BOX SPRINGS MUTUAL WATER COMPANY

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

Tuesday, August 18th, 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. **GENERAL MANAGERS REPORT**

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

b. **Billing ordinance**
   i. ADU fees
   ii. Shares
   iii. Rate increase (3%)

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

d. **CalMutuals Annual Meeting**
   i. November 2-3, 2026, Indian Wells CA

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

BOX SPRINGS MUTUAL WATER COMPANY

21740 Dracaea Avenue, Moreno Valley, CA 92553
(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*

Box Springs Mutual Water Company

Statement of Activity
July 2026

	Total
Revenue	
700 Water Revenue	
703 Service Charge	20,138.13
704 Water Charge	44,047.27
715 Add Unit Revenue	4,014.29
725 Other Revenue	
720 Late Fees, Penalties	958.47
726 Misc. Fees	2,058.40
Total for 725 Other Revenue	**$3,016.87**
Total for 700 Water Revenue	**$71,216.56**
735 Shareholder Assessments	22,978.26
736 Assessment-Late Penalty	65.61
Total for Revenue	**$94,260.43**
Gross Profit	**$94,260.43**
Expenditures	
820 Parts, Supplies, Tools	-11.32
840 USAS	6.45
850 WMWD	20,966.25
860 Pumping-Electricity	6,265.06
881 Outside Services -COGS	13,296.50
906 Auto, Truck Expenses	$458.00
907 Fuel	1,590.12
913 Vehicle Repairs & Maintenance	418.85
Total for 906 Auto, Truck Expenses	**$2,466.97**
908 Bank Service Charges	13.66
912 Dues, Subscriptions	10.00
915 Computer Fees & Services	3,889.31
934 Insurance	
935 Insurance Auto	-$3,669.12
936 Workers Comp	1,649.58
939 Health	2,122.30
941 D&O, EPI	-23.45
Total for 935 Insurance Auto	**$79.31**
Total for 934 Insurance	**$79.31**
944 Office Expense	907.14
945 Payroll Expenses	
810 Operator Salaries	17,718.51
904 Administrative Salaries	12,502.74
946 Payroll Processing Fees	-115.61
948 Payroll Taxes	1,909.97
Total for 945 Payroll Expenses	**$32,015.61**
947 Outside Services - General	600.00

Box Springs Mutual Water Company

Statement of Activity

July 2026

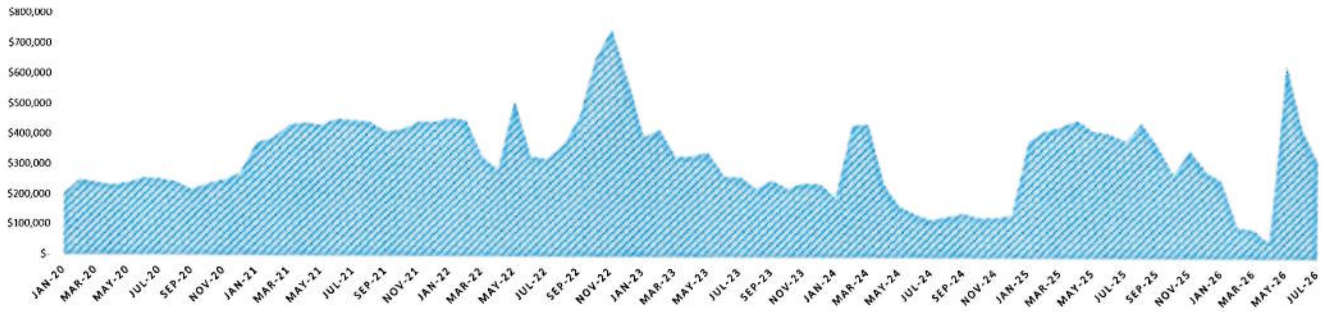
	Total
950 Postage, Delivery	1,762.78
952 Telephone	162.34
956 Uniforms	156.65
958 Utilities	814.77
959 Professional Fees	$3,750.00
902 Accounting	325.00
Total for 959 Professional Fees	**$4,075.00**
Total for Expenditures	**$87,476.48**
Net Operating Revenue	**$6,783.95**
Other Revenue	
990 Interest Revenue	107.00
991 Cashback Rewards	56.87
Total for Other Revenue	**$163.87**
Net Other Revenue	**$163.87**
Net Revenue	**$6,947.82**

