. It has been waiting for three weeks. Once the ship is docked and unloaded, we will have a new startup date. Startup will on take two days, once the media is onsite.

South Booster Upgrade –The pumps and other equipment are on site. The variable speed drives shipped April 13. Work will to install the pumps, piping and electrical will begin the week of April 19.

- d. Vacant Land – We placed two parcels of vacant land the company owns for sale. One is the 1.99-acre parcel northwest of the East Reservoir. We only need an easement for our pipeline, which runs on the south side of the property. We have to mow the weeds two or three times a year, which mostly has to be done by hand. We have no expected need for this parcel in the future, and the value of vacant land in our service area is high now. So, we have placed the parcel for sale at \$349,000.

The other parcel is the 0.25-acre lot on 13th Street near Oak Glen Road we purchased in 2017. We purchased this lot as a possible well site. We have sufficient land at Wells 10, 11, 12, and 14 for future replacement wells. Since this lot is not critical we have placed the parcel for sale \$89,500.

- e. Proposed Rate Increase for 2021 – Water rates were last increased in May 2019. We evaluate rate sufficiency annually now that we are using the Aqua Rates Planner application. We did not consider a rate increase last year because of COVID 19. Based on the rate sufficiency analysis we completed for 2020, I am recommending the Board consider a 5 percent increase in the basic meter charge and a 3 percent increase in the rates for all four tiers starting June 1, 2021. Based on the information I present at this board meeting; I plan to put the proposed rate increase on the May agenda for approval.

<u>Basic (Delivery) Charge:</u>			
Meter Size	Current	Proposed	Difference
5/8" x 3/4"	\$ 42.66	\$ 44.79	\$ 2.13
1"	\$ 59.62	\$ 62.60	\$ 2.98
1 1/2"	\$ 85.01	\$ 89.26	\$ 4.25
2"	\$ 114.86	\$ 120.60	\$ 5.74
3"	\$ 174.61	\$ 183.34	\$ 8.73
4"	\$ 255.95	\$ 268.75	\$ 12.80
6"	\$ 454.59	\$ 477.32	\$ 22.73
<u>Water Charges:</u>			
	Current	Proposed	Difference
Tier I	\$ 1.52	\$ 1.57	\$0.05
Tier II	\$ 2.10	\$ 2.16	\$0.06
Tier III	\$ 2.87	\$ 2.96	\$0.09
Tier IV	\$ 3.97	\$ 4.09	\$0.12

6. ACTION ITEMS:

Approval of the Recycled Water Ordinance and Recycled Water Best Management Practices

Approval to sell 1.99-acre vacant lot located at 0 Oak Glen Road, listed at \$349,000 for no less than \$310,000

Approval to sell .235-acre vacant lot located at 12858 13th Street, listed at \$89,500 for no less than \$70,000

7. DIRECTORS' MATTERS