

BOX SPRINGS MUTUAL WATER COMPANY

21740 Dracaea Avenue, Moreno Valley, CA 92553
(951) 653-6419

Tuesday, August 18th, 2026

Board Meeting Minutes

I. **CALL TO ORDER** – called to order at 4:29pm

II. **ROLL CALL**

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

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

III. **PUBLIC COMMENTS** – none

IV. **REVIEW PREVIOUS BOARD MEETING MINUTES** – The Board minutes from the July 21st, 2026, were distributed and reviewed. Charles Campbell motioned to accept, and Valentina Schager seconded. The minutes were approved 5-0.

V. **GENERAL MANAGERS REPORT**

a. **Financial Review**

i. P&L Report - distributed and reviewed

ii. Budget Status Report - distributed and reviewed

- o Mark noted that for July, we had a positive balance of approximately \$7,000, with \$94,000 in income and \$87,000 in expenses. For the year, income has increased by approximately \$60,000 compared to last year, while expenses have also increased by approximately \$60,000. However, the financial position is not as concerning as it may appear, as we continue to have money coming in. Overall, we are on track with the year-to-date budget.

iii. Bank Accounts – distributed and reviewed

- o Mark noted again that the Company is in a better financial position than it may appear. We still have funds coming in from Cottonwood, LDC, as well as PFAS funding and reimbursements for work that has already been completed and paid for under the Well Grant. The reimbursement request has been submitted to SAWPA by Maria Kennedy.
- o Charles Campbell asked when Cottonwood is expected to begin construction on the property. Mark stated that Cottonwood has requested that the hydrant be moved slightly. He indicated that they are estimating approximately four months, with the groundbreaking likely to take place around the middle of next year.

- Misty Rose asked what had occurred at Cottonwood regarding the water shut-off. Mark explained that staff went to tie in the 8" line to the 12" main line and discovered several areas requiring repairs. Portions of the existing line were crushed and required welding. Since these were older lines, the condition of the piping was not known until the work began. Mark stated that all necessary repairs have been completed and the lines are now back in working condition.
- John "Mac" McDermott asked, with the last phase of Cottonwood completed, how much additional work remains to complete the water line. Mark stated that approximately 700 feet of line remains to be completed.

b. Billing Ordinance

i. ADU Fees

- Staff is reviewing and working to correct accounts related to ADU fees and shares. Previous decision-makers, including Mr. Marks, made the decision to charge customers on a per-door basis. However, there is nothing in the bylaws stating that fees should be assessed per door, nor do the bylaws address properties beyond single-family residences. Staff have reviewed and determined the appropriate fees for properties such as apartment complexes and trailer parks or any ADU to property.
 - a. As staff reviewed these corrections, they are recommending returning all shares to be based solely on the size of the lot and adding the number of additional units to the ADU fees. As a result, customers may initially see a reduction in their rates. However, the ADU fee would gradually increase from the current \$7.63 per unit to \$50.00 per unit over approximately 10 years.
 - b. Any new units added in the future would be assessed the full \$50.00 per-unit fee at the time the unit is established. Existing or "legacy" customers would see a gradual increase in the ADU fee over the 10-year period. The proposed increase for this year would be \$2.00 per unit, bringing the current fee from \$7.63 to \$9.63 per unit.

ii. Shares

- As staff reviewed these corrections, they are recommending returning all shares to be based solely on the size of the lot.

iii. Rate increase (3%)

- Mark recommended that we keep this year's increase at CPI (consumer price index) of 3%.
- Karen commented that any new units added would be assessed the new ADU fee of \$50.00 per unit. Existing "legacy" customers would transition to the new fee structure gradually.
- Charles Campbell asked how this change would affect Liberty Church. Karen stated that Liberty Church would see a decrease in its fees because the ADU and share calculations would be corrected, and the church does not have any ADUs.

Charles Campbell made a motion to increase the overall rates by 3%, with the following adjustments for legacy (current) customers: correct all shares to reflect the property size and add ADU fees, with the ADU fee gradually increasing over a 10-year period from the current rate to \$50.00 per unit. The ADU fee for legacy customers would increase to \$9.63 per unit this

year. New ADU connections would be assessed at a fee of \$50.00 per unit. Misty Rose 2nd the motion and passed unanimously 5-0.

c. Billing Update

i. Total Billed June 2026	\$ 104,004.17
ii. Total Received	\$ 101,543.84
iii. Past Due - Water Service	
o 30 to 60 days	\$ 4,489.19
o >60 days	\$ 1,758.14
iv. Past Due – Assessment Only	\$ 76,923.89

d. CalMutuals Annual Meeting

- i. November 2-3, 2026, Indian Wells CA
 - o Mark commented that, now that Box Springs is a member of CalMutual, the Company can attend its annual meeting at no cost, as registration for the event is free. John “Mac” McDermott asked if Mark planned to attend. Mark stated that he did and recommended that Board members attend as well, given that the event is being held nearby. Mark asked anyone interested in attending to let staff know so they could register them for the event.

e. New Development Projects

i. LDC – Day Street –

- o LDC is progressing once the water connection is made, we will receive an additional payment they will probably be looking to connect sometime next year. They also have not paid their assessment fees for that property that staff discovered was being paid by previous own, but once they connect all the assessment fees will be paid.

ii. SAWPA Grants

- o New Well –
 - a. Mark noted that improvements have begun in preparation for the new well. He has received one quote for the pump and is working to obtain additional quotes. The bid package is expected to be finalized this month and will then be released for bid. The project remains on track. Maria Kennedy has submitted reimbursement requests to SAWPA for the work completed to date and is also working on a PFAS grant that could be coordinated with the new well project.

iii. New Apartments on Cottonwood –

- o Mark noted that Phase II of the project has been completed. The connection for this project is not expected to take place until next year and will be completed in conjunction with the final payment for the project.

VI. CLOSED SESSION – regular session closed at 4:54 pm
closed session opened at 4:55 pm

VII. ADJOURNMENT Closed session adjourned at 5:11pm
Adjourned at 5:14 pm

Next Meeting Due to a planned surgery for the General Manager, the Board has
agreed to move the Board Meeting to:
September 22nd, 2026 at 4:30pm