BOX SPRINGS MUTUAL WATER COMPANY

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

Wednesday, July 21st, 2026 – 4:30pm

Board Meeting Agenda

I. **CALL TO ORDER**

II. **ROLL CALL**

President	(Mac) John McDermott
Vice President	Ron Gonzales
Secretary	Valentina Schafer
Treasurer	Misty Rose
Director	Charles Campbell

III. **PUBLIC COMMENTS**

IV. **REVIEW PREVIOUS BOARD MEETING MINUTES**

V. **REVIEW ANNUAL SHAREHOLDER MEETING MINUTES**

VI. **GENERAL MANAGERS REPORT**

a. **Financial Review**
   i. P&L Report
   ii. Budget Status Report
   iii. Bank Accounts

b. **Billing Update**
   i. Total Billed
   ii. Total Received
   iii. Past Due - Water Service
      - 30 to 60 days
      - >60 days
   iv. Past Due – Assessment Only

c. **New Development Projects**
   i. **LDC – Day Street**
   ii. **SAWPA Grants**
      - New 1.1 MG
      - New Well
   iii. **New Apartments on Cottonwood**

d. **Ribbon Cutting** (August 12th, 2026, at 10am)

VII. **CLOSED SESSION**

VIII. **ADJOURNMENT**

BOX SPRINGS MUTUAL WATER COMPANY

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

Wednesday, June 17th, 2026

Board Meeting Minutes

I. **CALL TO ORDER** – called to order at 6:13 pm

II. **ROLL CALL**

President	(Mac) John McDermott – present
Vice President	Ron Gonzales – via phone
Secretary	Valentina Schafer - present
Treasurer	Misty Rose - present
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 May 19th, 2026, were distributed and reviewed. Charles Campbell motioned to accept, and Valentina Schafer seconded. The minutes were approved 5-0.

V. **GENERAL MANAGERS REPORT**

a. **Financial Review**

i. P&L Report - distributed and reviewed
   - Mark noted that the organization for the month of May had a net income of $6,000.00

ii. Budget Status Report - distributed and reviewed
   - Mark noted that the organization is performing well year-to-date, with a net income of $43,777.00 compared to $35,403.00 for the same period in 2025.

iii. Bank Accounts – distributed and reviewed
   - Treasurer Misty Rose noted that she observed construction activity at the Sherman & Day (LDC) project and asked whether the developer had made the required payment. Mark confirmed that LDC had paid the 50% amount required under the agreement, totaling $341,238.50.

b. **Billing Update**

i. Total Billed April 2026	$ 107,532.72
ii. Total Received	$ 108,264.85
iii. Past Due - Water Service	
o 30 to 60 days	$ 4,764.41
o >60 days	$ 357.95
iv. Past Due – Assessment Only	$ 84,403.27

c. **New Development Projects**

i. **LDC – Day Street –**
   - LDC is progressing quickly with the project. They have been working on the fire hydrant and have completed the backflow testing. Once the water connection is made, Box Springs Mutual Water Company will receive an additional payment.

ii. **SAWPA Grants**
   - New 1.1 MG –
     a. Funding for the final payment has not yet been received. Cal Rurals has stated that the payment has already been made; however, we have submitted copies of the invoices and payment records to demonstrate that the funds have not been received. In the meantime, we have issued the final payment to Crosno.
     b. Treasurer Misty Rose asked whether the older tanks had been inspected. Mark stated that they have not yet been inspected and that the estimated cost to inspect the older tanks is approximately $20,000.00.

   - New Well –
     a. Mark noted that the bid packages are expected to be ready for submission around end of July. Advertisements for bids are anticipated to go out in July, with construction expected to begin later this year. The first bid package will cover the drilling portion of the project, while we will do the electrical for the project.
     b. Mark reported that PFAS has been identified in the well and noted that Maria Kennedy is pursuing a grant to help fund PFAS treatment.
     c. President John "Mac" McDermott asked whether the bid package would need to be advertised for one month. Mark confirmed that it does.

iii. **Cottonwood Apartments –**
   - Completed

iv. **New Apartments on Cottonwood –**
   - Mark noted that the guys have 15 more sticks to go and would probably take 3-4 more weeks to finish. Installing a new super hydrant.

