



Minutes of October 15, 2021 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, October 15, 2021. President Green called the meeting to order at 7:57 am. Directors present: Robert Zappia, Benjamin Kelly, Duane Burk, Armando De La Paz; General Manager Mark Iverson, and Office Manager Debbie Patrick.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the September 24, 2021 Board Meeting were reviewed and approved unanimously. Motion by Director Burk and seconded by Director Zappia.
3. San Bernardino Valley Municipal (MUNI) Report – The Advisory Committee has been dissolved. It will be replaced with a series of five meetings a year, one at each Director's area.
4. Board Meeting Schedule – There will not be a Board meeting in November. The December meeting will be Friday, December 17 at 10:00, with the company Christmas lunch following.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for September 2021 are 5.3% lower than they were for September 2020, and 7.3% higher than for this time in 2020.
 - b. Budget Status and Financials – Not including the income for the GAC settlement, total revenues for 2021 are 12.7 percent higher than year to date in 2020. Expenses are 17.3 percent higher from this time last year. There are two primary reasons that expenses are trending higher than last year. First, there has been a significant increase in the cost of materials this year. The increases have been from 10 to 30 percent. The second reason is some unexpected repairs and maintenance. The motor for Well 14 had to be rebuilt earlier this year, which was not budgeted. Also, staff had several repairs to make because of the lighting storm that happened last month. The major repair and maintenance work for this year is complete, so we should finish the year closer to budget. The directors reviewed the Accounts Payable Check Register for August 2021. There were no questions.
 - c. Mr. Iverson reported the sale of the Oak Glen and 13th Street properties should close by October 18. The purchase of the Dangermond property is in escrow.

d. Projects Status Update

- i. Potable Groundwater Recharge – Mr. Iverson is beginning work on a project to evaluate the feasibility of potable groundwater recharge at the old Well 3 and 6 locations. This will be a joint project between WHWC and Yucaipa Valley Water District (YVWD), with WHWC being the lead. YVWD will provide the potable water, and WHWC will provide the recharge wells. Both YVWD and WHWC will share in the amount of water recharged into the WHWC basin. By teaming with YVWD for the project, MUNI will likely provide funding assistance for the project. Mr. Iverson is working to finalize the scope and budget for the project, and to talk with MUNI about their financial participation in the project.
- ii. Yucaipa GSA – Comments for the administrative draft of the GSA report were submitted October 7, 2021. The draft of the GSA report for public comment will be sent out in early November. The project is still on schedule and below budget. The next GSA meeting is scheduled for next week, October 20.

6. Action Items

Mr. Iverson reported the premium for Blue Shield medical coverage for employees will increase 6.77 percent for 2022. The company can offer similar coverage through Health Net HMO SmartCare HMO for an annual savings of approximately \$1,900 less than the current Blue Shield plan. Director Burk was concerned with the employee's co-pays increasing. Ms. Patrick noted the primary care and prescription co-pay is the same, urgent care and emergency room visits will increase. The basic life insurance premium will increase \$120 for the year. There are no changes to the premiums for dental and vision coverage. Mr. Iverson recommends changing the employee medical benefit to Health Net SmartCare HMO an approval of the other benefits as presented.

MOTION 13:21 – To Approve the 2022 Employee Benefits Package, including changing the health coverage from Blue Shield Platinum Trio HMO to Health Net SmartCare HMO per the General Manager's recommendation. Motion made by Director Burk, seconded by Director Zappia and passed unanimously.

7. Directors' Matters

Director Burk asked for an update on the rubber dam. Mr. Iverson reported it is being stored and if the company decides to use it, Don Peterson Construction will install the dam.

The meeting was adjourned at 8:32 AM.



Debbie Patrick, Secretary to the Board