



## Western Heights Water Company

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### Minutes of August 19, 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, August 19, 2022. President Green called the meeting to order at 7:55 AM. Directors present: Robert Zappia, Armando De La Paz, Benjamin Kelly, and Duane Burk; General Manager Mark Iverson, Office Manager Debbie Patrick.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the July 15, 2022 Board Meeting were reviewed and approved unanimously. Motion by Director Burk and seconded by Director De La Paz.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported there was nothing pertinent to Western Heights to report.
4. Board Meeting Schedule – The September Board meeting will be held Friday, September 16 at 8:00 AM. The December Board meeting will be Friday, December 2 at 10:00 AM with the staff Christmas luncheon following.
5. General Manager's Report
  - a) Discussion Items
    - a. Water Sold – Water sales for July 2022 are 23.9% higher than they were for July 2021, and 2.2% higher than for this time in 2021. This is to be expected because of it being very hot the past month.
    - b. Budget Status and Financials – Total revenues for 2022 are 18.2 percent lower than year to date in 2021. Expenses are 18.4 percent higher from this time last year. Expenses are higher because of the over 8% inflation rate which has caused the prices to be much higher this year. Overall, the budget is good, and we should end the year close to budget even with the challenges we have had with our investments and the high inflation rate. The rental expense is higher due to the new sewer that was installed on the Avenue D rental. Computer expenses are higher due to the new server that was just installed. The old server was past it's end of life. There were no questions on the accounts payable register and major projects spreadsheet.
    - c. Projects Status Update
      - i. 17<sup>th</sup> Street Artisan – The developer paid connection fees of \$210,100 for 10 new homes.

- ii. La Quinta Hotel – The City’s contractor is working on the bridge replacement over the channel on Dunlap Blvd. We have a new 8-inch water line through a sleeve in the bridge. The city asked for a price for WHWC crews to install the water line through the sleeve and make the new connections at Dunlap and 14<sup>th</sup> Street. We gave them a price of approximately \$60,000 for the work. We are waiting on the city approval so that we can proceed.
  - iii. YVWD & WHWC Long Term Water Supply Agreement – Mr. Iverson is working to finalize the long-term water supply agreement that he has been working on for the past couple of years. Completion of the agreement was delayed because we were focusing on the completing the GSP for the Yucaipa GSA.
  - iv. Water Vending Machine – Water sales from May 17 through July 29 are \$628.10. The website and Facebook have been updated. Directional signs for the water machine have been placed in the service area. There has been a steady increase in the weekly water sales.
- d. Cost of Water – Mr. Iverson discussed how much it costs the company to produce water. A big factor is the charges from Edison and the times of day the wells are pumping. Mr. Iverson is looking at ways to optimize well operations. The next time he looks at a rate increase, he will look at these costs.

6. Action Items

None

7. Directors’ Matters

Dr. Zappia asked how the income survey is progressing. Kennedy Communications is still sending surveys to the customers. So far, they are getting a small percentage completed. It is expected that 25 to 30 percent of the surveys will be returned. Ms. Patrick reported the office has had a small number of people call for additional information. Mr. Iverson is looking at a product that can determine if there is lead in a line. It is something that we may be able to contract out to other mutual water companies.

The meeting was adjourned at 8:27 AM.



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Debbie Patrick, Office Manager