VI. **CLOSED SESSION –** No closed session

VII. **ADJOURNMENT** Adjourned at 6:33 pm

Next Meeting *July 21st, 2026 at 4:30pm*

BOX SPRINGS MUTUAL WATER COMPANY

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

Wednesday, June 17th, 2026 - 7:00 PM

Annual Shareholders Meeting Minutes

1. **PRESIDENT CALL TO ORDER** – Meeting called to order at 7:00 pm

2. **INTRODUCTIONS**

Officers and Directors:

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

Staff: General Manager-Mark Iverson, Administrative Assistant – Nancy Law

Guests: Roselin Castro, Roberto Vargas

Shareholders: There were 2 Shareholders present

Auditor for the Election: Debbie Patrick

John (Mac) McDermott introduced the Board of Directors and expressed his appreciation for General Manager Mark Iverson, commenting that the accomplishments of the past six years have been something to be proud of.

3. **PUBLIC COMMENT** - None

4. **MANAGER'S REPORT**

General Manager Mark Iverson presented a PowerPoint highlighting the numerous projects and improvements completed since 2021. He also discussed the condition of the water system when he began, noting the extensive repairs and upgrades that have been made to improve the system over the past several years. Highlights of the presentation included:

- Replacement of electrical infrastructure.
- Replacement of the backup generator, which was funded by developers.
- Implementation of a Geographic Information System (GIS) to inventory and manage the water system, including pipelines, hydrants, and other assets.
- Installation of a SCADA system to monitor tank water levels remotely, with access available via mobile devices.
- Office improvements.
- Upgraded the billing software, enabling staff to read and record water meter readings directly on mobile phones instead of using paper.
- Construction of a new shop for storing tools and materials.
- Replacement of more than 4,600 feet of pipeline, with Box Springs Mutual Water Company funding only approximately 1,400 feet out of pocket.
- Construction of a new 1.3-million-gallon storage tank funded through grant funds. Future plans include inspecting the two older tanks to determine whether they will remain in service.

- Plans to advertise for bids on the drilling of Well No. 17 at the end of July.

- **Budget and Financials**

	2023	2024	2025
Total Income	$910,274	$1,183,461	$1,007,748
Total Expenses	$852,788	$1,156,056	$1,134,579
Net Income	**$57,486**	**$27,375**	**$(80,238)**

- **Financial Review Report –** Reviewed. Mark noted that the negative net income reported for 2025 was primarily attributable to system repairs and the investment in training staff to install pipelines in-house, reducing the long-term costs associated with hiring outside contractors.

  Mark noted that, following the financial losses experienced in the past, Box Springs Mutual Water Company now reviews its budget and financial statements with the Board on a monthly basis and completes annual independent financial audits to ensure transparency and accountability.

- **Capital Improvements Completed in 2025**
  - New 1.3M Tank
  - Cottonwood Phase I (700')
- ***Projects Planned for 2025***
  - Cottonwood Phase II (700')
  - New Well

Valentina Schafer commented that she is very happy with Mark, and that the system would have failed if the upgrades had not been done.

5. **AUDITORS REPORT** – Please see attached letter from Auditor of Election

- 2,449 Shares Outstanding
- 24 Total Shares Represented (Final Count)
- Determination of Shareholders Quorum (50% - 1,245)

After the shareholder's Public comments and discussion period, the final votes were counted and President John (Mac) McDermott declared that a quorum was not reached, and the Board of Directors will remain the same with Ron Gonzales, Misty Rose, Charles Campbell, Valentina Schafer and John (Mac) McDermott.

6. **ADJOURNMENT:** Adjourned at 7:19pm

Debbie Patrick

10321 Wagonroad West, Corona, CA 92883 | 909.519.8552

June 18, 2026

Board of Directors
Box Springs Mutual Water Company
21740 Dracea Ave
Moreno Valley, CA 92553

Dear Board Members:

Relative to the Annual Meeting of Shareholders held at your offices on Wednesday, June 17, 2026, shown below is a listing of the results of the proxy votes received by me.

