



Western Heights Water Company

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Minutes of April 16, 2021 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, April 16, 2021. President Green called the meeting to order at 7:56 am. Directors present: Duane Burk, Armando De La Paz, Benjamin Kelly; General Manager Mark Iverson, Office Assistant Lissa Miller.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the March 24, 2021 Annual Meeting and Board Meeting were reviewed and approved unanimously. Motion by Director Green and seconded by Director De La Paz.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly will get a copy of the Demand Management Program.
4. Board Meeting Schedule – The next meeting will be Friday, May 14 at 8:00 am.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – 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 – 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. The directors reviewed the Accounts Payable Check Register for March 2021. There were no questions.
 - c. Projects Status Update
 - i. 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. In the interim the contractor is doing some finishing work on the site.

- ii. 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 – Mr. Iverson and Director Green placed two parcels of vacant land the company owns for sale. One is the 1.99-acre parcel northwest of the East Reservoir. The company only needs an easement for our pipeline, which runs on the south side of the property. Weed abatement for the property is difficult and needs to be done two or three times a year, mostly by hand. There is no expected need for this parcel in the future, and the value of vacant land in the service area is high now. The parcel is listed at \$349,000.

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

- e. Proposed Rate Increase for 2021 – Water rates were last increased in May 2019. Mr. Iverson evaluates rate sufficiency annually using the Aqua Rates Planner application. A rate increase wasn't considered last year because of COVID 19. Based on the rate sufficiency analysis completed for 2020, Mr. Iverson is 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. Director Burk would like to see a chart showing 3, 4 and 5 percent increases.
- f. Mr. Iverson reported on the lead connection replacement. Mr. Iverson presented the state with a plan to have them all replaced in twelve years. The state wants them all replaced in ten years, which is too expensive for the company. The state requested the company apply to a State FFAST program, which has been submitted. If that is approved, the connections can be replaced quicker.

6. Action Items

Approval of the Recycled Water Ordinance and Recycled Water Best Management Practices – Mr. Iverson answered questions from the Directors regarding recycled water.

MOTION 02:21 – To approve the Recycled Water Ordinance as presented. Motion made by Director Burk, seconded by Director De La Paz, and passed unanimously.

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

MOTION 03:21 – To approve selling the 1.99-acre vacant lot on 0 Oak Glen Road, listed at \$349,000 for no less than \$310,000. Motion made by Director Burk, seconded by Director De La Paz, and passed unanimously.

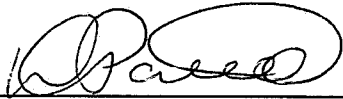
Approval to sell .235-acre vacant lot located at 12858 13th Street, listed at \$89,500 for no less than \$70,000

MOTION 04:21 – To approved selling the .235-acre lot located at 12858 13th, listed at \$89,500 at a price Director Green and Mr. Iverson believes is reasonable. Motion made by Director Burk, seconded by Director De La Paz, and passed unanimously.

Directors' Matters

None

The meeting was adjourned at 8:42 AM.



Debbie Patrick, Secretary to the Board