



Minutes of May 15, 2020 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, May 15, 2020. President Green called the meeting to order at 8:00 am. Directors present: John Dahlke, Duane Burk, and Ben Kelly; General Manager Mark Iverson, and Office Manager Debbie Patrick. Dr. Robert Zappia attended via teleconference.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the March 30, 2020 Special Board meeting was reviewed and approved. Motion by Director Burk and seconded by Director Dahlke.
3. Election of Officers – Since the March Board and Shareholders' meetings were cancelled due to COVID-19, there has not been a change in the officers. The company did not have a quorum for the Shareholders' meeting. As a result, the current directors remain on the Board.

Motion 03:20 – To keep the Board Officers as standing for another year. Motion made by Director Green, seconded by Director Kelly and passed unanimously.

4. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported MUNI has purchased 20,000 acre-feet of water. The price isn't set yet, but it will be less than the company is currently paying.
5. Board Meeting Schedule – The next Board Meeting is Scheduled for Friday, June 19, 2020 at 8:00 AM.
6. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for April 2020 are 17 percent lower than they were for April 2019. But overall, for 2020, water sales are 110 percent of the total year-to-date for 2019.
 - b. Budget Status and Financials – Total revenues for 2020 are 8 percent higher than year to date in 2019. Expenses are down 14 percent from this time last year. There are no unexpected variances in the budget, and we expect to be on budget for 2020.
 - c. Acquisition of Service Charges – The review of the meter charge portion of the acquisition of service charge has been completed. Mr. Iverson suggests implementing the 15-year plan. The Directors will review the report. Action on this item is deferred to next month

- d. Water and Sewer System Improvements – Work on the 12-inch water line replacement for Avenue D, between 16th and 17th Street is almost complete. Final disinfection of the line and cut over of the water service lines is a that is remaining.

The City of Yucaipa is going to repave Avenue D from 17th Street to 14th Street starting in June 2020. They informed Mr. Iverson of this work last week. Because of this, the remaining 12-inch water line from 15th to 16th Street will be replaced. This work will be completed by the WHWC field staff.

- e. New Development – Developers have talked to us about several new developments being planned soon:

- 1) Hotel at 14th and Oak Glen, behind ARCO
- 2) 70 new homes on 17th Street, between Avenues D and E
- 3) 19 Unit Apartment Complex at 18th and Avenue E
- 4) Chick-fil-A at Dunlap and Avenue E

- f. Yucaipa GSA Update – April GSA meeting was held on April 27 at 10:00 am by teleconference. The March meeting was canceled. The main topic of discussion was an update on the USGS groundwater model, project schedule and budget. The project remains ahead of schedule and below budget. The next meeting will be on May 27, 2020 at 10:00 am and will be teleconference.
- g. Shut Offs for Non-Payment – April shut-offs were scheduled for April 29, however per the Governor's order, no customers lost water service. There were 11 customers who would have been cut off. To date, there are three customers who have past due accounts. In addition, three customers requested payment arrangements for their bills due April 20. They paid half by the due date and the remaining balance was due May 20. All three customers have paid their accounts in full.

b) Action Items

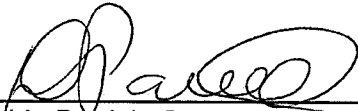
- a. Approval of Updated Acquisition of Service Charges – To approve the updated meter charges based on the 15-year approach and that the meter charges be reviewed and updated annually using this approach.

Item deferred to the next meeting to allow the directors time to review the report.

7. Directors' Matters

- a. The fees collected from the Water Supply Reliability Fee for properties that were resold in the service area is \$41,768 for 2019 and \$10,892 thus far in 2020. The directors discussed the reason for the multiple unit charge. Ms. Patrick will do some additional research on this fee. She and Mr. Iverson are also looking at the fire suppression and fire service charges.
- b. General Manager Annual Evaluation – The directors will complete the evaluation and return it to Director Green.

The meeting was adjourned at 8:55 AM.



Debbie Patrick, Secretary to the Board