Total number of shares	2,449
Votes represented by proxies	24
Votes present at the meeting	0
Total votes represented	24

According to the By-Laws of the corporation, fifty percent (50%) of the issued shares must be represented in order to constitute a quorum. Unfortunately, fifty percent of the issued shares is 1,245; therefore, the total shares represented does not constitute a quorum.

After the shareholder's public comments and discussion period, the final votes were counted and President John McDermott declared that a quorum was not reached, and the Board of Directors will remain the same with Ron Gonzales, Misty Rose, Charles Campbell, Valentina Schafer, and John McDermott.

Sincerely,

Debbie Patrick

Box Springs Mutual Water Company

Statement of Activity

June 2026

	TOTAL
Revenue	
700 Water Revenue	
703 Service Charge	21,444.55
704 Water Charge	43,293.31
715 Add Unit Revenue	3,982.00
725 Other Revenue	
720 Late Fees, Penalties	1,275.03
726 Misc. Fees	221.78
Total for 725 Other Revenue	**$1,496.81**
Total for 700 Water Revenue	**$70,216.67**
735 Shareholder Assessments	23,204.97
736 Assessment-Late Penalty	42.36
Total for Revenue	**$93,464.00**
Gross Profit	**$93,464.00**
Expenditures	
820 Parts, Supplies, Tools	1,771.80
830 Repairs & Maintenance	100.04
840 USAS	19.35
850 WMWD	16,457.92
860 Pumping-Electricity	5,450.22
870 Laboratory Fees	991.00
881 Outside Services -COGS	31,439.62
906 Auto, Truck Expenses	$3,350.81
907 Fuel	663.94
913 Vehicle Repairs & Maintenance	55.81
Total for 906 Auto, Truck Expenses	**$4,070.56**
908 Bank Service Charges	24.34
912 Dues, Subscriptions	10.00
915 Computer Fees & Services	3,169.31
934 Insurance	
935 Insurance Auto	$5,512.00
937 Vision	42.06
938 Liability Insurance	20,875.00
939 Health	2,122.30
940 Dental	206.00
Total for 935 Insurance Auto	**$28,757.36**
Total for 934 Insurance	**$28,757.36**
942 Licenses, Permits, Fees	6,239.00
944 Office Expense	28,512.11
945 Payroll Expenses	$128.13
810 Operator Salaries	15,558.39
904 Administrative Salaries	13,214.49
946 Payroll Processing Fees	1,000.00

Box Springs Mutual Water Company

Statement of Activity

June 2026

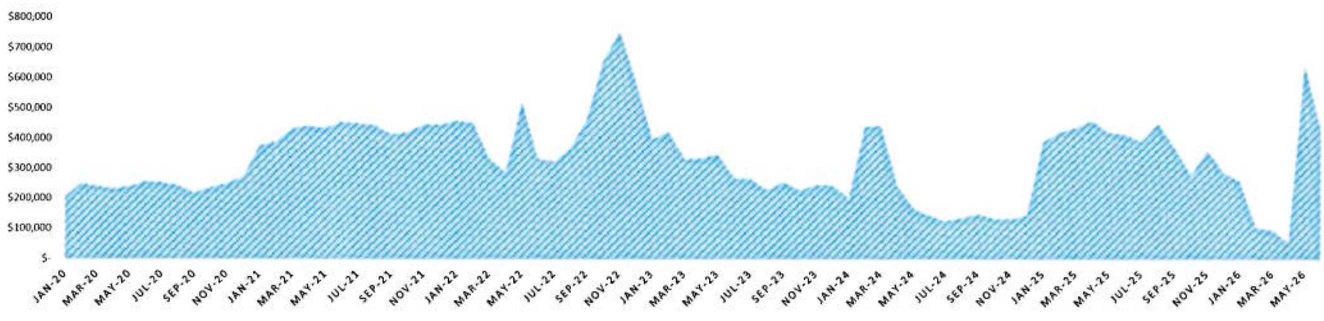
	TOTAL
948 Payroll Taxes	2,477.97
Total for 945 Payroll Expenses	**$32,378.98**
950 Postage, Delivery	595.55
952 Telephone	287.33
956 Uniforms	96.10
958 Utilities	273.52
959 Professional Fees	$750.00
902 Accounting	325.00
961 Legal Services	199.00
Total for 959 Professional Fees	**$1,274.00**
Total for Expenditures	**$161,918.11**
Net Operating Revenue	**-$68,454.11**
Other Revenue	
990 Interest Revenue	103.35
991 Cashback Rewards	11.03
Total for Other Revenue	**$114.38**
Other Expenditures	
Capital Improvements	
1000 Cottonwood Phase II	54,234.30
Total for Capital Improvements	**$54,234.30**
Total for Other Expenditures	**$54,234.30**
Net Other Revenue	**-$54,119.92**
Net Revenue	**-$122,574.03**

