



Western Heights Water Company

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Minutes of May 20, 2022 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 20, 2022. President Green called the meeting to order at 7:57 AM. Directors present: Benjamin Kelly, Robert Zappia, Armando De La Paz; General Manager Mark Iverson, Office Manager Debbie Patrick. Director Duane Burk attended via conference call.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the April 15, 2022 Board Meeting were reviewed and approved unanimously. Motion by Director De La Paz and seconded by Director Burk. Director Kelly asked for clarification on the rate increase. His concern is that the increase is less than the inflation rate. Mr. Iverson reviews the rate structure every six months and will inform the Board if any adjustments will be needed.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported there was nothing pertinent to Western Heights to report.
4. Board Meeting Schedule – The next Board meeting will be Friday, June 17 at 8:00 AM.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for April 2022 are 22.2% higher than they were for April 2021, and .5% higher than this time in 2021.
 - b. Budget Status and Financials – Total revenues for 2022 are 5.7 percent lower than year to date in 2021. Expenses are 13.2 percent higher from this time last year. The lower income is due mostly to the loss in value of our EFT investments. Expenses are generally higher because of the over 8% inflation rate. The back charges from SCE for Well 9 is another key factor. The Accounts Payable Register and Major Projects were reviewed.
 - c. Projects Status Update
 - i. Yucaipa GSA – The next GSA meeting is July 27, 2022.
 - ii. Lead Service Line Replacement and Customer Income Survey – The income survey of our service area is still in progress. Kennedy Communications has the letters and will begin mailing next week.

- iii. Well 10 – Well 10 has been reconfigured to pump continuously, which is the same as Well 9. Well 10 runs are about 250 gpm and Well 9 at about 100 gpm. The combined daily output of these wells is 0.5 million gallons. This makes the best use of these low producing wells.
- iv. South Reservoir – Staff is making piping changes to the pump suction line for the South Booster. This is in response to the hit valve on Avenue N in February which, caused us to lose suction to the booster. The booster will take suction directly from the reservoir instead of the incoming reservoir fill piping. Provisions are being made to connect the new south reservoir once it is built.
- v. Water Vending Machine – The new alkaline water vending machine has arrived, and is installed at the corner of 14th Street and Avenue D. There were some issues with the vending controls that the manufacturer is helping us to resolve. The machine is operational. Cash sales this week were \$17.00. Credit card payments were set up May 19. There will be signage, a mailer, and posts to Facebook and the website to advertise the machine.
- vi. Groundwater Recharge Project – Mr. Iverson is working to put together a comparison of alternatives to present to MUNI demonstrating the benefits of the project.
- vii. Property Purchase – The property at 32390 Avenue D closed escrow on April 29. The rent on each unit will increase from \$1,000 a month to \$1,100 a month starting July 1. All tenants have been notified and leases have been signed.
- viii. Mr. Iverson provided an update on the Tennessee Street property. The map is going through the city's planning and environmental checks. This process may take two to three months. There have been a couple of groups interested in purchasing the property.

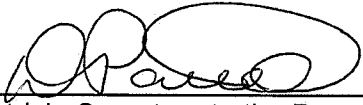
6. Action Items

None

7. Directors' Matters

General Manager's Annual Performance Review – The directors agreed on an appropriate bonus for Mr. Iverson.

The meeting was adjourned at 8:40 AM.

A handwritten signature in black ink, appearing to read "Debbie Patrick", written over a horizontal line.

Debbie Patrick, Secretary to the Board