

BOX SPRINGS MUTUAL WATER COMPANY

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

Tuesday, June 18, 2025 - 6:00 pm

Board Meeting Agenda

I. CALL TO ORDER

II. ROLL CALL

<u>President</u>	(Mac) John McDermott
<u>Vice President</u>	Ron Gonzales
<u>Secretary</u>	Valentina Schafer
<u>Treasurer</u>	Misty Rose
<u>Director</u>	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 Update

- i. Total Billed
- ii. Total Received
- iii. Past Due - Water Service
 - o 30 to 60 days
 - o >60 days
- iv. Past Due – Assessment Only
- v. Meter Replacements

c. New Development Projects

- i. LDC – Day Street
- ii. SAWPA Grants
 - o New 1.1 MG
 - o New Well
- iii. Cottonwood Apartments
- iv. New Apartments on Cottonwood

d. Home Purchase - 13142 Edgemont Street

VI. CLOSED SESSION

VII. ADJOURNMENT

BOX SPRINGS MUTUAL WATER COMPANY

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

Tuesday, May 20, 2025 - 4:30 pm

Board Meeting Minutes

I. **CALL TO ORDER** – called to order at 4:32 pm

II. **ROLL CALL**

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

Other attendees: Mark Iverson, Karen Collins, Maria Kennedy, Argel Almaguer, David Reyes Aranda, Lioncio Ramirez, Monica Gutierrez, Rovertto Acevedo, Patricia Para, Pedro Delgado, Maria Martinez, Maria Benney, Brian Schafer

III. **PUBLIC COMMENTS** – there were several shareholders present. President McDermott announced that comments will be held to 3 minutes per person.

Some comments included:

- Concern regarding a letter received by David Reyes Aranda asserting claims against Box Springs MWC and how funds and projects are being handled. All legally required documentation was provided to Mr. Aranda as requested. Additionally, he was invited to schedule an appointment to come view additional documentation that cannot be copied but can be viewed as well as a tour of the Tank Farm and all new equipment. Mr. Aranda has not taken advantage of the invitation as of today.
- Question regarding Assessments and when will they be going away? Assessments are indefinite for funding improvements to pipelines, booster stations, tank farms, etc. Municipal Water Districts assess their improvements through taxes but Mutual's are assessed directly between the shareholder and the Mutual Water Company.
- Concern regarding Annual reports, etc. There are monthly documents provided at each Board Meeting and annually at the Shareholders Meeting. The offer was made to all shareholders to schedule a time to view any documentation they would like to see and to attend the monthly Board Meetings for regular updates.
- A shareholder is upset about his monthly Assessment. He stated he pays less in taxes than he pays toward his water bill. He shared we are operating a business that doesn't make money and there is no way to determine how much future bills will cost. He was additionally upset that as a customer he was told by an employee that Biden was at fault for the cost of his water bill.
- Mac introduced himself to the shareholders. He explained that he's been a member of this community for 45 years. He shared that he came on the Board at the end of 2019 and as Board President in the beginning of 2020 as a new, full Board was elected.
- Valentina Schafer shared that she has been a member of the Board for just shy of a year and that she had her suspicions initially but since having access to

review all the financials, including bank statements each month, she has found nothing of concern. Ms. Schafer has also been a long-time member of a Board for her condominium complex.

- Mark Iverson shared details regarding the work that was required by Phelan for water service, connection fees, and improvements to the service area.
- Leo raised his concern regarding parking and the speed limit for his property which includes an easement for BSMWC to gain access to the Tank Farm. Leo is concerned with the ruts in the road and wanted to know the potential to upgrade the road. Mark shared the cost to improve the driveway was exceptionally high and that Box Springs would continue to keep the road graded as a courtesy due to use.
- Maria Kennedy shared with those present that she is a grant writer and explained that she had visited here when Ray Fisher was on the Board and Debra Sutton was an employee and sees a definite difference between business then and now.

IV. **REVIEW PREVIOUS BOARD MEETING MINUTES** – President McDermott read the minutes from the April 15, 2025, Board Meeting. Valentina Schafer motioned to accept the minutes. The motion was seconded by Ron Gonzales and the minutes were unanimously accepted and approved.