2026 Budget

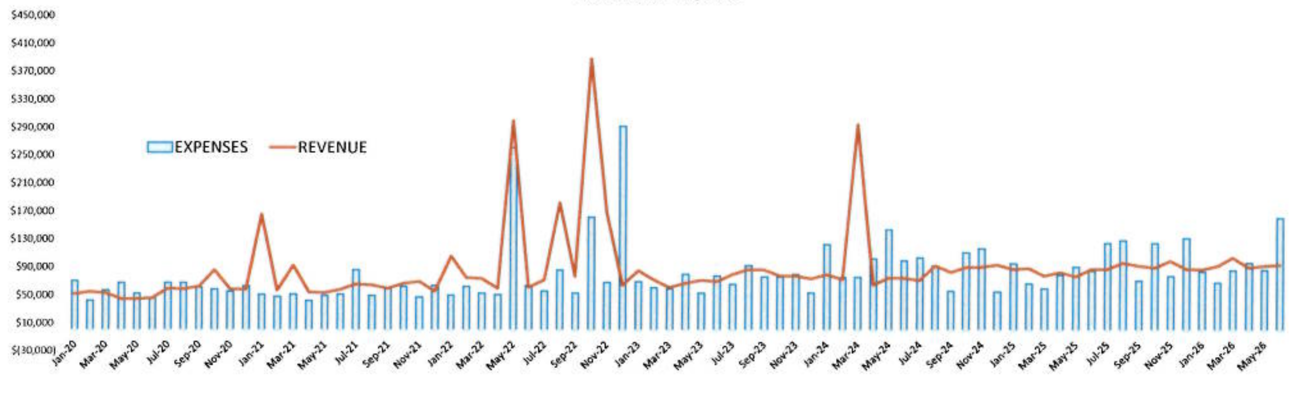
INCOME	Jan	Feb	Mar	Apr	May	Jun	2026 YTD	2025 YTD	2026 Budget
Operating Income									
700 Water Revenue							-	-	-
702 Non-Member Water		300					300	-	-
703 Service Charge	20,106	21,419	20,995	20,364	20,334	21,445	124,662	118,062	253,793
704 Water Charge	39,279	38,984	33,776	40,357	45,079	43,293	240,768	226,069	528,736
710 Add Meter Revenue			13,279				13,279	-	-
715 Add Unit Revenue	4,114	4,178	3,959	4,269	4,180	3,982	24,682	22,031	48,751
717 Connection Fees							-	-	100,000
720 Late Fees, Penalties	1,324	1,386	285	1,402	934	1,275	6,606	7,956	15,754
722 BS CC Payment Fee							-	-	-
725 Other Revenue - Other			6,178				6,178	-	-
726 Member Other Revenue	304	2,879	1,900	720	16	222	6,040	3,440	5,386
727 Non-Member Other Revenue							-	-	-
735 Shareholder Assessment	21,842	22,513	23,151	22,181	21,700	23,205	134,591	124,021	273,768
736 Assessment - Late Penalty						42	42	232	446
990 Interest Revenue			113	105	108	103	429	-	-
991 Cash Back Rewards			5		11.7	11	28	-	
Total INCOME	**86,967**	**91,658**	**103,640**	**89,399**	**92,362**	**93,578**	**557,605**	**501,810**	**1,226,635**

