



Western Heights Water Company

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The Annual Meeting of Western Heights Water Company's (WHWC) Shareholders was held on Wednesday, March 24th, 2021 in the company shop located at 32352 Ave D, Yucaipa, California, in accordance with the by-laws of the company. Announcement was made by the mailing of proxies to all shareholders on February 9, 2021. Information was included to shareholders to attend the meeting via Zoom if desired.

President Green called the meeting to order at 6:00 p.m.

Directors present were: Robert Zappia, Benjamin Kelly, Duane Burk, Armando De La Paz, and Timothy Green. President Green thanked the shareholders present for attending and explained that the main purpose of the meeting was "for the election of Directors and for any such business that may properly come before the meeting."

He introduced himself, the Directors, Patricia Caskey, CPA, Bill Brown, Superintendent, Debbie Patrick, Office Manager, and Mark Iverson, General Manager. Ms. Caskey's assistant, Cindy Richards and shareholder John Michaelson were in attendance. There were no on-line attendees.

Patricia Caskey, CPA, the official auditor of the proxy vote count, stated that a quorum had not been met: Shares represented by proxies were 1,074.

President Green announced that the quorum of 20% was not fulfilled (2,061 shares required) so there would not be an election, but the Board would like to answer any questions the shareholders may have.

General Manager Iverson showed a presentation highlighting the activities and capital improvements completed in 2019 and 2020 and capital improvements scheduled for 2021:

- Mr. Iverson presented information on how much water the company has sold since 2007. He explained how demand varies month-to-month and year-to-year depending on weather.
- Mr. Iverson gave a high-level look at the company's financials. The company is in good shape financially.
- Approximately \$818 thousand of projects were completed in 2019, including pipeline replacements on Yucaipa Blvd, a booster upgrade, and Well 9 rehabilitation. Approximately \$488 thousand of projects were completed in 2020, including pipeline replacements on Avenue D, North Booster upgrade, and installation of solar at the office. Installation was started in 2020 of a granular activated carbon system (GAC) to treat water from Well 2A. Well 2A received some contamination from an outside source and had to be taken offline. This system will remove the contamination and the well will be back on-line this year.
- Approximately \$910 thousand of projects are planned for 2021. These projects include the pipeline replacement at 17th and 18th Streets, the South Booster upgrade, new South Reservoir grading plan, the new North Reservoir property purchase, and new solar system for North Booster. Director Green noted WHWC has purchased all the land that will be needed for total build-out in the future.

- Mr. Iverson explained WHWC's water sources and showed the aquifers in the Yucaipa Basin. He explained the company's participation in the Yucaipa Ground Water Sustainability Management Act (GSA). By 2024 all the basins in the state must have a plan on how we are sharing the basin and not pumping it all down. Mr. Iverson and the Board answered questions regarding the GSA.
- Mr. Iverson and the Board answered questions regarding new housing in Yucaipa.

With all questions or comments being addressed, President Green adjourned the meeting at 6:23 PM.



Debbie Patrick, Secretary to the Board