V. **GENERAL MANAGERS REPORT**

a. **Financial Review**

- i. P&L Report – distributed and reviewed. The CPA is completing a review of the accounts at this time and it will be ready and available for distribution at the annual shareholder meeting in June. The taxes for 2021 were complete and 2022 will be done by the end of this week followed by 2023 and 2024 as quickly as possible.
- ii. Budget Status Report – distributed and reviewed.
- iii. Bank Accounts – distributed and reviewed.

b. **Billing Update**

- i. Total Billed \$74,730.31
- ii. Total Received \$89,807.52
- iii. Past Due - Water Service
 - o 30 to 60 days \$ 1,648.33
 - o >60 days \$ 266.02
- iv. Past Due – Assessment Only \$76,259.32
- v. Meter Replacements – we have 10 of the old Neptune meters remaining that will be replaced and 2 meters that are reading at zero and will be replaced in the next few weeks. The priority will be those zero reads.

c. **New Development Projects**

- i. **LDC – Day Street** – nothing new to report.
- ii. **SAWPA Grants**
 - o New 1.5 MG - Resolution No 2025-01 to accept the grant from the Division of Drinking Water (DDW) for a 1 MGD water storage reservoir was presented, Charles Campbell motioned to approved, Misty Rose seconded the motion. The resolution was approved unanimously.
 - o New Well – the DDW will hold off on the new well until the tank replacement project is under way.
- iii. **Cottonwood Apartments** – funds were received. Pipeline improvement for a portion of Cottonwood will scheduled for installation

- d. **Home Purchase** - 13142 Edgemont Street – escrow documents are in process. BSMWC will requests an extension for escrow due to getting the back taxes completed. There is a question from the floor asking why we are purchasing the house on Edgemont. Mark shared the overview of the mapping and where the property is located and the purpose for the purchase. Additionally Mark shared that the home itself will likely be rented to pay the mortgage costs. BSMWC is reviewing the best options for the property's use for the company and will discuss at a future Board Meeting.
- e. **Upcoming Annual Shareholders Meeting** - Ballot / Proxy – the draft copy of the new forms were shared with the Board. The plan is the create a merged document that will show the property owner's name, address, and number of shares. The ballots will be mailed no later than Wednesday, June 4, 2025.
- f. **New (used) Vehicle Purchase** – Mark shared details with the Board regarding a used Ford truck for sale. The current 2004 Chevrolet truck is getting high in mileage and experiencing some aging issues. The current thinking is BSMWC will attempt to sell the Chevrolet to offset the cost of the Ford. A motion was made by Charles Campbell to purchase the new truck, Misty Rose seconded the motion, motion passed unanimously.

VI. CLOSED SESSION – Potential Litigation

VII. ADJOURNMENT - Board meeting adjourned at 5:47 pm

Next Board Meeting: Wednesday, June 18, 2025, 6:00 pm

Immediately followed by the:

Annual Shareholder Meeting, Wednesday, June 18, 2025, 7:00 pm

Statement of Activity

Box Springs Mutual Water Company

May 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Income	
700 Water Revenue	0
703 Service Charge	18,316.46
704 Water Charge	33,168.39
715 Add Unit Revenue	4,414.73
725 Other Revenue	0
720 Late Fees, Penalties	866.88
726 Member Other Revenue	1,000.00
Total for 725 Other Revenue	\$1,866.88
Total for 700 Water Revenue	\$57,766.46
735 Shareholder Assessments	19,445.55
Total for Income	\$77,212.01
Cost of Goods Sold	
Gross Profit	\$77,212.01
Expenses	
820 Parts, Supplies, Tools	3,491.16
840 USAS	14.80
850 WMWD	13,737.12
860 Pumping-Electricity	5,923.19
870 Laboratory Fees	477.41
880 Chlorine	1,067.68
881 Outside Services -COGS	3,920.00
906 Auto, Truck Expenses	0
907 Fuel	515.19
Total for 906 Auto, Truck Expenses	\$515.19
908 Bank Service Charges	401.33
912 Dues, Subscriptions	10.00
915 Computer Fees & Services	2,602.29
932 Equipment Rental	750.00
934 Insurance	0
935 Insurance Auto	0
936 Workers Comp	2,014.71
939 Health	2,069.30
Total for 935 Insurance Auto	\$4,084.01
Total for 934 Insurance	\$4,084.01
942 Licenses, Permits, Fees	60.00
944 Office Expense	2,080.34