EXPENSES	Jan	Feb	Mar	Apr	May	Jun	2026 YTD		2026 Budget
810 Operator Salaries	13,530	10,200	16,382	25,215	14,836	15,558	95,722	74,461	167,581
820 Parts, Supplies, Tools	1,576	208	1,577	1,415	1,544	1,772	8,091	7,727	15,287
830 Repairs & Maintenance		2,375	2,500	2,523	801	100	8,299	3,580	7,763
840 USAS	12	13	17	24	13	19	98	70	173
850 WMWD	14,994	14,560	14,984	18,119	16,683	16,458	95,798	89,276	209,775
860 Pumping - Electricity	5,976		12,183	6,403	5,674	5,450	35,686	45,362	86,518
870 Laboratory Fees	3,920	722	1,908	1,202	1,227	991	9,970	6,292	17,158
880 Chlorine				1,158			1,158	2,195	5,297
881 Outside Services	2,200	4,575	4,160	2,553	1,625	31,440	46,552	45,685	132,392
902 Accounting		2,860	325	325	325	325	4,160	11,577	18,602
904 Administrative Salaries	10,113	13,529	12,300	16,959	12,849	13,214	78,965	61,155	152,474
906 Auto, Truck Expenses		590	82	380	308	3,351	4,711	380	1,947
907 Fuel	931	441	399	688	1,161	664	4,284	2,685	6,873
908 Bank Service Charges	459	383			167	24	1,033	2,648	5,261
909 Cashier Over/Short							-	-	-
910 Depreciation Expense							-	-	-
912 Dues and Subscriptions	610	385	549	10	10	10	1,574	3,929	7,347
913 Vechicle Maint and Repairs		125	2,603	54		56	2,838	153	1,809
914 Square Merch Fee							-	-	-
915 Computer Fees and Services	2,776	3,453	2,992	3,280	3,035	3,169	18,705	22,960	31,829
925 Engineering		2,000					2,000	-	-
930 Employee Benefits					(59)		(59)	-	-
932 Equipment Rental				294	268		562	6,626	7,041
935 Insurance Auto	11,095	1,286				5,512	17,892	11,835	14,477
936 Workers Comp	1,508	21	1,710	2,441	960		6,640	6,572	15,964
937 Vision			21	42		42	105	111	256
938 Liability						20,875	20,875	-	-
939 Health	1,990	2,069	2,196	1,990	2,122	2,122	12,491	7,854	21,891
940 Dental					103	206	309	107	116
941 D&O, EPI	2,431	2,468	2,468	2,468	3,611		13,446	18,082	43,496
942 Licenses, Permits, Fees						6,239	6,239	130	1,365
943 Meals & Entertainment			104				104	127	1,013
944 Office Expense	1,131	1,147	1,079	866	1,299	28,512	34,033	6,307	14,960
945 Payroll Expense					242	128		-	
946 Payroll Processing Fee	1,749	1,559	1,577	2,481	114		7,479	8,646	18,551
947 Outside Services - General	1,600						1,600	4,825	10,000
948 Payroll Taxes	3,921	2,687	2,554	3,445	2,175	2,478	17,260	13,735	26,678
950 Postage, Delivery	1,195		502	1,016	549	596	3,858	3,145	6,185
952 Telephone	174	239	349	562	287	287	1,899	1,760	3,936
956 Uniforms					175	96	271	449	814
958 Utilities	262	86	388	194	332	274	1,536	1,243	3,660
959 Professional Fees						750	750	298	-
961 Legal Services		398			13,556	199	14,153	(384)	41,265
962 Attorney Settlment							-	-	-
996 State Income Tax							-	6,041	-
749 Property Tax							-	-	-
Total EXPENSES	**84,152**	**68,380**	**85,910**	**96,106**	**85,992**	**160,918**	**581,089**	**477,646**	**1,099,752**
Net Income	2,815	23,279	17,730	(6,708)	6,370	(67,340)	(23,484)	24,165	126,882
Cash Reserves (In Bank)	**258,028**	**102,738**	**93,074**	**53,401**	**642,604**	**432,107**		**413,428**	

