

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

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 a.m. Friday, June 19, 2020

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

May 15, 2020 Board Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report - Ben Kelly

4. BOARD MEETING SCHEDULE

June Board Meeting – Friday, July 17, 2020 at 8:00 am.

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for May 2020 are 36 percent lower than they were for May 2019. Overall, for 2020, water sales are 5.5 percent lower than the total year-to-date for 2019.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$1,297,530
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Total Revenues:	\$166,426
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Total Expenses	<u>\$178,168</u>
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Net Income	- \$11,742
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Total revenues for 2020 are 6 percent higher than year to date in 2019. Expenses are 1.3 percent higher from this time last year. There are no unexpected variances in the budget.

- c. Acquisition of Service Charges – After the May board meeting, we revised the study. We changed the rationale for the water supply portion. The original approach used a peaking factor to calculate the cost of imported water. The assumption was that peak water production, above what we could produce by local wells, was imported. Since we changed the rate structure, we decided to import 25 percent of our total annual water production, so we used this rationale to calculate imported water costs instead. See attached updated report in Exhibit 3. Below is a revised comparison of three approaches we evaluated. We recommend the Board adopt the 15-year option.

	Current	20 Year	15 Years	10 Years
Supply (Imported water from YVWD)		\$5,124	\$3,547	\$2,186
Asset Replacement		\$7,422	\$5,443	\$3,884
Debt Service		\$786	\$786	\$567
New Facilities		\$6,656	\$4,992	\$3,328
TOTAL FACILITY CHARGE	\$10,848	\$19,988	\$14,768	\$9,965
Percent Increase:		84.3%	36.1%	-8.9%

- d. Water System Improvements – Work on the 12-inch water line replacement for Avenue D, between 16th and 17th Street is complete.
- e. Yucaipa GSA Update – The May GSA meeting was held on May 27 at 10:00 am by teleconference. 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 June 24, 2020 at 10:00 am and will be teleconference.

6. 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.

7. DIRECTORS' MATTERS

- a. General Manager Annual Evaluation