



Western Heights Water Company

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Minutes of December 17, 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, December 17, 2021. President Green called the meeting to order at 10:00 am. Directors present: Benjamin Kelly, Duane Burk, Armando De La Paz; General Manager Mark Iverson, Office Manager Debbie Patrick, and Adan Ortega from Ortega Strategies. Director Robert Zappia attended via telephone.

1. Public Comment – Mr. Ortega gave an update on Cal Mutuals and Community Water Alliance. Cal Mutuals is continuing to be an influential voice regarding California legislation pertaining to water companies.
2. Minutes of Board Meeting – Minutes from the October 15, 2021 Board Meeting were reviewed and approved unanimously. Motion by Director Burk and seconded by Director De La Paz.
3. San Bernardino Valley Municipal (MUNI) Report – There was nothing pertaining to Western Heights to report.
4. Board Meeting Schedule – The January Board meeting will be held Friday, January 21 at 8:00 AM.
5. General Manager's Report
 - a) Discussion Items
 - a. Water Sold – Water sales for November 2021 are 15.8% lower than they were for November 2020, and 2.3% 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 4.9 percent higher than year to date in 2020. Expenses are 13.2 percent higher from this time last year. The primary reason that expenses are trending higher than last year is the significant increase in the cost of materials this year. The increases have been from 10 to 30 percent. The directors reviewed the Accounts Payable Check Register for November and December 2021. Ms. Patrick answered a question regarding the uniform and first aid suppliers.

c. Projects Status Update

- i. Yucaipa GSA – The draft GSA report was sent out for public comment in early November, and a community engagement meeting was held Tuesday, November 16, 2021. Public comments have been received, and Dudek is currently making final revisions to the GSA report. There were no major comments, and only minor edits are required. The next GSA meeting is Wednesday, December 22, 2021. The purpose of the meeting is to review the initial edit of the GSA report. The project is still on schedule and below budget. Each member of the GSA needs to pass a resolution to adopt the GSA report prior to submitting the report to the State at the end of January 2022.
- ii. Mr. Iverson reported the properties at Oak Glen and 13th Street have been sold. The total purchase price is \$275,000 with four percent interest over five years. This is a higher rate of return that the company is getting on its other investments.
- iii. Avenue E Central Reservoir Property Sale – Mr. Iverson has listed the Central Reservoir site for sale. The reservoir is not critical to the system. Money from the sale will be applied towards the construction of a new reservoir at the South Reservoir Site. There are two firm offers for the property.
- iv. Proposed Cost of Living – The 2021 CPI for Riverside County through November is eight-percent. Mr. Iverson is requesting the Board approve a 6.5% cost of living adjustment for staff.

6. Action Items

MOTION 14:21 – To Approve Resolution 2021-01 to Adopt the Groundwater Sustainability Plan for the Yucaipa Subbasin. Motion made by Director Burk, seconded by Director De La Paz, and passed unanimously.

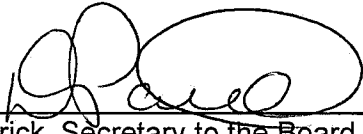
MOTION 15:21 – To Approve selling the lot at the Central Reservoir site (31875 Avenue E) for no less than \$275,000. Motion made by Director De La Paz, seconded by Director Burk, and passed unanimously.

MOTION 16:21 – To Approve a 6.5 percent Cost of Living Adjustment for staff. Motion made by Director Burk, seconded by Director Kelly, and passed unanimously.

7. Directors' Matters

Ms. Patrick gave an update on the new development in the area. Connection fees have been paid for Panera Bread and landscaping at the new Yucaipa Pointe Center. Fees have been paid for a shop on Dunlap. Circle K is interested in developing on Yucaipa Boulevard and 12th Street. There are several residential properties being planned in Western Heights' service area.

The meeting was adjourned at 10:50 AM.

A handwritten signature in black ink, appearing to read "Debbie Patrick", written over a horizontal line.

Debbie Patrick, Secretary to the Board