Statement of Activity

Box Springs Mutual Water Company

May 1-31, 2025

DISTRIBUTION ACCOUNT	TOTAL
945 Payroll Expenses	0
810 Operator Salaries	18,719.21
904 Administrative Salaries	14,122.21
946 Payroll Processing Fees	1,976.35
948 Payroll Taxes	2,627.99
Total for 945 Payroll Expenses	\$37,445.76
952 Telephone	352.67
958 Utilities	162.27
959 Professional Fees	0
902 Accounting	7,452.20
961 Legal Services	398.00
Total for 959 Professional Fees	\$7,850.20
Total for Expenses	\$84,945.42
Net Operating Income	-\$7,733.41
Other Income	
Other Expenses	
996 State Income Tax	6,041.00
Total for Other Expenses	\$6,041.00
Net Other Income	-\$6,041.00
Net Income	-\$13,774.41

2025

INCOME	Jan	Feb	Mar	Apr	May	2025 YTD	2024 YTD	2025 Budget
Operating Income								
700 Water Revenue	\$ (68)					\$ (68)	\$ 150,423	\$ 157,945
702 Non-Member Water						\$ -	\$ -	\$ -
703 Service Charge	\$ 19,980	\$ 19,588	\$ 18,697	\$ 21,710	\$ 18,316	\$ 98,292	\$ 33,199	\$ 173,976
704 Water Charge	\$ 40,322	\$ 43,020	\$ 33,169	\$ 34,103	\$ 33,168	\$ 183,783	\$ 58,804	\$ 368,248
710 Add Meter Revenue						\$ -	\$ -	\$ 3,818
715 Add Unit Revenue	\$ 3,349	\$ 3,520	\$ 3,771	\$ 3,375	\$ 4,415	\$ 18,431	\$ 14,979	\$ 37,237
717 Connection Fees						\$ -	\$ 222,805	\$ 222,805
720 Late Fees, Penalties	\$ 1,023	\$ 930	\$ 1,216	\$ 1,827	\$ 867	\$ 5,863	\$ 2,625	\$ 9,147
722 BS CC Payment Fee						\$ -	\$ -	\$ -
725 Other Revenue - Other						\$ -	\$ 175	\$ 1,858
726 Member Other Revenue	\$ 675	\$ 726	\$ 292	\$ 289	\$ 1,000	\$ 2,982	\$ 2,791	\$ 7,802
727 Non-Member Other Revenue						\$ -	\$ -	\$ -
735 Shareholder Assessment	\$ 21,833	\$ 20,881	\$ 20,866	\$ 21,396	\$ 19,446	\$ 104,423	\$ 101,967	\$ 247,716
736 Assessment - Late Penalty		\$ 19		\$ 213		\$ 232	\$ -	\$ -
990 Interest Revenue						\$ -	\$ 2	\$ 2

