



Western Heights Water Company

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Minutes of September 16, 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, September 16, 2022. President Green called the meeting to order at 7:57 AM. Directors present: Robert Zappia, Benjamin Kelly, and Duane Burk; General Manager Mark Iverson, Office Manager Debbie Patrick. Director Armando De La Paz attended via conference call.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the August 19, 2022 Board Meeting were reviewed and approved unanimously. Motion by Director Burk and seconded by Director Zappia.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported the water allocation remains at five-percent.
4. Board Meeting Schedule – The September Board meeting will be held Friday, October 21 at 8:00 AM.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for August 2022 are 7.5% lower than they were for August 2021, and 0.1% higher than for this time in 2021.
 - b. Budget Status and Financials – Total revenues for 2022 are 6.8 percent lower than year to date in 2021. Expenses are 17.8 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. Mr. Iverson will look into the feasibility of installing a charging station for cars as an investment for the company. The Major Project Status and Accounts Payable Register were reviewed. Ms. Patrick will provide more information on the increase in Miscellaneous Income.
 - c. Projects Status Update
 - i. South Booster – Piping changes for the South Booster Pump Station have begun. These are the changes needed for the booster to take suction from the tank instead of the tank fill line. This problem was discovered in February when the City of Redlands hit our valve on Avenue N when they were repaving the street. The SCE electrical service has been brought underground. This

corrected a problem with the overhead electrical where the main disconnect was wired in an incorrect and unsafe way. It also allows us to now start installing solar panels over pump station.

- 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 14th 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. Dangermond Property – We are still waiting on the Dangermond Foundation legal review before we can complete the land purchase at the North Reservoir Site. Alan Hillwig sent them the grant deed and other information which they requested. We are hoping to complete sale by the end of this year.
- iv. 0 Tennessee Property – The City sent the draft conditions of approval for our review and comment. There was nothing unexpected in the conditions. We are waiting for final conditions of approval which we expect to have in the next few weeks. Once we have them, we will discuss the next steps. There are several options. One, we can try to sell the property as-is, with fully entitled lots, or we may want to start developing activities to increase the value of the lots. The first step if we choose to starting developing the lots is to do the rough grading.
- v. Income Survey – The second batch of letters are being sent to the customers next week. We are close to getting the 13 percent response that is needed. Mr. Iverson found a tool that can verify whether there is lead in the lines. It is \$50,000 but can save the company much more money by not replacing lines that don’t need to be replaced. The tool is EPA certified.
- vi. Annual Audit – The 2021 audit is complete and there were no issues found.

6. Action Items

None

7. Directors' Matters

None

The meeting was adjourned at 8:27 AM.


Debbie Patrick, Office Manager