2026 Budget

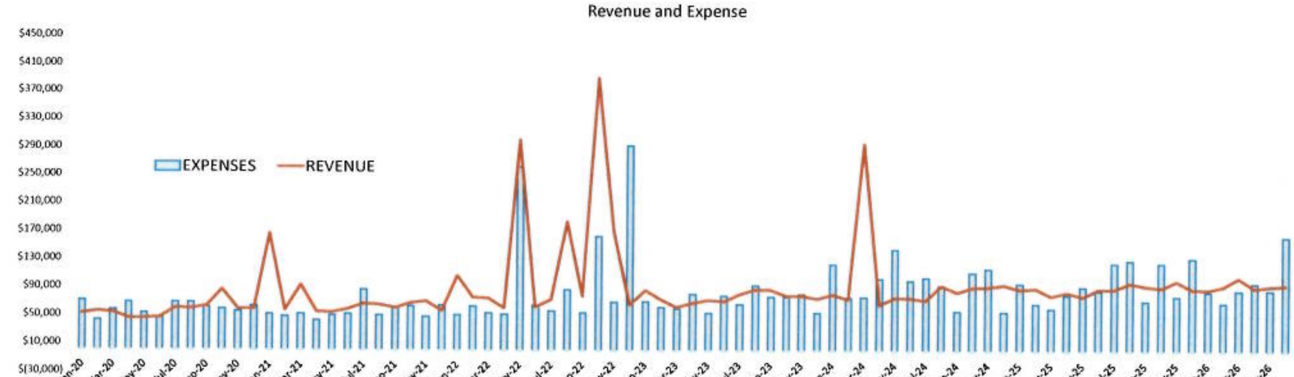
INCOME	Jan	Feb	Mar	Apr	May	Jun	Jul	2026 YTD	2025 YTD	2026 Budget
Operating Income										
700 Water Revenue								-	-	-
702 Non-Member Water		300						300	-	-
703 Service Charge	20,106	21,419	20,995	20,364	20,334	21,445	20,138	144,800	137,859	253,793
704 Water Charge	39,279	38,984	33,776	40,357	45,079	43,293	44,047	284,815	268,616	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	4,014	28,696	25,695	48,751
717 Connection Fees								-	-	100,000
720 Late Fees, Penalties	1,324	1,386	285	1,402	934	1,275	958	7,564	8,600	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	2,058	8,099	4,071	5,386
727 Non-Member Other Revenue								-	-	-
735 Shareholder Assessment	21,842	22,513	23,151	22,181	21,700	23,205	22,978	157,570	144,363	273,768
736 Assessment - Late Penalty						42	66	108	285	446
990 Interest Revenue			113	105	108	103	107	536	-	-
991 Cash Back Rewards			5		11.7	11	57	85	-	
Total INCOME	**86,967**	**91,658**	**103,640**	**89,399**	**92,362**	**93,578**	**94,424**	**652,029**	**589,489**	**1,226,635**

