

**WESTERN HEIGHTS WATER COMPANY
32352 AVENUE D
YUCAIPA, CA 92399-1899**

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

8:00 a.m. Friday, December 19, 2025

CALL TO ORDER / PERSONS IN ATTENDANCE

1. PUBLIC COMMENT

2. APPROVAL OF MINUTES

October 17, 2025 Board Meeting
October 28, 2025 Special Meeting

3. SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Report – Ben Kelly

4. BOARD MEETING SCHEDULE

January Board Meeting – Friday, January 16 at 8:00 AM
March Annual Shareholders and Board Meetings – Wednesday, March 18 at 6:00 PM

5. GENERAL MANAGER'S REPORT:

a) Discussion Items

a. Water Sold – Exhibit 1

Water sales for October 2025 are 3.9% lower than they were for October 2024 and 9.5% higher than this time in 2024. Water sales for November 2025 are 4.8% lower than they were for November 2024 and 8.2% higher than this time in 2024.

b. Budget Status and Financials – Exhibit 2

Total Bank Balance	\$7,090,175
Total Revenues:	\$283,138
Total Expenses	<u>\$219,930</u>
Net Income	\$ 63,208

Total revenues for 2025 are 6.9% lower than this time last year. Expenses are 5.1% higher than this time last year.

Accounts Payable Register – Exhibit 3

Major Projects – Exhibit 4

c. Updates

Updated Property Values – Exhibit 7

ADU Fee Policy – We have developed an a proposed ADU fees which is outlined below. We are asking for feedback from the Board on the basic approach before we develop a detailed policy.

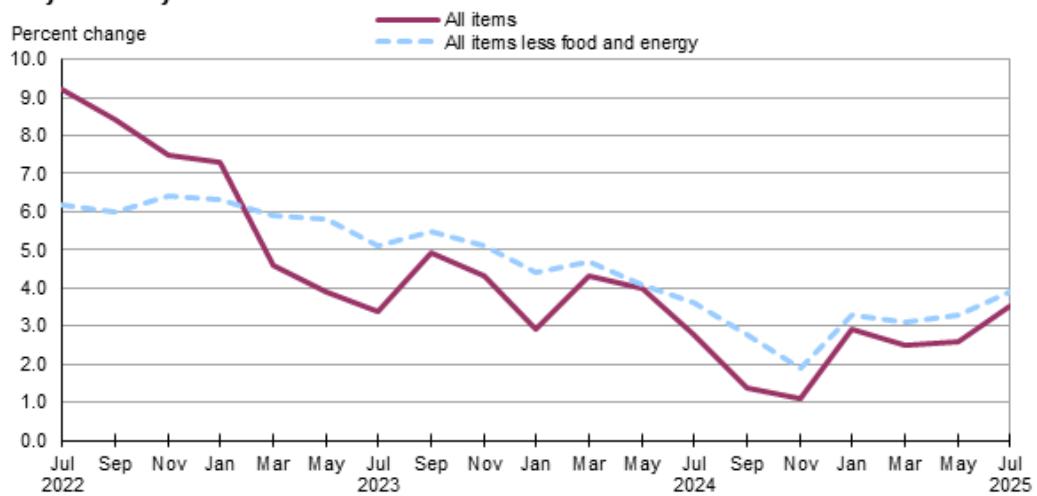
Proposed ADU Fees:

- ADU with new meter – Acquisition of services fees calculated for new connection as usual based on meter size but using 5 years imported water instead of 20 years.
- ADU using existing meter without meter upgrade – Acquisition of services fees included only 5 years imported water instead of 20 years. No meter connection charge. Basic meter charge on water bill increased based on ADU size.
- ADU using existing meter with meter upgrade – Acquisition of services fees included only 5 years imported water instead of 20 years. No meter connection charge, but customer pays for new meter and meter installation. Basic meter charge on water bill increased based on ADU size.

Proposed Cost of Living Increase – Exhibit 8

CPI for 2025 shows approximately 3 percent inflation for Riverside-San Bernardino area which is shown in the chart below. We are requesting the board approve a 3 percent COLA for staff starting January 2026.

Chart 1. Over-the-year percent change in CPI-U, Riverside-San Bernardino-Ontario, CA, July 2022–July 2025



Source: U.S. Bureau of Labor Statistics.

6. ACTION ITEMS:

Approval of a 3.0 percent Cost of Living Adjustment for staff. See General Manager's report for details.

7. DIRECTORS' MATTERS

8. CLOSED SESSION

Update on Potential Litigation