



Western Heights Water Company

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Minutes of October 17, 2025, 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 17, 2025. Vice President Robert Zappia M.D. called the meeting to order at 8:00 AM. Directors present: Benjamin Kelly, Chris Venable: General Manager Mark Iverson, Office Manager Debbie Patrick, Engineering Assistant Brooke Shorey. Directors Duane Burk and Armando De La Paz telephonically.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the September 19, 2025 Board Meeting were reviewed and approved. Motion made by Director Venable, seconded by Director De La Paz, and approved unanimously.
3. San Bernardino Valley Municipal (MUNI) Report – Director Kelly reported MUNI is not changing the price of water.
4. Board Meeting Schedule – The November Board Meeting has been cancelled. The December Board of Directors meeting will be on Friday, December 19 at 8:00 AM.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for September 2025 are 7.5% higher than they were for September 2024 and 12.1% higher than this time in 2024.
 - b. Budget Status and Financials – Total revenues for 2025 are 5.3% lower than this time last year. Expenses are 6.2% higher than this time last year.
 - c. Property Sale 12586 13th Street – Western Heights purchased the property in 2018 for \$51,000 and sold to DNJ Construction October 2021 for \$72,900. WHWC carried the note on the sale at 4 percent interest. DNJ has sold the property and paid off their note of \$67,687. WHWC made \$21,900 from the purchase price and an additional \$10,797 in interest payments for total of \$32,697. This is a substantial profit of 64% which works out to be about 9% annual rate of return overall over the 7-year period 2018 to 2025.
 - d. 16th Street Pipeline Replacement – Installation of 1,300 feet of new 12-inch water line on 16th Street from Avenue D to Avenue E is complete. This is part of the plan to replace approximately 2,500 feet of pipe each year. This replacement was scheduled to coordinate with the City's plans to put in sidewalks and repave the road.

- e. Cherry Valley Acres Note Refi Update – Mr. Iverson is working to close the refinance of the Cherry Valley Acres loan. Cherry Valley will pay back \$400,000 of the original \$1,400,000 loan from last year. The prepayment includes interest-to-date plus one additional quarterly interest payment. They are also paying legal fees and closing costs. The note will be for \$1,000,000 at 5% interest amortized over 20 years with a 5-year balloon payment. These are the same terms as the original note. Collateral for the new note includes approximately one half of the original property financed last year plus two additional lots in Cherry Valley that Cherry Valley Acres owns free and clear. Closing of the refinance is pending resolution of issues that our attorney found with the reconveyance deed.
- f. Yucaipa Basin GSP – GSP has been meeting monthly since July. The next meeting is October 22, 2025. The key discussion is about the administration of pump credits for the years agencies pump less than their pumping allocation, and handling credits for artificial recharge. The GSA continues to work constructively to develop management strategies that are beneficial to all the agencies and meet the state requirements for the GSP. The meetings are open to the public.
- g. Brooke Shorey – Ms. Shorey graduated August 15, 2025 from Cal State Long Beach with a Bachelor of Science, Geology and took her Fundamentals of Geology (FG) exam to become a certified Geologist in Training (GIT). She is waiting for the exam results. She recently headed up the sanitary survey and assists with the requirements of the GSA.
- h. Employee Benefits – The company's medical provider has increased premiums 6.79% for 2026. This is in line with the industry. The 2026 premiums will increase by \$657 per month. Health Net remains the most competitive for benefits and rates. The dental premium will remain the same. Vision and life insurance rates have not been received but traditionally have little to no increase

Action Items

Motion 03:26 – To approve a rate increase of 3% for water charges, 3% for meter charges, and 5% for assessments, as recommended by the General Manager. Motion made by Director Kelly, seconded by Director Burk, and approved unanimously.

6. Directors' Matters

Director Venable gave an update of the City's freeway corridor specific plan. There has been a lot of push back from the community and the City will revisit the plan. The City is moving forward selecting a new City Manager.

The meeting was adjourned at 08:22 AM.



Debbie Patrick, Secretary to the Board