BOX SPRINGS MUTUAL WATER COMPANY

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(951) 653-6419

Tuesday, July 21st, 2026

Board Meeting Minutes

I. **CALL TO ORDER** – called to order at 7:31 pm

II. ROLL CALL

President	(Mac) John McDermott – present
Vice President	Ron Gonzales – via phone
Secretary	Valentina Schafer - present
Treasurer	Misty Rose - absent
Director	Charles Campbell – present

Others also in attendance: Mark Iverson – General Manager, Nancy Law – Office Assistant.

III. PUBLIC COMMENTS – none

IV. REVIEW PREVIOUS BOARD MEETING MINUTES – The Board minutes from the June 17th, 2026, were distributed and reviewed. Valentina Schafer motioned to accept, and Ron Gonzales seconded. The minutes were approved 4-0.

V. REVIEW ANNUAL SHAREHOLDER MEETING MINUTES – The Annual Shareholder minutes from June 17th, 2026, were distributed and reviewed. Valentina Schafer motioned to accept, and Ron Gonzales seconded. The minutes were approved 4-0.

VI. GENERAL MANAGERS REPORT

a. **Financial Review**
   i. P&L Report - distributed and reviewed

   ii. Budget Status Report - distributed and reviewed
      - Mark noted Increases in the following accounts:
        a. 906 – Auto, Truck Expenses – this increase is primarily due to costs associated with a 2000 GMC Sierra that was discovered to still be titled in the Company's name. The vehicle had been impounded after its registration had not been renewed since 2016, resulting in registration and related recovery expenses.
        b. 935 – Insurance Auto increase is due to the renewal of the Company's auto insurance policy with Progressive in January 2026 for a six-month premium of $11,094.52. The policy was subsequently canceled effective June 15, 2026, and the Company will receive a prorated refund of $3,669.12. Had the policy remained in effect, an additional six-month premium of $11,094.52 would have been due. The Company transitioned its auto insurance coverage to

CalMutuals with an annual premium of **$5,512.00**. This change is expected to reduce the Company's annual auto insurance costs by approximately $16,677.04.

c. 938 – Insurance Liability – Increase in this account was previously not being used specifically for General Liability Insurance, as those expenses were combined with Account 941 – D&O and EPI Insurance. Going forward, this account will be used to track General Liability Insurance separately. The Company transitioned its General Liability Insurance coverage to CalMutuals with an annual premium of **$20,875.00**. Previously, the Company financed its insurance premium through a finance company at an interest rate of approximately 16%, resulting in annual costs of approximately $44,813.72. With this transition, the Company is expected to realize annual savings of approximately $23,938.72.

d. 944 – Office Expense - increase in this account is primarily due to the Company's decision to purchase three years of Current Software upfront, which resulted in a 5% discount compared to annual pricing.

iii. Bank Accounts – distributed and reviewed

- Mark noted that the account balances are currently down due to several ongoing projects and related expenses. We have incurred $22,271.12 for the leak and connection to the new 8" water line at Brill. We are also preparing the Tank Farm for the new well project, with approximately $26,943.59 spent to date. .Funds are still coming in, and Maria will be submitting the expenses incurred for the well project for grant reimbursement. We are also expecting to receive one-third payment from the Cottonwood project once the project is completed.

b. **Billing Update**

i.	Total Billed May 2026	$ 119,159.73
ii.	Total Received	$ 105,653.37
iii.	Past Due - Water Service	
	o 30 to 60 days	$ 5,918.78
	o >60 days	$ 2,615.70
iv.	Past Due – Assessment Only	$ 76,836.67

c. **New Development Projects**

i. **LDC – Day Street –**

- LDC is progressing quickly with the project. Once the water connection is made, Box Springs Mutual Water Company will receive an additional payment.

ii. **SAWPA Grants**

- New 1.1 MG –
  a. Completed
  b. Mark noted that the Company was out of pocket approximately $86,000.00. The grant was managed by SAWPA, and Cal Rural's had a fixed dollar amount allocated for the project. We originally had the tank primed;

however, we ultimately had the tank painted and only paid the difference in cost out of pocket.

- New Well –
    a. Mark noted that we have starting improvements in anticipation of the new well including piping, duct bank for the new power and Improvements to the new road adding asphalt grindings. This portion of the project is being submitted for reimbursement.
    b. Mark reported that the bid portion of the well project will be divided into two separate packages: the equipment package, estimated at approximately $70,000–$75,000, and the well drilling package, estimated at approximately $100,000–$400,000. The Company also has two options for the well pump. Option 1 is a vertical line-shaft pump, and Option 2 is a submersible pump, which may be the more cost-effective option.
    c. Mark noted that staff will be responsible for completing the wiring for the project. The primary goal is to have a fully operational pump capable of producing water. He also proposed pouring a concrete pad next to the well, similar to the office shop. The estimated cost for the shed and related work is approximately $15,000. The goal is to have the project completed by the end of the year.

iii. **New Apartments on Cottonwood –**
- Mark noted that staff are down to the last 2 sticks. The 2nd payment will be due once this is completed.
- Director Campbell asked whether the Company had checked on the Recreation Center. Mark stated that there had been no updates or developments at this time.

d. **Ribbon Cutting (August 12th, 2026, at 10am)**
    i. CalMutuals will be covering the cost of the event. Approximately 40 people have been invited, and the celebration will be held at the Tank Farm. Western will provide the use of their tent and chairs. Light snacks and refreshments will be served, and Mark and “Mac” will be speaking at the event.

VII. CLOSED SESSION – regular session closed at 4:55 pm
closed session opened at 4:55 pm

VIII. **ADJOURNMENT** Closed session adjourned at 5:05pm
Adjourned at 5:06 pm

Next Meeting *August 18th, 2026 at 4:30pm*