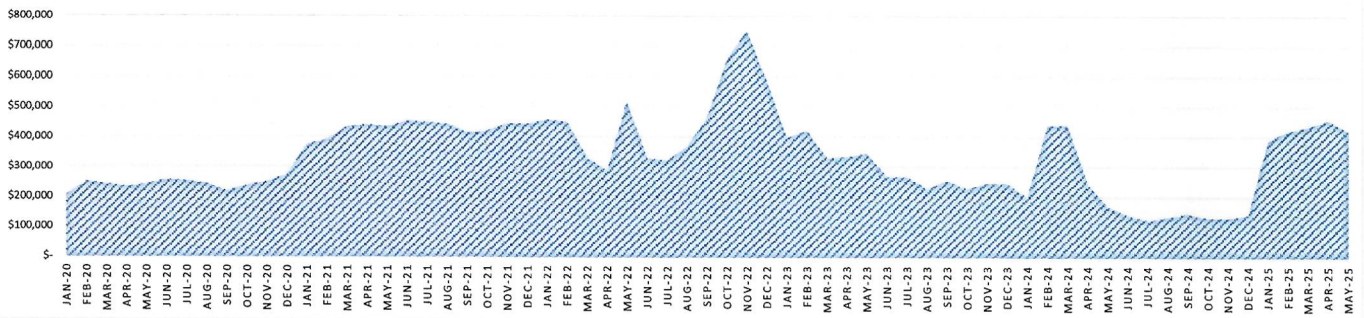
Total INCOME	\$ 87,114	\$ 88,685	\$ 78,012	\$ 82,913	\$ 77,212	\$ 413,936	\$ 587,770	\$ 1,230,553
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EXPENSES	Jan	Feb	Mar	Apr	May	2025 YTD	2024 YTD	2025 Budget
810 Operator Salaries	\$ 11,023	\$ 11,094	\$ 9,231	\$ 11,007	\$ 18,719	\$ 61,074	\$ 64,361	\$ 142,541
820 Parts, Supplies, Tools	\$ 1,696	\$ 933	\$ 459	\$ 683	\$ 3,491	\$ 7,262	\$ 51,565	\$ 12,505
830 Repairs & Maintenance				\$ 1,554		\$ 1,554	\$ 22,221	\$ 34,799
840 USAS	\$ 19	\$ 15	\$ 4	\$ 7	\$ 15	\$ 59	\$ 91	\$ 263
850 WMWD	\$ 14,278	\$ 15,188	\$ 13,718	\$ 14,863	\$ 13,737	\$ 71,784	\$ 85,824	\$ 225,348
860 Pumping - Electricity	\$ 16,873	\$ 5,880		\$ 10,658	\$ 5,923	\$ 39,334	\$ -	\$ -
870 Laboratory Fees		\$ 2,425		\$ 3,389	\$ 477	\$ 6,292	\$ 15,414	\$ 19,185
880 Chlorine		\$ 1,128			\$ 1,068	\$ 2,195	\$ 5,479	\$ 12,844
881 Outside Services	\$ 5,745	\$ 5,710	\$ 7,190	\$ 12,560	\$ 3,920	\$ 35,125	\$ 48,219	\$ 134,287
902 Accounting	\$ 325	\$ 325	\$ 325	\$ 325	\$ 7,452	\$ 8,752	\$ 3,850	\$ 5,475
904 Administrative Salaries	\$ 9,599	\$ 9,207	\$ 9,447	\$ 9,714	\$ 14,122	\$ 52,090	\$ 57,391	\$ 129,679
906 Auto, Truck Expenses			\$ 380			\$ 380	\$ 385	\$ 1,464
907 Fuel	\$ 448	\$ 811	\$ 6	\$ 430	\$ 515	\$ 2,210	\$ 5,708	\$ 10,650
908 Bank Service Charges	\$ 490	\$ 466	\$ 454	\$ 402	\$ 401	\$ 2,213	\$ 941	\$ 2,435
909 Cashier Over/Short						\$ -	\$ -	\$ -
910 Depreciation Expense						\$ -	\$ -	\$ -
912 Dues and Subscriptions	\$ 2,379	\$ 985	\$ 535	\$ 10	\$ 10	\$ 3,919	\$ 5,786	\$ 6,780
913 Vehicle Maint and Repairs		\$ 56	\$ 42	\$ 23		\$ 121	\$ -	\$ -
914 Square Merch Fee						\$ -	\$ 3	\$ -
915 Computer Fees and Services	\$ 2,689	\$ 3,005	\$ 9,205	\$ 2,687	\$ 2,602	\$ 20,188	\$ 13,783	\$ 33,293
925 Engineering						\$ -	\$ -	\$ -
930 Employee Benefits						\$ -	\$ -	\$ (520)
932 Equipment Rental	\$ 750	\$ 778	\$ 2,250	\$ 1,830	\$ 750	\$ 6,358	\$ 4,214	\$ 9,597
935 Insurance Auto					\$ 2,015	\$ 2,015	\$ 1,016	\$ 14,078
936 Workers Comp	\$ 1,323	\$ 1,283	\$ 1,221	\$ 1,312		\$ 5,139	\$ 10,027	\$ 17,453
937 Vision	\$ 6	\$ 21	\$ 21	\$ 42		\$ 90	\$ 129	\$ 334
938 Liability						\$ -	\$ 10,890	\$ -
939 Health	\$ 2,883		\$ 107	\$ 725	\$ 2,069	\$ 5,784	\$ 22,630	\$ 46,574
940 Dental		\$ 107				\$ 107	\$ (84)	\$ 9,203
941 D&O, EPI	\$ 18,766	\$ (684)				\$ 18,082	\$ 6,022	\$ 24,668
942 Licenses, Permits, Fees	\$ 70				\$ 60	\$ 130	\$ 50	\$ 1,187
943 Meals & Entertainment	\$ 92	\$ 35			\$ 2,080	\$ 2,207	\$ 1,244	\$ 1,179
944 Office Expense	\$ 809	\$ 1,469	\$ 266	\$ 1,540		\$ 4,084	\$ 19,028	\$ 24,092
946 Payroll Processing Fee	\$ 1,487	\$ 1,275	\$ 1,275	\$ 1,293	\$ 1,976	\$ 7,307	\$ 5,700	\$ 14,769
947 Outside Services - General		\$ 750	\$ 1,000			\$ -	\$ -	\$ -
948 Payroll Taxes	\$ 2,968	\$ 2,228	\$ 1,519	\$ 2,643	\$ 2,628	\$ 11,986	\$ 6,610	\$ 17,707
950 Postage, Delivery		\$ 705	\$ 502	\$ 604		\$ 1,811	\$ 2,389	\$ 7,157
952 Telephone	\$ 184	\$ 451	\$ 168	\$ 436	\$ 353	\$ 1,592	\$ 2,018	\$ 3,653
956 Uniforms			\$ 449			\$ 449	\$ -	\$ (57)
958 Utilities	\$ 368		\$ 35	\$ 493	\$ 162	\$ 1,059	\$ 35,979	\$ 77,278
959 Professional Fees		\$ 298				\$ -	\$ 1,038	\$ -
961 Legal Services		\$ 936	\$ 199		\$ 398	\$ 1,533	\$ 10,995	\$ 29,078
962 Attorney Settlement						\$ -	\$ -	\$ -
996 State Income Tax					\$ 6,041	\$ 6,041	\$ -	\$ -
749 Property Tax						\$ 0	\$ -	\$ -
Total EXPENSES	\$ 95,269	\$ 66,880	\$ 60,010	\$ 79,231	\$ 90,986	\$ 390,328	\$ 520,916	\$ 1,068,979