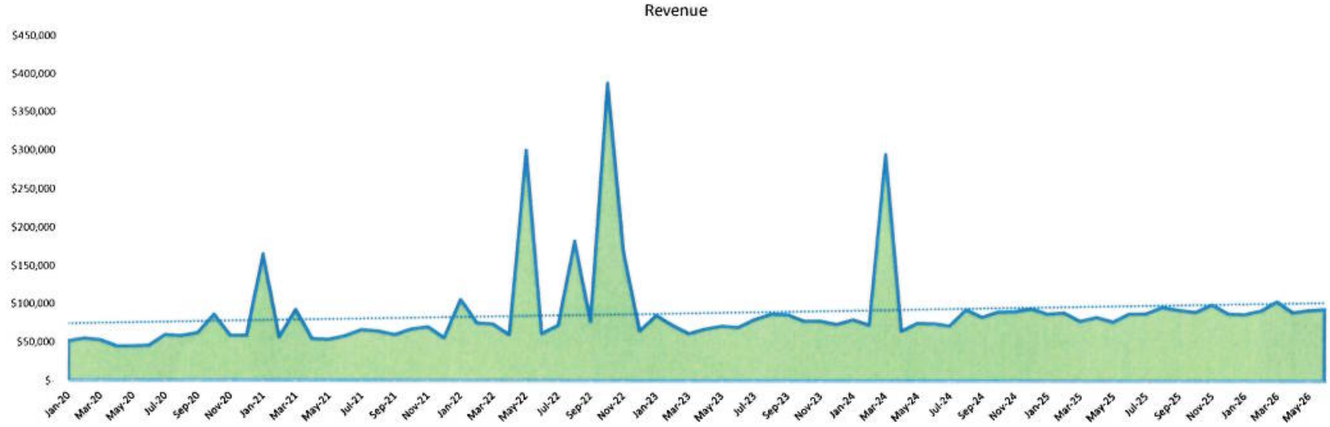
TOTAL BANK BALANCE



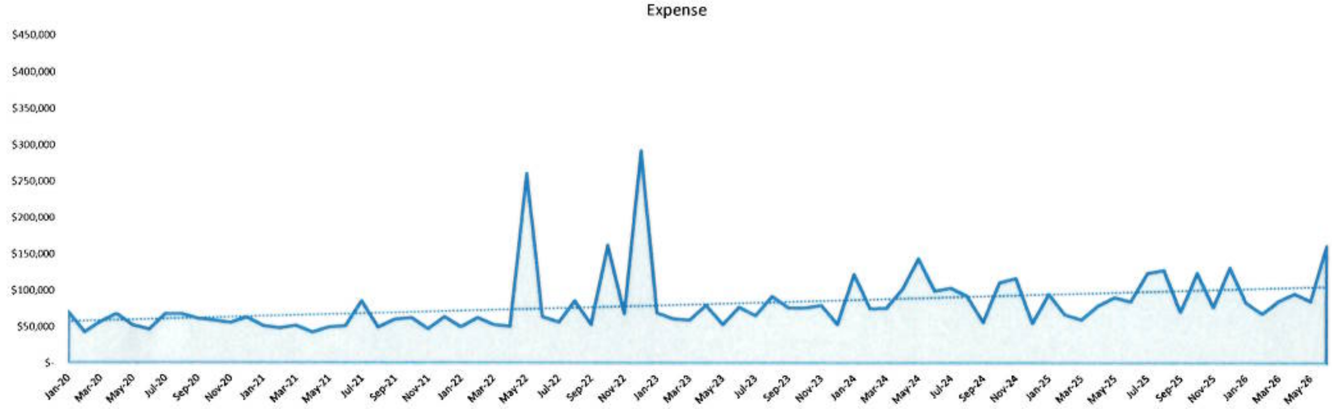
Revenue and Expense



Revenue



Expense



2026

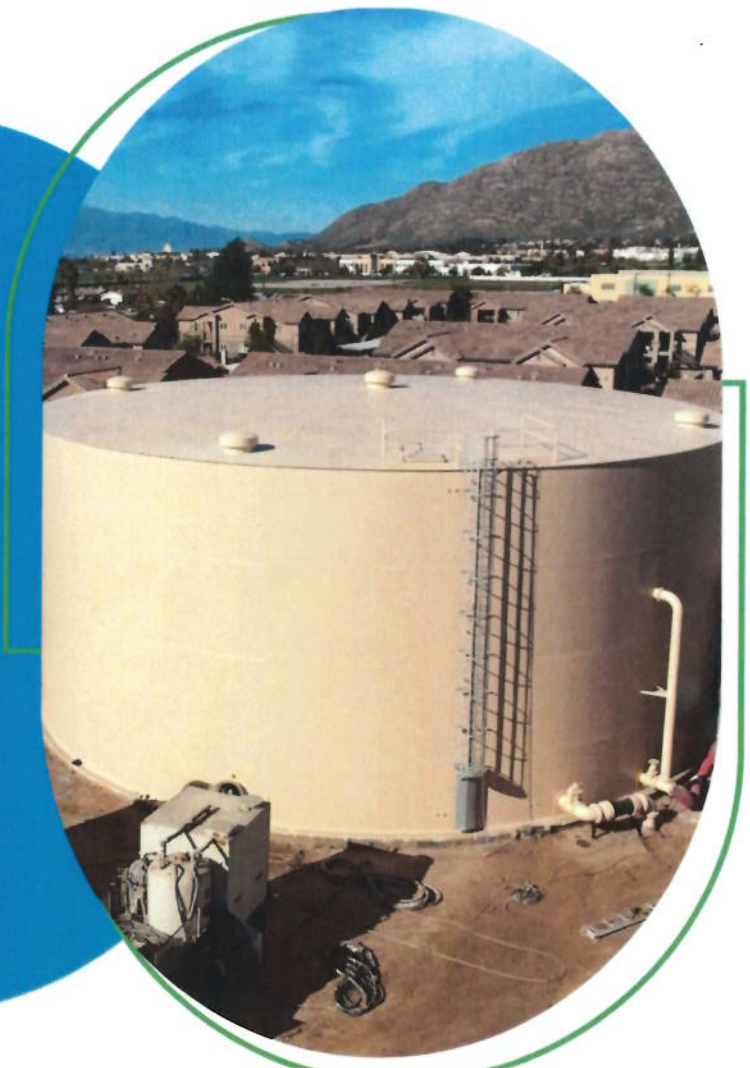
Meter Reads and Payment Data

Prior Read	End Read	# Days in Cycle	Water Accts	Total Accts	Started Reads	Closing Totals	$ Received	Difference	QB Rcv'd	Postage	Pieces Sent	Bills Sent	E-Bills Sent	Total Penalties Applied	Accts Past Due 30-60 Days	Accts Past Due >60 Days	Asmnt Past Due
12/31	1/29	29	642		1/28	$ 89,156.30	$ 100,352.93	$ (4,698.59)	$ 95,654.34	$ 498.15	641	1/30	40	$ 1,323.69	$ 4,153.85	$ 344.83	$ 80,652.23
1/30	2/28	30	645	833	2/24	$ 87,317.18	$ 90,262.30	$ 5,118.01	$ 95,380.31	$ 454.43	602	2/27	31	$ 1,410.00	$ 6,689.71	$ -	$ 81,508.25