EXPENSES	Jan	Feb	Mar	Apr	May	Jun	Jul	2026 YTD		2026 Budget
810 Operator Salaries	13,530	10,200	16,382	25,215	14,836	15,558	17,719	113,440	87,037	167,581
820 Parts, Supplies, Tools	1,576	208	1,577	1,415	1,544	1,772	(11)	8,080	16,106	15,287
830 Repairs & Maintenance		2,375	2,500	2,523	801	515		8,713	4,539	7,763
840 USAS	12	13	17	24	13	19	6	104	83	173
850 WMWD	14,994	14,560	14,984	18,119	16,683	16,458	20,966	116,764	104,748	209,775
860 Pumping - Electricity	5,976		12,183	6,403	5,674	5,450	6,265	41,951	52,440	86,518
870 Laboratory Fees	3,920	722	1,908	1,202	1,227	991		9,970	7,277	17,158
880 Chlorine				1,158				1,158	3,368	5,297
881 Outside Services	2,200	4,575	4,160	2,553	1,625	31,440	13,297	59,848	89,317	132,392
902 Accounting		2,860	325	325	325	1,325	325	5,485	16,702	18,602
904 Administrative Salaries	10,113	13,529	12,300	16,959	12,849	13,214	12,503	91,468	69,677	152,474
906 Auto, Truck Expenses		590	82	380	308	3,351	458	5,169	2,487	1,947
907 Fuel	931	441	399	688	1,161	664	1,590	5,874	3,600	6,873
908 Bank Service Charges	459	383			167	24	14	1,047	3,074	5,261
909 Cashier Over/Short								-	-	-
910 Depreciation Expense								-	-	-
912 Dues and Subscriptions	610	385	549	10	10	10	10	1,584	3,939	7,347
913 Vechicle Maint and Repairs		125	2,603	54		56	419	3,257	361	1,809
914 Square Merch Fee								-	-	-
915 Computer Fees and Services	2,776	3,453	2,992	3,280	3,035	3,169	3,889	22,595	25,636	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	(3,669)	14,223	11,835	14,477
936 Workers Comp	1,508	21	1,710	2,441	960		1,650	8,289	7,927	15,964
937 Vision			21	42		42		105	132	256
938 Liability						20,875		20,875	-	-
939 Health	1,990	2,069	2,196	1,990	2,122	2,122	2,122	14,613	9,923	21,891
940 Dental					103	206		309	107	116
941 D&O, EPI	2,431	2,468	2,468	2,468	3,611		(23)	13,422	18,082	43,496
942 Licenses, Permits, Fees						6,239		6,239	1,170	1,365
943 Meals & Entertainment			104					104	452	1,013
944 Office Expense	1,131	1,147	1,079	866	1,299	28,512	907	34,940	8,740	14,960
945 Payroll Expense					242	128			-	
946 Payroll Processing Fee	1,749	1,559	1,577	2,481	114		(116)	7,364	10,101	18,551
947 Outside Services - General	1,600						600	2,200	6,375	10,000
948 Payroll Taxes	3,921	2,687	2,554	3,445	2,175	2,478	1,910	19,170	15,349	26,678
950 Postage, Delivery	1,195		502	1,016	549	596	1,763	5,621	3,664	6,185
952 Telephone	174	239	349	562	287	287	162	2,062	2,156	3,936
956 Uniforms					175	96	157	428	624	814
958 Utilities	262	86	388	194	332	274	815	2,351	1,622	3,660
959 Professional Fees						750	3,750	4,500	298	-
961 Legal Services		398			13,556	199		14,153	(3,084)	41,265
962 Attorney Settlment								-	-	-
996 State Income Tax								-	9,371	-
749 Property Tax								-	-	-
Total EXPENSES	**84,152**	**68,380**	**85,910**	**96,106**	**85,992**	**162,333**	**87,477**	**669,981**	**601,860**	**1,099,752**
Net Income	2,815	23,279	17,730	(6,708)	6,370	(68,754)	6,947	(17,951)	(12,371)	126,882
Cash Reserves (In Bank)	**258,028**	**102,738**	**93,074**	**53,401**	**642,604**	**432,107**	**319,860**		**448,615**	

