

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 a.m. Friday, May 21, 2021

---

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

April 16, 2021 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

June Board Meeting – Friday, June 18, 2021

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for April 2021 are 51.5% higher than they were for April 2020, and 11.5% higher than for this time in 2020.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$1,208,301
Total Revenues:	\$183,031
Total Expenses	<u>\$172,601</u>
Net Income	\$10,430

Total revenues for 2021 are 13.2 percent higher than year to date in 2020. Expenses are 23.7 percent higher from this time last year.

The funds for the GAC settlement were wired into our account May 3. Our total settlement amount was \$2,369,551.91. The funds don't show in the current balance above because they were received after April 30. Our total bank balance as of May 19, 2021 is \$2,554,603.72.

Accounts Payable Check Register March 2021 – Exhibit 3

## Major Projects – Exhibit 4

### c. Projects Status Update

Well 2A GAC Treatment – The GAC system went online Monday, May 10. There are no problems. The contractor has some work to complete including the fence and a few minor punch list items.

South Booster Upgrade – Work to install the new pumps and electrical equipment began May 11 and is scheduled to be complete May 25.

Dangermond Property (North Booster Site) – The property acquisition is in escrow. We have paid the \$10,000 deposit and we are working with our surveyor to obtain the new APN or to do a lot line adjustment.

### d. Proposed Rate Increase for 2021 – See attached GM report.

### e. Real Estate Issues – I have asked Tim Green to represent WHWC in real estate related matters including the listing and purchasing of property. I believe Mr. Green is the best person to represent WHWC since he is a board member, a customer of WHWC, and a licensed real estate agent. I am requesting the board approve a motion to support my decision to use Mr. Green.

I am recommending that the Board consider the purchase of additional rental property as part of our financial portfolio. The rental property next door has provided a steady monthly income that exceeds the rates of return on our certificates of deposit or Treasury ETF bonds. Investment in real estate can be a secure investment. The basic minimum requirement to purchase rental property would be:

- It is located within our service area.
- It is priced at or below the current market price for similar real estate.
- It can be purchased for cash – no real estate loans taken out to purchase.
- That no significant investment is required to place it on the rental market
- That the return on investment is less than 12 months.

## 6. ACTION ITEMS:

Approval of the of a 5% percent increase in the basic delivery charge and a 3% increase in the water charge for all 4 tiers starting June 2021.

Approval to use Tim Green as our real estate agent.

## 7. DIRECTORS' MATTERS