3/1	3/26	26	646	752	3/25	$ 98,260.32	$ 112,656.91	$ (3,990.57)	$ 108,666.34	$ 453.59	611	3/27	31	$ 1,395.00	$ 7,576.73	$ 317.70	$ 82,563.06
3/27	4/28	33	646	752	4/27	$ 107,532.72	$ 108,264.85	$ (2,898.11)	$ 105,366.74	$ 453.59	611	4/30	38	$ 990.00	$ 4,764.41	$ 357.95	$ 84,403.27
4/29	5/28	30	642	834	5/26	$ 119,159.73	$ 105,653.37	$ (5,702.49)	$ 99,950.88	$ 451.52	602	5/29	357	$ 1,260.00	$ 5,918.78	$ 2,615.70	$ 76,836.67

BoxSprings
MUTUAL WATER
"Providing Reliable Water Service Since 1920"

YOU'RE INVITED!

RIBBON CUTTING CEREMONY



WEDNESDAY, AUGUST 12
10 AM

21814 DRACAEA AVE
MORENO VALLEY, CA
92533

JOIN US TO CELEBRATE THE COMPLETION OF A NEW 1.3 MILLION GALLON WATER TANK, IMPROVING OUR COMMUNITY'S WATER RELIABILITY.

LIGHT REFRESHMENTS WILL BE SERVED.

RSVP HERE

QUESTIONS? CONTACT YASMEEN AT
YASMEEN@OSTRATEGIESGROUP.COM