



Western Heights Water Company

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Minutes of September 20, 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, September 20, 2024. Vice President Robert Zappia M.D called the meeting to order at 7:58 AM. Directors present: Armando De La Paz, Benjamin Kelly; General Manager Mark Iverson, Office Manager Debbie Patrick. Director Duane Burk attended telephonically.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the August 16, 2024 Board of Directors Meeting were reviewed and approved. Motion made by Director De La Paz, seconded by Director Burk, and approved unanimously.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly provided an update on the Waterman Turnout Hydroelectric Station Project. There will be a ribbon cutting event on October 23. The Board members are encouraged to attend. The allocation remains at 40%.
4. Board Meeting Schedule – The October Board of Directors meeting will be Friday, October 18 at 8:00 AM. The December Board Meeting will be Friday, December 13 at 10:00 AM. The company Christmas lunch will be held afterwards.
5. General Manager's Report

a) Discussion Items

- a. Water Sold – Water sales for August 2024 are 20.8% higher than they were for August 2023. Year to date sales is 7.3% higher than this time in 2023.
- b. Budget Status and Financials – Total revenues for 2024 are 29% higher than this time last year. Expenses are 10% higher than this time last year. There have been approximately \$938,000 in acquisition of service and water supply reliability fees this year. If we subtract this amount from the net income year-to-date, net income is approximately equal to 2023 year-to-date net income.

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. 13th & Oak Glenn – Installing 12-inch water line to service the new hotel, carwash, gas station and restaurant being built.
 - ii. Artisan Homes on 17th Street – Connection fees in the amount of \$215,457 were paid for the final phase on August 19. The total

connection fees received for this project from 2022 to present is \$1,400,297. The development paid an additional \$81,000 in 2021 to upgrade the line on 17th Street.

- iii. 11th & Yucaipa Blvd Storage – New 12-inch line installed from Avenue D to Yucaipa Blvd.
 - iv. Raising Caines – Offsite improvements to install an additional 400 feet of 12-inch on Yucaipa Blvd with be completed before the end of the year.
- d. Proposed Potable GW Recharge – Mr. Iverson gave an update on the project. It will use Wells 3 and 6, which have been abandoned for several years. Western Heights will buy extra potable water from Yucaipa Valley Water during the wet months, October to March, to inject into the wells. This is a way to store water for drought events. The total estimated costs is \$500,000. Yucaipa Valley Water has expressed interest in sharing some of the costs. The estimated cost of the water is \$767 per Acre Foot. Mr. Iverson is working with Madeline Blua on the permitting. The Board members are in favor of this project.
- e. Board Member Shareholder Requirements – The company By-Laws state that a board member must be a shareholder. There is no provision for living in the service area. This can be changed at the annual shareholder’s meeting.
- f. Quorum for By-Law Changes – Mr. Iverson and Ms. Patrick have gone through the company’s By-Laws an Articles of Incorporation. The only reference for a quorum is 20%. Typically, a company has a regular quorum to conduct business and a larger super quorum, generally 50% for By-Law changes. Mr. Iverson is consulting legal counsel.

Action Items

None

Directors' Matters

Mr. Iverson gave an update on the Tennessee property sold to Weaver Development. Weaver is waiting on APNs from the county and then Western Heights can do the grading plan. Weaver is working with a designer on the plans for the first house.

Director Venable reported the Robinson property near Live Oak will be developed. Mr. Iverson noted the property is outside the Western Heights service area, however Yucaipa Valley Water does not have infrastructure in the area. They may want Western Heights to service the property.

The meeting was adjourned at 8:32 AM.



Debbie Patrick, Secretary to the Board