



## Western Heights Water Company

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### Minutes of December 2, 2022 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 2, 2022. President Green called the meeting to order at 10:00 AM. Directors present: Armando De La Paz, Benjamin Kelly, and Duane Burk; General Manager Mark Iverson, Office Manager Debbie Patrick. Director Robert Zappia was absent.

1. Public Comment – None
2. Minutes of Board Meeting – Minutes from the September 16, 2022 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 – Director Kelly reported there was nothing pertinent to Western Heights to report.
4. Board Meeting Schedule – The January Board meeting will be held Friday, January 20 at 8:00 AM. The Annual Shareholders Meeting will be Wednesday, March 15 at 6:00 PM.
5. General Manager's Report
  - a) Discussion Items
    - a. Water Sold – Water sales for November 2022 are 9.6 percent lower than they were for November 2021, and 0.5 percent lower than for this time in 2021.
    - b. Budget Status and Financials – Total revenues for 2022 are 7 percent lower than year to date in 2021. Expenses are 14 percent higher from this time last year. Expenses are higher because of the over 8% inflation rate which has caused the prices to be much higher this year. Revenues are lower overall because of the losses reflected in the decrease of the book value of the company's ETFs over what was paid for them. Overall, the budget is good, and the company should end the year close to budget even with the challenges with the investments and the high inflation rate.
  - c. Projects Status Update
    - i. Dangermond Property – Mr. Iverson has signed the last required documents to close on the property. The sale should be complete by the end of this year.
    - ii. 0 Tennessee Property – The City approved the tentative tract map for the project November 2. Mr. Iverson is waiting on the final conditions of approval. Rough grading will be done to the property. Once completed, Mr. Iverson and the Board can decide to sell or

do additional improvements to the property. The current economy will determine the next steps.

- d. Employee Benefits – The company’s medical provider has increased premiums 2.42 percent for 2023. The result is an increase in the monthly premium of \$175.59. Health Net remains the most competitive for benefits and rates. The dental provider for 2021 is no longer offering dental coverage. We have contracted with Health Net for their Smartcare HMO network. The employees can keep their current dental provider and the cost to the employees is very close to what they are currently paying. There have been no changes in the group term life insurance and vision plans.

6. Action Items

**Motion 04:22** – Approve an 8.0 percent Cost of Living Adjustment for staff. Motion was made by Director Burk, seconded by Director De La Paz, and approved unanimously, with Director Zappia not present.

7. Directors’ Matters

Director Kelly requested information regarding increasing the company’s contribution for the employees’ 401(k). Mr. Iverson will have information at the next Board Meeting.

Mr. Iverson and Director Green took Director Burk on a tour of the service area and the company’s facilities. Director Burk found it very valuable and suggested the other Directors do the same.

The meeting was adjourned at 10:23 AM.



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Debbie Patrick, Secretary to the Board