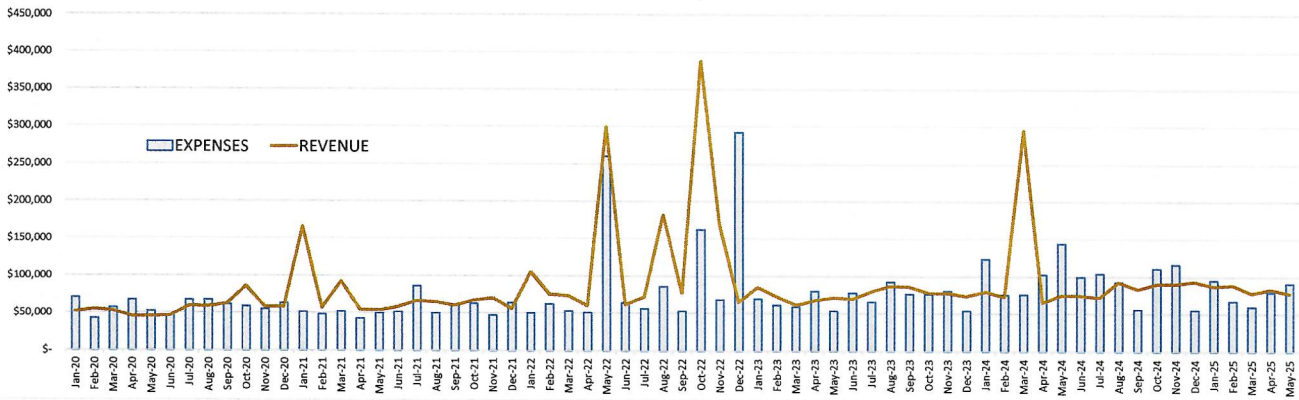
Net Income	\$ (8,155)	\$ 21,805	\$ 18,002	\$ 3,682	\$ (13,774)	\$ 23,608	\$ 66,854	\$ 161,575
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Exhibit 2 **Cash Reserves (In Bank)** \$ 388,652 \$ 420,832 \$ 435,524 \$ 457,598 \$ 420,527 \$ 168,453