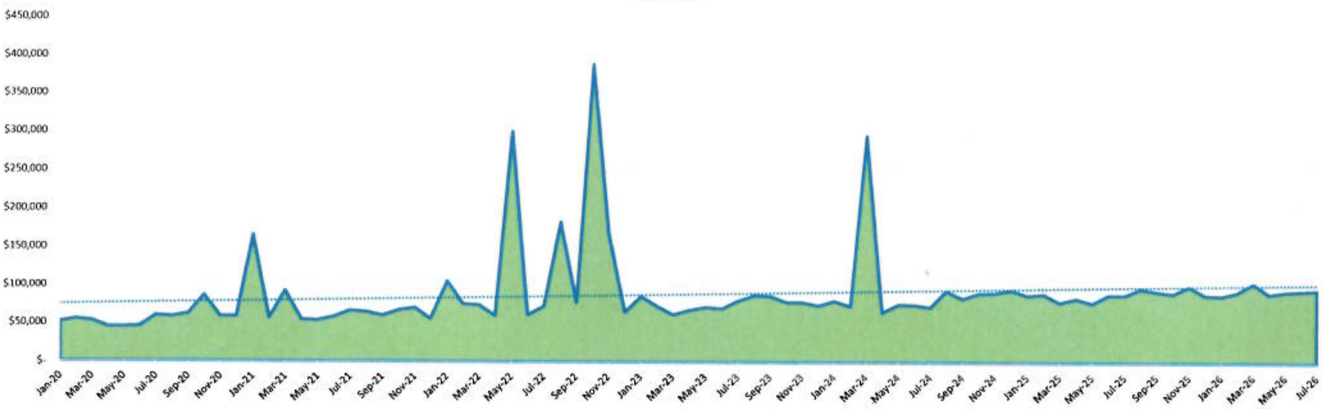
TOTAL BANK BALANCE



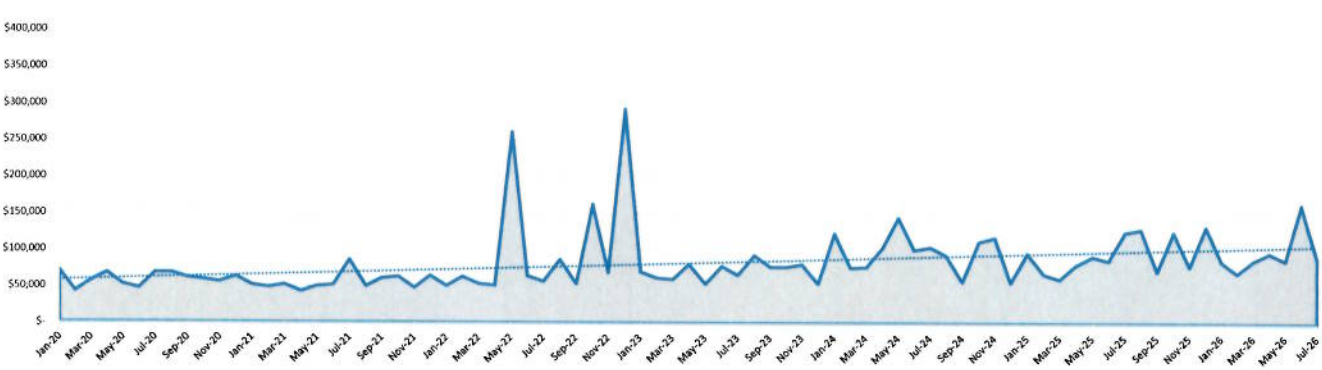
Revenue and Expense



Revenue



Expense



Rate Schedule
Lista de Tarifas
Effective October 1, 2026

	Meter Size	Previous Rate	Percent	Increase	New Rate
Service Charge	5/8"	$ 28.44	3.00%	$ 0.85	$ 29.29
per meter size	3/4"	$ 28.44	3.00%	$ 0.85	$ 29.29
	1"	$ 37.64	3.00%	$ 1.13	$ 38.77
	1 1/2"	$ 87.35	3.00%	$ 2.62	$ 89.97
	2"	$ 136.59	3.00%	$ 4.10	$ 140.68
	3"	$ 253.28	3.00%	$ 7.60	$ 260.88
Water Useage Charge					
per Billing Unit (748 gallons)		$ 3.66	3.00%	$ 0.11	$ 3.77
Additional Units		$ 7.63	119.80%	$ 9.14	$ 16.77
Assessment					
per share per month		$ 10.17	3.00%	$ 0.31	$ 10.48

Example Bill Calculation
Ejemplo de Cálculos de Facturas

Your Meter Size	3/4"	$ 29.29	
Your Monthly Usage (units)	12	$ 45.19	
Number of Shares You Own	2	$ 20.95	
EXAMPLE Total	*	$ 95.43	(before tax)

NOTE: This is NOT a bill
Esto no es UNA factura

This is only an example showing new rates at an 3.0% increase.

Este es sólo un ejemplo que muestra las nuevas tarifas con un aumento de 3.0%.

Rate Schedule
Lista de Tarifas
Effective October 1, 2025

	Meter Size	Previous Rate	Percent	Increase	New Rate
Service Charge	5/8"	$ 26.33	8.00%	$ 2.11	$ 28.44
per meter size	3/4"	$ 26.33	8.00%	$ 2.11	$ 28.44
	1"	$ 34.85	8.00%	$ 2.79	$ 37.64
	1 1/2"	$ 80.88	8.00%	$ 6.47	$ 87.35
	2"	$ 126.47	8.00%	$ 10.12	$ 136.59
	3"	$ 234.52	8.00%	$ 18.76	$ 253.28
Water Useage Charge					
per Billing Unit (748 gallons)		$ 3.39	8.00%	$ 0.27	$ 3.66
Additional Units		$ 7.06	8.00%	$ 0.57	$ 7.63
Assessment					
per share per month		$ 9.42	8.00%	$ 0.75	$ 10.17

