



Minutes of June 21, 2024 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, June 21, 2024. President Duane Burk called the meeting to order at 8:00 AM. Directors present: Armando De La Paz, Benjamin Kelly, Robert Zappia M.D, Chris Venable; General Manager Mark Iverson, Office Manager Debbie Patrick.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the May 17, 2024 Board of Directors Meeting were reviewed and approved. Motion made by Director De La Paz, seconded by Director Venable, and approved unanimously.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported the allocation remains at 40%.
4. Board Meeting Schedule – The July Board of Directors meeting will be Friday, July 19 at 8:00 AM.
5. General Manager's Report
  - a) Discussion Items

- a. Water Sold – Water sales for May 2024 are .7% lower than they were for May 2023, and 0.1% lower than this time in 2023.
- b. Budget Status and Financials – Total revenues for 2024 are 51.2% higher than this time last year. Expenses are 14.1% higher than this time last year. Connection fees for two developments were paid resulting in revenue higher than expected.

Mr. Iverson reported Well 10 is the next major asset due for replacement. Well 10 has recently stopped pumping. A contractor will pull it to determine the issue. At that point a decision can be made to replace, abandon, or turn it into a monitoring well.

The Accounts Payable Register and Major Projects were reviewed.

- c. New Development Update – Mr. Iverson gave an update on the following new developments in the service area.
  - i. 18<sup>th</sup> and Avenue E – 19 Townhomes – Connection fees totaling \$215,937 were paid May 3.
  - ii. Raising Canes – Connection fees of \$82,820 and line improvement costs of \$139,147 have been submitted to the developer.

- iii. Artisan Homes – 17<sup>th</sup> Street – Connection fees for Phase 6 in the amount of \$195,870 were paid May 29. There is one phase remaining for this development.
- iv. 11<sup>th</sup> Street Storage Facility – Line improvement and connection fees totaling \$95,000 were paid June 5.

Mr. Iverson explained the process to determine connection fees.

- d. Annual Audit – The 2023 audit is complete. No issues were found with the company's records.
- e. Consumer Confidence Report – This year's report has been completed. Postcards were mailed to all customers directing them to the website for the report. They can also pick up a copy in the office.

Action Items


None

6. Directors' Matters

Director Kelly expressed concern that the Company's Bylaws state a board member must be a shareholder, but they don't require the person to live in the service area. To be changed, it must be voted on at the Annual Shareholders Meeting. This issue was brought up several years ago, but there was not a quorum at the meeting for voting to take place. Ms. Patrick will get the details for the next Board Meeting.

The Board asked Mr. Iverson to get details on the water allocation from Muni.

The meeting was adjourned at 8:48 AM.



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Debbie Patrick, Secretary to the Board