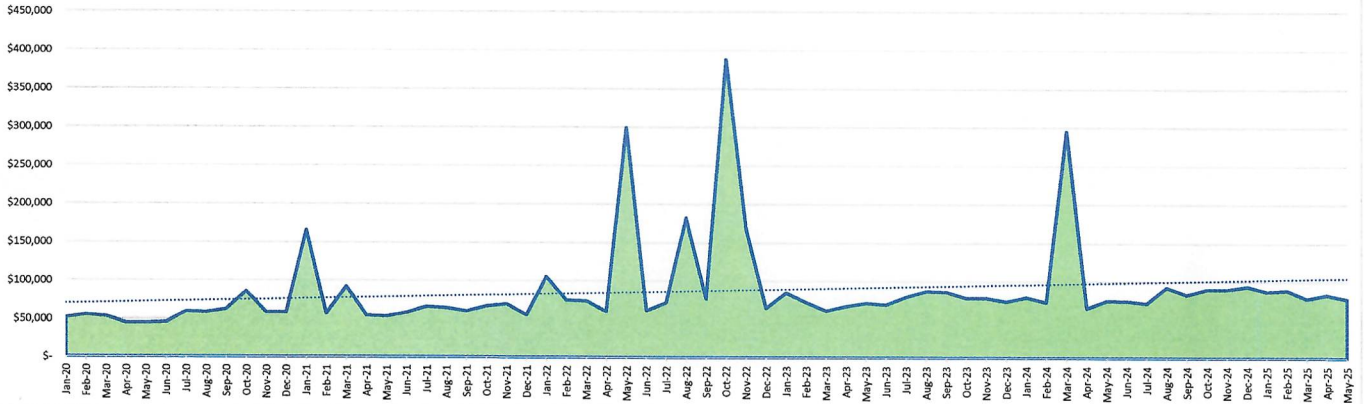
TOTAL BANK BALANCE



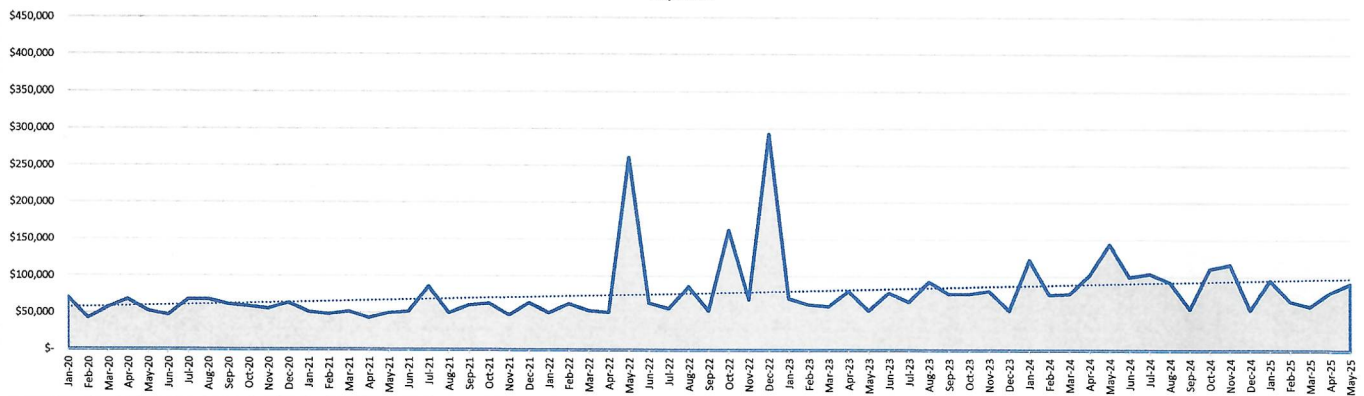
Revenue and Expense



Revenue



Expense



2025

Meter Reads and Payment Data

Prior Read	End Read	# Days in Cycle	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
12/27	1/29	33	639	1/27	\$ 100,277.92	\$ 94,566.25	\$ 5,711.67	\$ 95,937.05	\$ 441.77	636	1/29/2025	0	\$ 1,022.83	\$ 10,116.69	\$ 6,687.42	\$ 75,931.08
1/29	2/27	29	639	2/24	\$ 87,308.24	\$ 95,470.90	\$ (8,162.66)	\$ 96,215.21	\$ 476.69	667	2/27/2025	113	\$ 948.56	\$ 669.13	\$ 683.37	\$ 77,588.00
2/28	3/28	30	639	3/26	\$ 103,536.09	\$ 86,679.65	\$ 16,856.44	\$ 86,697.78	\$ 458.74	656	3/31/2025	57	\$ 525.00	\$ 1,723.03	\$ 1,252.03	\$ 78,618.12
3/29	4/29	30	639	4/24	\$ 74,730.31	\$ 89,140.64	\$ (14,410.33)	\$ 89,807.52	\$ 458.74	656	4/30/2025	56	\$ 1,827.42	\$ 1,648.33	\$ 266.02	\$ 76,259.32
4/30	5/29	29	642	5/27	\$ 81,145.47	\$ 83,345.70	\$ (2,200.23)	\$83,016.58	\$ 444.69	630	5/30/2025	59	\$ 1,140.00	\$ 6,067.91	\$ 303.28	\$ 74,626.67