Example Bill Calculation
Ejemplo de Cálculos de Facturas

Your Meter Size	3/4"	$ 28.44	
Your Monthly Usage (units)	12	$ 43.87	
Number of Shares You Own	2	$ 20.34	
EXAMPLE Total	*	$ 92.65	(before tax)

NOTE: This is NOT a bill
Esto no es UNA factura

This is only an example showing new rates at an 8.0% increase.

Este es sólo un ejemplo que muestra las nuevas tarifas con un aumento de 8.0%.

Rate Schedule
Lista de Tarifas
Effective October 1, 2026

	Meter Size	Previous Rate	Percent	Increase	New Rate
Service Charge	5/8"	$ 28.44	3.00%	$ 0.85	$ 29.29
per meter size	3/4"	$ 28.44	3.00%	$ 0.85	$ 29.29
	1"	$ 37.64	3.00%	$ 1.13	$ 38.77
	1 1/2"	$ 87.35	3.00%	$ 2.62	$ 89.97
	2"	$ 136.59	3.00%	$ 4.10	$ 140.68
	3"	$ 253.28	3.00%	$ 7.60	$ 260.88
Water Useage Charge					
per Billing Unit (748 gallons)		$ 3.66	3.00%	$ 0.11	$ 3.77
Additional Units		$ 7.63	3.00%	$ 0.23	$ 7.86
Assessment					
per share per month		$ 10.17	3.00%	$ 0.31	$ 10.48

Example Bill Calculation
Ejemplo de Cálculos de Facturas

Your Meter Size	3/4"	$ 29.29	
Your Monthly Usage (units)	12	$ 45.19	
Number of Shares You Own	2	$ 20.95	
EXAMPLE Total	*	$ 95.43	(before tax)

NOTE: This is NOT a bill
Esto no es UNA factura

This is only an example showing new rates at an 3.0% increase.

Este es sólo un ejemplo que muestra las nuevas tarifas con un aumento de 3.0%.

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
5/29	6/27	30	643	830	6/24	$ 104,004.17	$ 101,543.84	$ 465.48	$ 102,009.32	$447.08	596	6/26	357	$ 975.00	$4,489.19	$1,758.14	$76,923.89

California Association of Mutual Water Companies (CalMutuals) and CalMutuals Joint Powers Risk and Insurance Management Authority Joint Annual Meeting (JPRIMA)

Tommy Bahama Miramonte Resort & Spa • 45000 Indian Wells Ln, Indian Wells, CA 92210

November 2-3, 2026

Monday, November 2, 2026	
12:00 - 1:00 PM	**Lunch and Welcome**
1:00 - 2:00 PM	**JPRIMA Annual Meeting** • President, CEO, Finance Manager, Insurance Administrator Reports • Administrator/Broker of the Year Awards
2:00 - 2:45 PM	**Risk Management Fundamentals** • Preview of CIPRO Certification Program • Guidance in developing wildfire-specific incident response plans required by SB 1153
2:45 - 3:00 PM	**Break**
3:00 - 4:30 PM	**Large Systems Helping Small Panel** • Discuss successful large-helping-small cases. Demonstrate how to connect with nearby, larger systems for support and how to foster successful parternerships/relationships
6:00 - 8:00 PM	**Dinner & Awards** *Sunset Terrace (Outside on second floor of main building)*

Tuesday, November 3, 2026 – Day 2	
8:00 - 9:00 AM	**Breakfast & Member Roundtable** • Member Feedback on Proposed Expansion of Resources
9:00 - 9:45 AM	**CalMutuals Annual Meeting** • State of the Association (CalMutuals) • Update on progress in achieving Strategic Plan Priorities • Election of Officers
9:45 - 10:00 AM	**Break**
10:00 - 11:00 AM	**Session: Fire Hardening Best Practices and Resources**
11:00 AM - 12:00 PM	**Session: Comprehensive Guide to Compliance with Back Up Power Requirements**
12:00 - 1:00 PM	**Session: System Valuation Guidance**
1:00 - 2:00 PM	**Lunch & Wrap Up**